

RESOLUTION NO. 25-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT MODIFYING THE POLICY REGARDING CAPITAL IMPACT FEES FOR NEW WATER SERVICE CONNECTIONS AND ADOPTING NEW WATER SUPPLY FEES

WHEREAS, following an update of its master plan in 1989, Palmdale Water District ("District") adopted a Capital Improvement Plan ("CIP") and a Capital Improvement Fee Policy ("Policy") which is set forth in Exhibit "H" to the District's Rules and Regulations; and

WHEREAS, the Policy established Capital Improvement Fees ("CIF") to be paid in connection with new service connections within the District's service area; and

WHEREAS, the new capital improvements identified in the CIP are the basis for determining the CIF under the Policy; and

WHEREAS, the purpose of the CIF is to create a fund to finance the estimated reasonable cost of capital improvements shown on the CIP to meet anticipated demand for water service arising from new connections; and

WHEREAS, as required under California Government Code Section 66002(b), the District has annually reviewed and, when necessary, updated the CIP and, based upon changes to the CIP, has modified the Policy and adjusted the CIF in accordance therewith; and

WHEREAS, since the initial planning period for the CIP would have expired in 1996, the District engaged Montgomery Watson in June, 1995, to review, study and update its master plan and to make recommendations to modify the CIP to meet projected needs and demands through the year 2005; and

WHEREAS, in January, 1996, Montgomery Watson submitted its final report entitled Water System Master Plan ("1996 Master Plan"), which report, among other things, made recommendations concerning the CIP to meet projected growth and development through year 2005; and

WHEREAS, on September 19, 1996, the District adopted the 1996 Master Plan which contained an updated CIP; and

WHEREAS, the 1996 Master Plan constituted an updating of the CIP, which update included the identification of recommended capital improvements to the District's

water system and the estimated cost of constructing the capital facilities required to accommodate projected growth and development through year 2005; and

WHEREAS, following properly noticed and conducted public hearings in 1997, 1998, 1999, and 2000, the District duly adopted resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in 2000, the District retained Montgomery Watson to review, study, and update the 1996 Master Plan and, among other things, make recommendations concerning the CIP to meet projected needs through year 2010; and

WHEREAS, in March 2001, Montgomery Watson submitted its final report entitled Water System Master Plan (“2001 Master Plan”) including recommended modifications of the CIP, and the District has approved that report and adopted it as the District’s 2001 Master Plan; and

WHEREAS, following properly noticed and conducted public hearings in 2001, 2002, 2003, 2004, 2005, and 2006 the District adopted Resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in light of the economic slowdown that impacted growth and development within the District between 2007, 2012, 2020, 2021, 2023, and 2024, the District did not make changes to the CIP over those years; and

WHEREAS, following properly noticed and conducted public hearings in 2013, the District adopted Resolutions which updated the Capital Improvement Policy and added the water supply fee to the CIF; and

WHEREAS, in June 2023, Woodard and Currant its final report entitled Update Strategic Water Resources Plan (“2023 SWRP”) including recommended water supply acquisitions and projects necessary to meet future growth within the District, and the District has approved that report after certification of the Programmatic Environmental Impact Report and adopted it as the District’s 2023 Update SWRP; and

WHEREAS, in 2024, the District retained Woodard and Curran to review, study, and calculate a proposed Water Supply Fee necessary to supply the next 35,000 acre feet per year of new water supply that will be necessary to meet anticipated growth and development within the District; and

WHEREAS, the purpose of the Water Supply Fee is to create a fund to finance the estimated reasonable cost of capital projects and water acquisitions necessary to meet anticipated demand for water service arising from new connections; and

WHEREAS, the District has considered the water supply costs and costs of constructing the capital facilities identified in the Update SWRP and CIP, and the impact on the existing capital improvement fees payable under the Policy and determined that the policy and the fees should be modified; and

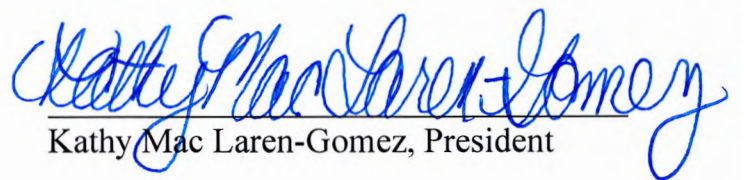
WHEREAS, the District has given and published the required notices and conducted a public hearing with respect to the proposed modification of the Policy and CIF payable thereunder; and

WHEREAS, the Board of Directors of Palmdale Water District has found and determined that the establishment of capital improvement fees is exempt from the requirements of the California Environmental Quality Act pursuant to California Public Resources Code Section 21080(b)(8) and further has found and determined that said fees are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors of Palmdale Water District hereby modifies and amends the Policy by deleting the existing Table 1 from Appendix "H" to the District's Rules and Regulations and inserting in place thereof proposed Table 1 attached hereto and incorporated herein.

FURTHER RESOLVED, that the General Manager of the District be and he hereby is, authorized and directed to implement this modified Policy until further order of the Board.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a duly called and noticed public meeting of said Board held on March 24, 2025.

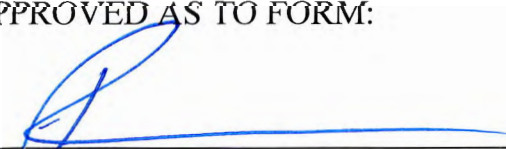

Kathy Mac Laren-Gomez, President

ATTEST:



Vincent Dino, Secretary

APPROVED AS TO FORM:



ALESHIRE & WYNDER, General Counsel

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

Table 1 – Single Family¹ & Multi-Family², Domestic and Irrigation Service Fees

<i>Service Zone</i>	<i>Infrastructure (X)</i>	<i>Water Supply (Y)</i>	<i>Total CIF (Z)</i>
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

<i>Service Zone</i>	<i>Infrastructure (X)</i>	<i>Water Supply (Y)</i>	<i>Total CIF (Z)</i>
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 3/4-inch, the cost is determined by the ratio of the larger size service diameter by 3/4-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:

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

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

Notes:

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

Figure 3 - Commercial Development CIF Calculation:

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

Irrigation CIF Calculation:

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