SUNNYSLOPE COUNTY WATER DISTRICT

Water Capacity Fee Study - DRAFT

DRAFT REPORT / AUGUST 22, 2025

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Sunnyslope Water District

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August 22, 2025

Mr. Drew Lander
General Manager
Sunnyslope County Water District
3570 Airline Hwy
Hollister, CA 95023

Subject: Water Capacity Fee Report - DRAFT

Dear Mr. Lander:

Raftelis is pleased to provide this Water Capacity Fee study for the Sunnyslope County Water District (District), which updates the water capacity fee based on updated financial information and an updated fee approach. This report steps through the methodology for updating the fee and presents the recommended wastewater capacity fees and impacts.

It has been a pleasure working with you, and we thank you and the District staff for the support provided during the course of this study.

Sincerely,

Theresa M. Jurotich

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1. Executive Summary

1.1. Study Background

The District conducted a capacity fee study in 2013 and has been annually increasing the capacity fee based on the Engineering News-Record Construction Cost Index (CCI). The last update was July 1, 2024. The District engaged Raftelis to conduct a comprehensive water capacity fee study to update the fees. This report documents the resultant findings, analyses, and proposed changes to the District's water capacity fees. The updated capacity fees documented in this report are in accordance with the rules and regulations of California State Government Code Section 66013. This report is the formal technical documentation in support of modifications to the capacity fees within the District's service area including data sources, methodology, results, and comparisons.

The major objectives of the study include the following:

- Updating the charges to reflect the current state of the water system and capital improvements
- Ensuring charges are fair to both future users and to existing users who have invested, and reinvested, in the wastewater system

1.2. Capacity Fees

Capacity fees are also commonly known as developer fees, development impact fees, connection fees, and system development charges, among others. All are one-time charges, assessed against a new development, to recover the proportional share of capacity investment, previously constructed by a utility (or will be constructed), to accommodate growth. Capacity fees are codified in the California Government Code Sections 66000-60025. Capacity fees must reflect the link between the fee imposed on, and the benefit received by, a new connection to the system. The fee charged may not exceed the reasonable share of costs associated with providing the service.

Broady, utilities use one of three different methodologies to calculate capacity fees: Buy-In, Incremental, and Hybrid; with variations of each dictated by local community and system characteristics, as well as policy objectives. Utilities have broad latitude in the method and approach used to calculate fees provided the fees reflect the benefit and do not exceed the costs for providing service to the connection. These fees are designed to be proportional to the burden placed on the system by new connections.

1.3. Recommended fees

Since the District has both existing capacity in its water system but needs to expand its treatment capacity, it is reasonable and appropriate to determine capacity fees based on the hybrid method. Raftelis worked closely with District staff to determine the value of the existing water system and to determine the usage associated with an equivalent meter (EM). Raftelis and the District agreed that the valuation method should reflect the replacement cost less depreciation (RCLD) to value the system in today's dollars acknowledging that the systems' facilities as a whole are not new and subject to depreciation. The value of the system, including reserves, is spread over the existing system utilization to determine the "equity" of each existing user and derive the proposed capacity fees.

The analysis herein utilizes the hybrid method to calculate the proposed water capacity fee of $10,085/EM. Raftelis recommends that the District capacity fees be based solely on equivalent meters, where one equivalent meter equals 305 gallons per day (gpd) of water demand based on historical demand patterns. One equivalent meter is defined as 5/8”, ¾” and 1” meters, which are the primary meters used by single family residential customers.

The RCLD value of the current water system backbone assets is calculated as $24.3 million. Reserves[1] of $6.0 million are added to yield a net system backbone value of $30.3 million. Sunnyslope’s share in the water treatment plants is 3.06 mgd. This results in a buy-in component of $9.93/gpd.

The incremental component is calculated at the functional level so that costs are divided by the appropriate associated capacity. Those unit rates are then summed to arrive at the total incremental component of $23.13/gpd.

The resulting hybrid capacity fee is $33.05/gpd. Multiplied by 305 gpd/EM results in a connection charge of $10,085/equivalent meter.

Table 1-1 shows the schedule of proposed water capacity fees as well as the current schedule. For new customers on a 1-inch or smaller meter, the fee will decrease by $4,015 dollars.

Table 1-1: Proposed and Existing Water Capacity Facilities Fees

	Proposed	Current
	$/EM	$/EM
5/8"	**$10,085**	$14,100
3/4"	**$10,085**	$14,100
1"	**$10,085**	$14,100
1 1/2"	**$20,170**	$28,300
2"	**$32,272**	$45,250
3"	**$70,595**	call district office
4"	**$127,071**	call district office
6"	**$262,210**	call district office

[1] Reserves represent cash on hand from current ratepayers for future re-investment of water system capital assets.

2. Background and Legal Framework

2.1. Economic and Legal Framework

For publicly owned systems, most of the assets are typically paid for by the contributions of existing customers through rates, charges, securing debt, and taxes. In service areas that incorporate new customers, the infrastructure developed by previous customers is generally extended towards the service of new customers. Existing customers' investment in the existing system capacity allows newly connecting customers to take advantage of unused surplus capacity. To further economic equality among new and existing customers, new connectors will typically "Buy-In" to the existing and pre-funded facilities based on the existing assets, effectively putting them on par with existing customers. In other words, the new users are buying into the existing system based on the replacement costs of existing assets to continue to provide the same level of service to new customers through repairs, expansions, and upgrades to the system.

The basic economic philosophy behind capacity fees is that the costs of providing service should be paid for by those that receive utility from the product. To effect fair distribution of the value of the system, the charge should reflect a reasonable estimate of the cost of providing capacity to new users and not unduly burden existing users through a comparable rate increase. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity fee structure.

The philosophy that service should be paid for by those that receive utility from the product is often referred to as "growth-should-pay-for-growth." The principal is summarized in the American Water Works Association (AWWA) Manual M26: *Water Rates and Related Charges*:

> *"The purpose of designing customer-contributed-capital system charges is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers. Contributed capital reduces the need for new outside sources of capital, which ordinarily has been serviced from the revenue stream. Under a system of contributed capital, many water utilities are able to finance required facilities by use of a 'growth-pays-for-growth' policy."*

This principle, in general, applies to water, water, and storm drainage systems. In the excerpt above, customer-contributed-capital system charges are equivalent to capacity fees.

2.2. Legal Framework and California Requirements

In establishing capacity fees, it is important to understand and comply with local laws and regulations governing the establishment, calculation, and implementation of capacity fees. The following sections summarize Raftelis' understanding[2] of the regulations applicable to the development of capacity fees for the District.

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[2] Raftelis does not practice law, nor does it provide legal advice. Our discussion provides a general overview of Raftelis' understanding as utility rate and charges practitioners and is labeled "Legal Framework and California Requirements" for literary convenience only. The District should consult with its legal counsel for clarification and/or specific guidance.

Capacity fees must be established based on a reasonable relationship to the requirements and benefits brought about by the development or expansion. Courts have long used a standard of reasonableness to evaluate the legality of development charges. The basic statutory standards governing capacity fees are embodied by California Government Code Sections 66013, 66016, 66022 and 66023. Government Code Section 66013 contains requirements specific to determining utility development charges:

> *"Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue."*

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the charge; they must establish a nexus, or relationship, between a development project and the improvement being financed with the charge.
- The capacity charge revenue must be segregated from the General Fund to avoid commingling of capacity fees and the General Fund.

3. Methodology Overview

A capacity fee is a one-time charge paid by a new water system customer for the cost of backbone facilities necessary to provide water system capacity to that new customer. However, it is also assessed to existing customers requiring increased water system capacity. Revenues generated by this charge are used to pay for growth-related water facilities. However, revenues from the RCLD component may be used for replacement and refurbishment projects. Backbone facilities refer to those components of the system that are necessary to provide service to all customers, inclusive of treatment and major water transmission and distribution lines.

A capacity fee may be developed as a single charge for the entire backbone system or as individual charges for each backbone component. The District has historically calculated the capacity fee as a single charge, which is the most common approach across California.

Historically, the District's water capacity fee has been calculated based on equivalent meters. Raftelis recommends continuing to use equivalent meters.

3.1. Capacity Fee Methodologies

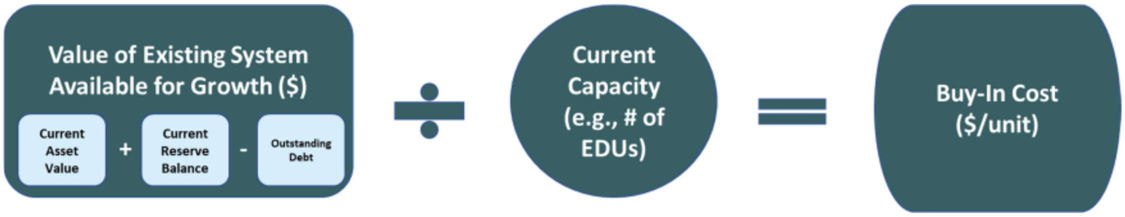
The method for calculating capacity fees generally utilizes one of the following three approaches: Buy-In, Incremental, or Hybrid. The Buy-In approach is designed to recover the historical costs of plant investment in proportion to the amount of built capacity, some of which is available for new growth. The Incremental approach is designed to recover the costs of future growth-related projects and the additional capacity those projects will yield. The Hybrid is appropriate where some remaining capacity is available in the existing system and where new, future facilities are required for development.

3.1.1. BUY-IN METHOD

The "Buy-In Method" is based on the premise that new customers are entitled to service at the same price as existing customers. Under this approach, new customers pay only an amount equal to the current system value, either using the original cost or replacement cost as the valuation basis and either netting the value of depreciation or not. This net investment, or value of the system, is then divided by the current capacity utilization on the system by existing users to determine the Buy-In cost per unit.

For example, if the existing system has 100 equivalent dwelling units and the new connector uses an equivalent unit, then the new customer would pay 1/100 of the total value of the existing system. By contributing this capacity fee, the new connector has "bought in" to the existing system. The new user has effectively acquired a financial position on par with existing customers and will face future capital re-investment on equal financial footing with those customers. This approach is suitable when: (1) an agency has built most or all of their facilities and only a small, or no, portion of future facilities are required for build-out development, (2) an agency does not have a detailed adopted long-term capital improvement plan, or (3) an agency's "build-out" date is so far out in the future that it is difficult to accurately project growth and required facilities with precision. Figure 3-1shows the framework for calculating a System Buy-In capacity fee.

Figure 3-1: Formula for System Buy-In Approach



3.1.2. INCREMENTAL-COST METHOD

The Incremental-Cost Method states that new development (new users) should pay for the additional capacity and expansions necessary to accommodate them. This method is typically used when specific capital improvements needed to furnish growth for new development. Under the Incremental-Cost Method, growth-related capital improvements are allocated to new development based on their estimated usage or capacity requirements, irrespective of the value of past investments made by existing customers.

For instance, if it costs X dollars ($X) to provide water treatment and transmission for 100 additional equivalent dwelling units and a new connector uses one of those equivalents, then the new user would pay $X/100 to connect to the system. In other words, new customers pay the incremental cost of capacity based on the estimated cost of the new facility projects. This method is generally used when detailed facilities are identified for the capacity required to serve new customers and little to no existing system capacity is available for development. While California Code 66013 (b)(3) does not define a specific period over which to include future projects, these periods can be as long as a master planning period. Figure 3-2 shows the framework for calculating an incremental cost capacity fee.

Figure 3-2: Formula for Incremental-Cost Approach

3.1.3. HYBRID METHOD

The Hybrid Method is typically used where some capacity is available to serve new growth, but additional expansion is still necessary to accommodate new development. Under the Hybrid Method, the capacity fee is based on the sum of the existing capacity value and the costs of necessary expansions (i.e., the Buy-In component and the Incremental cost component).

In utilizing this methodology, it is important that system capacity costs are not double-counted when combining costs of the existing system with future costs from the Capital Improvement Program (CIP). Capital improvements that benefit existing users and also expand system capacity to serve future customers may be included proportionally to the percentage of the cost specifically required for expansion of the system. Figure 3-3 summarizes the framework for calculating the Hybrid capacity fee.

Figure 3-3: Formula for Hybrid Approach

3.1.4. RECOMMENDED METHODOLOGY

Since the District has some remaining capacity available for new customers but is also planning for needed expansion for new growth, Raftelis recommends using the Hybrid approach.

3.2. Asset Valuation Options

Four principal methods are used to estimate the value of existing facilities: original cost, replacement cost, original cost less depreciation, and replacement cost less depreciation (RCLD).

3.2.1. ORIGINAL COST

The principal advantages of original cost valuation are relative simplicity and stability since the recorded costs of fixed assets are held constant. The major criticism levied against original cost method is that it disregards changes in the time value of money, and future capital costs, which are attributable to inflation and other factors. As evidenced by history, prices tend to increase rather than to remain constant or decrease. This situation may be exacerbated since most water and sewer systems are developed over time on a piecemeal basis as demanded by the customer base and service area growth. Consequently, each asset addition is paid for with dollars of different purchasing power. When these outlays are added together to obtain a plant value, the result can be misleading. Additionally, original cost does not account for the depreciation of facilities and other assets as they age, which may not be representative of the state of the systems. We discuss depreciation in further detail below.

3.2.2. REPLACEMENT COST (RC)

Changes in the value of the dollar over time, represented by cost inflation, is recognized by the replacement cost valuation. The replacement cost represents the cost of duplicating the existing water and sewer facilities (or duplicating their functions) at current dollars. Unlike the original cost approach, the replacement cost approach recognizes price level changes that have occurred since plant construction and subsequent investments. The most accurate replacement cost valuation requires a physical inventory and appraisal of plant components in terms of their replacement costs at the time of valuation. However, with original cost records available, a reasonable approximation of replacement cost plant value can be easily derived by trending historical original costs. This approach employs the use of cost indices to express actual capital investment by the utility in current dollars. An obvious advantage of the RC approach is that it accounts for changes in the value of money over time. However, just like original cost it does not account for the depreciation of facilities and other system assets.

3.2.3. ORIGINAL COST LESS DEPRECIATION

The current value of water facilities is also materially affected by the effects of age. All assets have estimated useful lives, which vary by type. For example, pumps may have a 20-year life, buildings 50 years, and pipelines 80 years. Each year an asset is devalued by the fraction of its useful life relative to its original cost. This is referred to as straight line or linear depreciation. At the end of an asset's useful life, it is worth zero dollars on paper, though it may still be in service. Depreciation accounts for estimated devaluation in system assets caused by wear and tear, decay, inadequacy, and obsolescence. To provide appropriate recognition of the effects of depreciation on existing water and sewer systems, the original cost valuation can be expressed net of depreciation to yield the original cost less depreciation. Accumulated depreciation is computed for each asset and reduces the valuation based on age or condition, from the respective total original cost.

3.2.4. REPLACEMENT COST LESS DEPRECIATION (RCLD)

The RCLD is identical to the original cost less depreciation valuation method, with the exception that asset cost and asset depreciation is expressed in today's dollars rather than the value of the dollar when the asset was placed in service. Original cost and depreciation are inflated using historical indices to reflect today's dollars. Replacement cost depreciation is then subtracted from the replacement cost new of the asset to yield replacement cost less depreciation. RCLD allows for an accounting of system assets in present value while also accounting for proportional devaluation via depreciation. To reiterate from Section 3.2.2, replacement cost is the common nomenclature, however, in the context of this study it is not a process to appraise or receive bids on replacing each existing asset or facility; it is instead a method of approximating the replacement cost of existing facilities based on historical construction cost increases.

3.2.5. RECOMMENDED ASSET VALUATION METHOD

RCLD is most commonly used for capacity fee calculations. Raftelis recommends using the RCLD method to account for today's replacement cost for system improvements while acknowledging the remaining useful life of the system facilities. This valuation approach ensures that future users' investment represents a fair share of the system in both the accounting sense and the level of service these future users are purchasing.

4. Buy-in System Value and Component Unit Cost

This section steps through the calculation of the system value for the Buy-In approach and the associated unit cost.

The cost basis for determining the Buy-In capacity fee component is the RCLD, which estimates the replacement cost reflecting the remaining depreciable life of the facility. Backbone system assets data is current as of June 30, 2025 (end of FY 2025). The RCLD is based on the original asset cost adjusted to current costs based on a ratio of the Engineering News Record, Construction Cost Index (CCI) for Los Angeles, Dec 2024 (midpoint of FY 2025) (15,413) to the CCI for the construction year. The RCLD of all the District's water assets is $24.3 million.

The RCLD backbone system value is adjusted to reflect the debt-free investment position of the current customers. Since new customers, through payment of the general water service rates, would be covering the capital carrying costs of the existing plant in service, the outstanding principal on debt is subtracted from the RCLD. Given that the asset database does not include the water treatment plants and the outstanding debt is associated with those two plants, no adjustment for outstanding principal is needed. The system value is adjusted for cash on hand in the form of capital reserves, contributed by existing ratepayers. Cash available at the end of FY 2025 is $6.0 million.

The adjusted backbone system value is $30.3 million, as shown in line 3 of Table 4-1. Sunnyslope's share in the existing treatment plants is 3.06 million gallons per day (mgd). The buy-in cost component is $9.93/gpd.

Table 4-1: Buy-In System Value & Unit Cost

Buy-In Component		RCLD-Total	Capacity (mgd)	Unit Cost, $/gpd
1	Total Backbone System Value	$24,284,241		
2	Existing Fund Balance	$6,039,052		
3	Adjusted Existing System Value	$30,323,293	3.06	**$ 9.93**

5. Incremental Cost Component

The incremental method capacity fee is based on the cost of the growth-related projects divided by the additional capacity provided by those projects. The fee also includes projects that benefit both existing and new customers. For those the full cost of the project is divided by the full capacity including any additional capacity added or freed-up by the project. The projects have been identified by District staff. Projects that are rehabilitating and upsizing an existing asset are fully depreciated in the asset database according to District staff.

Table 5-1 shows the calculation of the incremental component of the hybrid capacity fee.

Table 5-1: Incremental Component of Capacity Fee

Incremental Component		Total	Capacity (mgd)	Unit Cost, $/gpd
1	Benefits Existing & New Customers	17,423,500	4.11	$ 4.24
2	Available Capacity in WTPs	$7,564,334	1.21	$ 6.25
3	Well Rehabilitation	$300,300	1.20	$ 0.25
	San Benito Urban Area			
4	Adrop	$3,050,000	1.06	
5	West Hills Expansion	$2,500,000	1.06	
6	Subtotal	$5,550,000	2.12	$ 2.62
7	New Well	$10,000,000	1.50	$ 6.67
8	Upsize Water Main	$250,000	1.06	$ 0.24
9	Conservation Turf Removal	$2,000,000	4.16	$ 0.48
10	Foxhill Zone	$1,095,000	0.46	$ 2.39
11	Incremental Total			**$ 23.13**

6. Proposed Capacity Fees

6.1. Average Single-Family Customer Demand

Raftelis used recent historical billing data to determine the highest average use per single family residential customer, which represents the capacity that the system needs to supply to an equivalent meter. The average demand per account is 305 gpd.

6.2. Total Capacity Fee

The proposed capacity fee is determined by multiplying the total connection charge (sum of buy-in and incremental components) (Line 1) by the average demand per equivalent meter (Line 2). The proposed water capacity fee is $10,085/EM.

Table 6-1: Proposed Water Capacity Fee, gpd and EM basis

	Description	Cost	
1	Total Connection Charge, $/gpd	$	33.05
2	Avg Usage, gpd/mtr		305
3	Total Connection Charge, $/EM	$	10,085

AWWA safe operating capacity ratios are used to prorate the charge for larger meter sizes, as shown in Table 6-2. The table also shows the current charge for reference.

Table 6-2: Proposed & Existing Charge by Meter Size

	EM Capacity Ratio	Proposed $/EM	Current $/EM
5/8"	1.0	**$10,085**	$14,100
3/4"	1.0	**$10,085**	$14,100
1"	1.0	**$10,085**	$14,100
1 1/2"	2.0	**$20,170**	$28,300
2"	3.2	**$32,272**	$45,250
3"	7.0	**$70,595**	call district office
4"	12.6	**$127,071**	call district office
6"	26.0	**$262,210**	call district office

APPENDIX A:

Water Growth-Related Projects

San Benito Urban Area Projects 1/2 Cost	Project	Justification	Beneficiary	Growth Related Cost	Total Cost	Capacity Basis
SBUA 1	SBCWD Tranches for Lessalt & West Hills	West Hills & Lessalt max capacity is 6.5MGD split with COH 47% and SJB 6% and 47% (3.06MGD) to SSCWD. In 2024 annual average demand was about 2.2MGD plus 5-6% loss for 2.3MGD. Assuming 80% surface water blend, current customers require 1.85MGD. That leaves 1.21MGD for growth which is 40%.	Growth	$ 7,564,334		Available existing capacity for growth
SBUA 2	ADRoP Project	ADRoP expands West Hills capacity by 2.25MGD adding 1.06MGD for SSCWD, all of which can be applied to future growth.	Growth	$ 3,050,000		Capacity added
SBUA 3	Hollister Urban Area Master Plan Update	All related to planning for future growth, but itself does not add capacity	Existing + New		$ 75,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 4	Convert Lessalt SCADA from Wonderware to Ignition	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 62,500	Full existing capacity + capacity added by West Hills Expansion
SBUA 5	Convert West Hills SCADA from Wonderware to Ignition	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 100,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 10	West Hills WTP Expansion	Expand West Hills to 9MGD all for future growth	Growth	$ 2,500,000		West Hills expanded capacity
SBUA 11	Cross Town Pipeline Inspection	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 150,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 12	North County Groundwater Storage Planning	Ensures surface water supply for 9MGD West Hills but does not add more capacity than that	Existing + New		$ 200,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 13	North County Groundwater Storage Project	Ensures surface water supply for 9MGD West Hills but does not add more capacity than that	Existing + New		$ 3,000,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 18	Lessalt Solar	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 50,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 19	Lessalt Cathodic Protection	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 72,000	Full existing capacity + capacity added by West Hills Expansion
SBUA 20	Lessalt Catwalk Platforms	Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification	Existing + New		$ 75,000	Full existing capacity + capacity added by West Hills Expansion
SBUA Sub-Total				$ 13,114,334	$ 3,784,500	
Water Supply & Treatment	**Project**	**Justification**	**% Growth Related**	**Growth Related Cost**	**Total Cost**	**Capacity Basis**
WS&T 1	Well 2 - Rehabiliation	If Wells 2, 5, 7, 8, & 11 all run 20hrs per day they have 5.46MGD capacity. Full WH expansion and Well 12 capacity to SSCWD is 6.68MGD. At a 80/20 blend, 1.67MGD well water can be used. 2024 demand is 2.3MGD equaling 0.46MGD well water. Future growth well water capacity at 20% blend is 1.21MGD, equaling 22% of existing well capacity for future growth. New capacity split evenly between the 5 wells.	Growth	$ 49,500		Available existing capacity for growth
WS&T 2	Well 7 - Rehabilitation	Same as WS&T 1	Growth	$ 60,500		Available existing capacity for growth
WS&T 3	Well 8 - Rehabilitation	Same as WS&T 1	Growth	$ 58,300		Available existing capacity for growth
WS&T 4	Well 5 - Rehabilitation	Same as WS&T 1	Growth	$ 66,000		Available existing capacity for growth
WS&T 5	Well 12 - Development	New well entirely for future growth. Assume new well will be able to produce 1.5MGD	Growth	$ 2,000,000		Capacity added
WS&T 6	Well 12 - Water Quality Treatment	Treatment to make well water quality equivalent to surface water salinity/hardness so counts as surface water supply for blending ratios	Growth	$ 8,000,000		Part of WS&T5
WS&T 8	Well 11 - Rehabilitation	Same as WS&T 1	Growth	$ 66,000		Available existing capacity for growth
WS&T 9	Cr-VI at Well 7	These improvements are needed to maintain ability to use each of these wells and keep the current capacity for existing and future customers. WS&T 1 calculations. Does not add any new capacity not accounted for by Well Rehab projects.	Existing + New		$ 150,000	Available existing capacity for growth
WS&T 10	Cr-VI at Well 5	These improvements are needed to maintain ability to use each of these wells and keep the current capacity for existing and future customers. WS&T 1 calculations. Does not add any new capacity not accounted for by Well Rehab projects.	Existing + New		$ 1,350,000	Available existing capacity for growth
WS&T 11	Cr-VI at Well 8	These improvements are needed to maintain ability to use each of these wells and keep the current capacity for existing and future customers. WS&T 1 calculations. Does not add any new capacity not accounted for by Well Rehab projects.	Existing + New		$ 1,350,000	Available existing capacity for growth
WS&T Sub-Total				$ 10,300,300	$ 2,850,000	
Water Distribution	**Project**	**Justification**	**% Growth Related**	**Growth Related Cost**	**Total Cost**	**Capacity Basis**
WD 1	**Union Road Pressure Reducing Station SCADA**	**With more growth, FV zone needs more resilency provided by the PRV.**	Existing + New		$ 72,000	Full existing capacity + capacity added by West Hills Expansion
WD 2	**New Enterprise Booster Station**	**With more growth, RMK zone needs more resiliency provided by booster station**	Existing + New		$ 380,000	Full existing capacity + capacity added by West Hills Expansion
	New Enterprise Garage Development	**With more growth, SSCWD needs more equipment and storage for that equipment**	Existing + New		$ 850,000	Full existing capacity + capacity added by West Hills Expansion
WD 3	**Upgrade Airline Highway Booster Station SCADA**	**With more growth, RMK zone needs more resiliency provided by booster station**	Existing + New		$ 60,000	Full existing capacity + capacity added by West Hills Expansion
WD 4	**Rehabilitate 2.0 MG Fairview Tank**	**Tank entirely for growth but capacity accounted for in West Hills expansions.**	Existing + New		$ 1,800,000	Full existing capacity + capacity added by West Hills Expansion
WD 7	**Replace 12" Pipe from Ridgemark Tanks to Georges**	**Replacing high risk pipe more important as more growth adds demand on the system.**	Existing + New		$ 540,000	Full existing capacity + capacity added by West Hills Expansion
WD 8	**Upsize water main from Well 2 to Airline Hwy**	**This upsizing is required to get full West Hills expansion capacity into SSCWD's distribution system. No extra capacity as already accounted for with West Hills expansions.**	Growth	$ 250,000		West Hills expanded capacity
WD 9	**Water Meter AMI Radio Network and Upgrades - In Progress**	**Meter reading upgrades are entirely due to growth and reaching a size where traditional meter reading is no longer feasible.**	Existing + New		$ 1,670,000	Full existing capacity + capacity added by West Hills Expansion
WD 12	**Water Main Upgrades for Fire Flows**	**These improvements improve the overall system hydraulics primarily for existing, but it has some benefit for future growth as well.**	Existing + New		$ 100,000	Full existing capacity + capacity added by West Hills Expansion
WD 15	**Connect Fairview Tank Solar to Grid through Meter**	**This will pay for electrical costs for the tank site split evenly between 3.5MG for existing customers and 2.0MG for future customers**	Existing + New		$ 28,000	Full existing capacity + capacity added by West Hills Expansion
WD 20	**Water Main Replacement Project**	**With growth it is more important that the existing pipes are in good shape as outages impact more people.**	Existing + New		$ 2,000,000	Full existing capacity + capacity added by West Hills Expansion
WD 21	**Gate Valve Replacement**	**With growth it is more important that the existing valves are in good shape as outages impact more people.**	Existing + New		$ 400,000	Full existing capacity + capacity added by West Hills Expansion
WD 23	**Fire Hydrant Replacement**	**Improved fire protection incrementally benefits growth by reducing the likelihood of fires spreading from house to house and threatening the new growth.**	Existing + New		$ 300,000	Full existing capacity + capacity added by West Hills Expansion
WD 25	**Panel Upgrades for tanks and interties**	**With growth it is more important that the existing panels & controls are in good shape as outages impact more people.**	Existing + New		$ 150,000	Full existing capacity + capacity added by West Hills Expansion
WD 28	**Foxhill & Lessalt Blending Station**	**Maintains 6.5MGD capacity of Lessalt and West Hills so SBUA 1 justification**	Existing + New		$ 550,000	Full existing capacity + capacity added by West Hills Expansion
WD 29	**Conservation and Turf Removal**	**Based on Turf Removal Rebate of $2 per SF removed, 60" annual irrigation for turf = 37.5gal approximately 0.1gpd so $200,000 = 0.01MGD saved, expanding capacity by that much.**	Existing + New	$ 2,000,000		Full existing capacity + capacity added by West Hills Expansion + capacity freed-up by project
WD Sub-Total				$ 2,250,000	$ 8,900,000	
Foxhill Zone	**Project**	**Justification**	**% Growth Related**	**Growth Related Cost**	**Total Cost**	**Capacity Basis**
FH 1	**Well 5 Foxhill System Supply Design & SCADA**	**Moves landscape customers from 20% groundwater to 100% groundwater, opening more blended water capacity for new customers. There is plenty of extra well capacity to cover this demand.**	Growth	$ 195,000		Capacity added
FH 5	**Foxhill Tank SCADA**	**Foxhill tank is needed for IRR system in FH 1 but also serves Heatherwood, Foxhill, Tres Pinos, and Stonegate until Stonegate can connect to RMK Zone.**	Existing + New		$ 65,000	Full existing capacity + capacity added by West Hills Expansion
FH 15	**Replace 920' 10" ACP south of Cielo Vista**	**Needed for IRR system reliability**	Existing + New		$ 200,000	Full existing capacity + capacity added by West Hills Expansion
FH 16	**Pipe to Klaur Park**	**4 acres grass to well only source = 0.022 MGD blended water available**	Growth	$ 135,000		Capacity added
FH 17	**Pipe from 1380 to 1140 Meridan**	**3 acres grass**	Growth	$ 240,000		Capacity added
FH 18	**Pipes to Maze and Dual Language Academy**	**7 acres grass**	Growth	$ 140,000		Capacity added
FH 19	**Pipe to Calvary Cemetery**	**4 acres grass with potential buildout of 7.5 acres**	Growth	$ 300,000		Capacity added
FH 20	**Pipe to St Benedict Church landscape**	**2 acres grass**	Growth	$ 85,000		Capacity added
WIS Sub-Total				$ 1,095,000	$ 265,000	
Administration	**Project**	**Justification**	**% Growth Related**	**Growth Related Water Portion**	**Total Water Portion**	**Capacity Basis**
AD 1	**Solar/Batteries/Charging Stations**	**Growth requires expanding fleet with electric vehicles, but regs require replacing existing fleet too.**	Existing + New		$ 260,000	Full existing capacity + capacity added by West Hills Expansion, 65% to Water
AD 9	**Vehicle Replacement**	**Growth requires expanding fleet with electric vehicles**	Existing + New		$ 266,500	Full existing capacity + capacity added by West Hills Expansion, 65% to Water
AD 10	**Vactor Truck**	**Growth required obtaining Vactor to improve efficiency at scale and growth adds hours to in requiring earlier replacement**	Existing + New		$ 1,000,000	Full existing capacity + capacity added by West Hills Expansion, 100% to Water
AD 11	**Backhoe**	**Growth adds more hours to backhoe requiring earlier replacement**	Existing + New		$ 97,500	Full existing capacity + capacity added by West Hills Expansion, 65% to Water
AD Sub-Total				$ -	$ 1,624,000	