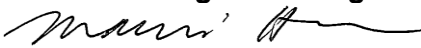


<b>Title</b> Connection Charge	<b>Number</b> WTR-436.1	<b>Rev. no.</b> 0
<b>Responsibility</b> Water Line of Business	<b>Supersedes</b> DR-02-03	<b>Pages</b> 5
<b>General Manager/CEO Signature</b>  Mami Hara	<b>Approved</b> April 24, 2019	<b>Effective</b> May 1, 2019

## 1. PURPOSE

To establish policies and procedures for Seattle Public Utilities (SPU) for charging property owners in SPU's direct service area seeking to connect to and receive water from the water system a reasonable and equitable share of the cost of the water system.

## 2. DEFINITIONS

*connection (to the water system).* Includes a tap into an SPU water main in SPU's direct service area and an SPU service line; see also *water service*.

*domestic water service.* A type of water service serving all potable water to a property, excluding fire-only water service.

*fire-only water service.* A type of water service to provide stand-by water service for the sole purpose of supporting fire suppression devices on property (sprinklers, private hydrants, etc.) via a detector check meter assembly. A combination fire and domestic service is a domestic water service and is not a fire-only water service.

*irrigation water service.* A type of domestic water service designed to provide irrigation-only water at a property; sewer charges are not made on the water used through irrigation-only water services.

*property.* For the purposes of this rule only, is synonymous with the King County legal parcel or group of contiguous parcels that are impacted by the requested change in water services. If the parcels are not contiguous but are served by at least one common service, these will be treated as one property.

*water main designed to serve a property.* A main either abutting the property or located as close to the property as possible, considering barriers such as slope, soil, or other conditions which make it unsafe or impractical to bring the water distribution system closer to the property.

*water service.* The portion of the SPU water distribution system dedicated to providing metered water to a specific account. The water service begins at the water main, continues through the meter, and ends at the water service union. New water services shall extend in perpendicular alignment from a suitable water main to available street space abutting the parcel or unit lot to be served by that water service and conform to City of Seattle (COS) Standard Plans for Municipal Construction and SPU Design Standards and Guidelines. (An active water service includes a meter, tail run and union which connects to the property's private service line; an inactive water service has had the meter removed or not yet installed. Blinds [any service not listed in the asset system of record] are not considered when calculating the connection charge.)

### 3. RULE

At the time of ordering a new or changed water service from SPU's water system, the property owner shall contribute to the water system by either

- Paying the current Connection Charge in full, or
- Signing a finance contract with SPU for payment of the Connection Charge and interest over a 10-year time period, or
- Designing and installing a water main for SPU ownership from which the property will receive its water service in accordance with current applicable policies, or
- Having contributed an equitable share to the water main costs designed to serve the property and installed by another property owner(s) as evidenced by written documentation to SPU by the property owner who installed the water main at the time of design and construction, or
- Contributing to a current Local Improvement District for installation of the water main.

#### A. New Water Service

1. If the property owner requests domestic, fire, irrigation, or combination water service for a property, then SPU will charge the Connection Charge.
2. If SPU requires the property owner to design and install the water main for SPU's ownership and operation in order to serve the property owner's proposed use on the property, then SPU will not charge the Connection Charge on water services for the properties owned by that owner, or owners, which will be served by the segment of water main so designed and installed. See current applicable policies.

#### B. Existing Water Service

1. SPU will compute and charge a Connection Charge when
  - a) Owner seeks an increase in the size of the existing SPU domestic, irrigation, fire, or combination service for a property, or
  - b) Owner seeks to add a separate service to the property for a use (domestic, fire, irrigation) which is not separately provided to the property currently, or
  - c) Owner either seeks, or is required by SPU to order, a separate water service to a property currently being served by a water service serving another property.
  - d) Owner seeks to change an existing fire-only water service to a domestic water service.

2. SPU will not charge a Connection Charge to a property currently receiving water service when:
  - a) Either SPU or a property owner replaces the existing water main with a new one, and no change in the size or use of water service is being sought, and the transfer of service occurs at the time of the replacement of the water main.
  - b) Either SPU or a property owner extends the water main distribution system so that a water main is designed to serve a property which has an existing water service, and if the existing service is transferred to the main at the time of its installation and no change in water service size is sought by the property owner.

C. Payment of Connection Charge

Before completion of the water service order, the owner will pay any applicable Connection Charge either

1. in full, or
2. by signing a 10-year finance contract with SPU in accordance with Seattle Municipal Code 21.04.115.

D. Calculation of Connection Charge

1. The current Connection Charge will consist of the product of Connection Charge Units (CCU) and the current Connection Charge Unit Rate (CCUR).
2. The CCUR is expressed as the equity value of the water system per customer equivalent. The equity value is the portion of the utility plant left after subtracting accumulated depreciation and the value of revenue bonds outstanding.
3. The CCU will be based on the Customer Equivalents (CE) of the water services to a property. The number of CEs is the sum of retail connections serving one property\* weighted by their hydraulic capacities, as follows:

Service size (inches)	Customer Equivalents (CE)
3/4	1.0
1	1.7
1 1/2	3.3
2	5.3
2 (high flow)	8.3
3	11.0
4	17.0
6	33.0

Service size (inches)	Customer Equivalents (CE)
8	53.0
10	77.0
12	104.0
16	168.0
20	244.0
24	330.0

See also Section 3.A.1 and current applicable policies.

4. The CCU per property will be calculated using the following steps:
  - 1) Total the CE of the property's active and inactive domestic water services.
  - 2) Total the CE of the property's active and inactive fire-only water services then multiply the sum by 0.4.
  - 3) Choose the larger number derived from Steps 1 and 2.
  - 4) Total the CE of the active and inactive domestic water services which will remain available to the property plus the CE of any additional domestic water services ordered for the property.
  - 5) Total the CE of the active and inactive fire-only water services which will remain available to the property plus the CE of any additional fire-only water services ordered for the property, then multiply the sum by 0.4.
  - 6) Choose the larger number derived from Steps 4 and 5.
  - 7) If the number derived in Step 3 is larger than the number derived in Step 6, then there will be no Connection Charge made.
  - 8) The difference between the numbers obtained in Steps 3 and 6 is the CCU if the number derived in Step 6 is larger than the number derived in Step 3.
5. The Connection Charge due per property will be the product of multiplying the CCU (derived from prior steps 4.1-4.8) by the current connection charge unit charge, as defined in Director's Rule FIN-220.2, Development Charges.

#### 4. PROGRAM REVIEW

Periodic review of this policy shall be performed by the SPU Water Line of Business Branch as changes or conditions warrant in order to ensure that it remains current and effective in guiding SPU employees. Any recommended changes will be submitted to the SPU General Manager/CEO for consideration.

## **5. ROLES AND RESPONSIBILITIES**

SPU is responsible for offering all customers in like circumstances the same requirements, services, contracts or agreements, or privileges.

## **6. AUTHORITY/REFERENCES**

- Revised Code of Washington 35.91.020, 35.92.025, 80.28.080
- Seattle Municipal Code 21.04.105, 21.04.115, 21.04.465