



# General Facilities Charges





# Discussion Items

- **Understanding the Calculation**

- Interest. Use of original project costs. Determining new capacity. 1" v.s.  $\frac{3}{4}$ "

- **Water GFC – Two zones or one?**

- Can change to a single citywide water GFC rate.
- Also can explore refining boundaries of the proposed zones.

- **Growth v. Rates**

- GFCs pay for increased capacity.
- Monthly bills pay for operations plus capital projects to replace/maintain existing infrastructure.
- Can/should monthly bills cover a portion of growth needs?

- **Supporting certain development**

- What do we want to incentivize? In what way?



# Discussion Items.. continued

- **Methodology**

- » Meter Capacity Equivalents v. Equivalent Residential Units.

- **Phase-in Approaches**

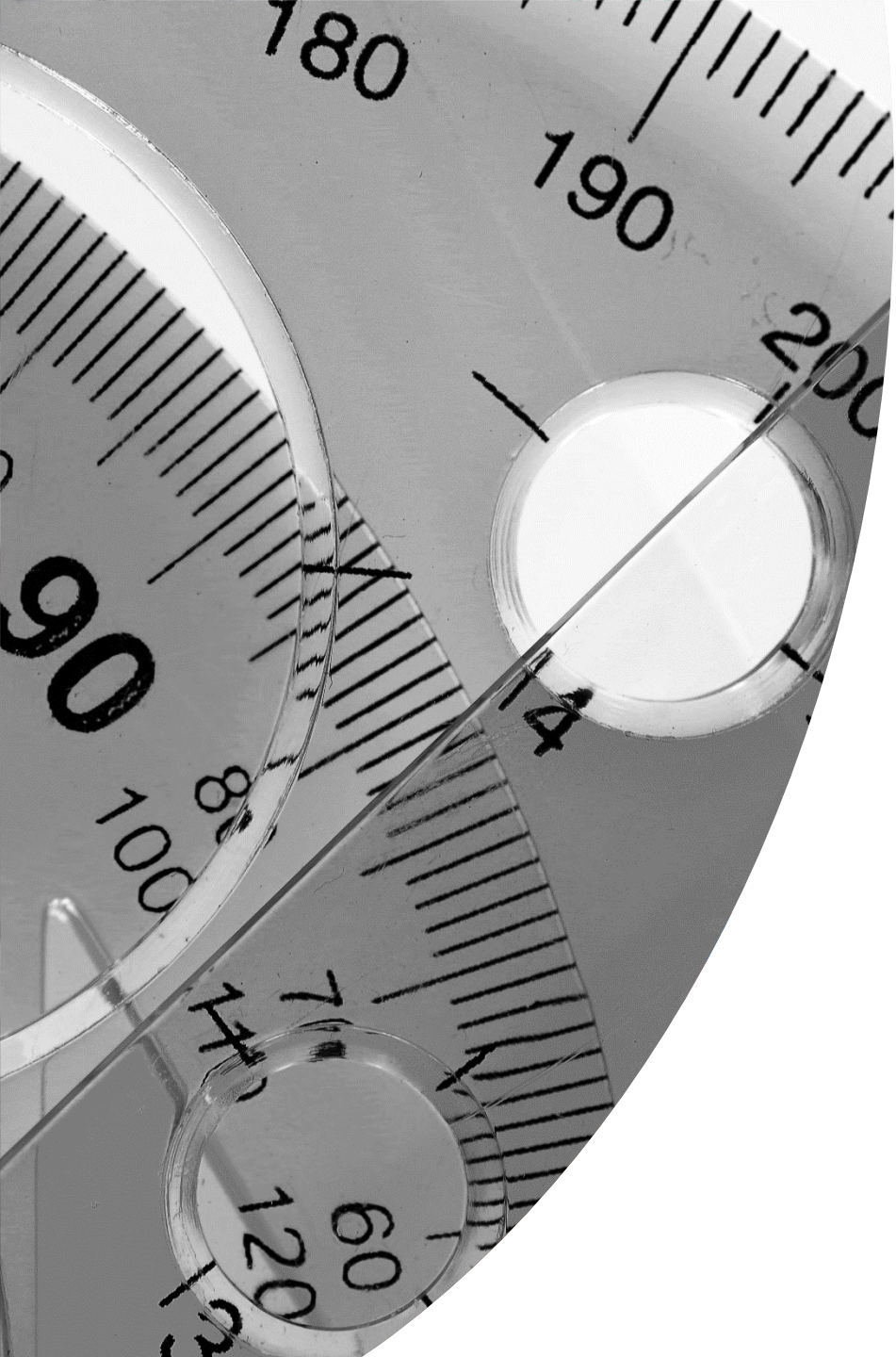
- » Take a fresh look at phase-in approaches

- **Growth Projections – SRTC model**

- » Can explore how growth expectations create need for investment.

- **Capital Planning – What's included?**

- » Review of Water System Plan projects & Wastewater (Comp Plan update) projects



# **Meter Capacity Equivalents (MCEs) vs. Equivalent Residential Units (ERUs)**



# The Proposed GFCs

Proposed GFCs designed to recover the cost of existing and proposed capacity, but only that portion useable by future customers.

## WATER: GFCs for 3/4" Meter

Zone	Historic GFC*	Existing GFC*	Proposed GFC
Lower Zone	\$1,232	\$2,045	\$2,823
Upper Zone	\$1,232	\$2,045	\$10,407

## SEWER: GFCs for 3/4" Meter

Zone	Historic GFC*	Existing GFC*	Proposed GFC
All Zones	\$2,400	\$3,984	\$7,461



# ERU vs. MCE: Clarification

These are just two different ways to scale the GFCs for larger customer demands

## ERU = Equivalent Residential Unit

Estimates the average peak demand of residential customers. Connections with larger demands are scaled up based on the initial ERU value.

***E.g. One ERU = 1,100 GPD. A connection requiring 1,850 GPD is 1.7 ERU (= 1,850 GPD/1,100 GPD)***

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## MCE = Meter Capacity Equivalency

Estimates the average peak demand of residential customers. Connections with larger demands are scaled based on standardized meter capacity values.

***E.g. One ERU = 1,100 GPD per 3/4" meter. The 3/4" meter at full capacity is 30GPM. A customer requiring a 1" meter would receive 50GPM at full capacity, or a 1.67 MCE (= 50 GPM/30 GPM).***



# GFC Calculated Both Ways

## GFC for 3/4" Meter – UPPER ZONE

Basis	Water GFC	Sewer GFC
MCE Basis	\$10,407	\$7,461
ERU Basis	\$10,285	\$7,000
Difference	1.2%	6.6%

## GFC for 3/4" Meter – LOWER ZONE

Basis	Water GFC	Sewer GFC
MCE Basis	\$2,823	\$7,461
ERU Basis	\$2,790	\$7,000
Difference	1.2%	6.6%

All calculations include the same costs per zone, but they are divided by different numbers of units.



# GFC Calculated Both Ways – Single Zone

## GFC for 3/4" Meter

Basis	Water GFC	Sewer GFC
MCE Basis	\$4,881	\$7,461
ERU Basis	\$4,824	\$7,000
Difference	1.2%	6.6%

All calculations include the same costs per zone, but they are divided by different numbers of units.





# Distribution of ERU and MCE

## WATER SYSTEM

Basis	# of ERU	# of MCE	Difference
City Wide	112,532	111,213	1.2%
Distribution & Fire	249,436	246,513	1.2%
Upper Zone	18,679	18,461	1.2%

## SEWER SYSTEM

Basis	# of ERU	# of MCE	Difference
Treatment	22,496	21,107	6.6%
Collection	26,654	25,008	6.6%



# Considerations

- **MCEs :**
  - » Provide administrative ease
  - » Allow for consistency with existing methodology
  - » Offer predictability in costs for new connections
  - » Considers any demand that can be supplied by same meter size
- **ERUs:**
  - » More administrative complexity involved
    - Individual calculation of ERU estimates for many more users
    - Charges for ADUs will need to be processed
  - » Scaling of connection charges could provide more granularity for individual charges
  - » Less predictability in costs for new connections
  - » Updated planning data needed for sewer



# What About 5/8" Meters

5/8" Meters Could be Appropriate in Certain Situations:

- Spokane-scape implemented
- Smaller lot size
- Smaller home size

5/8" Meter Would Cost Less

Meter Size	Lower Zone	Upper Zone
5/8" inch	\$1,882	\$6,938
3/4" inch	\$2,823	\$10,407



**Questions/Discussion**

