

System Development Fee – Commercial (One-Time)

“Growth pays for Growth”

Introduction

A System Development Fee -Commercial (SDF-C) is a one-time charge paid by a new commercial water system customer for growth related and capacity related projects. We have developed a cost-based analysis of the value of existing and planned capacity that is available or will be developed to serve and accommodate new capacity demands. Please see page 3 for the cost-based analysis.

Summary

Our Cost Analysis was based on 4 Projects:

- Project A = Increase Well Capacity of Well #3 and Well #4 from 500 GPM* to 1,000 GPM, and install new water treatment plants at both wells
- Project B = Upsize current 6" and 8" water main from tower to 12" and connect to east and west water mains on W Commerce St., Demolish and Disconnect Old Water Treatment Plant
- Project C = Purchase of Land, Engineering, and Installation of a 200,000-gallon water tower
- Project D = Installation of new 1,000 gpm well at depth between 1,200 and 1,400 feet

The total for these projects is \$4,134,212.16

The total number of additional connections from these projects that we can add (not including fire protection) is 2,928 connections.

Minimum System Development Fee = Cost of Projects / Number of Additional Connections

Minimum System Development Fee = \$4,134,212.16 / 2928

Minimum System Development Fee = \$1,411.96

Conclusion

The current fee is set at:

Base Fee 0 – 5,000 sq ft Total Under Roof - \$1,450.00

Over 5,000 sq ft., \$ per sq ft (Total Under Roof) - \$0.29

This fee will be reevaluated annually based on the current cost analysis and any projections

Example:

Mr. Allen wants to build a gas station with a convenience store and two fueling canopies. The total under roof square footage of the convenience store is 7,764 square feet, one fueling canopy is 24'x68' (1,632 sq. ft.), and the second fueling canopy is 38'x'254 (9,652 sq ft.).

To figure out the commercial system development fee you will add:

Convenience Store Sq. Ft. + 1st Fueling Canopy Sq. Ft. + 2nd Fueling Canopy Sq. Ft. = Total Under Roof Square Footage

7,764. sq. ft. + 1,632 sq. ft + 9,632 sq. ft. = 19,028 sq. ft. Total Under Roof Square Footage

Since this is more than the 5,000 sq. ft. base price, you will subtract 5,000 sq ft from the total square feet to determine the remainder of the SDF-C.

19,028 sq ft. – 5000 sq ft. = 14, 028 sq. ft.

14,028 sq ft X \$0.29 sq. ft = \$4,068.12

Now you will add the base charge plus the overage to get the total System Development Fee – Commercial (SDFC)

\$1,450.00 + \$4,068.12 = \$5,518.12

Total System Development Fee – Commercial is \$5,518.12

Future Projects (Needed for Growth)	Cost
Project A = Increase Well Capacity of Well #3 and Well #4 from 500 GPM* to 1,000 GPM, and install new water treatment plants at both wells	\$ 1,109,212.16
Project B = Upsize current 6" and 8" water main from tower to 12" and connect to east and west water mains on W Commerce St., Demolish and Disconnect Old Water Treatment Plant	\$ 525,000.00
Project C = Purchase of Land, Engineering, and Installation of a 200,000-gallon water tower	\$ 1,000,000.00
Project D = Installation of new 1,000 gpm well at depth between 1,200 and 1,400 feet	\$ 1,500,000.00
Total Future Project needed for growth	\$ 4,134,212.16

Description	Well #3 (Project A)	Well #4 (Project A)	Well #5 (Project D)
Well Capacity =	1000 GPM* +	1000 GPM +	1000 GPM
Well Capacity =	3000 GPM		
Design Capacity (# of connections)=	Well Capacity + Elevated Storage/200		
			Future Water Tower
Design Capacity (# of connections)=	Well Capacity +	Current Water Tower	(Project C)
Design Capacity (# of connections)=	3000 +	(100,000 gallons +	200,000 gallons/200)
Design Capacity (# of connections)=	3000 +	1500	
Design Capacity (# of connections)=	4500 connections		

	Future Total Design Capacity	Current Total Design Capacity
System Development Fee Connections =	4500	1572
System Development Fee Connections =	2928 Connections	
Minimum System Development Fee =	Total Future Projects/ Number of System Development Fee Connections	
Minimum System Development Fee =	\$4,134,212.16 /	2928
Minimum System Development Fee =	\$1,411.96	
Recommended 2025 System Development Fee = \$1,450.00**		

*GPM = Gallons Per Minute

** This will allow for a reserve for any increase in prices over time or any unforeseen circumstances related any of the above projects