



Staff Update and Tonight's Agenda

Erin Young, Water Resources Manager
Lisa Deem, Management Analyst
Water Services Division

January 23, 2024



Outreach Update

- Three "Roundtable" meetings in early September
 - Invited each Board or Commission to send a member, plus 70 local organizations.
 - 36 people in attendance.

- Press Release ~ Rate Study Notice on October 16, 2023

- Town Hall-style Informational meeting on December 7, 2023
 - Phone-in feature and Spanish Interpretation available
 - Advertised in social media, newspaper (both print and digital media)
 - Message on municipal bills

- Launched cleanwaterflagstaff.com website on December 8, 2023
 - Video release and social media posting

- Sent Rate Study Notice to Community Engagement Groups Jan 16, 2024
 - 43 local organizations – business community, non-profits, homeowner's associations and community organizations

Emailed to Community Engagement List Jan 16th



CITY OF
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The City of Flagstaff is conducting a rate study to evaluate the rates and fees you pay for potable water, wastewater and reclaimed water services to determine whether any adjustments to these rates and fees are needed. Our goal is to continue providing clean, safe drinking water and sanitary wastewater services for the community of Flagstaff.



Our Rates Consultant will bring forward draft capacity fees to the Water Commission and City Council in January and February and draft updates to water, wastewater, and reclaimed water rates in March and April. Council will be asked to adopt final changes to rates and fees in June, 2024 with new rates effective September 1, 2024.

For more information, go to cleanwaterflagstaff.com

To schedule a meeting with City staff to discuss
the rate study,
please email flagwater@flagstaffaz.gov, or call (928)213-2400
We look forward to hearing from you!



Community Engagement List

Alpine Mesa HOA
American Society of Civil Engineers
CCC&Y (Coconino Coalition for Children & Youth)
Coconino Plateau Watershed Partnership
ECoNA
Flagstaff Community Foundation
Flagstaff Downtown Business Alliance
Flagstaff Family Food Center
Flagstaff Professionals
Friends of Flagstaff's Future
Friends of the Rio de Flag
FUSD
Grand Canyon Trust
Greater Flagstaff Chamber of Commerce
Housing Solutions of Northern Arizona
La Plaza Vieja Neighborhood Association
Local First Arizona
Museum of Northern Arizona
NACOG
Native Americans for Community Action


NAU
Northern Arizona Association of Realtors
Northern Arizona Behavioral Health Assn
(NARBHA)
Northern Arizona Leadership Alliance
Northern Arizona Lodging, Tourism Assoc
(NALTRA)
Northern Arizona Manufacturing Partnership
Peaks HOA Management Association
Sierra Club
Southside Community Association
Sterling HOA Real Estate Management
Sunnyside Neighborhood Association
Sustainable Economic Development Initiative
(SEDI)
Terra BIRDS
Townsite Community Land Trust
Townsite Neighborhood Association
United Way of Northern Arizona




Email to Developers and Contractors

- Press Release January 23, 2024
- Growth-Related Capacity Fee discussion drop-in events on January 30 and 31, 2024

Press Release
and
Personal Email
to the
Identified Interest Group



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Flagstaff area developers and contractors invited to capacity fee drop-in events

The City of Flagstaff is hosting two drop-in events on proposed changes to growth-related water and sewer capacity fees. Flagstaff area developers and contractors are invited to attend to learn more about the proposed fee changes, as well as the City's Water, Wastewater, and Reclaimed Water Rate Study. City staff will be available to take feedback and answer questions.

Water/ sewer capacity fee drop-in events

- Location: Water Services Administrative Building (2323 N Walgreens Blvd, Suite 1)
- Date/ time: Tuesday, January 30 from 4 – 6 p.m., and Wednesday, Jan. 31 from 11 a.m. – 2 p.m.

The City of Flagstaff is conducting a rate study to evaluate the rates and fees paid for potable water, wastewater, and reclaimed water services. One of several aspects of the Rate Study is the evaluation of capacity fees. The City's rate consultant will bring forward draft capacity fees for City Council direction during the Feb. 6 Council Meeting. City Council will vote on final changes to all water, wastewater, and reclaimed water rates and fees in May and June with changes effective Sept. 1, 2024.

The City's goal is to continue providing clean, safe drinking water and sanitary wastewater services for the community of Flagstaff. For further information, please visit cleanwaterflagstaff.com.

*For more information, go to cleanwaterflagstaff.com
To schedule a meeting to discuss the rate study,
email flagwater@flagstaffaz.gov, or call (928) 213-2400
We look forward to hearing from you*

Water – Wastewater – Reclaimed Water – Stormwater

<p>Administration Offices 2323 N. Walgreens St., Suite 1 Flagstaff, Arizona 86004</p>	<p>City Hall 211 W. Aspen Ave. Flagstaff, Arizona 86001</p>
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Developer/Contractor List

All Services Building Construction
AHC Construction
B3 Construction
Barden Home Builders
Builder's Showcase
Capstone Homes
Evolution Construction
Harmony Builders Inc
High Caliber Construction
Holdsworth Construction
Hope Construction
Hunter Building Group
JKC Inc
Jirsa Construction Inc
Kinney Construction Services

Kohl Design and Construction
Loven Contracting
Mike Furr Construction
Miramonte Homes
Mountain Country Builders Inc
Outlook Construction & Remodeling
RC Hubbard LLC
Reve Design and Custom Construction
Ridge Top Construction
Smith Built LLC
Stilley Tullos Design Build Group
Straightline Construction
US Building Company
Wespac Construction



Outreach Update – Website and Tabling Materials

WATER, RECLAIMED WATER, & WASTEWATER STUDY

- General water and sewer rates events in February
- Top Water Users (Non-Residential) Outreach
- Water Awareness Month in April – rate study outreach all month

City of Flagstaff - January 2024

Understanding Your Municipal Services Bill Single-Family Residential

Below are standard fees and charges for a single-family residential Municipal Services Bill

Color Key	Current Activity	Usage	Rate	Amount
	Base Meter Charge		16.84	16.84
	Tier 1 Residential Water	3,500	3.44	12.04
	Tier 2 Residential Water	1,000	4.48	4.48
	Energy Surcharge	4,500	1.24	5.54
	Water Protection Fee	4,500	0.53	2.41
	Sewer Charge	6,500	5.35	34.58
	Stormwater Fee			11.10
	Solid Waste Charge			12.87
	Recycling Fee			25.45
	Environmental Management Program Fee			5.58
	State and Local Taxes			2.48
				3.73

Water Charges

Base Meter Charge

A fixed fee is charged each month based on the diameter of the water meter. This charge funds the water system operations, maintenance, and capital projects.

Sewer Charge

This charge is based on your average water consumption billed in December to March, updated as an average consumption rate in June each year. This charge funds the wastewater system operations, maintenance, and capital projects.

Stormwater

This fee is based on an "Equivalent Rate Unit". An ERU is a measure of the impact a property has to the stormwater system. One ERU is equal to 1,500 square feet of non-porous surface on the property. Funding provides greater flood mitigation and flood risk reduction.

Tiered Water Charges

For single-family residential customers, this charge is based on how much water is used within these tiers shown on the Rates Tables:

- Tier 1 (0-3,500 gallons)
- Tier 2 (3,501-6,200 gallons)
- Tier 3 (6,201-11,500 gallons)
- Tier 4 (11,501+ gallons)

This charge funds the water system operations, maintenance, and capital projects.

Water Protection Fee

This fee is a rate that is applied to water usage and supports the Wildland Fire Management Program (WFMP). The WFMP Program helps increase and maintain wildfire resilience, protect our valuable water, wastewater, and stormwater resources and infrastructure.

Environmental Management Program Fee

This fee is a rate that is applied to a portion of the total of water, sewer, stormwater, trash, and recycling services. The fee funds environmental management, waste prevention, recycling, sustainability, climate change, and conservation education programs.

Energy Surcharge

This fee, calculated annually, captures fluctuations in water production energy costs.

Solid Waste Charge

Cost for monthly residential trash and recycling collection, including bulky waste charge.

Recycling Fee

Cost for supplemental glass recycling service.

For questions related to your Municipal Bill, please contact Customer Service at solutions@flagstaffaz.gov or 928-213-2231
View our Rate Tables at flagstaffaz.gov/3596

City of Flagstaff - January 2024

Understanding Your Municipal Services Bill Commercial

Below are standard fees and charges for a Commercial customer

Color Key	Current Activity	Usage	Rate	Amount
	Base Meter Charge		16.84	16.84
	Water Protection Fee	51,750	0.53	27.43
	Water Charge Commercial	51,750	4.59	237.71
	Sewer Charge	51,750	5.68	293.94
	Stormwater Fee			37.71
	Solid Waste Charge			157.90
	Recycling Fee			25.04
	Environmental Management Program Fee			68.17
	State and Local Taxes			28.92
				31.85

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WATER SERVICES WATER, WASTEWATER, RECLAIMED WATER RATE STUDY

Charges & Fees Evaluated Under the Rate Study

The rate study provides an in-depth review of all costs associated with specific services provided outside of the basic water and sewer rates. These fees are intended to be self-sufficient and not subsidized by ratepayers.

STANDARD CHARGES AND FEES

- Water and Sewer Capacity Fees - One Time Fee
- Monthly Water Meter Fee
- Monthly Sewer Rates - Based on Consumption
- Septage
- Restaurant grease
- Mud sump
- After hours fee for scavenger wastes dumping 7-02-001-0041
- Surcharge rates for BOD & TSS
- Higher surcharge rates
- Sewer tap fees
- New customer turn on/off working hours
- Emergency turn off working hours
- New customer turn on/off after hours
- Collection/ Non Payment charge
- Existing meter testing for accuracy
- Backflow compliance fee
- Unauthorized connection fee

PERMIT FEES

- Connection Fees 7-03-001-0004
- Industrial pretreatment discharge permit fee 7-02-001-0050
- Scavenger wastes permit fee for each truck 3-10-001-0008
- Backflow Prevention permit fee

FINES

- Penalty for not complying to code concerning reclaimed water pipeline 7-02-001-0026

For questions related to the rate study visit www.cleanwaterflagstaff.com or 928-213-2300

WATER SERVICES WATER, WASTEWATER, RECLAIMED WATER RATE STUDY

WATER 10-Year Capital Improvement Projects

Water Supply Security Projects

- Secure Red Gap Ranch Pipeline Alignment as a Future Source - \$3,550,000
- Four New Groundwater Wells and Pumphouses - \$16,000,000

10 Year Estimate \$19.5 M

System Maintenance

- Agging Water Infrastructure Replacements

10 Year Estimate \$15.2 M

Infrastructure Projects

- Lake Mary Projects - \$27,000,000
- Waterline Relocation Projects - \$1,900,000
- Inner Basin Projects - \$16,800,000

10 Year Estimate \$15.2 M

System Resiliency Upgrades

- Fort Tuthill Waterline Loop
- JW Powwell Waterline Overseeing
- Lake Mary Land Acquisition
- Fine Del Waterline Upgrade
- Soliera Waterline Loop
- Railroad Springs 2.5 MG Storage
- Switzer Canyon Transmission Line

10 Year Estimate \$700,000

Master Planning

- Water Systems, Wastewater Systems, Wastewater Facilities, Reclaimed Water, Water Resources - \$691,561

10 Year Estimate \$700,000

For questions related to the rate study visit www.cleanwaterflagstaff.com or 928-213-2300



Rate Tables – What Charges & Fees Are We Evaluating?

CITY OF FLAGSTAFF WATER & SEWER RATES				
Effective January 1, 2024 (**Subject to Change**)				
MONTHLY FIXED CHARGE				
Meter Size:	Customer Class	Inside City Rate	Outside City Rate	
3/4"	All	\$16.64	\$18.30	
1"	All	\$19.60	\$21.56	
1 1/2"	All	\$26.98	\$29.88	
2"	All	\$35.84	\$39.42	
3"	All	\$56.52	\$62.17	
4"	All	\$86.05	\$94.66	
6"	All	\$159.88	\$175.87	
8"	All	\$248.47	\$273.32	
10"	All	\$351.83	\$387.01	

WATER RATES						
POTABLE WATER: (per 1,000 gallons)						
Customer Class	Water Rate	Outside City Rate	Water Entry Fee	*WRIP FEE		
Single Family	Tier 1 (0 - 3,500 gallons)	\$3.44	\$3.78	\$ 21	\$0.53	
	Tier 2 (3,501 - 6,200 gallons)	\$4.45	\$4.90	\$ 21	\$0.53	
	Tier 3 (6,201 - 11,500 gallons)	\$6.86	\$7.35	\$ 21	\$0.53	
	Tier 4 (11,501+ gallons)	\$13.72	\$15.09	\$ 11	\$0.53	
Multi-Family Units		\$4.42	\$4.86	\$ 11	\$0.53	
Commercial/Schools		\$4.69	\$5.16	\$ 11	\$0.53	
Northern Arizona University		NA	\$4.30	\$ 11	\$0.53	
Manufacturing		MN	\$4.63	\$ 11	\$0.53	
Landscaping/Lawn Meters		LM	\$4.89	\$5.16	\$ 11	\$0.53
Hydrant Meter		HM	\$7.17	\$7.89	\$ 11	\$0.53
Standpipe**		SP	\$10.16			

RECLAIMED WATER: (per 1,000 gallons)				
Customer Class	Inside City Rate	Outside City Rate		
Private Residential	Tier 1 (0 - 3,500 gallons)	\$1.63	\$ 1.79	
	Tier 2 (3,501 - 6,200 gallons)	\$1.98	2.18	
	Tier 3 (6,201 - 11,500 gallons)	\$2.82	3.11	
	Tier 4 (11,501+ gallons)	\$5.23	5.75	
Commercial (no main Ext):		C	\$2.07	2.27
Commercial (w/ main Ext):		C	\$4.43	4.87
Manufacturing (no main Ext):		MN	\$2.04	2.25
Manufacturing (w/ main Ext):		MN	\$4.38	4.82
NAU (No main extension):		NA	\$1.93	N/A
NAU (with main extension):		NA	\$4.13	N/A
Hydrant Meter		WR	\$4.19	N/A
Standpipe**		RS	\$4.79	N/A
Off Peak/Golf Course:	All Tiers	WR	\$1.80	1.98

**includes sales tax and environmental fee

SEWER RATES				
SEWER: (per 1,000 gallons)				
Customer Class	Inside City Rate	Outside City Rate		
Residential				
*Single- and Multi-Family	R1 - R4	\$5.35	\$5.89	
Non-Residential				
Car Washes	CW	\$5.38	\$5.92	
Laundromats	L	\$5.53	\$6.08	
Commercial	C	\$5.68	\$6.25	
Hotels & Motels	H	\$7.58	\$8.34	
Restaurants	RF	\$9.09	\$10.00	
Industrial Laundries	IL	\$8.36	\$9.20	
Manufacturing	MN	\$6.09	\$6.70	
Pet Food Manufacturers	PF	\$13.34	\$14.67	
Soft Drink Bottling	SD	\$10.57	\$11.63	
Ice Cream Cone Manufacturing	IC	\$16.48	\$18.13	
NAU	NA	\$4.91	\$5.40	

*Residential usage based on WQA (usage billed in winter months of December, January, February, March)

STORMWATER RATE				
STORMWATER: (per ERU)				
Customer Class	Inside City Rate	Outside City Rate		
1 ERU	All	\$ 4.69		

TRASH AND RECYCLING				
RESIDENTIAL				
Customer Class	Inside City Rate*	Outside City Rate*		
One Trash and One Recycling Container (Each Container Serviced 1x per Week)	R1 - R4	\$ 25.45	28.00	
Each Additional Container		10.00	11.00	
COMMERCIAL				
Customer Class	Inside City Rate*	Outside City Rate*		
Container Size and Scheduled Pickup May Vary				Please call (928) 213-2110

PRIVATE FIRE PROTECTION				
CONNECTION SIZE				
Customer Class	Inside City Rate	Outside City Rate		
KS	4"	\$ 12.59	\$ 13.85	
	6"	36.58	40.24	
	8"	77.96	85.76	

CITY OF FLAGSTAFF WATER & SEWER SYSTEM FEES							
Effective July 1, 2019 except as otherwise noted (**Subject to Change**)							
WATER AND SEWER FEES							
All Single Family Subdivisions: Residential and Townhomes (1 Meter, 1 Unit) EXCEPT as listed in next section							
Any Meter Larger than a 3/4" Must have documentation approved by Water Services 928-213-2400							
Meter Size	Meter Fee	Water Capacity Fee	Sewer Capacity Fee	Service Fee	Taxes	Total Fees	
3/4"	\$ 340	\$ 5,728	\$ 3,723	\$ 24	\$ 33.42	\$ 9,846.42	
1"	\$ 520	\$ 9,566	\$ 3,723	\$ 24	\$ 49.94	\$ 13,882.94	
1 1/2"	\$ 920	\$ 19,074	\$ 3,723	\$ 24	\$ 86.67	\$ 23,827.67	
2" or larger Call	Call	Call	Call	Call	Call	Call	
Exceptions Single Family Residential Subdivisions (1 Meter, 1 Unit)							
Linwood Heights & Rock Ridge West (1" Meter Required)							
1"	\$ 520	\$ 9,566	\$ 3,723	\$ 24	\$ 49.94	\$ 13,882.94	
Pine Canyon (1 1/2" Meter Required)							
1" (See Comment Below)*	\$ 520	\$ 9,566	\$ 3,723	\$ 24	\$ 49.94	\$ 13,882.94	
1 1/2"	\$ 920	\$ 19,074	\$ 3,723	\$ 24	\$ 86.67	\$ 23,827.67	
**Meters < 1 1/2" in Pine Canyon must be approved by the Fire Department as adequate to handle domestic & fire sprinkler system							
Multi-Family Residential, Condos, Mobile Homes (Sewer Fees are Per Unit) Water Services Invoice Required 928-213-2400							
Meter Size	Meter Fee	Water Capacity Fee	Sewer Capacity Fee	Service Fee	Taxes	Total Fees	
3/4"	\$ 340	\$ 5,728	\$3,723 (Per Unit)			Based on # of Units	
1"	\$ 520	\$ 9,566	\$3,723 (Per Unit)			Based on # of Units	
1 1/2"	\$ 920	\$ 19,074	\$3,723 (Per Unit)			Based on # of Units	
2"	\$ 1,070	\$ 30,530	\$3,723 (Per Unit)			Based on # of Units	
3"	\$ 3,130	\$ 57,279	\$3,723 (Per Unit)			Based on # of Units	
4"	\$ 4,130	\$ 65,464	\$3,723 (Per Unit)			Based on # of Units	
6" or Larger	\$ 4,130	\$ 95,464	\$3,723 (Per Unit)			Based on # of Units	
				Call			
Commercial/Non-Residential Water Services Invoice Required 928-213-2400							
Meter Size	Meter Fee	Water Capacity Fee	Sewer Capacity Fee	Service Fee	Taxes	Total Fees	
3/4"	\$ 340	\$ 5,728	\$ 3,723	\$ 24	\$ 33.42	\$ 9,846.42	
1"	\$ 520	\$ 9,566	\$ 6,218	\$ 24	\$ 49.94	\$ 16,377.94	
1 1/2"	\$ 920	\$ 19,074	\$ 12,390	\$ 24	\$ 86.67	\$ 32,503.67	
2"	\$ 1,070	\$ 30,530	\$ 18,845	\$ 24	\$ 100.44	\$ 51,568.44	
3"	\$ 3,130	\$ 57,279	\$ 37,233	\$ 24	\$ 289.57	\$ 97,855.57	
4"	\$ 4,130	\$ 65,464	\$ 62,086	\$ 24	\$ 381.38	\$ 162,087.38	
6"	\$ 6,130	\$ 100,910	\$ 124,086	\$ 24	\$ 565.00	\$ 321,728.00	
8"	\$ 13,737	\$ 305,468	\$ 198,566	\$ 24	\$ 1,263.40	\$ 519,058.40	
10" Call	Call	\$ 439,157	\$ 285,468	\$ 24	Call	Call	
WATER AND SEWER SYSTEM CONNECTION FEES							
WATER FEES				Tap Size	Tap Fees	Taxes	Total Fees
Water Service Line Connection to Main - Residential Only				Call the Water Services at 928-213-2400			
Fire and Wet Taps (Contractor excavates to water main)				3/4" to 2"	\$ 190	\$ 17.44	\$ 207.44
Additional tap, same time and parcel, any size				3" to 12"	\$ 310	\$ 28.46	\$ 338.46
Additional tap, same time and parcel, any size				3/4" to 12"	\$ 125	\$ 11.48	\$ 136.48
SEWER FEES				Tap Size	Tap Fees	Taxes	Total Fees
Sewer Taps (Contractor excavates to sewer main)				All Sizes	\$ 275	\$ 25.25	\$ 300.25
RECLAIMED WATER SYSTEM CONNECTION FEES							
RECLAIMED WATER FEES				Tap Size	Tap Fees	Taxes	Total Fees
Water Service Line Connection to Main				Call the Utilities Division at 928-213-2400			
Wet Taps (Contractor excavates to reclaimed main)				3/4" to 2"	\$ 190	\$ 17.44	\$ 207.44
Additional tap, same time and parcel, any size				3" to 12"	\$ 310	\$ 28.46	\$ 338.46
Additional tap, same time and parcel, any size				3/4" to 12"	\$ 125	\$ 11.48	\$ 136.48
Contractor excavates to water main - trenching, pavement cuts and patch not included in above cost. Please contact the Utilities Division for more information at 928-213-2400.							



What charges & fees are we evaluating on a typical bill?

City of Flagstaff - January 2024

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	Tier 1 Residential Water	3,500	3.44	12.04
	Tier 2 Residential Water	1,050	4.45	4.67
Wildland Fire Management flagstaff.az.gov/wildlandfire	Energy Surcharge	4,550	1.24	5.64
	Water Protection Fee	4,550	0.53	2.41
Sustainability Division flagstaff.az.gov/sustainability	Sewer Charge	2,080	5.35	11.18
	Stormwater Fee			12.57
Solid Waste Section flagstaff.az.gov/solidwaste	Solid Waste Charge			25.45
	Recycling Fee			5.09
	Environmental Management Program Fee			2.48
	State and Local Taxes			3.73

Water Charges

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A fixed fee is charged each month based on the diameter of the water meter. This charge funds the water system operations, maintenance, and capital projects.

Tiered Water Charges

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- Tier 1 (0-3,500 gallons)
- Tier 2 (3,501-6,200 gallons)
- Tier 3 (6,201-11,500 gallons)
- Tier 4 (11,501+ gallons)

This charge funds the water system operations, maintenance, and capital projects.

Energy Surcharge

This fee, calculated annually, captures fluctuations in water production energy costs.

Sewer Charge

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This charge funds the wastewater system operations, maintenance, and capital projects.

Stormwater

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Solid Waste Charge

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Recycling Fee

Cost for supplemental glass recycling service.

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Solid Waste Section flagstaff.az.gov/solidwaste	Solid Waste Charge			157.90
	Recycling Fee			26.64
	Recycling Fee			88.17
	Environmental Management Program Fee			28.92
	State and Local Taxes			31.69

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Solid Waste Charge

Cost for monthly residential trash and recycling collection, including bulky waste charge.

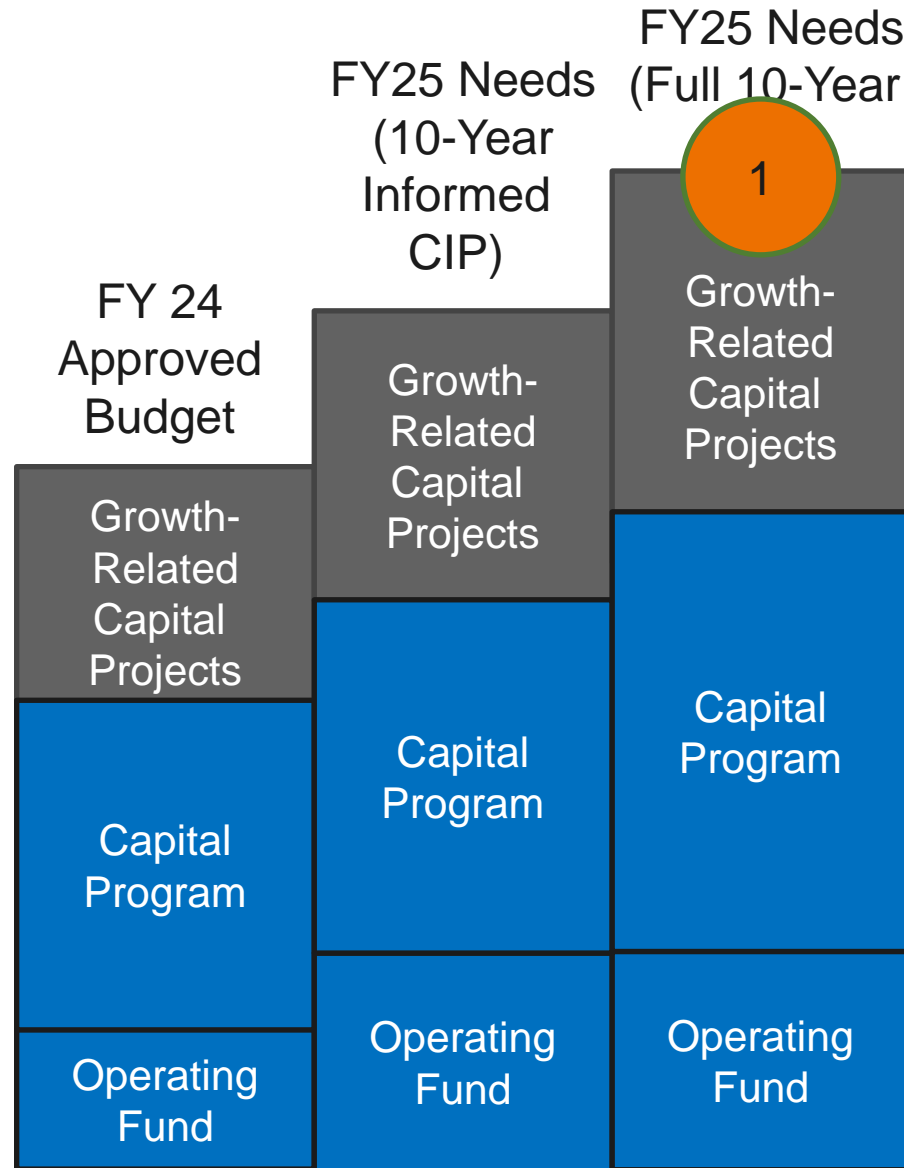
Recycling Fee

Cost for supplemental glass recycling service.

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Big Picture – Council Direction & Later Refinements



REVENUE/NEEDS



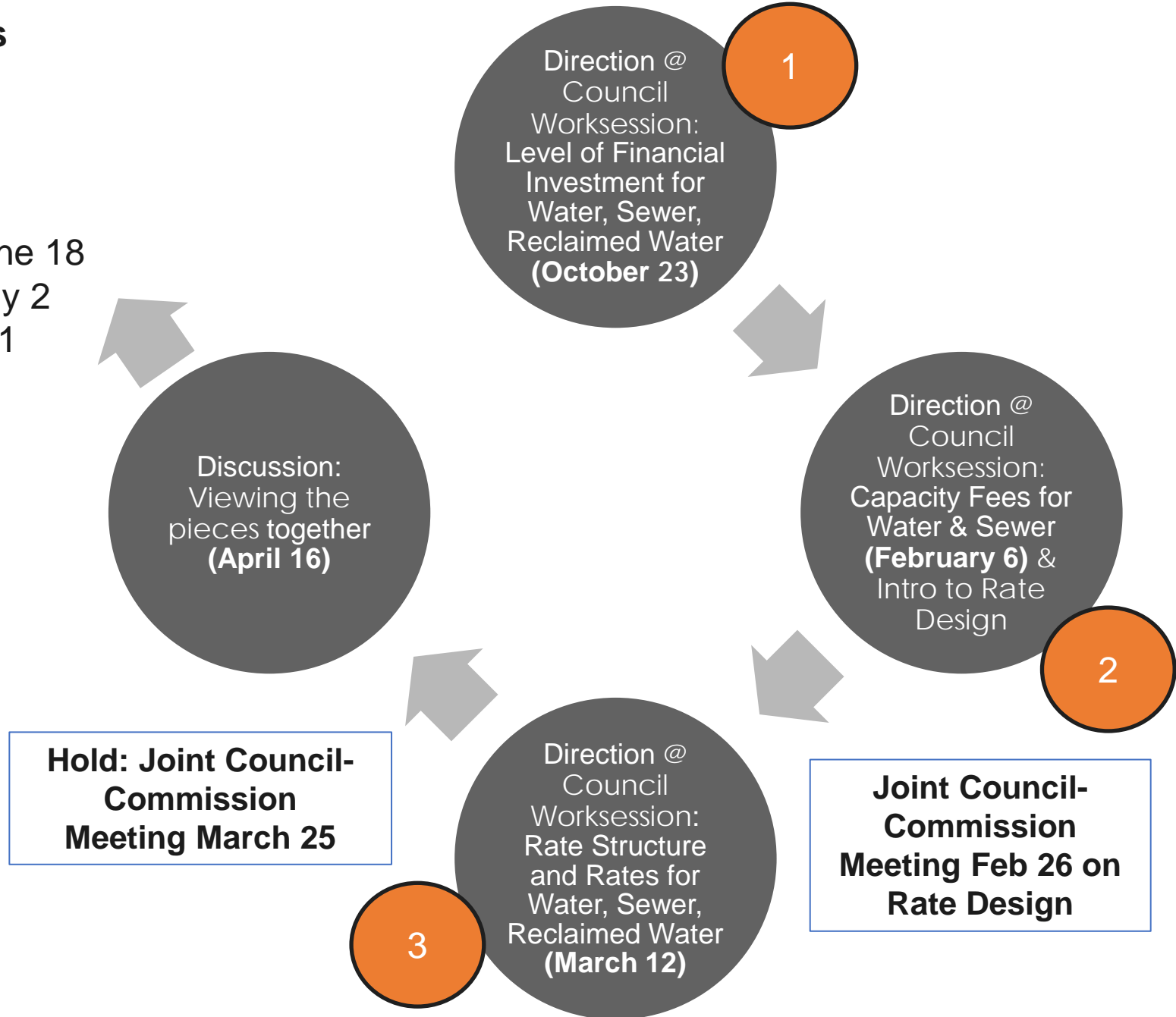
FEES & CHARGES

Refine Decision Points

- May 7
- May 21

Final Adoption

- Public Hearing #1 June 18
- Public Hearing #2 July 2
- Rates Effective Sept 1





Tonight's Meeting & Council Direction February 6

- 1) Utilize the Combined Methodology for calculating capacity fees**
 - a) Proceed with Stantec and Staff's recommendation to follow the Combined Methodology for calculating the capacity fee for both the water and wastewater systems.
 - b) Revisit the Buy-In or Incremental methodologies for water and/or wastewater systems.
- 2) Utilize system actuals as a basis for Level-of-Service calculations**
 - a) Proceed with Stantec and Staff's recommendation to base the water and wastewater capacity fee level-of-service assumption on actual data
 - b) Base capacity fee level-of-service assumption for water and/or wastewater on the water and wastewater design standards in City Code
- 3) Collect capacity fees towards the cost of future water supply infrastructure projects (such as Red Gap Ranch, direct potable reuse, or indirect potable reuse projects, at Council direction)**
 - a) Proceed with a capacity fee model that collects fees toward water supply infrastructure projects
 - b) Do not collect a portion of capacity fees towards a new water supply infrastructure project
- 4) Collect capacity fees towards the cost of a new wastewater treatment facility**
 - a) Proceed with a capacity fee model that collects fees towards a new wastewater treatment facility
 - b) Do not collect a portion of capacity fees towards a new wastewater treatment facility
- 5) Include or do not include loadings capacity along with the flow capacity as a basis for calculating the level-of-service for the wastewater system**



Water Commission Jan 18 Recommendations

- 1) **Utilize the Combined Methodology for calculating capacity fees**
 - a) Proceed with Stantec and Staff's recommendation to follow the Combined Methodology for calculating the capacity fee for both the water and wastewater systems.
 - b) Revisit the Buy-In or Incremental methodologies for water and/or wastewater systems.
- 2) **Utilize system actuals as a basis for Level-of-Service calculations**
 - a) Proceed with Stantec and Staff's recommendation to base the water and wastewater capacity fee level-of-service assumption on actual data
 - b) Base capacity fee level-of-service assumption for water and/or wastewater on the water and wastewater design standards in City Code
- 3) **Collect capacity fees towards the cost of future water supply infrastructure projects** (such as Red Gap Ranch, direct potable reuse, or indirect potable reuse projects, at Council direction)
 - a) **2 Concerns** Proceed with a capacity fee model that collects fees toward water supply infrastructure projects
 - b) Do not collect a portion of capacity fees towards a new water supply infrastructure project
- 4) **Collect capacity fees towards the cost of a new wastewater treatment facility**
 - a) **1 Concern** Proceed with a capacity fee model that collects fees towards a new wastewater treatment facility
 - b) Do not collect a portion of capacity fees towards a new wastewater treatment facility
- 5) **Include** or do not include **loadings capacity along with the flow capacity** as a basis for calculating the level-of-service for the wastewater system