

Seattle Public Utilities - Policy & Procedure

Subject: Connection Charge	Number: SPU-DR-02-03	
	Effective: May 20, 2004	
	Supersedes: SPU-CS-010 (12/30/83)	
Approved: Chuck Clarke 4/23/04	Department: Seattle Public Utilities	Page(s): 5

1.0 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.

2.0 ORGANIZATIONS AFFECTED

Property owners within SPU-Water's direct service area.

3.0 AUTHORITY FOR RULE

3.1 Revised Code of Washington 35.91.020, 35.92.025, 80.28.080

3.2 Seattle Municipal Code 21.04.105, 21.04.115, 21.04.465

4.0 GENERAL POLICIES

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 Policy SPU-CS-100, 101 and 102, 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.

4.1 New Water Service

- 4.1.1** If the property owner requests domestic, fire, irrigation, or combination water service for a property, including newly created legal parcels, currently not having a water service from SPU, then SPU will charge the Connection Charge at the time of receiving one or more applications for domestic, irrigation, fire, or combination water service for a property or group of properties in accordance with Policy SPU-CS-102, Water Service in the Direct Service Area, Sections 4.1.4.3 and 4.1.4.4.
- 4.1.2** 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 Policy and Procedures SPU-CS-100 and SPU-CS-101.

4.2 Existing Water Service

- 4.2.1** SPU will compute and charge a Connection Charge when
 - 4.2.1.1** Owner seeks an increase in the size of the existing SPU domestic, irrigation, fire, or combination service for a property, or
 - 4.2.1.2** 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
 - 4.2.1.3** 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.
 - 4.2.1.4** Owner seeks to change an existing fire-only water service to a domestic water service.
- 4.2.2** SPU will not charge a Connection Charge to a property currently receiving water service when
 - 4.2.2.1** 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.
 - 4.2.2.2** 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.

4.3 Payment of Connection Charge

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

4.3.1 in full, or

4.3.2 by signing a 10-year Finance Contract with SPU in accordance with Seattle Municipal Code 21.04.115.

4.4 Calculation of Connection Charge

4.4.1 The current Connection Charge will consist of the product of Connection Charge Units (CCU) and the current Connection Charge Unit Rate (CCUR).

4.4.2 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.

4.4.3 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:

<u>Service Size</u>	<u>CE</u>
3/4"	1.0
1"	1.7
1.5"	3.3
2"	5.3
3"	11.0
4"	17.0
6"	33.0
8"	53.0
10"	77.0
12"	104.0

16"	168.0
20"	244.0
24"	330.0

*See also Section 4.1.1 and Policy and Procedure SPU-CS-102 Sections 4.1.4.3 and 4.1.4.4

4.4.4 The CCU per property will be calculated using the following steps:

1. Total the CE of the property's domestic water services
2. Total the CE of the property's fire-only water services and multiply the sum by 0.4
3. Choose the larger number derived from Steps 1. and 2.
4. Total the CE of the 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 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, and 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.

4.4.5 The Connection Charge due per property will be the product of multiplying the CCU derived in Section 4.4.4 by the current CCUR, as found in SPU's current Standard, Connection and Administrative Charges document. (In 2004, the CCUR will be \$661.00.)

5.0 PROGRAM REVIEW

Periodic review of this policy shall be performed by the SPU Customer Services 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 Director for consideration.

6.0 RESPONSIBILITIES

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

7.0 DEFINITIONS

- 7.1 Connection to the water system includes a tap into an SPU water main in SPU's direct service area and a SPU service line; see also water service
- 7.2 Irrigation water service is 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.
- 7.3 Property is synonymous with the term legal parcel, as recorded with King County, and may be created via lot boundary adjustments, shortplats, subdivisions.
- 7.4 Water main designed to serve a property is 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.
- 7.5 Water service provides water from the distribution system to residential, industrial, and commercial users within the direct service area. It includes a tap into a SPU water main and a SPU service line. (An active water service also 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.)
- 7.5.1 Domestic water service is a type of water service serving all potable water to a property, excluding fire-only water service.
- 7.5.2 Fire-only water service is 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.