PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

February 24, 2025

TO: ELECTED OFFICIALS AND GENERAL PUBLIC

RE: PALMDALE WATER DISTRICT CAPITAL IMPACT FEE STRUCTURE AND POLICIES

On behalf of the residents and business owners within its boundaries, Palmdale Water District acts to obtain water supplies that it treats and delivers for domestic, irrigation, and fire protection. Both existing and future water infrastructure is needed to make this feasible. Existing customers support the maintenance activities and regulatory improvements for existing facilities through water rates. Future water supply and facilities required to serve new customers are funded by the new customers through the Capital Impact Fee (CIF).

The Capital Impact Fee is reviewed on a 5-year basis and adjusted for current and future needs of infrastructure as well as construction and water supply costs to maintain a high level of service. The "2016 Master Plan Recommended Improvements" shows the facilities funded by the CIF and the construction funds needed. The 2016 Master Plan can be found on the District's website at www.palmdalewater.org.

The District's water system is divided into the main zone that benefits all customers within the District and several service zones based on elevation. The CIF in a service zone is based on the costs which include District-wide facilities, facilities in other zones needed to deliver water to that zone, and facilities in that zone. For example, the CIF in a high elevation zone includes facility costs in that zone, a portion of the facility costs in the lower zone(s) that are needed to move water up to it, and a contribution to system-wide projects like the water treatment plant or Littlerock Dam. The costs are then divided among the projected new services in the zone. Capital Impact Fees for new connections are established in relation to the benefits received from the new facilities and the projected growth in each service zone to account for the required water supply to support the new development.

Below is a brief explanation of the CIF for each type of development. Fire impact of the CIF is determined by fire flow requirements established by the Los Angeles County Fire Department for all below-mentioned types of development.

Single Family Residential Developments

CIF for single-family residential developments is determined based on the total number of lots being served multiplied by the total Capital Impact Fees (**Table 1, Enclosure A**) in the subject service zone. The enclosed calculations are shown in **Figure 1, Enclosure B**.

Multifamily Residential Developments

CIF for domestic water demand for multifamily residential developments is established by the greater between one-half the total number of units in a multifamily residential development or the ratio of the requested metered water service connection(s) to a ¾-inch water service connection, whichever is greater. The enclosed calculations are shown in **Figure 2, Enclosure A**.

Commercial Projects

CIF for commercial/industrial developments for domestic services require a calculated forecasted demand in Acre Feet Per Year (AFY), to be determined by the development's project engineer then reviewed and approved by the District. CIF for irrigation needs will be determined by the finalized landscaping plans, which identify the quantity and size of the service(s) and the Maximum Applied Water Allowance (MAWA) calculations prepared by a licensed landscape architect. The enclosed calculations are shown in **Figure 3, Enclosure A**.

Regards,

SCOTT ROGERS,
Assistant General Manager
SR/cmv/dh

Enclosures:

A	**Table 1** – Single Family Residential Capital Impact Fees by Zone **Table 2** - Commercial & Industrial- Domestic and Irrigation Service Fees
B	**Figure 1** - Single Family Residential Capital Impact Fee Calculations **Figure 2** – Multifamily Residential Capital Impact Fee Calculations **Figure 3** – Commercial Capital Impact Fee Calculations

Enclosure A
Capital Impact Fee Tables
(per Article 10.07C)

Table 1 – Single Family[1] & Multi-Family[2], Domestic and Irrigation Service Fees

Service Zone	*Infrastructure (X)*	*Water Supply (Y)*	*Total CIF (Z)*
2800' & 2850'	$4,588	$12,300	$16,888
2950' & 3000'	$12,718	$12,300	$25,018
3200' & 3250'	$15,584	$12,300	$27,884
3400' & 3600'	$18,549	$12,300	$30,849

Notes: (1) Assumes a single ¾ inch service (2) Multi-Family is calculated by half the total apartment units multiplied by the cost per unit above and compared to the cost by size of the service, whichever is higher.

Table 2 - Commercial & Industrial- Domestic and Irrigation Service Fees

Service Zone	*Infrastructure (X)*	*Water Supply (Y)*	*Total CIF (Z)*
2800' & 2850'	$4,588	$28,000	**BASED ON EDU'S & AF**
2950' & 3000'	$12,718	$28,000	
3200' & 3250'	$15,584	$28,000	
3400' & 3600'	$18,549	$28,000	

Enclosure A
Capital Impact Fee Tables
(per Article 10.07C)

Table 3 – Domestic and Irrigation Service Connection Fees

Single Family Residential				
Service Zone	***Service Size (inches)*[1]**			
	3/4	**1**	***1-1/2***	***2***
2800' & 2850'	$16,888.00	$30,023.11	$67,552.00	$120,092.44
2950' & 3000'	$25,018.00	$44,476.44	$100,072.00	$177,905.78
3200' & 3250'	$27,884.00	$49,571.56	$111,536.00	$198,286.22
3400' & 3600' +	$30,849.00	$54,842.67	$123,396.00	$219,370.67

Note: (1) If a single-family service is larger than ¾-inch, the cost is determined by the ratio of the larger size service diameter by ¾-inch service diameter.

Multi-Family Residential						
Service Zone	***Service Size (inches)***					
	3	***4***	***6***	***8***	***10***	***12***
2800' & 2850'	$270,208.00	$480,369.78	$1,080,832.00	$1,921,479.11	$3,002,311.11	$4,323,328.00
2950' & 3000'	$400,288.00	$711,623.11	$1,601,152.00	$2,846,492.44	$4,447,644.44	$6,404,608.00
3200' & 3250'	$446,144.00	$793,144.89	$1,784,576.00	$3,172,579.56	$4,957,155.56	$7,138,304.00
3400' & 3600'	$493,584.00	$877,482.67	$1,974,336.00	$3,509,930.67	$5,484,266.67	$7,897,344.00

Subsequent updates to the Capital Impact Fee (CIF) will modify the fees shown in the above tables, plus a percentage increase based on the published Construction Cost Index (CCI) from data provided by Engineering-News Record (ENR). The frequency of updates will depend on the growth in water demand in the District service areas, the CIF collected and the need for additional facilities.

Enclosure B
Capital Impact Fee Calculations

Definition of Formulae Terms

AFY = Acre Feet Per Year

C.I.F. = Capital Improvement Fee

DSD = Domestic Service Diameter

ISD = Irrigation Service Diameter

MFEU = Multifamily Equivalent Unit

MFU = Multifamily Residential Units

EDU = Equivalent Dwelling Units

DOM = Domestic Demand in AFY

IRR = Irrigation Demand in AFY

X = Infrastructure C.I.F. in the Subject Zone

Y = Water Supply C.I.F. in the Subject Zone

Z = Total C.I.F. in the Subject Zone

PFFD = New Public Fire Flow Demand = (GPM)(HR)

OSFFD = New On-Site Fire Flow Demand = (GPM)(HR)

pffd = Previous Public Fire Flow Demand = (GPM)(HR)

osffd = Old On-Site Fire Flow Demand = (GPM)(HR)

Figure 1 - Single Family Residential Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD - pffd)}{(1250) \times (2)}\right) \times (X)\right] + \left[\left(\frac{DSD^2}{0.75^2}\right) \times (Z)\right]$$

Notes:

1) If Fire Flow Requirements are 1,250 gpm for 2 hrs or less for new development, the fire flow CIF is zero

Enclosure B
Capital Impact Fee Calculations

Figure 2 - Multi-Family Residential Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD + OSFFD) - (pffd + osffd)}{(1250) \times (2)}\right) \times (X)\right] + [(MFEU) \times (Z)]$$

$$MFEU = \left(\frac{DSD^2}{0.75^2}\right) \quad \textit{or} \quad MFEU = \frac{MFU}{2}$$

Notes:

1) Use the MFEU that is greater from the two calculations above

Figure 3 - Commercial Development CIF Calculation:

$$CIF = \left[\left(\frac{(PFDD + OSFFD) - (pffd + osffd)}{(1250) \times (2)} + \left(\frac{ISD^2}{0.75^2}\right) + \left(\frac{DSD^2}{0.75^2}\right)\right)\right] \times (X) + [(DOM) + (IRR)] \times (Y)$$

Irrigation CIF Calculation:

$$CIF = \left[\left(\frac{ISD^2}{0.75^2}\right) \times (Z)\right]$$