

2022 Water Connection Charge (WCC) Study

July 26, 2022
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Today's Agenda

- Opening Remarks
- WCC Development Overview
 - Previous studies
 - Current rates
- 2022 WCC Study
 - Program capacity
 - Absorption (assumed growth)
 - 2022 Project list and timing
- Next Steps
 - Schedule
 - Upcoming workshops

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WCC DEVELOPMENT OVERVIEW



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WCC Development Overview

- PCWA's WCC has been based upon a model that takes into consideration:
 - Available capacity for sale
 - Water connection demand (anticipated connections/absorption)
 - Capital Improvement Plans (new infrastructure to serve available capacity)
 - Debt issuance to meet cash flow needs
- WCC updates every 5± years, or as needed.



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2017 WCC Overview

- Last comprehensive update (which included financial model updates) was completed in 2017, previously was 2014
- 30 MGD Ophir Water Treatment Plant program
 - 15 mgd wholesale, 18 mgd retail
- Results from the 2017 Study:
 - Retail WCC totaling \$18,867
 - Wholesale WCC totaling \$15,295
 - Partnership option totaling \$11,557
 - CAW transmission surcharge of \$1,152 under the wholesale WCC



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Current WCC Rates (Effective Jan 2022)

- Retail Residential
 - 1 Equivalent Dwelling Unit (EDU) = 1 Unit of Capacity (UOC)
 - 1 UOC = 1,150 GPD Max Day Demand (MDD)
 - 1,000 UOCs=1.15 MGD=2,500 MDUs=1,667 1/10 Acre SFR
 - WCC Rates are updated by ENR annually

Residential Assessment of UOC & WCC:

Lot Size (Square Feet)	Assessed UOCs	Assessed WCC	Assessed Meter Size ⁽²⁾
MDU ⁽¹⁾	0.4	\$7,995	N/A
≤ 2,900	0.4	\$7,995	5/8"
2,901 ≤ 4,400	0.6	\$11,992	5/8"
4,401 ≤ 5,500	0.7	\$13,991	5/8"
5,501 ≤ 7,000	0.9	\$17,988	5/8"
7,001 ≤ 10,000	1.0	\$19,987	5/8"
10,001 ≤ 17,000	1.2	\$23,984	3/4"
17,001 ≤ 35,000	1.5	\$29,981	3/4"
35,000 <	2.5	\$49,968	1"

Footnotes:
 (1) Multi-Dwelling Unit (MDU) UOC assessment is per unit and for indoor water use only. A separate metering for outdoor water use is required.
 (2) Assessed meter sizes are for monthly billing purposes only. Residential meters may be upsized up to a 1" meter to accommodate fire sprinkler systems requirements. The meter set fee of actual meter size installed shall be used when upsized for fire sprinkler systems.



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2022 WCC STUDY



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Absorption (Assumed Growth)

Year	Assumed Growth Analyzed	Assumption
2014	600 to 1,800 UOCs per year for 30 years	constant growth
2017	848 UOCs/year average - variable	Growth varied throughout the 30-year period
2022	950 UOCs/year – normalized Retail: 540 UOCs/year Wholesale: 410 UOCs/year	Constant growth simplified approach



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Historical Retail Demand

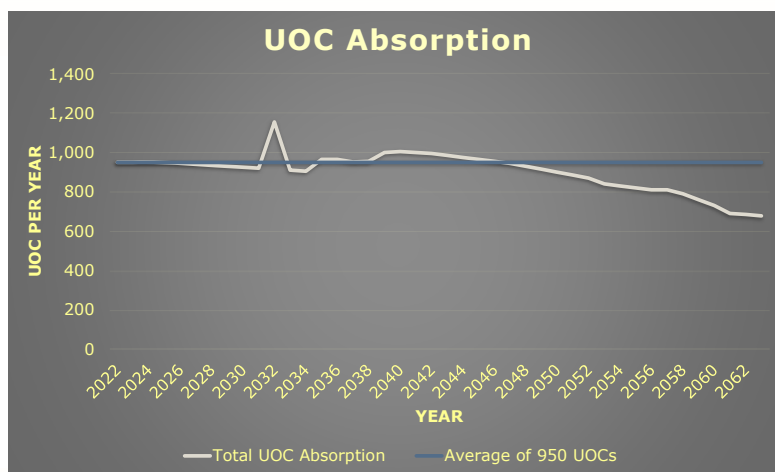
Year	Retail (UOCs) Foothill-Sunset-Ophir
2017	644
2018	437
2019	525
2020	189
2021	649
Average (2017-2019)	535
Average (2017-2021)	489

- Original study was set to start in 2020, there average of 540 was established



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UOC Absorption Plotted over Time



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Updated Water Connection Charge

Year	Retail WCC per UOC	Wholesale WCC per UOC ¹
2014	\$17,307	13,586
2017	\$18,867	\$15,295
Current	\$19,987	\$16,203

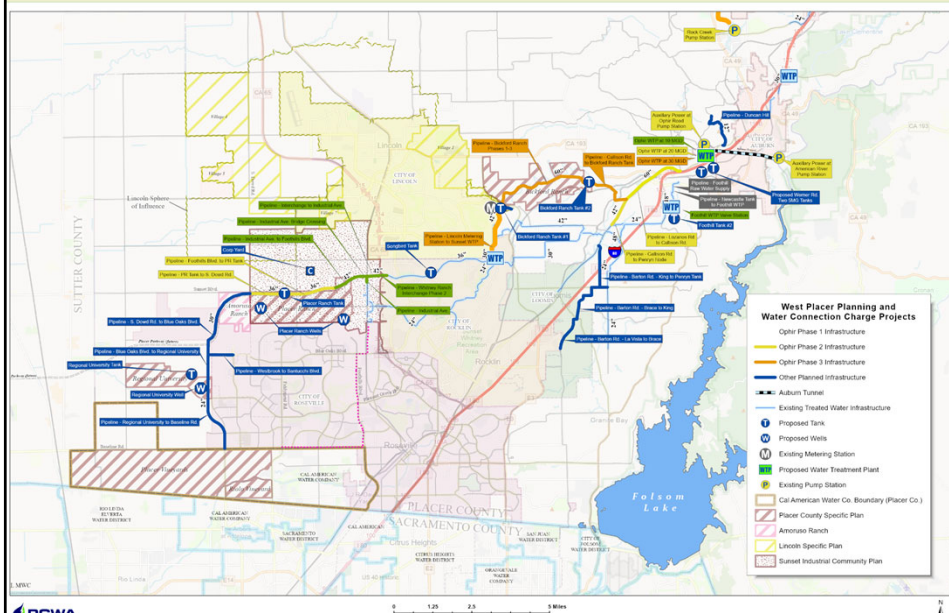
Note:

1) Amount does not include any applicable surcharges.



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2022 Water Connection Charge Projects



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2022 WCC Study Schedule & Closing Remarks

Schedule

- June 28: WCC kickoff
- **July 26: Stakeholder Workshop**
 - Feedback on projects and timing by August 9.
- August 16: Present Final Project List
- Fall Workshops
 - Financial Analysis
 - Results
- PCWA Board (target early 2023)



2022 WCC documents are available at:

<https://www.pcwa.net/about-pcwa/environmental-planning>



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Questions, Comments, and Information

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