

Resolution to Increase Water Capacity Fees to \$4 per Gallon

SUBJECT AREA: Administrative

ACTION REQUESTED:

The Board of Commissioners is requested to increase the Water Capacity Fee from \$2.50 per gallon of water to \$4 per gallon of water.

HISTORY/BACKGROUND:

The Board of Commissioners at their August 1, 2005 meeting established water capacity fees at \$2.50 per gallon. These are one-time fees that would recover initial costs associated with obtaining treatment capacities plus capital reserves to pay for future upgrades.

EVALUATION:

The Water Feasibility Study presented to the Board of Commissioners on February 7, 2006, and related discussions revealed that the actual construction costs of water treatment plants are approximately at or in excess of \$4 per gallon. This does not include the cost of land acquisition. It is recommended that the water capacity fee be increased to maintain currency with actual construction costs.

