

To: James L. App, City Manager  
From: Mike Compton, Director of Administrative Services  
Subject: Public Hearing - Sewer and Water Development Impact Fees  
DATE: August 3, 2004

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Needs:

Upon close of public hearing, consider adoption of a resolution modifying sewer and water development impact fees.

Facts:

1. In the spring of 2001, the Council adopted its primary goals for the following two years. One of the top goals included a “complete review of development and user fees to cover impact and service costs”.
2. Following numerous meetings with interested parties, public workshops and public hearings, the Council adopted new sewer and water impact fees on December 18, 2001.
3. The fees adopted on December 18, 2001 by Resolution No. 01-266 became effective March 1, 2002.
4. The adopting resolution provided for an annual adjustment based upon the percent change in the Engineering New Record, a construction cost index and that the fees be revisited every two years.
5. Given that it has been two years since the last review, the Council approved a budget appropriation and contract with Foresight Consulting to update sewer and water impact fees.
6. The update has been completed and is attached herewith as Attachment “B”. Since the update was released by Foresight Consulting on May 24, 2004, the City has received revised cost estimates for Nacimiento Water. The revised cost for Nacimiento Water has been included in the project schedule and resulting fees as Attachment “A” to the resolution attached herewith.
7. The updated project schedule represents staff’s best judgment at this time as to the infrastructure needs for sewer and water. It is expected that new master plans for sewer and water facilities will be completed over the next eighteen to twenty-four months at which time the fees will again be revisited. However, the updated fees presented herein do reflect the new build out population of 44,000 as identified in the recently adopted General Plan.

8. The “revised” Final Report indicates that fees for a single-family residence sewer connection should be reduced from \$4,436 to \$4,351 and the water connection fee should be increased from \$3,703 to \$7,734.
9. Staff has presented the Report to the Council’s ad hoc committee, Councilmen George Finigan and Jim Heggarty, who supported adoption of the revised fees as proposed.
10. Staff met with representatives of the HBA to address their concerns relative to the proposed fees. The development community is mainly concerned with implementation timing. They also raised a concern with a perception that they’re paying fees twice for the same project (These issues are addressed below).

Analysis  
and  
Conclusion:

As noted above, it is proposed that the sewer impact fee be reduced from \$4,436 to \$4,351 for a single family residential unit. This reduction is mainly due to the newly adopted General Plan calling for a population increase from 35,000 to 44,000 at build-out and slightly due to a nominal decline in the total share of the project costs allocated to new development, \$25,030,000 versus \$24,760,000.

The City continues to face significant challenges relating to its’ treatment of sewage and its ultimate disposal. The project list in the attached revised report does NOT yet reflect these challenges as they have not yet been clearly defined. *It is expected that as these challenges are converted to clearly defined projects, impact fees will increase substantially.*

The revised final report indicates that water impact fees should be increased from \$3,703 to \$7,734 for a single family residential unit. The sharp rise in fees is attributable to the inclusion of Nacimiento Water (including water treatment facility for same) and additional water storage capacity needed to serve new development. All but \$84 of the increase is for Nacimiento Water. Of the cost for Nacimiento Water 50% is being allocated to new development. Given the water quality issue as it relates to existing wastewater discharges, current and future sewer users are being required to pick up the remaining 50% cost.

As previously noted, the Home Builders Association (HBA) is concerned mainly with implementation timing of the new fees but they have a second concern relating to the disposition of fees already collected and their impact upon the proposed fees. First, it is their desire that all projects in the “pipeline” be grandfathered in under the existing fees. This was their request two years ago then the first study was prepared and again when the City’s AB1600 development impact fees (non-utility) were adopted a year ago. It has been and will likely always be their desire. However, the Council has never granted “pipeline” projects such relief. To do so would likely result in financial chaos wherein insufficient revenues would be collected to build the infrastructure required to serve new development. This would result in existing utility customers having to carry the burden of paying for said infrastructure through higher user fees. When the current fees were adopted in December 2001, they became effective March 1, 2002 and were payable

when the building permit was pulled and paid for. Similarly with AB 1600 fees, they were adopted March 4, 2003 and became effective May 3, 2003 or June 2, 2003 depending upon receipt of permit application and ability of Building Division to process said applications.

Due to a public noticing deficiency, the proposed September 1, 2004 implementation date must be postponed to October 4, 2004. The Council may, of course, extend the implementation date further if they wish.

With regards to the second issue raised by the HBA regarding a credit for total fees collected since the fees were last updated towards the new project list. If the Council were inclined to provide a credit for fees collected since the update, there should be a corresponding credit (reduction) in the General Plan EDUs. The net effect, *generally*, is no change in the fee because the allocation of remaining costs over the lower number of EDUs increases the impact fee which offsets the reduction resulting from a applying the credit for fees already collected.

Fiscal  
Impact:

Should the Council adopt the fees as proposed by the Study, the sewer impact fee would decrease from \$4,436 to \$4,351, representing a decrease of \$85 and the water connection fee should be increased from \$3,703 to \$7,734 representing an increase of \$4,031. Of the \$4,031 increase, \$3,303 is attributable to Nacimiento Water and \$644 is attributable to a water treatment facility for Nacimiento Water. This leaves only \$84 of the total increase for other water projects needed to serve new development. As noted above, new development is being required to pay 50% of the cost of Nacimiento Water.

For informational purposes, Atascadero Mutual Water just raised their water impact fee for a 5/8" service from \$3,255 to \$12,500. Templeton Community Services District has not yet adopted new fees but their fee is currently set at \$3,642 and it has been recommended that it go to \$12,294.

Options:

That the Council:

- a. Adopt Resolution No. 04-XX establishing new sewer and water development impact fees; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING REVISED SEWER AND WATER CONNECTION FEES

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WHEREAS, the City Council revised the City's sewer and water connection fees (development impact fees) on December 18, 2001 by approving Resolution No. 01-266; and

WHEREAS, Resolution No. 01-266 called for bi-annual updates; and

WHEREAS, the City Council approved Resolution No. 03-212 authorizing a budget appropriation for the fee update study; and

WHEREAS, the City engaged the firm of Foresight Consulting to update the sewer and water connections in accordance with Council policy; and

WHEREAS, in accordance with procedures set forth in state law, copies of the report prepared by Foresight Consulting have been and are available for public review and copying; and

WHEREAS, the study found that sewer and water connection fees should be increased in order to provide sufficient funding to construct the sewer and water infrastructure improvements necessary to serve future growth.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that based upon the Study prepared by Foresight Consulting, there is a need to modify the existing sewer and water connection fees in amounts necessary to cover the estimated reasonable cost of providing sewer and water services.

BE IT FURTHER RESOLVED that the City Council of the City of El Paso de Robles hereby approves and adopts the schedule of sewer and water connection fees, attached hereto as Exhibit "A", that shall be effective October 4, 2004. Said fees shall be payable for each and every building permit issued on or after October 4, 2004. For fees that may have been "advance paid," the permittee shall pay the difference between the pre-paid fee and the new fee when the permit is issued.

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles that the fees identified in Exhibit "A" shall be modified annually each July 1 based on the change in the Engineering News Record's construction cost index as reported for the twelve month period ending in April of each year.

BE IT FINALLY RESOLVED by the City Council of the City of El Paso de Robles that said sewer and water connection fees shall reviewed no less than bi-annually in conjunction with the update of the City's four year financial plan to ensure that the sewer and water connection fees then in existence do not exceed the estimated reasonable costs of providing the public facilities and services for which they are imposed.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 3<sup>rd</sup> day of August 2004 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Frank Mecham, Mayor

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk

## EXHIBIT "A"

### Sewer and Water Development Impact (Connection) Fee Schedule

**TABLE A - Water Connection Fees (5/8" and 3/4" metered service):**

\$7,734 per single-family residence	
\$6,134 per multi-family residence (unit)	
\$7,734 per mobile home park space	
\$7,734 per mobile home subdivision lot	
\$7,734 per commercial unit +	\$530 per unit
\$7,734 per hospital/convalescent home +	\$530 per room
\$7,734 per motel/hotel +	\$530 per room
\$7,734 per school +	\$530 per classroom
\$7,734 per industrial/manufacturing +	\$0.189 per sq.ft.

**TABLE B - Water Connection Fees (services w/meters 1" or larger):**

<u>Meter Size</u>	<u>Fee</u>
1"	\$ 12,916
1 1/2"	\$ 25,755
2"	\$ 41,224
3"	\$ 82,525
4"	\$128,930
6"	\$257,783
8"	\$412,468
10"	\$592,986

#### **Sewer Connection Fees:**

\$4,351 per single-family residence	
\$6,134 per multi-family residence	
\$4,351 per mobile home park space	
\$4,351 per mobile home subdivision lot	
\$4,351 per commercial unit	
\$4,351 per hospital/convalescent home +	\$201 per room
\$4,351 per motel/hotel +	\$82 per room
\$6,148 per school +	\$82 per classroom
\$4,004 per industrial/manufacturing +	\$47 per 5 employees

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**Table W-1**  
**Water System - Summary of Costs of Adopted and Planned Projects**  
*City of Paso Robles*

<b>Water System Facilities - Recent or Current CIP</b>		<b>Projected Cost</b>	<b>Yr. of \$ Est.<sup>b</sup></b>
<b>Water Supply Wells</b>			
New Well Installation #8 @ Airport	c	\$500,000	2003
New Well #9 Installation	c	\$500,000	2003
New Well #10 Installation	c	\$500,000	2003
New Well #11 Installation	c	\$500,000	2003
Subtotal - Water Supply Wells		\$2,000,000	
<b>Future Water Supply</b>			
Lake Nacimiento/Future Supply	e	\$61,300,000	2003
<b>Storage Reservoirs</b>			
<u>Adopted or Planned CIP</u>			
Southeast Reservoir Siting Study, Design & Constr.	e	\$8,000,000	2004
New 21st Street Reservoir Tank	e	\$4,000,000	2004
Upgrade & Re-locate City Yard Booster Pump	e	\$1,500,000	2004
<u>Master Plan Improvements</u>			
New 0.7 MG Tank, West of Cuerno Largo Way	b	\$350,000	1995
Subtotal - Storage Reservoirs		\$13,850,000	
<b>Transmission Projects</b>			
<u>Adopted CIP</u>			
Fire Flow @ South City Limits	c	\$1,000,000	2003
Install Main: Thunderbird to Charolais	c	\$2,500,000	2003
Install Main: Golden Hill Road to Dallona (24-inch)	c	\$800,000	2003
SCADA/Telemetry Improvements	c	\$30,000	2003
19th St, Install 16" line, Spring to Pine Streets	a	\$80,000	1999
Subtotal - Adopted CIP		\$4,410,000	
<u>Master Plan Improvements</u>			
<u>Update Water Master Plan</u>			
Chestnut St., 17th to 19th, Upgrade 10" to 16"	b	\$70,000	1995
Hwy 101, T.B. Well Site to Volpi Yasbel, New 16"	b	\$1,000,000	1995
Volpi Yasbel Rd., 101 to Theater Dr., New 16"	b	\$1,100,000	1995
1,060 Zone, From Tank to 10" line, New 12"	b	\$114,000	1995
1,060 Zone, From Tank to Theatre Dr., New 10"	b	\$818,000	1995
Golden Hill/Rolling Hills Rd to Union Upgrade to 24"	b	\$269,000	1995
Golden Hill/Union to Dry Creek Rd Upgrade to 24"	b	\$1,155,000	1995
Dry Creek Rd/Golden Hill to Airport Rd Upgrade to 24"	b	\$653,000	1995
Gilead Lane/Golden Hill to So. Of Union Rd New 24"	b	\$640,000	1995
Airport Rd/Hwy 46 to So. Of Union New 24"	b	\$495,000	1995
Airport Rd/Paso Robles Rd to Hwy 46 New 16"	b	\$132,000	1995
Hwy 46/Airport Rd to Eastern Boundary New 16"	b	\$818,000	1995
Future N. to S. Road/Hwy 46 to Tower Rd New 16"	b	\$1,179,000	1995
Tower Rd/E. side of Airport to W. side of Airport New 16"	b	\$669,000	1995
Airport Rd/Tower to Rollie Gate New 16"	b	\$502,000	1995
Dry Creek Rd/Airport Rd to East. Boundary New 16"	b	\$730,000	1995
Linne Road/Fontana to Future Arterial Upgrade to 16"	b	\$554,000	1995
Future N to S Arterial/S of Union to Linne New 16"	b	\$1,056,000	1995
Meadowlark Rd/Creston to Beechwood Upgrade to 10"	b	\$81,000	1995
Creston Rd/ Charolais to Future Arterial New 16"	b	\$502,000	1995
So River Rd/Union to E of Ronconi Wells Upgrade to 16"	b	\$466,000	1995



**Table W-1**  
**Water System - Summary of Costs of Adopted and Planned Projects**  
*City of Paso Robles*

<b>Water System Facilities - Recent or Current CIP</b>	<b>Projected Cost</b>	<b>Yr. of \$ Est.<sup>b</sup></b>
E of So River Rd/ So River Rd to Red Cloud New 8" <span style="float: right;">b</span>	\$86,000	1995
Subtotal - Master Plan Improvements	\$13,144,000	
Subtotal - All Transmission Projects	\$17,554,000	
<b>Completed Projects</b>		
Malcom Pirmie W/WW Quality Study	\$42,000	2003
Sewer Development Impact Fee Study (original)	\$17,000	2001
Review of Sewer Development Impact Fees	\$6,000	2004
Install 16" Union Road Main	\$211,000	2003
Subtotal - Completed Projects	\$276,000	
<b>Total - All Projects</b>	<b>\$94,980,000</b>	

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.  
a. Source: City of Paso Robles, Appendix "F", Adopted Capital Improv. Program, Four Year Period Ending June 30, 2002. No date given.  
b. 1999 costs are from Appendix "F" and assumed to be in \$1999. 1995 costs are from 1995 Master Plan Update and assumed to be in \$1995.  
c. Exhibit "J", Capital Improvements Projects Budget, Fiscal Year 2004 to 2007, City of Paso Robles, November 2003.  
d. Source: City of Paso Robles, Depreciation Schedule - FY 2003, Water Operations Fund (*Water Depreciation.xls FY2003*), lines 414 and 440.  
e. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumpner/Foresight Consulting.

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Attachment "A"  
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**Table W-2**  
**Water System - Allocation of Adopted and Planned C.I.P. Project Costs**  
City of Paso Robles

	Cost <sup>a</sup>	Year of Cost Estimate <sup>a</sup>		Escalation Factor <sup>b</sup>	Cost (In \$2004)	Allocation to Future Users		
		Estimate <sup>a</sup>	Estimate <sup>a</sup>			Percent <sup>c</sup>	Cost (\$2004) <sup>d</sup>	
<b>Water System Facilities - Recent or Current CIP<sup>a</sup></b>								
<b>Water Supply Wells</b>								
New Well Installation #8 @ Airport	\$500,000	2003		1.025	\$513,000	100%	\$513,000	
New Well #9 Installation	\$500,000	2003		1.025	\$513,000	100%	\$513,000	
New Well #10 Installation	\$500,000	2003		1.025	\$513,000	100%	\$513,000	
New Well #11 Installation	\$500,000	2003		1.025	\$513,000	100%	\$513,000	
	<u>\$2,000,000</u>				<u>\$2,052,000</u>		<u>\$2,052,000</u>	
<b>Future Water Supply</b>								
Lake Nacimiento/Future Supply	\$61,300,000	2003		1.025	\$62,833,000	50%	\$31,417,000	
<b>Storage Reservoirs</b>								
<u>Adopted or Planned CIP (e)</u>								
Southeast Reservoir Siting Study, Design & Constr.	\$8,000,000	2004		1.000	\$8,000,000	100%	\$8,000,000	
New 21st Street Reservoir Tank	\$4,000,000	2004		1.000	\$4,000,000	100%	\$4,000,000	
Upgrade & Re-locate City Yard Booster Pump	\$1,500,000	2004		1.000	\$1,500,000	65%	\$975,000	
<u>Master Plan Improvements</u>								
New 0.7 MG Tank, West of Cuerno Largo Way	\$350,000	1995		1.123	\$393,000	70%	\$275,000	
	<u>\$13,850,000</u>				<u>\$13,893,000</u>		<u>\$13,250,000</u>	
<b>Transmission Projects</b>								
<u>Adopted CIP</u>								
Fire Flow @ South City Limits	\$1,000,000	2003		1.025	\$1,025,000	39%	\$400,000	
Install Main: Thunderbird to Charolais	\$2,500,000	2003		1.025	\$2,563,000	39%	\$1,000,000	
Install Main: Golden Hill Road to Dallon (24-inch)	\$800,000	2003		1.025	\$820,000	39%	\$320,000	
SCADA/Telemetry Improvements	\$30,000	2003		1.025	\$31,000	39%	\$12,000	
19th St, Install 16" line, Spring to Pine Streets	\$80,000	1999		1.205	\$96,000	100%	\$96,000	
	<u>\$4,410,000</u>				<u>\$4,535,000</u>		<u>\$1,828,000</u>	
<u>Subtotal - Adopted CIP</u>								
<u>Master Plan Improvements</u>								
Update Water Master Plan	\$55,000	2003		1.025	\$56,000	39%	\$22,000	
Chestnut St., 17th to 19th, Upgrade 10" to 16"	\$70,000	1995		1.304	\$91,000	70%	\$64,000	
Hwy 101, T.B. Well Site to Volpi Yasbel, New 16"	\$1,000,000	1995		1.304	\$1,304,000	70%	\$913,000	
Volpi Yasbel Rd., 101 to Theater Dr., New 16"	\$1,100,000	1995		1.304	\$1,434,000	70%	\$1,004,000	
1,060 Zone, From Tank to 10" line, New 12"	\$114,000	1995		1.304	\$149,000	70%	\$104,000	
1,060 Zone, From Tank to Theatre Dr., New 10"	\$818,000	1995		1.304	\$1,067,000	70%	\$747,000	
Golden Hill/Rolling Hills Rd to Union Upgrade to 24"	\$269,000	1995		1.304	\$351,000	70%	\$246,000	
Golden Hill/Union to Dry Creek Rd Upgrade to 24"	\$1,155,000	1995		1.304	\$1,506,000	100%	\$1,506,000	
Dry Creek Rd/Golden Hill to Airport Rd Upgrade to 24"	\$653,000	1995		1.304	\$852,000	100%	\$852,000	
Gilead Lane/Golden Hill to So. Of Union Rd New 24"	\$640,000	1995		1.304	\$835,000	100%	\$835,000	
Airport Rd/Hwy 46 to So. Of Union New 24"	\$495,000	1995		1.304	\$645,000	100%	\$645,000	

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**Table W-2**  
**Water System - Allocation of Adopted and Planned C.I.P. Project Costs**  
City of Paso Robles

Water System Facilities - Recent or Current CIP <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>a</sup>	Escalation Factor <sup>b</sup>	Cost		Allocation to Future Users	
				(In \$2004)	Cost (\$2004) <sup>d</sup>	Percent <sup>c</sup>	Cost (\$2004) <sup>d</sup>
Airport Rd/Paso Robles Rd to Hwy 46 New 16"	\$132,000	1995	1.304	\$172,000	\$172,000	100%	\$172,000
Hwy 46/Airport Rd to Eastern Boundary New 16"	\$818,000	1995	1.304	\$1,067,000	\$1,067,000	100%	\$1,067,000
Future N. to S. Road/Hwy 46 to Tower Rd New 16"	\$1,179,000	1995	1.304	\$1,537,000	\$1,537,000	100%	\$1,537,000
Tower Rd/E. side of Airport to W. side of Airport New 16"	\$669,000	1995	1.304	\$872,000	\$872,000	100%	\$872,000
Airport Rd/Tower to Rollie Gate New 16"	\$502,000	1995	1.304	\$655,000	\$655,000	100%	\$655,000
Dry Creek Rd/Airport Rd to East. Boundary New 16"	\$730,000	1995	1.304	\$952,000	\$952,000	60%	\$571,000
Linne Road/Fontana to Future Arterial Upgrade to 16"	\$554,000	1995	1.304	\$722,000	\$722,000	25%	\$181,000
Future N to S Arterial/S of Union to Linne New 16"	\$1,056,000	1995	1.304	\$1,377,000	\$1,377,000	20%	\$275,000
Meadowlark Rd/Creston to Beechwood Upgrade to 10"	\$81,000	1995	1.304	\$106,000	\$106,000	70%	\$74,000
Creston Rd/ Charolais to Future Arterial New 16"	\$502,000	1995	1.304	\$655,000	\$655,000	25%	\$164,000
So River Rd/Union to E of Ronconi Wells Upgrade to 16"	\$466,000	1995	1.304	\$608,000	\$608,000	70%	\$426,000
E of So River Rd/ So River Rd to Red Cloud New 8"	\$86,000	1995	1.304	\$112,000	\$112,000	70%	\$78,000
<b>Subtotal - Master Plan Improvements</b>	<b>\$13,144,000</b>			<b>\$17,125,000</b>	<b>\$13,010,000</b>		
<b>Subtotal - All Transmission Projects</b>	<b>\$17,554,000</b>			<b>\$21,660,000</b>	<b>\$14,838,000</b>		
<b>Completed Projects</b>							
Malcom Pirnie WMMW Quality Study	\$42,000	2003	1.025	\$43,000	\$43,000	100%	\$43,000
Sewer Development Impact Fee Study (original)	\$17,000	2001	1.069	\$18,000	\$18,000	100%	\$18,000
Review of Sewer Development Impact Fees	\$6,000	2004	1.000	\$6,000	\$6,000	100%	\$6,000
Install 16" Union Road Main	\$211,000	2003	1.025	\$216,000	\$216,000	100%	\$216,000
<b>Subtotal - Completed Projects</b>	<b>\$276,000</b>			<b>\$283,000</b>	<b>\$283,000</b>		
<b>Total - All Projects</b>	<b>\$94,980,000</b>			<b>\$100,721,000</b>	<b>\$61,840,000</b>		

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

- a. From Table W-1.
- b. Factor needed to inflate cost to 2004 dollars, using the Handy-Whitman Index for Water Utility Construction (Bulletin No. 158, 1912 to July 2003).
  - 1.304 adjusts 1995 costs to 2004 costs for Transmission Plant, concrete cylinder mains, line 29.
  - 1.205 adjusts 1999 costs to 2004 costs for Transmission Plant, concrete cylinder mains, line 29.
  - 1.1236 adjusts 1995 costs to 2004 costs for Transmission Plant, Steel Reservoirs, line 23.
  - 1.069 adjusts 2001 costs to 2004 general Structures & Improvements, line 15.
- c. See Table W-3 for explanation of cost allocation percentages.
- d. Cost in year of estimate (e.g. 1995) times allocation percent to get \$2004.
- e. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumpner/Foresight Consulting.



**Table 1**  
**Costs Allocated to New Development (2004-2025)**

	Revised/Updated Results			2001 Conn. Fee Study <sup>d</sup>	
	Updated Total Costs (\$ mil.)	Costs Allocated To New Development (\$ mil.)	Percent Allocated	Costs Allocated To New Development (\$ mil.)	Percent Allocated
<b>Water Facilities<sup>a</sup></b>					
Water Supply Wells	\$2.05	<b>\$2.05</b>	100%	\$1.38	80%
Future Water Supply	\$62.83	<b>\$31.42</b>	50%	\$0.00	0%
Storage Reservoirs	\$13.89	<b>\$13.25</b>	95%	\$5.65	81%
Transmission Projects	\$21.66	<b>\$14.84</b>	69%	\$11.81	66%
<b>Total - Water Facilities</b>	<b>\$100.43</b>	<b>\$61.56</b>	<b>61%</b>	<b>\$18.84</b>	<b>71%</b>
<b>Sewer Facilities</b>					
Wastewater Treatment Facilities <sup>b</sup>					
Existing Facilities	\$4.92	<b>\$1.53</b>	31%	\$1.34	29%
Immediate-Term Projects	\$0.99	<b>\$0.70</b>	70%	\$0.00	0%
Short-Term Projects	\$5.27	<b>\$1.99</b>	38%	\$0.00	0%
Long-Term Projects	\$0.88	<b>\$0.64</b>	73%	\$2.76	37%
<b>Total - Treatment Facilities</b>	<b>\$12.06</b>	<b>\$4.85</b>	<b>40%</b>	<b>\$4.10</b>	<b>19%</b>
Sewer Collection Facilities <sup>c</sup>					
Projects from Adopted CIP	\$1.29	<b>\$0.39</b>	30%	\$0.36	13%
Planned CIP – Stage 2	\$1.60	<b>\$0.65</b>	41%	\$2.85	68%
Planned CIP – Stage 3	\$20.31	<b>\$18.87</b>	93%	\$17.72	92%
<b>Total - Collection Facilities</b>	<b>\$23.20</b>	<b>\$19.91</b>	<b>86%</b>	<b>\$20.93</b>	<b>68%</b>
<b>Total - Sewer Facilities</b>	<b>\$35.26</b>	<b>\$24.76</b>	<b>70%</b>	<b>\$25.03</b>	<b>48%</b>
<b>Total - Water &amp; Sewer Facilities</b>	<b>\$135.69</b>	<b>\$86.32</b>	<b>64%</b>	<b>\$43.87</b>	<b>56%</b>

a. Source: Appendix Table W-2. Excludes projects with no allocation to new users.

b. Source: Appendix Table WWTP-2. Excludes projects with no allocation to new users.

**Table 2**  
**Revised Sewer and Water**  
**Development Impact (Connection) Fee Schedules**

**TABLE A - Water Connection Fees<sup>(1)</sup>:**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$3,703	<b>\$7,734</b>	per single-family residence			
\$2,937	<b>\$6,134</b>	per multi-family residence (unit)			
\$3,703	<b>\$7,734</b>	per mobile home park space			
\$3,703	<b>\$7,734</b>	per mobile home subdivision lot			
\$3,703	<b>\$7,734</b>	per commercial unit +	\$254	<b>\$530</b>	per sub-unit
\$3,703	<b>\$7,734</b>	per hospital/convalescent home +	\$254	<b>\$530</b>	per room
\$3,703	<b>\$7,734</b>	per motel/hotel +	\$254	<b>\$530</b>	per unit
\$3,703	<b>\$7,734</b>	per school +	\$254	<b>\$530</b>	per classroom
\$3,703	<b>\$7,734</b>	per industrial/manufacturing +	\$0.090	<b>\$0.189</b>	per sq. ft.

**TABLE B - Water Connection Fees<sup>(1)</sup>:**

<u>Meter Size</u>	<u>Current<sup>(2)</sup></u>	<u>Revised</u>
5/8"	\$3,703	<b>\$7,734</b>
3/4"	\$3,703	<b>\$7,734</b>
1"	\$6,185	<b>\$12,916</b>
1-1/2"	\$12,332	<b>\$25,755</b>
2"	\$19,738	<b>\$41,224</b>
3"	\$39,514	<b>\$82,525</b>
4"	\$61,733	<b>\$128,930</b>
6"	\$123,429	<b>\$257,783</b>
8"	\$197,493	<b>\$412,468</b>
10"	\$283,926	<b>\$592,986</b>

(1) The applicable fee shall be the higher of Table A or Table B except for multi-family residential and mobile homes for meter sizes less than 1".

(2) Adopted 2-1-04. The final fee schedule, per the Building Division, has been modified to eliminate any distinction between mobile home spaces vs. lots.

**Sewer Connection Fees**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$4,436	<b>\$4,351</b>	per single-family residence			
\$4,081	<b>\$6,134</b>	per multi-family residence (unit)			
\$4,081	<b>\$4,351</b>	per mobile home park space			
\$4,081	<b>\$4,351</b>	per mobile home subdivision lot			
\$4,436	<b>\$4,351</b>	per commercial unit			
\$4,436	<b>\$4,351</b>	per hospital/convalescent home +	\$204	<b>\$201</b>	per room
\$4,436	<b>\$4,351</b>	per motel/hotel +	\$83	<b>\$82</b>	per unit
\$6,267	<b>\$6,148</b>	per school +	\$83	<b>\$82</b>	per classroom
\$4,436	<b>\$4,004</b>	per industrial/manufacturing +	\$48	<b>\$47</b>	per 5 employees



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May 24, 2004

Mr. Michael Compton  
Director of Administrative Services  
City of Paso Robles  
1000 Spring Street  
Paso Robles, CA 93446

Subject: **Final Letter Report – Updated Water and Sewer Connection Fees**

Dear Mr. Compton:

This report reflects your May 12 and March 23, 2004 changes to the previous versions of this report and summarizes Foresight's review of Paso Robles' water and sewer connection fees. This connection fee update was necessary because of the changes in the City's capital facilities plans since the City last reviewed these connection fees in 2001.

The methodology used to update these fees was the same as was used in 2001, and included updating the water, wastewater treatment, and sewer collection projects and costs and how they were allocated between current and future customers. The planning period was from 2004 through the buildout period of 2025, although sewer facilities costs were developed based on a buildout at 2020. The objective of this study is to better reflect the true cost of providing capacity to future customers.

### **Results of the Analysis**

Water connection fees were increased by 80% and sewer fees decreased by 2%. The following sections summarize the revised capital projects, how costs have been allocated to current and future customers, and the updated water and sewer connection fees.

**Revised Capital Improvement Projects and Costs** - Based on our review of the City's engineering and planning studies and discussions with staff from Public Works, we have added a number of new capital projects, deleted others, and revised the costs of a number of existing projects based on this more recent information. The most notable projects included in this analysis are:

#### *New Water System Projects:*

- Lake Nacimiento/Future Water Supply (Cost: \$45 million)
- Southeast Reservoir Siting Study (Cost: \$8.0 million)
- New 21<sup>st</sup> Street Reservoir Tank (Cost: \$4.0 million)
- Install Water Main: Thunderbird to Charolais (Cost: \$2.5 million)

#### *New Sewer System Projects:*

- Solids Handling Facilities Improvements (Cost: \$4.0 million)
- TCSD Interceptor Upgrades (Cost: \$3.0 million)
- Sludge Dewatering System (Cost: \$0.9 million)

May 24, 2004

Letter to Mr. Michael Compton

Subject: Final Letter Report - Updated Water and Sewer Connection Fees

Total costs of the updated capital projects (before allocations to new users) are \$84 million for water facilities, \$12 million for wastewater treatment, and \$23 million for sewer collection facilities. Projects for earthquake repair and those with no costs allocated to future users were excluded. The following section discusses the allocation of these costs.

**Cost Allocations** – These capital costs were allocated to new water and sewer customers based on the degree to which they would provide capacity and service to future customers.

Compared to the capital costs from the 2001 connection fee study, this allocation process resulted in a slightly higher overall *percentage* allocated to future customers (i.e., it increased from 56% to 66%) and a higher *total dollar amount* (i.e., it increased from \$44 million to \$78 million). This is due to the combination of the new projects added, the revised costs of existing projects, and updated allocations. Table 1 summarizes the total capital improvement costs and those costs allocated to new development (i.e., connection fees):

**Table 1**  
**Costs Allocated to New Development (2004-2025)**

	Revised/Updated Results			2001 Conn. Fee Study <sup>d</sup>	
	Updated Total Costs (\$ mil.)	Costs Allocated To New Development (\$ mil.)	Percent Allocated	Costs Allocated To New Development (\$ mil.)	Percent Allocated
<b>Water Facilities<sup>a</sup></b>					
Water Supply Wells	\$2.05	\$2.05	100%	\$1.38	80%
Future Water Supply	\$46.13	\$23.06	50%	\$0.00	0%
Storage Reservoirs	\$13.89	\$13.25	95%	\$5.65	81%
Transmission Projects	\$21.66	\$14.84	69%	\$11.81	66%
<b>Total - Water Facilities</b>	<b>\$83.73</b>	<b>\$53.20</b>	<b>64%</b>	<b>\$18.84</b>	<b>71%</b>
<b>Sewer Facilities</b>					
Wastewater Treatment Facilities <sup>b</sup>					
Existing Facilities	\$4.92	\$1.53	31%	\$1.34	29%
Immediate-Term Projects	\$0.99	\$0.70	70%	\$0.00	0%
Short-Term Projects	\$5.27	\$1.99	38%	\$0.00	0%
Long-Term Projects	\$0.88	\$0.64	73%	\$2.76	37%
<b>Total - Treatment Facilities</b>	<b>\$12.06</b>	<b>\$4.85</b>	<b>40%</b>	<b>\$4.10</b>	<b>19%</b>
Sewer Collection Facilities <sup>c</sup>					
Projects from Adopted CIP	\$1.29	\$0.39	30%	\$0.36	13%
Planned CIP – Stage 2	\$1.60	\$0.65	41%	\$2.85	68%
Planned CIP – Stage 3	\$20.31	\$18.87	93%	\$17.72	92%
<b>Total - Collection Facilities</b>	<b>\$23.20</b>	<b>\$19.91</b>	<b>86%</b>	<b>\$20.93</b>	<b>68%</b>
<b>Total - Sewer Facilities</b>	<b>\$35.26</b>	<b>\$24.76</b>	<b>70%</b>	<b>\$25.03</b>	<b>48%</b>
<b>Total - Water &amp; Sewer Facilities</b>	<b>\$118.99</b>	<b>\$77.97</b>	<b>66%</b>	<b>\$43.87</b>	<b>56%</b>

a. Source: Appendix Table W-2. Excludes projects with no allocation to new users.

b. Source: Appendix Table WWTP-2. Excludes projects with no allocation to new users.

c. Source: Appendix Table SC-2. Excludes projects with no allocation to new users.

d. From the Water and Sewer Development Impact Fee Study - Final Report, November 26, 2001.

May 24, 2004

Letter to Mr. Michael Compton

Subject: Final Letter Report - Updated Water and Sewer Connection Fees

**Revised Connection Fees** – As a result of these updated costs and allocations, the water connection fees need to be *increased 80%* and the sewer connection fees *decreased 2%*. Table 2 summarizes the current and revised connection fees.

**Table 2**  
**Revised Sewer and Water**  
**Development Impact (Connection) Fee Schedules**

**TABLE A - Water Connection Fees<sup>(1)</sup>:**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$3,703	<b>\$6,685</b>	per single-family residence			
\$2,937	<b>\$5,302</b>	per multi-family residence (unit)			
\$3,703	<b>\$6,685</b>	per mobile home park space			
\$3,703	<b>\$6,685</b>	per mobile home subdivision lot			
\$3,703	<b>\$6,685</b>	per commercial unit +	\$254	<b>\$458</b>	per sub-unit
\$3,703	<b>\$6,685</b>	per hospital/convalescent home +	\$254	<b>\$458</b>	per room
\$3,703	<b>\$6,685</b>	per motel/hotel +	\$254	<b>\$458</b>	per unit
\$3,703	<b>\$6,685</b>	per school +	\$254	<b>\$458</b>	per classroom
\$3,703	<b>\$6,685</b>	per industrial/manufacturing +	\$0.090	<b>\$0.164</b>	per sq. ft.

**TABLE B - Water Connection Fees<sup>(1)</sup>:**

<u>Meter Size</u>	<u>Current<sup>(2)</sup></u>	<u>Revised</u>
5/8"	\$3,703	<b>\$6,685</b>
3/4"	\$3,703	<b>\$6,685</b>
1"	\$6,185	<b>\$11,163</b>
1-1/2"	\$12,332	<b>\$22,260</b>
2"	\$19,738	<b>\$35,629</b>
3"	\$39,514	<b>\$71,325</b>
4"	\$61,733	<b>\$111,433</b>
6"	\$123,429	<b>\$222,799</b>
8"	\$197,493	<b>\$356,492</b>
10"	\$283,926	<b>\$512,511</b>

(1) The applicable fee shall be the higher of Table A or Table B except for multi-family residential and mobile homes for meter sizes less than 1".

(2) Adopted 2-1-04. The final fee schedule, per the Building Division, has been modified to eliminate any distinction between mobile home spaces vs. lots.

**Sewer Connection Fees**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$4,436	<b>\$4,351</b>	per single-family residence			
\$4,081	<b>\$5,302</b>	per multi-family residence (unit)			
\$4,081	<b>\$4,351</b>	per mobile home park space			
\$4,081	<b>\$4,351</b>	per mobile home subdivision lot			
\$4,436	<b>\$4,351</b>	per commercial unit			
\$4,436	<b>\$4,351</b>	per hospital/convalescent home +	\$204	<b>\$201</b>	per room
\$4,436	<b>\$4,351</b>	per motel/hotel +	\$83	<b>\$82</b>	per unit
\$6,267	<b>\$6,148</b>	per school +	\$83	<b>\$82</b>	per classroom
\$4,436	<b>\$4,004</b>	per industrial/manufacturing +	\$48	<b>\$47</b>	per 5 employees



May 24, 2004

Letter to Mr. Michael Compton

Subject: Final Letter Report - Updated Water and Sewer Connection Fees

The two primary factors used to calculate these new connection fees are (1) the updated capital costs allocated to new users, and (2) the number of equivalent dwelling units (or EDU's) of capacity that these new facilities provide to new users. Both of these rely on the projected buildout year and population. Since the last connection fee study, the City has adopted a new general plan with a new projected buildout at 2025 rather than 2020. This new buildout is projected to have a total population of 44,000, compared to 35,000 for the previous 2020 buildout.

Water connection fees are based on this new buildout period and population. However, the engineering cost estimates for sewer treatment facilities were developed based on the 2020 buildout. Therefore, the sewer connection fees were calculated based on a projected number of EDU's and buildout at 2020. As these engineering studies and cost estimates are updated in the future to meet the 2025 buildout population, the sewer connection fees will need to be adjusted accordingly.

To document the details of these calculations, I am providing you with the Excel spreadsheet model used to develop these results and a hard copy of the detailed tables in the model under separate cover.

Thank you for using Foresight Consulting for this study. I appreciate the opportunity to work with you again. If you have any additional questions about this analysis, please do not hesitate to call me.

Sincerely,  
FORESIGHT Consulting

---

Greg Clumpner  
Economist and Principal

Table W-1

## Water System - Summary of Costs of Adopted and Planned Projects

City of Paso Robles

<b>Water System Facilities - Recent or Current CIP</b>		<b>Projected Cost</b>	<b>Yr. of \$ Est.<sup>b</sup></b>
<b>Water Supply Wells</b>			
New Well Installation #8 @ Airport	c	\$500,000	2003
New Well #9 Installation	c	\$500,000	2003
New Well #10 Installation	c	\$500,000	2003
New Well #11 Installation	c	\$500,000	2003
Subtotal - Water Supply Wells		<u>\$2,000,000</u>	
<b>Future Water Supply</b>			
Lake Nacimiento/Future Supply	e	\$45,000,000	2003
<b>Storage Reservoirs</b>			
<u>Adopted or Planned CIP</u>			
Southeast Reservoir Siting Study, Design & Constr.	e	\$8,000,000	2004
New 21st Street Reservoir Tank	e	\$4,000,000	2004
Upgrade & Re-locate City Yard Booster Pump	e	\$1,500,000	2004
<u>Master Plan Improvements</u>			
New 0.7 MG Tank, West of Cuerno Largo Way	b	\$350,000	1995
Subtotal - Storage Reservoirs		<u>\$13,850,000</u>	
<b>Transmission Projects</b>			
<u>Adopted CIP</u>			
Fire Flow @ South City Limits	c	\$1,000,000	2003
Install Main: Thunderbird to Charolais	c	\$2,500,000	2003
Install Main: Golden Hill Road to Dallona (24-inch)	c	\$800,000	2003
SCADA/Telemetry Improvements	c	\$30,000	2003
19th St, install 16" line, Spring to Pine Streets	a	<u>\$80,000</u>	1999
Subtotal - Adopted CIP		\$4,410,000	
<u>Master Plan Improvements</u>			
<u>Update Water Master Plan</u>			
Chestnut St., 17th to 19th, Upgrade 10" to 16"	b	\$70,000	1995
Hwy 101, T.B. Well Site to Volpi Yasbel, New 16"	b	\$1,000,000	1995
Volpi Yasbel Rd., 101 to Theater Dr., New 16"	b	\$1,100,000	1995
1,060 Zone, From Tank to 10" line, New 12"	b	\$114,000	1995
1,060 Zone, From Tank to Theatre Dr., New 10"	b	\$818,000	1995
Golden Hill/Rolling Hills Rd to Union Upgrade to 24"	b	\$269,000	1995
Golden Hill/Union to Dry Creek Rd Upgrade to 24"	b	\$1,155,000	1995
Dry Creek Rd/Golden Hill to Airport Rd Upgrade to 24"	b	\$653,000	1995
Gilead Lane/Golden Hill to So. Of Union Rd New 24"	b	\$640,000	1995
Airport Rd/Hwy 46 to So. Of Union New 24"	b	\$495,000	1995
Airport Rd/Paso Robles Rd to Hwy 46 New 16"	b	\$132,000	1995
Hwy 46/Airport Rd to Eastern Boundary New 16"	b	\$818,000	1995
Future N. to S. Road/Hwy 46 to Tower Rd New 16"	b	\$1,179,000	1995
Tower Rd/E. side of Airport to W. side of Airport New 16"	b	\$669,000	1995
Airport Rd/Tower to Rollie Gate New 16"	b	\$502,000	1995
Dry Creek Rd/Airport Rd to East. Boundary New 16"	b	\$730,000	1995
Linne Road/Fontana to Future Arterial Upgrade to 16"	b	\$554,000	1995
Future N to S Arterial/S of Union to Linne New 16"	b	\$1,056,000	1995
Meadowlark Rd/Creston to Beechwood Upgrade to 10"	b	\$81,000	1995
Creston Rd/ Charolais to Future Arterial New 16"	b	\$502,000	1995
So River Rd/Union to E of Ronconi Wells Upgrade to 16"	b	\$466,000	1995

**Table W-1**

**Water System - Summary of Costs of Adopted and Planned Projects**

*City of Paso Robles*

<b>Water System Facilities - Recent or Current CIP</b>	<b>Projected Cost</b>	<b>Yr. of \$ Est.<sup>b</sup></b>
E of So River Rd/ So River Rd to Red Cloud New 8" <span style="float: right;">b</span>	\$86,000	1995
Subtotal - Master Plan Improvements	\$13,144,000	
Subtotal - All Transmission Projects	\$17,554,000	
<b>Completed Projects</b>		
Malcom Pirnie W/WW Quality Study	\$42,000	2003
Sewer Development Impact Fee Study (original)	\$17,000	2001
Review of Sewer Development Impact Fees	\$6,000	2004
Install 16" Union Road Main	\$211,000	2003
Subtotal - Completed Projects	\$276,000	
<b>Total - All Projects</b>	<b>\$78,680,000</b>	

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

a. Source: City of Paso Robles, Appendix "F", Adopted Capital Improv. Program, Four Year Period Ending June 30, 2002. No date given.

b. 1999 costs are from Appendix "F" and assumed to be in \$1999. 1995 costs are from 1995 Master Plan Update and assumed to be in \$1995.

c. Exhibit "J", Capital Improvements Projects Budget, Fiscal Year 2004 to 2007, City of Paso Robles, November 2003.

d. Source: City of Paso Robles, Depreciation Schedule - FY 2003, Water Operations Fund (*Water Depreciation.xls FY2003*), lines 414 and 440.

e. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumpner/Foresight Consulting.

Table W-2

## Water System - Allocation of Adopted and Planned C.I.P. Project Costs

City of Paso Robles

Water System Facilities - Recent or Current CIP <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>a</sup>	Escalation Factor <sup>b</sup>	Cost (in \$2004)	Allocation to Future Users	
					Percent <sup>c</sup>	Cost (\$2004) <sup>d</sup>
<b>Water Supply Wells</b>						
New Well Installation #8 @ Airport	\$500,000	2003	1.025	\$513,000	100%	\$513,000
New Well #9 Installation	\$500,000	2003	1.025	\$513,000	100%	\$513,000
New Well #10 Installation	\$500,000	2003	1.025	\$513,000	100%	\$513,000
New Well #11 Installation	\$500,000	2003	1.025	\$513,000	100%	\$513,000
Subtotal - Water Supply Wells	\$2,000,000			\$2,052,000		\$2,052,000
<b>Future Water Supply</b>						
Lake Nacimiento/Future Supply	\$45,000,000	2003	1.025	\$46,125,000	50%	\$23,063,000
<b>Storage Reservoirs</b>						
<u>Adopted or Planned CIP (e)</u>						
Southeast Reservoir Siting Study, Design & Constr.	\$8,000,000	2004	1.000	\$8,000,000	100%	\$8,000,000
New 21st Street Reservoir Tank	\$4,000,000	2004	1.000	\$4,000,000	100%	\$4,000,000
Upgrade & Re-locate City Yard Booster Pump	\$1,500,000	2004	1.000	\$1,500,000	65%	\$975,000
<u>Master Plan Improvements</u>						
New 0.7 MG Tank, West of Cuerno Largo Way	\$350,000	1995	1.123	\$393,000	70%	\$275,000
Subtotal - Storage Reservoirs	\$13,850,000			\$13,893,000		\$13,250,000
<b>Transmission Projects</b>						
<u>Adopted CIP</u>						
Fire Flow @ South City Limits	\$1,000,000	2003	1.025	\$1,025,000	39%	\$400,000
Install Main: Thunderbird to Charolais	\$2,500,000	2003	1.025	\$2,563,000	39%	\$1,000,000
Install Main: Golden Hill Road to Dallona (24-inch)	\$800,000	2003	1.025	\$820,000	39%	\$320,000
SCADA/Telemetry Improvements	\$30,000	2003	1.025	\$31,000	39%	\$12,000
19th St, Install 16" line, Spring to Pine Streets	\$80,000	1999	1.205	\$96,000	100%	\$96,000
Subtotal - Adopted CIP	\$4,410,000			\$4,535,000		\$1,828,000
<u>Master Plan Improvements</u>						
<u>Update Water Master Plan</u>						
Chestnut St., 17th to 19th, Upgrade 10" to 16"	\$70,000	1995	1.304	\$91,000	70%	\$64,000
Hwy 101, T.B. Well Site to Volpi Yasebel, New 16"	\$1,000,000	1995	1.304	\$1,304,000	70%	\$913,000
Volpi Yasebel Rd., 101 to Theatre Dr., New 16"	\$1,100,000	1995	1.304	\$1,434,000	70%	\$1,004,000
1,060 Zone, From Tank to 10" line, New 12"	\$114,000	1995	1.304	\$149,000	70%	\$104,000
1,060 Zone, From Tank to Theatre Dr., New 10"	\$818,000	1995	1.304	\$1,067,000	70%	\$747,000
Golden Hill/Rolling Hills Rd to Union Upgrade to 24"	\$269,000	1995	1.304	\$351,000	70%	\$246,000
Golden Hill/Union to Dry Creek Rd Upgrade to 24"	\$1,155,000	1995	1.304	\$1,506,000	100%	\$1,506,000
Dry Creek Rd/Golden Hill to Airport Rd Upgrade to 24"	\$653,000	1995	1.304	\$852,000	100%	\$652,000
Gilead Lane/Golden Hill to So. Of Union Rd New 24"	\$640,000	1995	1.304	\$835,000	100%	\$635,000
Airport Rd/Hwy 46 to So. Of Union New 24"	\$495,000	1995	1.304	\$645,000	100%	\$645,000

Table W-2

Water System - Allocation of Adopted and Planned C.I.P. Project Costs

City of Paso Robles

Water System Facilities - Recent or Current CIP <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>a</sup>	Escalation Factor <sup>b</sup>	Cost (in \$2004)	Allocation to Future Users	
					Percent <sup>c</sup>	Cost (\$2004) <sup>d</sup>
Airport Rd/Paso Robles Rd to Hwy 46 New 16"	\$132,000	1995	1.304	\$172,000	100%	\$172,000
Hwy 46/Airport Rd to Eastern Boundary New 16"	\$818,000	1995	1.304	\$1,067,000	100%	\$1,067,000
Future N. to S. Road/Hwy 46 to Tower Rd New 16"	\$1,179,000	1995	1.304	\$1,537,000	100%	\$1,537,000
Tower Rd/E. side of Airport to W. side of Airport New 16"	\$669,000	1995	1.304	\$872,000	100%	\$872,000
Airport Rd/Tower to Rollie Gate New 16"	\$502,000	1995	1.304	\$655,000	100%	\$655,000
Dry Creek Rd/Airport Rd to East. Boundary New 16"	\$730,000	1995	1.304	\$952,000	60%	\$571,000
Linne Road/Fontana to Future Arterial Upgrade to 16"	\$554,000	1995	1.304	\$722,000	25%	\$181,000
Future N to S Arterial/S of Union to Linne New 16"	\$1,056,000	1995	1.304	\$1,377,000	20%	\$275,000
Meadowmark Rd/Creston to Beechwood Upgrade to 10"	\$81,000	1995	1.304	\$106,000	70%	\$74,000
Creston Rd/Charolais to Future Arterial New 16"	\$502,000	1995	1.304	\$655,000	25%	\$164,000
So River Rd/Union to E of Ronconi Wells Upgrade to 16"	\$466,000	1995	1.304	\$608,000	70%	\$426,000
E of So River Rd/ So River Rd to Red Cloud New 8"	\$86,000	1995	1.304	\$112,000	70%	\$78,000
<b>Subtotal - Master Plan Improvements</b>	<b>\$13,144,000</b>			<b>\$17,125,000</b>		<b>\$13,010,000</b>
<b>Subtotal - All Transmission Projects</b>	<b>\$17,554,000</b>			<b>\$21,660,000</b>		<b>\$14,838,000</b>
<b>Completed Projects</b>						
Malcom Pirnie W/WWV Quality Study	\$42,000	2003	1.025	\$43,000	100%	\$43,000
Sewer Development Impact Fee Study (original)	\$17,000	2001	1.069	\$18,000	100%	\$18,000
Review of Sewer Development Impact Fees	\$6,000	2004	1.000	\$6,000	100%	\$6,000
Install 16" Union Road Main	\$211,000	2003	1.025	\$216,000	100%	\$216,000
<b>Subtotal - Completed Projects</b>	<b>\$276,000</b>			<b>\$283,000</b>		<b>\$283,000</b>
<b>Total - All Projects</b>	<b>\$78,680,000</b>			<b>\$84,013,000</b>		<b>\$53,486,000</b>

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

- a. From Table W-1.
- b. Factor needed to inflate cost to 2004 dollars, using the Handy-Whitman Index for Water Utility Construction (Bulletin No. 158, 1912 to July 2003).
  - 1.304 adjusts 1995 costs to 2004 costs for Transmission Plant, concrete cylinder mains, line 29.
  - 1.205 adjusts 1999 costs to 2004 costs for Transmission Plant, concrete cylinder mains, line 29.
  - 1.1236 adjusts 1995 costs to 2004 costs for Transmission Plant, Steel Reservoirs, line 23.
  - 1.069 adjusts 2001 costs to 2004 general Structures & Improvements, line 15.
- c. See Table W-3 for explanation of cost allocation percentages.
- d. Cost in year of estimate (e.g. 1995) times allocation percentage to get \$2004.
- e. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumpner/Foresight Consulting.

Table W-3

Water System - Explanation of Allocations to Future Development (\$2004)

City of Paso Robles

Water System Facilities - Recent or Current CIP	Alloc. Cost <sup>a</sup>	% Alloc. <sup>a</sup>	Explanation of Cost Allocation <sup>b</sup>
<b>Water Supply Wells</b>			
New Well Installation #8 @ Airport	\$513,000	100%	New facilities to serve future users.
New Well #9 Installation	\$513,000	100%	New facilities to serve future users.
New Well #10 Installation	\$513,000	100%	New facilities to serve future users.
New Well #11 Installation	\$513,000	100%	New facilities to serve future users.
Subtotal - Water Supply Wells	\$2,052,000		
<b>Future Water Supply</b>			
Lake Nacimiento/Future Supply	\$23,063,000	50%	New population of 13,622 divided by 2025 population of 44,000. <sup>c</sup>
<b>Storage Reservoirs</b>			
<u>Adopted or Planned CIP</u>			
Southeast Reservoir Siting Study, Design & Constr.	\$8,000,000	100%	New facilities to serve future users (City determination) <sup>d</sup> .
New 21st Street Reservoir Tank	\$4,000,000	100%	New facilities to serve future users (City determination) <sup>d</sup> .
Upgrade & Re-locate City Yard Booster Pump	\$975,000	65%	City allocation percent <sup>d</sup> .
<u>Master Plan Improvements</u>			
New 0.7 M/G Tank, West of Cuerno Largo Way	\$275,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Subtotal - Storage Reservoirs	\$13,250,000		
<b>Transmission Projects</b>			
<u>Adopted CIP</u>			
Fire Flow @ South City Limits	\$400,000	39%	New population of 17,192 divided by 2025 population of 44,000. <sup>e</sup>
Install Main: Thunderbird to Charolais	\$1,000,000	39%	New population of 17,192 divided by 2025 population of 44,000. <sup>e</sup>
Install Main: Golden Hill Road to Dallona (24-inch)	\$320,000	39%	New population of 17,192 divided by 2025 population of 44,000. <sup>e</sup>
SCADA/Telemetry Improvements	\$12,000	39%	New population of 17,192 divided by 2025 population of 44,000. <sup>e</sup>
19th St, Install 16" line, Spring to Pine Streets	\$96,000	100%	Identified as new facilities to serve future users per Public Works Dept.
Subtotal - Adopted CIP	\$1,828,000		
<u>Master Plan Improvements</u>			
Update Water Master Plan	\$22,000	39%	New population of 17,192 divided by 2025 population of 44,000. <sup>c</sup>
Chestnut St., 17th to 19th, Upgrade 10" to 16"	\$64,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Hwy 101, T.B. Well Site to Volpi Yasbel, New 16"	\$913,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Volpi Yasbel Rd., 101 to Theater Dr., New 16"	\$1,004,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
1,060 Zone, From Tank to 10" line, New 12"	\$104,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
1,060 Zone, From Tank to Theatre Dr., New 10"	\$747,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Golden Hill/Rolling Hills Rd to Union Upgrade to 24"	\$246,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Golden Hill/Union to Dry Creek Rd Upgrade to 24"	\$1,506,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Dry Creek Rd/Golden Hill to Airport Rd Upgrade to 24"	\$835,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Glissad Lane/Golden Hill to So. Of Union Rd New 24"	\$645,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Airport Rd/Hwy 46 to So. Of Union New 24"	\$172,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Hwy 46/Airport Rd to Eastern Boundary New 16"	\$1,067,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.

Table W-3

**Water System - Explanation of Allocations to Future Development (\$2004)**

City of Paso Robles

Water System Facilities - Recent or Current CIP		Alloc. Cost <sup>b</sup>	% Alloc. <sup>a</sup>	Explanation of Cost Allocation <sup>b</sup>
<b>Water System Facilities - Recent or Current CIP</b>				
Future N. to S. Road/Hwy 46 to Tower Rd New 16"		\$1,537,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Tower Rd/E. side of Airport to W. side of Airport New 16"		\$872,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Airport Rd/Tower to Rollie Gate New 16"		\$655,000	100%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Dry Creek Rd/Airport Rd to East. Boundary New 16"		\$571,000	60%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Lirne Road/Frontana to Future Arterial Upgrade to 16"		\$181,000	25%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Future N to S Arterial/S of Union to Lirne New 16"		\$275,000	20%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Meadowlark Rd/Creston to Beechwood Upgrade to 10"		\$74,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Creston Rd/Charolais to Future Arterial New 16"		\$164,000	25%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
So River Rd/Union to E of Ronconi Wells Upgrade to 16"		\$426,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
E of So River Rd/ So River Rd to Red Cloud New 8"		\$78,000	70%	Identified in 1995 Master Plan Update (Table 20) as serving future users.
Subtotal - Master Plan Improvements		\$13,010,000		
Subtotal - All Transmission Projects		\$14,838,000		
<b>Completed Projects</b>				
Malcom Pirnie W/MWW Quality Study				
Sewer Development Impact Fee Study (original)		\$43,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Review of Sewer Development Impact Fees		\$6,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Install 16" Union Road Main		\$216,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Subtotal - Completed Projects		\$283,000		
<b>Total (for Calculating Water Connection Fees)</b>		<b>\$33,486,000</b>	<b>64%</b>	<b>Average of all Water project costs allocated to future development.</b>

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

- a. From Table W-2.
- b. Explanations of allocations are either from the document noted or provided by City Public Works Depts.
- c. New and Buildout Population from newly adopted General Plan. (See model Table EDU-1)
- d. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumppner/Foresight Consulting.

**Table WWTP-1**

**Wastewater Treatment Plant - Summary of Adopted and Planned C.I.P. Project Costs**

City of Paso Robles

Wastewater Treatment Plant Facilities	Notes	Cost	Yr. of \$ Est.
<b>Existing Facilities</b>			
WWTP (FA Appraisal - Through 6/84)	a	\$230,000	2004
WWTP expansion (Acquired 11/89)	a	\$4,693,000	2004
Subtotal - Existing Facilities		\$4,923,000	
<b>Immediate-Term Projects</b>			
Sludge Dewatering System	b	\$915,000	2000
Subtotal - Immediate-Term Projects		\$915,000	
<b>Short-Term Projects (Including CIP Budget)</b>			
Sludge System Upgrade	d	\$650,000	2003
Upgrade WWTP Solids Handling Facilities	d	\$4,000,000	2003
Primary Sludge Pump Station	b	\$318,000	2000
Admin., Legal, Planning, Design, CM (35%)	b	\$144,000	2000
Subtotal - Short-Term Projects		\$5,112,000	
<b>Long-Term Projects</b>			
Secondary Clarifier Polymer System	b	\$98,000	2000
New Chlorine Contact Basin	b	\$420,000	2000
Admin., Legal, Planning, Design, CM (35%)	b	\$184,000	2000
Update Sewer Master Plan	e	\$108,000	2000
Subtotal - Long-Term Projects		\$810,000	
<b>Completed Projects</b>			
Malcom Pirnie W/WW Quality Study		\$42,000	2003
Sewer Development Impact Fee Study (original)		\$17,000	2001
Review of Sewer Development Impact Fees		\$6,000	2004
Ferric Chloride Bulk Plant (#572)		\$127,000	2004
Subtotal - Completed Projects		\$192,000	
<b>Total - All WWTP Projects</b>		<b>\$11,952,000</b>	

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

- a. Source: City of Paso Robles, Depreciation Schedule - FY 2003, Sewer Operations Fund (Sewer Depreciation.xls FY2003), lines 197, 220, 264, and 311. An additional 3 years of depreciation have been included to bring the value of these assets up to \$2004.
- b. Source: Carollo Engineers, Capacity Evaluation Study, Final, December 2000, Tables ES.2, ES.3, or ES.4.
- c. Source: Public Works Dept, Joe Deakin, 3/19/01 fax, p. 3 of 8.
- d. From Capital Improvement Projects Budget, Fiscal year 2003-04 to 2006-07, page 159, provided by Public Works Dept., November 2003.
- e. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumppner/Foresight Consulting.

Table WWTP-2

Wastewater Treatment Plant - Allocation of Adopted and Planned C.I.P. Project Costs

City of Paso Robles

Wastewater Treatment Plant Facilities <sup>a</sup>		Cost <sup>a</sup>	Year of Cost Estimate <sup>b</sup>	Escalation Factor <sup>c</sup>	Cost (in \$2004)	Allocation to Future Users Percent <sup>d</sup>	Cost (\$2004) <sup>e</sup>	Financing Adj. Costs <sup>f</sup>
<b>Existing Facilities</b>								
WWTP (FA Appraisal - Through 6/84)		\$230,000	2004	1.000	\$230,000	31%	\$71,000	\$71,000
WWTP expansion (Acquired 1/189)		\$4,693,000	2004	1.000	\$4,693,000	31%	\$1,455,000	\$1,455,000
Subtotal - Existing Facilities		\$4,923,000			\$4,923,000		\$1,526,000	\$1,526,000
<b>Immediate-Term Projects</b>								
Sludge Dewatering System		\$915,000	2000	1.086	\$994,000	70%	\$696,000	\$696,000
Subtotal - Immediate-Term Projects		\$915,000			\$994,000		\$696,000	\$696,000
<b>Short-Term Projects</b>								
Sludge System Upgrade		\$650,000	2003	1.025	\$666,000	70%	\$466,000	\$466,000
Upgrade WWTP Solids Handling Facilities		\$4,000,000	2003	1.025	\$4,100,000	31%	\$1,271,000	\$1,271,000
Primary Sludge Pump Station		\$318,000	2000	1.086	\$345,000	50%	\$173,000	\$173,000
Admin., Legal, Planning, Design, CM (35%)		\$144,000	2000	1.086	\$156,000	50%	\$78,000	\$78,000
Subtotal - Short-Term Projects		\$5,112,000			\$5,267,000		\$1,988,000	\$1,988,000
<b>Long-Term Projects</b>								
Secondary Clarifier Polymer System		\$98,000	2000	1.086	\$106,000	70%	\$74,000	\$74,000
New Chlorine Contact Basin		\$420,000	2000	1.086	\$456,000	70%	\$319,000	\$319,000
Admin., Legal, Planning, Design, CM (35%)		\$184,000	2000	1.086	\$200,000	70%	\$140,000	\$140,000
Update Sewer Master Plan (g)		\$108,000	2000	1.086	\$117,000	90%	\$105,000	\$105,000
Subtotal - Long-Term Projects		\$810,000			\$879,000		\$638,000	\$638,000
<b>Completed Projects</b>								
Malcom Pirnie W/MW Quality Study		\$42,000	2003	1.025	\$43,000	100%	\$43,000	\$43,000
Sewer Development Impact Fee Study (original)		\$17,000	2001	1.069	\$18,000	100%	\$18,000	\$18,000
Review of Sewer Development Impact Fees		\$6,000	2004	1.000	\$6,000	100%	\$6,000	\$6,000
Ferric Chloride Bulk Plant (#572)		\$127,000	2004	1.000	\$127,000	100%	\$127,000	\$127,000
Subtotal - Completed Projects		\$192,000			\$194,000		\$194,000	\$194,000
<b>Total - All WWTP Projects</b>		<b>\$11,952,000</b>			<b>\$12,257,000</b>		<b>\$5,042,000</b>	<b>\$5,042,000</b>

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

a. From Table WWTP-1.

b. The year in which the cost estimate was prepared based on source of estimates.

c. Factor needed to inflate cost to 2004 dollars, using the Handy-Whitman Index for Water Utility Construction (Bulletin No. 158, 1912 to July 2003). Conversion factor from 2003 to 2004 is assumed to be 1.025.

1.086 adjusts 2000 dollars to the current value (Year 2004) based on Pumping Plant, Structures & Improvements, from line 15 of the Handy-Whitman Index

1.075 adjusts 2000 dollars to the current value (Year 2004) based on Collecting & Impounding Reservoir, from line 2 of the Handy-Whitman Index.

1.069 adjusts 2001 costs to 2004 general Structures & Improvements, line 15.

d. See following table for explanation of cost allocation percentages.

e. Cost in 2001 dollars times allocation percent to get costs allocated to future users.

f. The City intends to finance certain projects (Mike Compton, 6-28-01 email). These projects are reduced to \$0 here and excluded from the costs allocated to growth to avoid double-charging new development.

g. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumprner/Foresight Consulting.

**Table WWTP-3  
Wastewater Treatment Plant - Explanation of Allocations to Future Development (\$2004)**

City of Paso Robles

Wastewater Treatment Plant Facilities	Alloc. Cost <sup>a</sup>	% Alloc. <sup>a</sup>	Explanation of Cost Allocation
<b>Existing Facilities<sup>a</sup></b>			
WWTP (FA Appraisal - Through 6/84)	\$71,000	31%	New population of 12,292 divided by 2020 buildout population of 39,100. <sup>c</sup>
WWTP expansion (Acquired 11/89)	\$1,455,000	31%	New population of 12,292 divided by 2020 buildout population of 39,100. <sup>c</sup>
<b>Subtotal - Existing Facilities</b>	<b>\$1,526,000</b>		
<b>Immediate-Term Projects<sup>a</sup></b>			
Sludge Dewatering System	\$696,000	70%	% based on design capacity intended to serve growth. See Adopted 4-Yr CIP.
<b>Subtotal - Immediate-Term Projects</b>	<b>\$696,000</b>		
<b>Short-Term Projects</b>			
Sludge System Upgrade	\$466,000	70%	% based on design capacity intended to serve growth. See Adopted 4-Yr CIP.
Upgrade WWTP Solids Handling Facilities	\$1,271,000	31%	New population of 12,292 divided by 2020 buildout population of 39,100. <sup>c</sup>
Primary Sludge Pump Station	\$173,000	50%	% based on design capacity intended to serve growth. See Adopted 4-Yr CIP.
Admin., Legal, Planning, Design, CM (35%)	\$78,000	50%	% based on design capacity intended to serve growth. See Adopted 4-Yr CIP.
<b>Subtotal - Short-Term Projects</b>	<b>\$1,988,000</b>		
<b>Long-Term Projects</b>			
Secondary Clarifier Polymer System	\$74,000	70%	% based on design capacity intended to serve growth.
New Chlorine Contact Basin	\$319,000	70%	% based on design capacity intended to serve growth.
Admin., Legal, Planning, Design, CM (35%)	\$140,000	70%	% based on design capacity intended to serve growth.
Update Sewer Master Plan	\$105,000	90%	% based on design capacity intended to serve growth.
<b>Subtotal - Long-Term Projects</b>	<b>\$638,000</b>		
<b>Completed Projects</b>			
Malcom Pirnie W/WW Quality Study	\$43,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Sewer Development Impact Fee Study (original)	\$18,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Review of Sewer Development Impact Fees	\$6,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Ferric Chloride Bulk Plant (#572)	\$127,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
<b>Subtotal - Completed Projects</b>	<b>\$194,000</b>		
<b>Total - All WWTP Costs (for Calculating Sewer Connection Fees)</b>	<b>\$5,042,000</b>	<b>41%</b>	<b>Average of all WWTP costs allocated to future development.</b>

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

a. From Table WWTP-2.

b. From Proposed Capital Improvement Program, Four Year Period Ending June 30, 2005, page 1 of 3, provided by Public Works Dept., 3/19/01.

c. New and Buildout Population from newly adopted General Plan. (See model Table EDU-1)

d. Cost estimates from Michael Compton, 3/23/04 and/or 5/12/04 email to Greg Clumpher/Foresight Consulting.

**Table WWTP-4  
Wastewater Treatment Plant - Projected Units of Flow and  
Loadings Per EDU from New Development**  
*City of Paso Robles*

Wastewater Parameter	Units	Predicted Builtout Loadings <sup>a</sup>	Current Year 2004 Loadings <sup>a,b</sup>	Allocated to New Development	Loadings Allocated to	
					Residential (80%)	Non-Residential (20%)
<b>Total Flow, BOD, and SS</b>						
Flow	gpd	3,900,000	2,997,900	902,100	721,680	180,420
BOD	ppd	12,030	8,694	3,336	2,669	667
SS	ppd	12,030	8,694	3,336	2,669	667
<b>Flow, BOD, and SS Per Capita and EDU</b>						
Wastewater		New Resid.	New	Units for Residential Development		
Parameter	Units	Loadings	Population	Units/capita	Resid. Population Per EDU	Units/EDU
Flow	gpd	721,680	12,292	58.7	2.7	158.5
BOD	ppd	2,669	12,292	0.22	2.7	0.586
SS	ppd	2,669	12,292	0.22	2.7	0.586

gpd = gallons per day

ppcd = pounds per capita per day

a. Based on Capacity Evaluation Study - Final, p. ES-1, Carollo Engineers, December 14, 2000.

b. Based on current (2004) population served at WWTP of 29,979 and unit factors of 100 gpcd (flow), and 0.29 ppcd (BOD and SS).

c. Allocated 80% to residential and 20% to non-residential per Boyle Engineering, April 1995 Update of Water Master Plan, p. 5.

Table SC-1

## Sewer Collection System - Summary of Adopted and Planned C.I.P. Costs

City of Paso Robles

Sewer Collection Projects		Net Cost	Yr. of \$ Est.
<b>Projects from the Adopted C.I.P.<sup>a</sup></b>			
Lift Station #1 Upgrade		\$980,000	2000
Install Standby Generator #2		\$200,000	2000
	Subtotal - Adopted CIP Projects	\$1,180,000	
<b>Projects from the Planned C.I.P.</b>			
<b>Stage 2 Improvements<sup>d</sup></b>			
Hilltop Sewer Realignment	b	\$100,000	2001
Replace Grinder @ lift Station No. 12	e	\$70,000	2003
South of Creston to LS #1, add parallel 21"	e	\$771,000	1993
Navaho to north 600+- on So. River Rd, 1594' of 21"		\$370,000	1993
LS_1, replace Pumps 1 and 2		\$105,000	1993
LS_4, Add Natural Gass Standby Generator		\$30,000	1993
	Subtotal - Stage 2 Projects	\$1,446,000	
<b>Stage 3 Improvements<sup>f</sup></b>			
Replace Grinder @ LS #12 (CYA)	b	\$70,000	2001
LS #9 (Palm Court) Upgrade	b	\$200,000	2001
LS #7 (First St) Upgrade	b	\$200,000	2001
LS #4 (36th St) Upgrade	b	\$200,000	2001
LS #11 (Beechwood) Upgrade	b	\$200,000	2001
Commerce Way, Santa Bella to Scott St., 975' of 15" Pipe		\$160,000	1993
Commerce Way, Santa Bella to Scott St., 2259' of 10" Pipe		\$283,000	1993
Scott St. to Flag Way, 2196' of 18" Pipe		\$434,000	1993
Meadowlark/Munari intertie to South River Road, 106' of 24" Pipe		\$25,000	1993
Boys School to Dry Creek Road to Airport, 1167' of 18" Pipe		\$24,000	1993
Dry Creek Rd to CYA LS, 817' of 21" Pipe		\$190,000	1993
Dry Creek Rd to CYA LS, 320' of 24" Pipe		\$86,000	1993
CYA LS to Rolling Hills Rd., 2139' of 21" Pipe		\$498,000	1993
LS_1, 1080' of 18" Force main		\$202,000	1993
LS_12, Replace Lift Station, size for 4,100 gpm, 115 TDH, 20,500 gal.		\$2,100,000	1993
LS_12, Replace Force main w/ 2230' of 12" Pipe		\$132,000	1993
LS_11, Beechwood Ashwood to Saint Ann, 7949 of 12" Pipe		\$962,000	1993
Creston Road at Beechwood, 1300' of 12" Pipe		\$157,000	1993
Creston Road, 950' of 8" Pipe		\$92,000	1993
Creston Road at Charlais Rd., 800' of 10" Pipe		\$87,000	1993
Ashwood, 8800' of 8" Pipe		\$669,000	1993
Ashwood, 1300' of 10" Pipe		\$95,000	1993
Barney Schwartz Park, 3400' of 10" Pipe		\$371,000	1993
Barney Schwartz Park, 4500' of 12" Pipe		\$545,000	1993
Barney Schwartz Park, 400' of 15" Pipe		\$57,000	1993
Barney Schwartz Park, 5000' of 8" Pipe		\$380,000	1993
Barney Schwartz Park, 1900' of 15" Pipe		\$226,000	1993
Airport Trunk, 2500' of 15" Pipe		\$298,000	1993
Buena Vista, 700' of 8" Pipe		\$53,000	1993
Rolling Hills, 2200' of 8" Pipe		\$213,000	1993
Rolling Hills, 2400' of 10" Pipe		\$262,000	1993
Rolling Hills, 1000' of 12" Pipe		\$121,000	1993
Buena Vista, 1225' of 8" Pipe		\$93,000	1993
Airport Road c/o Dry Creek, 1600' of 8" Pipe		\$155,000	1993
Airport Road Area, 2700' of 15" Pipe		\$205,000	1993
Highway 46 to Airport, 5400' of 8" Pipe		\$410,000	1993

Table SC-1

**Sewer Collection System - Summary of Adopted and Planned C.I.P. Costs**

City of Paso Robles

<b>Sewer Collection Projects</b>	<b>Net Cost</b>	<b>Yr. of \$ Est.</b>
Airport Road Area, 900' of 10" Pipe	\$98,000	1993
Airport Road Area, 1500' of 15" Pipe	\$179,000	1993
Dry Creek to Airport Rd, 5700' of 8" Pipe	\$553,000	1993
Dry Creek to Boys School, 2500' of 18" Pipe	\$368,000	1993
Tower Road to Tar Ranch, 3300' of 12" Pipe	\$323,000	1993
Tar Ranch Line to Airport Rd, 5200' of 10" Pipe	\$452,000	1993
Tar Ranch Line to Airport Rd, 4200' of 15" Pipe	\$500,000	1993
Airport Road from LS_A to Boys School, 2000' of 15" Pipe	\$238,000	1993
South Vine, 3800' of 8" Pipe	\$289,000	1993
South Vine, 1900' of 8" Pipe	\$184,000	1993
South Vine crossing US 101 to Ramada Dr, 600' of 8" Pipe	\$46,000	1993
First Street, 3250' of 8" Pipe	\$315,000	1993
Villa Lots, 1000' of 8" Pipe	\$97,000	1993
Lift Station LS_A, New 1500 gpm LS	\$300,000	1993
Lift Station LS_A, 7300' of 12" Pipe	\$431,000	1993
Lift Station LS_C, s/o Dry Creek Rd, New 1900 gpm LS	\$350,000	1993
Lift Station LS_C, s/o Dry Creek Rd, 2000' of 12" Pipe	\$71,000	1993
Lift Station LS_D, at Barney Schwartz Park, New 2050 gpm LS	\$700,000	1993
Lift Station LS_D, at Barney Schwartz Park, 1100' of 12" Pipe	\$65,000	1993
Lift Station LS_E, Hwy 46/Theater Dr., New 100 gpm LS	\$55,000	1993
Lift Station LS_E, Hwy 46/Theater Dr., 500' of 4" Pipe	\$20,000	1993
Lift Station K, Prospect Heights, New 300 gpm LS	\$200,000	1993
Lift Station K, Prospect Heights, 3050' of 6" Pipe	\$125,000	1993
Subtotal - Stage 3 Projects	\$16,414,000	
<b>Completed Projects</b>		
TCSD Interceptor, Reachs 2 & 4/LS#2 Upgrade	g \$3,049,000	2004
Dry Creek Sewer Design	g \$122,000	2004
Subtotal - Completed Projects	\$3,171,000	
<b>Total Sewer Projects</b>	<b>\$22,211,000</b>	

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

- a. Source: City of Paso Robles, Appendix "F", Adopted Capital Improvement Program, Four Year Period Ending June 30, 2002.
- b. From Proposed Capital Improv. Program, Four Year Period Ending June 30, 2005, page 1 of 3, from Public Works Dept., 3/19/01.
- c. Source: John L. Wallace and Assoc., Sewer System Master Plan, Table 7-3, August 1993 (unless noted otherwise).
- d. Source: John L. Wallace and Assoc., Sewer System Master Plan, Table 7-4, August 1993 (unless noted otherwise).
- e. From Capital Improv. Projects Budget, Fiscal year 2003-04 to 2006-07, page 159, provided by Public Works Dept., Nov. 2003.
- f. Source: John L. Wallace and Assoc., Sewer System Master Plan, Table 7-5, August 1993 (unless noted otherwise).
- g. Cost estimates from Michael Compton, 5/12/04 email to Greg Clumpner/Foresight Consulting.

Table SC2

Sewer Collection System - Allocation of Adopted and Planned C.I.P. Costs

City of Paso Robles

Sewer Collection Projects <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>b</sup>	Escalation Factor <sup>c</sup>	Cost (in 2004)	Allocation to Future Users Percent <sup>d</sup>	Cost (\$2004) <sup>e</sup>	Financing Adj. Costs <sup>f</sup>
Lift Station #1 Upgrade	\$980,000	2000	1.094	\$1,072,000	30%	\$322,000	\$322,000
Install Standby Generator #2	\$200,000	2000	1.094	\$219,000	30%	\$66,000	\$66,000
<b>Subtotal - Adopted CIP Projects</b>	<b>\$1,180,000</b>			<b>\$1,291,000</b>		<b>\$388,000</b>	<b>\$388,000</b>
<b>Projects from the Planned C.I.P.</b>							
<b>Stage 2 Improvements</b>							
Hilltop Sewer Realignment	\$100,000	2001	1.079	\$108,000	5%	\$5,000	\$5,000
Replace Grinder @ Lift Station No. 12	\$70,000	2003	1.025	\$72,000	30%	\$22,000	\$22,000
South of Creston to LS #1, add parallel 21"	\$771,000	1993	1.025	\$790,000	30%	\$237,000	\$237,000
Navaho to north 600+- on So. River Rd, 1594' of 21"	\$370,000	1993	1.246	\$461,000	50%	\$231,000	\$231,000
LS_1, replace Pumps 1 and 2	\$105,000	1993	1.246	\$131,000	95%	\$124,000	\$124,000
LS_4, Add Natural Gas Standby Generator	\$30,000	1993	1.246	\$37,000	95%	\$35,000	\$35,000
<b>Subtotal - Stage 2 Projects</b>	<b>\$1,446,000</b>			<b>\$1,599,000</b>		<b>\$654,000</b>	<b>\$654,000</b>
<b>Stage 3 Improvements</b>							
Replace Grinder @ LS #12 (CYA)	\$70,000	2001	1.079	\$76,000	70%	\$53,000	\$53,000
LS #9 (Palm Court) Upgrade	\$200,000	2001	1.079	\$216,000	70%	\$151,000	\$151,000
LS #7 (First St) Upgrade	\$200,000	2001	1.079	\$216,000	70%	\$151,000	\$151,000
LS #4 (36th St) Upgrade	\$200,000	2001	1.079	\$216,000	20%	\$43,000	\$43,000
LS #11 (Beechwood) Upgrade	\$200,000	2001	1.079	\$216,000	70%	\$151,000	\$151,000
Commerce Way, Santa Bella to Scott St., 975' of 15" Pipe	\$160,000	1993	1.246	\$199,000	95%	\$189,000	\$189,000
Commerce Way, Santa Bella to Scott St., 2259' of 10" Pipe	\$283,000	1993	1.246	\$353,000	95%	\$335,000	\$335,000
Scott St. to Flag Way, 2196' of 18" Pipe	\$434,000	1993	1.246	\$541,000	100%	\$541,000	\$541,000
Meadowmark/Munari intertie to South River Road, 106' of 24" Pipe	\$25,000	1993	1.246	\$31,000	95%	\$29,000	\$29,000
Boys School to Dry Creek Road to Airport, 1167' of 18" Pipe	\$24,000	1993	1.246	\$30,000	95%	\$29,000	\$29,000
Dry Creek Rd to CYA LS, 817' of 21" Pipe	\$190,000	1993	1.246	\$237,000	95%	\$225,000	\$225,000
Dry Creek Rd to CYA LS, 320' of 24" Pipe	\$86,000	1993	1.246	\$107,000	95%	\$102,000	\$102,000
CYA LS to Rolling Hills Rd., 2139' of 21" Pipe	\$498,000	1993	1.246	\$621,000	95%	\$590,000	\$590,000
LS_1, 1080' of 18" Force main	\$202,000	1993	1.246	\$252,000	95%	\$239,000	\$239,000
LS_12, Replace Lift Station, size for 4,100 gpm, 115 TDH, 20,500 gal.	\$2,100,000	1993	1.246	\$2,617,000	70%	\$1,832,000	\$1,832,000
LS_12, Replace Force main w/ 2230' of 12" Pipe	\$132,000	1993	1.246	\$164,000	95%	\$156,000	\$156,000
LS_11, Beechwood Ashwood to Saint Ann, 7949 of 12" Pipe	\$962,000	1993	1.246	\$1,199,000	95%	\$1,139,000	\$1,139,000
Creston Road at Beechwood, 1300' of 12" Pipe	\$157,000	1993	1.246	\$196,000	100%	\$196,000	\$196,000
Creston Road, 950' of 8" Pipe	\$92,000	1993	1.246	\$115,000	95%	\$109,000	\$109,000
Creston Road at Charlais Rd., 800' of 10" Pipe	\$87,000	1993	1.246	\$108,000	95%	\$103,000	\$103,000
Ashwood, 8800' of 8" Pipe	\$669,000	1993	1.246	\$834,000	95%	\$792,000	\$792,000
Ashwood, 1300' of 10" Pipe	\$95,000	1993	1.246	\$118,000	95%	\$112,000	\$112,000
Barney Schwartz Park, 3400' of 10" Pipe	\$371,000	1993	1.246	\$462,000	100%	\$462,000	\$462,000
Barney Schwartz Park, 4500' of 12" Pipe	\$545,000	1993	1.246	\$679,000	100%	\$679,000	\$679,000

Table SC-2

Sewer Collection System - Allocation of Adopted and Planned C.I.P. Costs

City of Paso Robles

Sewer Collection Projects <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>b</sup>	Escalation Factor <sup>c</sup>	Cost (in \$2004)	Allocation to Future Users Percent <sup>d</sup>	Cost (\$2004) <sup>e</sup>	Financing Adj. Costs <sup>f</sup>
Barney Schwartz Park, 400' of 15" Pipe	\$57,000	1993	1.246	\$71,000	100%	\$71,000	\$71,000
Barney Schwartz Park, 5000' of 8" Pipe	\$380,000	1993	1.246	\$473,000	100%	\$473,000	\$473,000
Barney Schwartz Park, 1900' of 15" Pipe	\$226,000	1993	1.246	\$282,000	100%	\$282,000	\$282,000
Airport Trunk, 2500' of 15" Pipe	\$298,000	1993	1.246	\$371,000	100%	\$371,000	\$371,000
Buena Vista, 700' of 8" Pipe	\$53,000	1993	1.246	\$63,000	95%	\$63,000	\$63,000
Rolling Hills, 2200' of 8" Pipe	\$213,000	1993	1.246	\$265,000	95%	\$252,000	\$252,000
Rolling Hills, 2400' of 10" Pipe	\$262,000	1993	1.246	\$326,000	95%	\$310,000	\$310,000
Rolling Hills, 1000' of 12" Pipe	\$121,000	1993	1.246	\$151,000	95%	\$143,000	\$143,000
Buena Vista, 1225' of 8" Pipe	\$93,000	1993	1.246	\$116,000	100%	\$116,000	\$116,000
Airport Road c/o Dry Creek, 1600' of 8" Pipe	\$155,000	1993	1.246	\$193,000	100%	\$193,000	\$193,000
Airport Road Area, 2700' of 15" Pipe	\$205,000	1993	1.246	\$255,000	100%	\$255,000	\$255,000
Highway 46 to Airport, 5400' of 8" Pipe	\$410,000	1993	1.246	\$511,000	100%	\$511,000	\$511,000
Airport Road Area, 900' of 10" Pipe	\$98,000	1993	1.246	\$122,000	100%	\$122,000	\$122,000
Airport Road Area, 1500' of 15" Pipe	\$179,000	1993	1.246	\$223,000	100%	\$223,000	\$223,000
Dry Creek to Airport Rd, 5700' of 8" Pipe	\$553,000	1993	1.246	\$689,000	100%	\$689,000	\$689,000
Dry Creek to Boys School, 2500' of 18" Pipe	\$368,000	1993	1.246	\$459,000	100%	\$459,000	\$459,000
Tower Road to Tar Ranch, 3300' of 12" Pipe	\$323,000	1993	1.246	\$402,000	100%	\$402,000	\$402,000
Tar Ranch Line to Airport Rd, 5200' of 10" Pipe	\$452,000	1993	1.246	\$563,000	100%	\$563,000	\$563,000
Tar Ranch Line to Airport Rd, 4200' of 15" Pipe	\$500,000	1993	1.246	\$623,000	100%	\$623,000	\$623,000
Airport Road from LS_A to Boys School, 2000' of 15" Pipe	\$238,000	1993	1.246	\$297,000	100%	\$297,000	\$297,000
South Vine, 3800' of 8" Pipe	\$189,000	1993	1.246	\$360,000	100%	\$360,000	\$360,000
South Vine, 1900' of 8" Pipe	\$84,000	1993	1.246	\$229,000	100%	\$229,000	\$229,000
South Vine crossing US 101 to Ramada Dr, 600' of 8" Pipe	\$46,000	1993	1.246	\$57,000	100%	\$57,000	\$57,000
First Street, 3250' of 8" Pipe	\$315,000	1993	1.246	\$392,000	100%	\$392,000	\$392,000
Villa Lots, 1000' of 8" Pipe	\$97,000	1993	1.246	\$121,000	100%	\$121,000	\$121,000
Lift Station LS_A, New 1500 gpm LS	\$300,000	1993	1.246	\$374,000	100%	\$374,000	\$374,000
Lift Station LS_A, 7300' of 12" Pipe	\$431,000	1993	1.246	\$537,000	100%	\$537,000	\$537,000
Lift Station LS_C, s/o Dry Creek Rd, New 1900 gpm LS	\$350,000	1993	1.246	\$436,000	100%	\$436,000	\$436,000
Lift Station LS_C, s/o Dry Creek Rd, New 1200 gpm LS	\$71,000	1993	1.246	\$88,000	100%	\$88,000	\$88,000
Lift Station LS_D, at Barney Schwartz Park, New 2050 gpm LS	\$700,000	1993	1.246	\$872,000	100%	\$872,000	\$872,000
Lift Station LS_D, at Barney Schwartz Park, 1100' of 12" Pipe	\$65,000	1993	1.246	\$81,000	100%	\$81,000	\$81,000
Lift Station LS_E, Hwy 46/Theater Dr., New 100 gpm LS	\$55,000	1993	1.246	\$69,000	100%	\$69,000	\$69,000
Lift Station LS_E, Hwy 46/Theater Dr., 500' of 4" Pipe	\$20,000	1993	1.246	\$25,000	100%	\$25,000	\$25,000
Lift Station K, Prospect Heights, New 300 gpm LS	\$200,000	1993	1.246	\$249,000	100%	\$249,000	\$249,000
Lift Station K, Prospect Heights, 3050' of 6" Pipe	\$125,000	1993	1.246	\$156,000	100%	\$156,000	\$156,000
Subtotal - Stage 3 Projects	\$16,414,000			\$20,307,000		\$18,872,000	\$18,872,000
Completed Projects							
TCSD Interceptor, Reaches 2 & 4/LS#2 Upgrade	\$3,049,000	2004	1.000	\$3,049,000	100%	\$3,049,000	\$3,049,000

**Table SC-2**

**Sewer Collection System - Allocation of Adopted and Planned C.I.P. Costs**

*City of Paso Robles*

Sewer Collection Projects <sup>a</sup>	Cost <sup>a</sup>	Year of Cost Estimate <sup>b</sup>	Escalation Factor <sup>c</sup>	Cost (in \$2004)	Allocation to Future Users Percent <sup>d</sup>	Cost (\$2004) <sup>e</sup>	Financing Adj. Costs <sup>f</sup>
Dry Creek Sewer Design	\$122,000	2004	1.000	\$122,000	100%	\$122,000	\$122,000
Subtotal - Completed Projects	\$3,171,000			\$3,171,000		\$3,171,000	\$3,171,000
<b>Total Sewer Projects</b>	<b>\$22,211,000</b>			<b>\$26,368,000</b>		<b>\$23,085,000</b>	<b>\$23,085,000</b>

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

a. From Table SC-1.

b. The year in which the cost estimate was prepared (e.g. in 1993 dollars).

c. Factor needed to inflate cost to 2004 dollars, using the Handy-Whitman Index for Water Utility Construction (Bulletin No. 158, 1912 to July 2003).

Conversion factor from 2003 to 2004 is assumed to be 1.025.

1.079 adjusts 2001 dollars to the current value (year 2004) based on Distribution Plant, Mains-Average All Types.

1.094 adjusts 2000 dollars to the current value (year 2004) based on Distribution Plant, Mains-Average All Types.

1.246 adjusts 1993 dollars to the current value (year 2004) based on Distribution Plant, Mains-Average All Types.

d. See following table for explanation of cost allocation percentages.

e. Cost in year of estimate (e.g. 1993) times allocation percent to get \$2004.

f. The City intends to finance certain projects (Mike Compton, 6-28-01 email). These projects are reduced to \$0 here and excluded from the costs allocated to growth to avoid double-charging new development.

## Sewer Collection System - Explanation of Allocations to Future Development (\$2004)

City of Paso Robles

Sewer Collection Projects <sup>a</sup>		Alloc. Cost <sup>a</sup>	% Alloc. <sup>a</sup>	Explanation
<b>Projects from the Adopted C.I.P.</b>				
Lift Station #1 Upgrade		\$322,000	30%	c. Engineering determination of % that serves future growth.
Install Standby Generator #2		\$66,000	30%	c. Engineering determination of % that serves future growth.
	Subtotal - Adopted CIP Projects	\$388,000		
<b>Projects from the Planned C.I.P.</b>				
<b>Stage 2 Improvements</b>				
Hilltop Sewer Realignment		\$5,000	5%	j. Primarily serves existing customers. Source: Adopted 4-Yr. CIP & Public Works Dept..
Replace Grinder @ lift Station No. 12		\$22,000	30%	c. Engineering determination of % that serves future growth.
South of Creston to LS #1, add parallel 21"		\$237,000	30%	c. Engineering determination of % that serves future growth.
Navaho to north 600+- on So. River Rd, 1594' of 21"		\$231,000	50%	k. Facilities primarily serve new development. 1993 Sewer System Master Plan.
LS_1, replace Pumps 1 and 2		\$124,000	95%	k. Facilities primarily serve new development. 1993 Sewer System Master Plan.
LS_4, Add Natural Gass Standby Generator		\$35,000	95%	k. Facilities primarily serve new development. 1993 Sewer System Master Plan.
	Subtotal - Stage 2 Projects	\$654,000		
<b>Stage 3 Improvements</b>				
Replace Grinder @ LS #12 (CYA)		\$53,000	70%	e. Primarily serves new customers. Source: Adopted 4-Yr. CIP & Public Works Dept..
LS #9 (Palm Court) Upgrade		\$151,000	70%	e. Primarily serves new customers. Source: Adopted 4-Yr. CIP & Public Works Dept..
LS #7 (First St) Upgrade		\$151,000	70%	e. Primarily serves new customers. Source: Adopted 4-Yr. CIP & Public Works Dept..
LS #4 (36th St) Upgrade		\$43,000	20%	i. Facilities will serve new development. 1993 Sewer System Master Plan.
LS #11 (Beechwood) Upgrade		\$151,000	70%	k. Facilities primarily serve new development. 1993 Sewer System Master Plan.
Commerce Way, Santa Bella to Scott St., 975' of 15" Pipe		\$189,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Commerce Way, Santa Bella to Scott St., 2259' of 10" Pipe		\$335,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Scott St. to Flag Way, 2196' of 18" Pipe		\$541,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Meadowlark/Munari intertie to South River Road, 106' of 24" Pipe		\$29,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Boys School to Dry Creek Road to Airport, 1167' of 18" Pipe		\$29,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Dry Creek Rd to CYA LS, 817' of 21" Pipe		\$225,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Dry Creek Rd to CYA LS, 320' of 24" Pipe		\$102,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
CYA LS to Rolling Hills Rd., 2139' of 21" Pipe		\$590,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
LS_1, 1080' of 18" Force main		\$239,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
LS_12, Replace Lift Station, size for 4,100 gpm, 115 TDH, 20,500 gal.		\$1,832,000	70%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
LS_12, Replace Force main w/ 2230' of 12" Pipe		\$156,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
LS_11, Beechwood Ashwood to Saint Ann, 7949' of 12" Pipe		\$1,139,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Creston Road at Beechwood, 1300' of 12" Pipe		\$196,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Creston Road, 950' of 8" Pipe		\$109,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Creston Road at Charlais Rd., 800' of 10" Pipe		\$103,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Ashwood, 8800' of 8" Pipe		\$792,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Ashwood, 1300' of 10" Pipe		\$112,000	95%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Barney Schwartz Park, 3400' of 10" Pipe		\$462,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Barney Schwartz Park, 4500' of 12" Pipe		\$679,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Barney Schwartz Park, 400' of 15" Pipe		\$71,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Barney Schwartz Park, 5000' of 8" Pipe		\$473,000	100%	l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..

**Sewer Collection System - Explanation of Allocations to Future Development (\$2004)**

City of Paso Robles

Sewer Collection Projects <sup>a</sup>	Alloc. Cost <sup>a</sup>	% Alloc. <sup>a</sup>	Explanation
Barney Schwartz Park, 1900' of 15" Pipe	\$282,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Trunk, 2500' of 15" Pipe	\$371,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Buena Vista, 700' of 8" Pipe	\$63,000	95%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Rolling Hills, 2200' of 8" Pipe	\$252,000	95%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Rolling Hills, 2400' of 10" Pipe	\$310,000	95%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Rolling Hills, 1000' of 12" Pipe	\$143,000	95%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Buena Vista, 1225' of 8" Pipe	\$116,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Road c/o Dry Creek, 1600' of 8" Pipe	\$193,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Road Area, 2700' of 15" Pipe	\$255,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Highway 46 to Airport, 5400' of 8" Pipe	\$511,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Road Area, 900' of 10" Pipe	\$122,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Road Area, 1500' of 15" Pipe	\$223,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Dry Creek to Airport Rd, 5700' of 8" Pipe	\$689,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Dry Creek to Boys School, 2500' of 18" Pipe	\$459,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Tower Road to Tar Ranch, 3300' of 12" Pipe	\$402,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Tar Ranch Line to Airport Rd, 5200' of 10" Pipe	\$563,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Tar Ranch Line to Airport Rd, 4200' of 15" Pipe	\$623,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Airport Road from LS_A to Boys School, 2000' of 15" Pipe	\$297,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
South Vine, 3800' of 8" Pipe	\$360,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
South Vine, 1900' of 8" Pipe	\$229,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
South Vine crossing US 101 to Ramada Dr, 600' of 8" Pipe	\$57,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
First Street, 3250' of 8" Pipe	\$392,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Villa Lots, 1000' of 8" Pipe	\$121,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_A, New 1500 gpm LS	\$374,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_A, 7300' of 12" Pipe	\$537,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_C, s/o Dry Creek Rd, New 1900 gpm LS	\$436,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_D, at Barney Schwartz Park, New 1900 gpm LS	\$88,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_D, s/o Dry Creek Rd, 2000' of 12" Pipe	\$872,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_D, at Barney Schwartz Park, New 2050 gpm LS	\$81,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_E, Hwy 46/Theater Dr., New 100 gpm LS	\$69,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station LS_E, Hwy 46/Theater Dr., 500' of 4" Pipe	\$25,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station K, Prospect Heights, New 300 gpm LS	\$249,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
Lift Station K, Prospect Heights, 3050' of 6" Pipe	\$156,000	100%	1. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works Dept..
<b>Subtotal - Stage 3 Projects</b>	<b>\$18,872,000</b>		
<b>Completed Projects</b>			
TCSD Interceptor, Reachs 2 & 4/LS#2 Upgrade	\$3,049,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
Dry Creek Sewer Design	\$122,000	100%	Identified by City as serving future users (5/12/04 Michael Compton email).
<b>Subtotal - Completed Projects</b>	<b>\$3,171,000</b>		
<b>Total Collection Costs (for Calculating Sewer Connection Fees)</b>	<b>\$23,085,000</b>	<b>88%</b>	m. Average of all Sewer Collection costs allocated to future development.

Note: All costs rounded to nearest \$1,000. Projects that had no allocation percentage to new development are not shown.

**Sewer Collection System - Explanation of Allocations to Future Development (\$2004)**

City of Paso Robles

Sewer Collection Projects <sup>9</sup>	Alloc. Cost <sup>8</sup>	% Alloc. <sup>8</sup>	Explanation
a. From Tables SC-1 and SC-2.			
b. Serves existing customers. No allocation to future capacity.			
c. Engineering determination of % that serves future growth.			
d. Serves existing customers. Source: Adopted 4-Yr. CIP & Public Works Dept..			
e. Primarily serves new customers. Source: Adopted 4-Yr. CIP & Public Works Dept..			
f. The City intends to finance certain projects (Mike Compton, 6-28-01 email). Therefore, these projects have been reduced to \$0 and excluded from the costs allocated to growth to avoid double-charging new development.			
g. Serves new customers. Source: Adopted 4-Yr. CIP & Public Works Dept..			
h. Serves existing customers. 1993 Sewer System Master Plan.			
i. Facilities will serve new development. 1993 Sewer System Master Plan.			
j. Primarily serves existing customers. Source: Adopted 4-Yr. CIP & Public Works Dept..			
k. Facilities primarily serve new development. 1993 Sewer System Master Plan.			
l. Facilities primarily serve new development. Source: 1993 Master Plan and Public Works dept..			
m. Average of all Sewer Collection costs allocated to future development.			

**Table EDU-1**  
**Projected New Equivalent Dwelling Units at Buildout**  
**City of Paso Robles**

Service Area	Buildout Population		Current Population <sup>b</sup> 2004	Population Attributed to Residential Growth		Average # of Persons Per EDU <sup>c</sup>	No. of EDUs from Residential Growth <sup>d</sup>		No. of EDUs from Non-Res. Growth <sup>e</sup>		Total EDUs from Growth
	to 2020	to 2025		Residential Growth	Per EDU <sup>c</sup>		Residential Growth <sup>d</sup>	Res. Growth <sup>e</sup>			
<b>Sewer Service Area</b>											
Paso Robles	37,830	-	25,538	12,292	2.7	4,553	1,138	5,691	-	-	
CYA	1,270	-	1,270	-	-	-	-	-	-	-	
City Total	39,100	-	26,808	12,292	2.7	4,553	1,138	5,691	-	-	
Templeton (area served)	2,907	-	2,907	-	-	-	-	-	-	-	
	42,007	-	29,715	12,292	-	4,553	1,138	5,691	-	-	
<b>Water Service Area</b>											
Paso Robles	-	42,730	25,538	17,192	2.7	6,367	1,592	7,959	-	-	
CYA	-	1,270	1,270	-	-	-	-	-	-	-	
City Total	-	44,000	26,808	17,192	2.7	6,367	1,592	7,959	-	-	

Note: Sewer capital facilities were planned based on buildout at 2020 per Carollo Engineers studies. Water facilities are tied to new buildout plans of 2025, including longer-term facilities such as the Nacimiento Water Supply plans.

a. Buildout to 2025 is from City Council resolution adopting new general plan buildout population of 44,000. Assumes this 44,000 includes CYA but not Templeton.

Buildout population to 2020 is calculated using the growth rate of the 44,000 population at 2025, which is 2.39%/year.

b. From Capacity Evaluation Study, December 2000, Carollo Engineers, Appendix C (Design Criteria).

c. Source: California Department of Finance, 1/1/2000, provided by City of Paso Robles.

d. Population Attributed to Growth divided by Average # of Persons/EDU.

e. Assumes 20% of effluent is from non-residential customers, based on Update of Water Master Plan, Boyle Engineering, April 1995, p. 5.

Therefore, EDUs from non-residential growth are calculated by dividing EDUs from residential growth by 4.

**Table 1**  
**Costs Allocated to New Development (2004-2025)**

	Revised/Updated Results			2001 Conn. Fee Study <sup>d</sup>	
	Updated Total Costs (\$ mil.)	Costs Allocated To New Devel- opment (\$ mil.)	Percent Allocated	Costs Allocated To New Devel- opment (\$ mil.)	Percent Allocated
<b>Water Facilities<sup>a</sup></b>					
Water Supply Wells	\$2.05	\$2.05	100%	\$1.38	80%
Future Water Supply	\$46.13	\$23.06	50%	\$0.00	0%
Storage Reservoirs	\$13.89	\$13.25	95%	\$5.65	81%
Transmission Projects	\$21.66	\$14.84	69%	\$11.81	66%
<b>Total - Water Facilities</b>	<b>\$83.73</b>	<b>\$53.20</b>	<b>64%</b>	<b>\$18.84</b>	<b>71%</b>
<b>Sewer Facilities</b>					
<b>Wastewater Treatment Facilities<sup>b</sup></b>					
Existing Facilities	\$4.92	\$1.53	31%	\$1.34	29%
Immediate-Term Projects	\$0.99	\$0.70	70%	\$0.00	0%
Short-Term Projects	\$5.27	\$1.99	38%	\$0.00	0%
Long-Term Projects	\$0.88	\$0.64	73%	\$2.76	37%
<b>Total - Treatment Facilities</b>	<b>\$12.06</b>	<b>\$4.85</b>	<b>40%</b>	<b>\$4.10</b>	<b>19%</b>
<b>Sewer Collection Facilities<sup>c</sup></b>					
Projects from Adopted CIP	\$1.29	\$0.39	30%	\$0.36	13%
Planned CIP – Stage 2	\$1.60	\$0.65	41%	\$2.85	68%
Planned CIP – Stage 3	\$20.31	\$18.87	93%	\$17.72	92%
<b>Total - Collection Facilities</b>	<b>\$23.20</b>	<b>\$19.91</b>	<b>86%</b>	<b>\$20.93</b>	<b>68%</b>
<b>Total - Sewer Facilities</b>	<b>\$35.26</b>	<b>\$24.76</b>	<b>70%</b>	<b>\$25.03</b>	<b>48%</b>
<b>Total - Water &amp; Sewer Facilities</b>	<b>\$118.99</b>	<b>\$77.97</b>	<b>66%</b>	<b>\$43.87</b>	<b>56%</b>

a. Source: Appendix Table W-2. Excludes projects with no allocation to new users.

b. Source: Appendix Table WWTP-2. Excludes projects with no allocation to new users.

**Table 2**  
**Revised Sewer and Water**  
**Development Impact (Connection) Fee Schedules**

**TABLE A - Water Connection Fees<sup>(1)</sup>:**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$3,703	\$6,685	per single-family residence			
\$2,937	\$5,302	per multi-family residence (unit)			
\$3,703	\$6,685	per mobile home park space			
\$3,703	\$6,685	per mobile home subdivision lot			
\$3,703	\$6,685	per commercial unit +	\$254	\$458	per sub-unit
\$3,703	\$6,685	per hospital/convalescent home +	\$254	\$458	per room
\$3,703	\$6,685	per motel/hotel +	\$254	\$458	per unit
\$3,703	\$6,685	per school +	\$254	\$458	per classroom
\$3,703	\$6,685	per industrial/manufacturing +	\$0.090	\$0.164	per sq. ft.

**TABLE B - Water Connection Fees<sup>(1)</sup>:**

<u>Meter Size</u>	<u>Current<sup>(2)</sup></u>	<u>Revised</u>
5/8"	\$3,703	\$6,685
3/4"	\$3,703	\$6,685
1"	\$6,185	\$11,163
1-1/2"	\$12,332	\$22,260
2"	\$19,738	\$35,629
3"	\$39,514	\$71,325
4"	\$61,733	\$111,433
6"	\$123,429	\$222,799
8"	\$197,493	\$356,492
10"	\$283,926	\$512,511

(1) The applicable fee shall be the higher of Table A or Table B except for multi-family residential and mobile homes for meter sizes less than 1".

(2) Adopted 2-1-04. The final fee schedule, per the Building Division, has been modified to eliminate any distinction between mobile home spaces vs. lots.

**Sewer Connection Fees**

<u>Current<sup>(2)</sup></u>	<u>Revised</u>		<u>Current<sup>(2)</sup></u>	<u>Revised</u>	
\$4,436	\$4,351	per single-family residence			
\$4,081	\$5,302	per multi-family residence (unit)			
\$4,081	\$4,351	per mobile home park space			
\$4,081	\$4,351	per mobile home subdivision lot			
\$4,436	\$4,351	per commercial unit			
\$4,436	\$4,351	per hospital/convalescent home +	\$204	\$201	per room
\$4,436	\$4,351	per motel/hotel +	\$83	\$82	per unit
\$6,267	\$6,148	per school +	\$83	\$82	per classroom
\$4,436	\$4,004	per industrial/manufacturing +	\$48	\$47	per 5 employees

**Table 3**  
**Recalculation of Water and Sewer Connection Fees**  
*City of Paso Robles*

	Costs Allocated to New Development <sup>a</sup> (2004 \$ in mil.)	Number of New Dwelling Units <sup>b</sup> (EDU)	Recalculated Connection Fees (\$/EDU)
<b>Water Connection Fees</b>	\$53.20	7,959	<b>\$6,685</b>
<b>Sewer Connection Fees</b>	\$24.76	5,691	<b>\$4,351</b>
<b>Total - Water and Sewer Connection Fees</b>			<b>\$11,036</b>

a. Source: Table 3

b. Source: Table 4. Reflects build out at 2025 for water and 2020 for sewer.

**Table 4**  
**Development of Wastewater Connection Fee Unit Costs**  
*City of Paso Robles*

	Costs Allocated to Growth (\$mil.)			Source of Estimates
	Flow	BOD	SS	
<b>WWTP Facilities (% Allocated to Flow/BOD/SS)<sup>a</sup></b>				
Existing Facilities (50%/25%/25%)	\$0.76	\$0.38	\$0.38	Appendix Table WWTP-3
Immediate-Term Projects (0%/50%/50%)	\$0.00	\$0.35	\$0.35	Appendix Table WWTP-3
Short-Term Projects (10%/45%/45%)	\$0.20	\$0.89	\$0.89	Appendix Table WWTP-3
Long-Term Projects (80%/20%/0%)	\$0.51	\$0.13	\$0.00	Appendix Table WWTP-3
Subtotal - WWTP Facilities	\$1.47	\$1.75	\$1.62	
<b>Sewer Collection Facilities (100% to Flow)</b>				
Adopted CIP Projects	\$0.39	\$0.00	\$0.00	Appendix Table SC-3
Stage 2 Projects	\$0.65	\$0.00	\$0.00	Appendix Table SC-3
Stage 3 Projects	\$18.87	\$0.00	\$0.00	Appendix Table SC-3
Subtotal - Sewer Projects	\$19.91	\$0.00	\$0.00	
Total - Allocation by Parameter	\$21.39	\$1.75	\$1.62	
Total Loadings from New Development	902,100	3,336	3,336	Appendix Table WWTP-4
Units of treatment capacity	gallons/day	ppd	ppd	
<b>Wastewater Facility Unit Cost (\$/unit)</b>	<b>\$23.71</b>	<b>\$525.09</b>	<b>\$486.84</b>	
<b>Verification of SFR Connection Fee (\$/EDU)</b>				
Typical Flow, BOD, SS per SFR (EDU)	158.5	0.586	0.586	Appendix Table WWTP-4
Cost per SFR by Parameter	\$3,758	\$308	\$285	
SFR Connection Fee (\$/EDU)		\$4,351		

ppd = pounds per day

a. Allocations based on types of capital projects shown in Appendix Table WWTP-3 and the suggested allocation to major functions of those projects shown in the Revenue Program Guidelines, Appendix G, p. G-19, State Water Resources Control Board.



Thursday, July 08, 2004

Mike Compton  
Director of Administrative Services  
City of Paso Robles  
1000 Spring St.  
Paso Robles, CA. 93446

Re Paso Robles Water and Sewer Development Impact Fees

Dear Mr. Compton:

Thank you for sending us information on proposed city sewer and water impact fee changes. We appreciate the city involving us in the process in a timely fashion. We also appreciate that the city is planning for future growth and public service needs by participating in the Nacimiento Water Project.

Although we are never happy to see fees rise, the Home Builders Association accepts paying fees needed to serve families buying our homes and to offset impacts that result from new construction. Our goal is to make sure builders and our customers are paying for future needs and impacts, not to fix existing problems.

We support the staff recommendation to split the cost of the Nacimiento project between existing water users and new construction since the project will improve overall city water quality. But we don't yet have enough information to understand the differences between current water storage plans and the revised plans for 2004. We are also concerned that the Nacimiento costs aren't final and that the city is also looking at another general impact fee increase this year, at the creation of community facilities districts that could significantly harm sales of new homes, an art-in-public places fee and other new costs, such as a pending state requirement of solar panels on all new homes. All these combine to make housing more expensive when we are all trying to make it more affordable.

The association will meet with city staff Monday, July 12, to address the water storage questions we have. We would then share any lingering concerns we have at the July 14 public workshop on Nacimiento or at the City Council public hearing on the fees. However, we fully expect to resolve our concerns at the July 12 discussion with the staff.

We also urge the city to charge the old fees for previously approved projects since their financing is already in place and their physical impact on city resources has already been accounted for. The new fees should apply to new projects.

If you have questions or need to reach me, you can call 546-0226 or e-mail [jbunin@hbacc.org](mailto:jbunin@hbacc.org).

Thank you very much for your time and consideration.

Sincerely yours,

Jerry Bunin  
Government Affairs Director  
Home Builders Association of the Central Coast  
P.O. Box 13010  
2078 Parker St., Suite 210  
San Luis Obispo, CA. 93406

PO Box 13010      805.546.0418: phone  
2078 Parker Street, Suite 210      805.546.0339: fax  
San Luis Obispo, California 93406-3010      [www.hbacc.com](http://www.hbacc.com): internet

**Memorandum**



To: Jim App, City Manager

From: Mike Compton, Director of Administrative Services  
Meg Williamson, Acting Public Works Director  
Assistant to the City Manager

Cc: Jennifer Sorenson, Finance Manager

Subject: Revenue Needs for Nacimiento Water

Date: June 11, 2004

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*MS*  
*MM*

The 2001 water impact fee study did not include the Nacimiento Water Project (NWP) as the Council had not made a formal decision relative to the City's participation. Since then, the Council has decided to participate and the NWP was included in the 2004 Study Update. The Final Letter Report dated May 24, 2004 as prepared by Foresight Consulting included the NWP at a cost of \$45 million based upon the SLO County's best estimates at the time. Due to the inclusion of the NWP as well as other CIP budget modifications approved by Council, the Study indicates that the water impact fee should increase from \$3,703 to \$6,685 per single family residential unit. Copy of the Report is attached.

Since May 24<sup>th</sup>, SLO County engineering has released revised NW cost figures that now identify Paso's capital cost at \$51.3 million. Staff's estimate for a NW treatment facility is \$10 million, making the total estimated capital cost for the NWP \$61.3 million. These revised capital costs would add an additional \$1,049 to the impact fee increasing it to \$7,734 per single family residential unit.

The NWP poses a unique challenge. Come 7/1/10 or thereabouts, the City will need, according to current estimates prepared by County engineering, \$4.8 million annually in new, reoccurring revenues (ignoring the operating cost of a water treatment facility). Impact fees alone will NOT provide sufficient funds. The NWP component of the impact fee is \$3,300. At 200 units annually, only \$660,000 would be collected, far short of the \$4.8 million required annually to meet annual debt and operating costs. Other dilemmas include:

- Impact fees are only collected once. They don't provide a continuous revenue source.
- Bond covenants will likely require an ongoing "operating" revenue source;( i.e. user fees rather than a development based revenue source; i.e. impact fee).

The following assumptions are included in financial analysis included herein:

- City's share of NW capital cost is \$51 million + \$1 million for pre-project.
- The annual revenue requirement beginning 7/1/10 is \$4.8 million.

- All impact fees collected for NW will be handled as an “operating transfer in” for water operations in order to mitigate as much as possible the impact upon user fees.
- City will construct 200 new residential units annually.
- The County will require, via the inter-agency agreement, a special reserve of 25% from each participant to cover “agency failures”. Should a participant fail to honor their contractual obligation for debt service and operational costs, the remaining non-County participants will be required to “backfill” the failure. It is assumed that existing City impact fees and/or operational funds may be pledged to meet said obligation without any impact upon user or impact fees.
- \$10,000,000 estimated cost of water treatment facility would be added to impact fee schedule.
- User fees collected from 7/1/05 through 6/30/10 would be used with these impact fees to pay for the water treatment facility. The shortfall, if any, would be backfilled temporarily from impact fee fund.
- Annual inflationary adjustments to user fees may provide sufficient revenues for maintenance and operations of the treatment facility. As the cost for the treatment facility are “engineered”, rates may be adjusted accordingly.

There is no option that reflects the establishment of community facility districts (CFD). However, any resources derived from CFD could readily be used to “write down” user fees and/or capital costs depending upon the timing and source. CFD may readily lend themselves to a “NW” user fee wherein each unit pays an operating “surcharge” for NW.

## Nacimiento Water Analysis

- Development impact fee for NW would be \$3,300 per residential unit
- Development impact fee for NW treatment plant would be \$650 per residential unit
- Monthly user fee adjustment for NW would be \$40 per month, calculated as follows:

NW annual capital cost if financed	=	\$3,373,000
NW annual operating cost	=	<u>1,440,000</u>
Total Annual Cost		<u>\$4,813,000</u>

Total Customers = 10,000

Annual Cost / Customers = \$481      \$481/12 = \$40

- User fee credit for “operating transfer in” from water impact fee fund would be \$660,000 (\$3,300 x 200).
- Monthly user fee credit would be \$5.00 (\$660,000/10,000/12).

**NET MONTHLY USER FEE INCREASE REQUIRED = \$35.00**

**It is recommended that the water user fees be increased by \$6.00 per month each year beginning 7/1/05 through 7/1/10 for the specific purpose of “easing” the annual operating cost impact of NW. During this time span, the amounts collected would be deposited into a special fund along with treatment facility impact fees and be used to “cash out” the construction of the water treatment plant.**

**Amounts collected from user fees is illustrated as follows:**

NW Water User Fees				
7/1/2005	7/1/2006	7/1/2007	7/1/2008	7/1/2009
\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000
	720,000	720,000	720,000	720,000
		720,000	720,000	720,000
			720,000	720,000
				720,000
720,000	1,440,000	2,160,000	2,880,000	3,600,000

Total      \$ 10,800,000

**Amounts collected from NW treatment impact fees is illustrated as follows:**

NW Treatment Plant Impact Fees					
9/1/2004	7/1/2006	7/1/2006	7/1/2007	7/1/2008	7/1/2009
\$ 108,550	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
	130,000	130,000	130,000	130,000	130,000
		130,000	130,000	130,000	130,000
			130,000	130,000	130,000
				130,000	130,000
					130,000
108,550	260,000	390,000	520,000	650,000	780,000

**\$ 2,708,550**

\$ 10,000,000 Estimated Cost of Treatment Water Plant

**Summary of all amounts collected:**

<u>\$ 10,000,000</u>	Estimated Cost of Treatment Water Plant
10,800,000	Contribution from NW user fees
2,708,550	Contribution from impact fee fund (future TP fees)
<u>\$ 13,508,550</u>	Total Treatment Plant Contribution

After 7/1/10, NW treatment plant impact fees would be used to 'repay' users, via an operating transfer "in" for their upfront contribution towards construction of the treatment plant. User fees collected prior to 7/1/10 would be used to pay annual debt service and operating & maintenance costs of NW delivery system.

Whether the user fee increase is on the fixed rate portion or variable rate portion is not addressed at this time. The critical key is to begin implementing a series of rate increase to ease customers into the final cost for NW. Given that the annual cost for NW is known and relatively fixed, using the fixed rate portion of the current rate structure would provide a greater degree of confidence that the amounts collected would be sufficient. Using the variable rate portion may subject customers to a number of unscheduled rate modifications to adjust fee collections due to the

seasonality of water consumption and consumption variations arising from water conservation efforts.