

1.2.4 Connection Fees (BP)

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POLICY

AMWC will charge its shareholders a connection fee for new water services. Connection fee revenue will be segregated and will only be expended for the development of new water resources. The AMWC Board will review connection fees annually. In addition to the connection fee, shareholders will be charged a service installation fee to cover the cost of installing new water services (Refer to related [Policy 1.4.3 - Service Installation Fee](#)).

Acceptance of Fees

AMWC will only accept payment of connection fees for a property when a water main is available to serve the property; and,

1. The meter will serve an existing residential, commercial, or industrial building on the property; or,
2. The meter will serve a residential, commercial, or industrial building on the property which the City of Atascadero or County of San Luis Obispo has issued a building permit; or,
3. The meter is dedicated to landscape irrigation purposes for either a common area parcel or area within a public right-of-way.

Meters for Commercial Fire Suppression

AMWC will allow the installation of water services dedicated to fire suppression purposes on commercial, industrial, public, or multi-family residential properties. Shareholders will not be charged connection fees for these dedicated fire services.

Meters for Residential Fire Suppression

AMWC will not allow the installation of water services dedicated to fire suppression purposes on single-family residential properties.

Shareholders will be allowed to purchase either 3/4-inch or 1-inch water meters at the same connection fee rate as 5/8-inch water meters when the City or County requires the installation of a residential fire-suppression system. The allowance for 1-inch meters is subject to the following conditions:

1. A fire-suppression engineer, chosen by AMWC, must independently evaluate the shareholder's residential fire-suppression system design to verify the need for a 1-inch meter. The shareholder shall pay AMWC a fixed fee for this evaluation, which fee shall be sufficient to recoup costs incurred by AMWC.
2. The fire-suppression engineer hired by AMWC determines that a 1-inch meter is required for the residential fire-suppression system and there are no practical design modifications that will allow the use of a 3/4-inch meter. The need for a booster pump to allow use of a 3/4-inch

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meter solely to meet the requirements of the fire-suppression system shall not be considered a practical design modification.

3. The shareholder may revise the residential fire-suppression system design if the fire-suppression engineer hired by AMWC determines there are practical design modifications that will allow the use of a 3/4-inch meter. AMWC will not allow any reduction in connection fees for a 1-inch meter should the shareholder choose not to revise the design of the residential fire-suppression system to allow use of a 3/4-inch meter.
4. The use of 3/4-inch or 1-inch water services issued under this allowance for residential fire-suppression systems will be limited to one single-family residential unit on the property. The shareholder will be required to pay an additional connection fee for each additional dwelling unit constructed on the property.

Shareholders who voluntarily install residential fire-suppression systems may purchase 3/4-inch or 1-inch meters at the same connection fee rate as 5/8-inch meters. The reduced connection fee for 1-inch meters is subject to the conditions noted above. Shareholders will be required to pay the full connection fee for the 3/4-inch or 1-inch meter before meter installation. Staff will then verify the installation of fire suppression system and refund the shareholder the difference between the connection fee paid and the connection fee for a 5/8-inch meter. To be eligible for a refund, the fire suppression system installation shall be completed within 60 calendar days of the date the shareholder pays the connection fees.

Basis of Fees

Connection fees for new 5/8" water services will be established by dividing the estimated development cost of new water resources by the estimated number of 5/8" water services that can potentially be added to the system as a result the new water resources. The potential number of new 5/8" water services that can be added to the system will be established by dividing the estimated total daily production of the new water resources by the historical peak daily demand per 5/8" water service.

Connection fees for water services larger than 5/8" will vary, depending on the meter size and type, because larger meters have the potential for a greater impact on water resources by allowing higher peak use. Connection fees for meters larger than 5/8" will be determined by multiplying the connection fee for a 5/8" meter by a flow adjustment factor. The flow adjustment factor will be based on the meter flow rates shown in the American Water Works Association (AWWA) standards for various sizes and types.

Standard Meter Type - The standard meter will be a displacement or compound type meter. If a shareholder requests another type of meter, and AMWC approves it, the connection fee will be adjusted to reflect the potential demand of the meter, based upon AWWA standards for maximum continuous flow. For example, if the flow of a 3" turbine meter were 50% greater than a compound 3" meter, the connection fee would be increased by 50%.

Multiple Units - If a shareholder purchases a meter to serve more than one unit, the connection fee shall be the greater of either the connection fee for the size of meter purchased or a connection fee calculated as follows:

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USE	CONNECTION FEE
Single Family Residential	100% of the 5/8" meter connection fee for the first dwelling unit; plus, 65% of the 5/8" meter connection fee for each additional dwelling unit
Multifamily Residential (Apartments/Mobile Home Parks)	50% of the 5/8" meter connection fee for each dwelling unit
Motels/RV Parks/ Bed & Breakfasts	25% of the 5/8" meter connection fee for each unit

If a meter is serving both dwelling units and a commercial service, connection fees will be calculated for use on the meter, i.e., single-family for caretaker house plus one unit for commercial laundry, plus any apartment, motel, or RV spaces.

High-density Single Family Residential Projects - Single family residential projects having densities of 16 or more units per acre shall be considered multi-family for the purposes of calculating connection fees. Each single-family unit within the project shall have a separate water meter. Project density shall be determined by dividing the total number of units in the project by the net project acreage. Net project acreage shall be the gross project acreage less the total area of paved public and private streets within the project. There shall be no reduction in connection fees for landscape meters for high-density single family residential projects.

Additional or Second Dwelling Units - If and when AMWC discovers that a shareholder has constructed additional dwelling units on a property, AMWC will charge the shareholder an additional connection fee equal to 65% of the 5/8" meter connection fee for each additional dwelling unit. AMWC defines a second dwelling unit as a fully self-contained unit that is detached from the primary residence, has a bathroom, and a kitchen or kitchenette.

AMWC will charge the shareholder for the each additional dwelling as follows:

1. *Units constructed before 11/08/78* - Additional dwelling units constructed before 11/08/78 are exempt from the requirement to pay additional connection fees. Before 11/08/78, AMWC did not require the payment of connection fees for multiple dwelling units constructed on a single lot.
2. *Units constructed after 11/08/78 and before 09/07/04* – The base connection fee rate for an additional dwelling unit constructed after 11/08/78 and before 09/07/04 shall be \$3,255 (the rate in effect before 09/07/04). Added to this base rate shall be the interest that accrues between 03/07/05 (the end of the 6-month amnesty period) and the date the connection fee is paid. The interest rate shall be the current Recovery Fee interest rate, which is subject to annual review by the Board. Also added to the base connection fee rate shall be the minimum monthly water rate charges for the period of time from 03/07/05 and the date the connection fee is paid. These charges shall be based on the current minimum monthly rate and are subject to the Recovery Fee interest rate.
3. *Units constructed after 09/07/04* - AMWC will charge the shareholder the connection fee rate in effect at the time AMWC discovers the additional dwelling unit.

Shareholders shall be required to provide AMWC with satisfactory evidence to verify the construction date of the second units covered by Items 1 and 2, above. Such evidence can include a copy of the building permit for the additional unit, the Residential Building Record issued by the County, and/or

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copies of lease agreements, or other satisfactory evidence. AMWC shall inspect the property to verify the existence of the additional dwelling unit.