



# Financial Participation Charges Study

John Adams  
November 5, 2020

# Agenda

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- Financial Participation Charge Overview
- Project Background
- RFP Process
- Project Timeline



# What are Financial Participation Charges (FPC)?

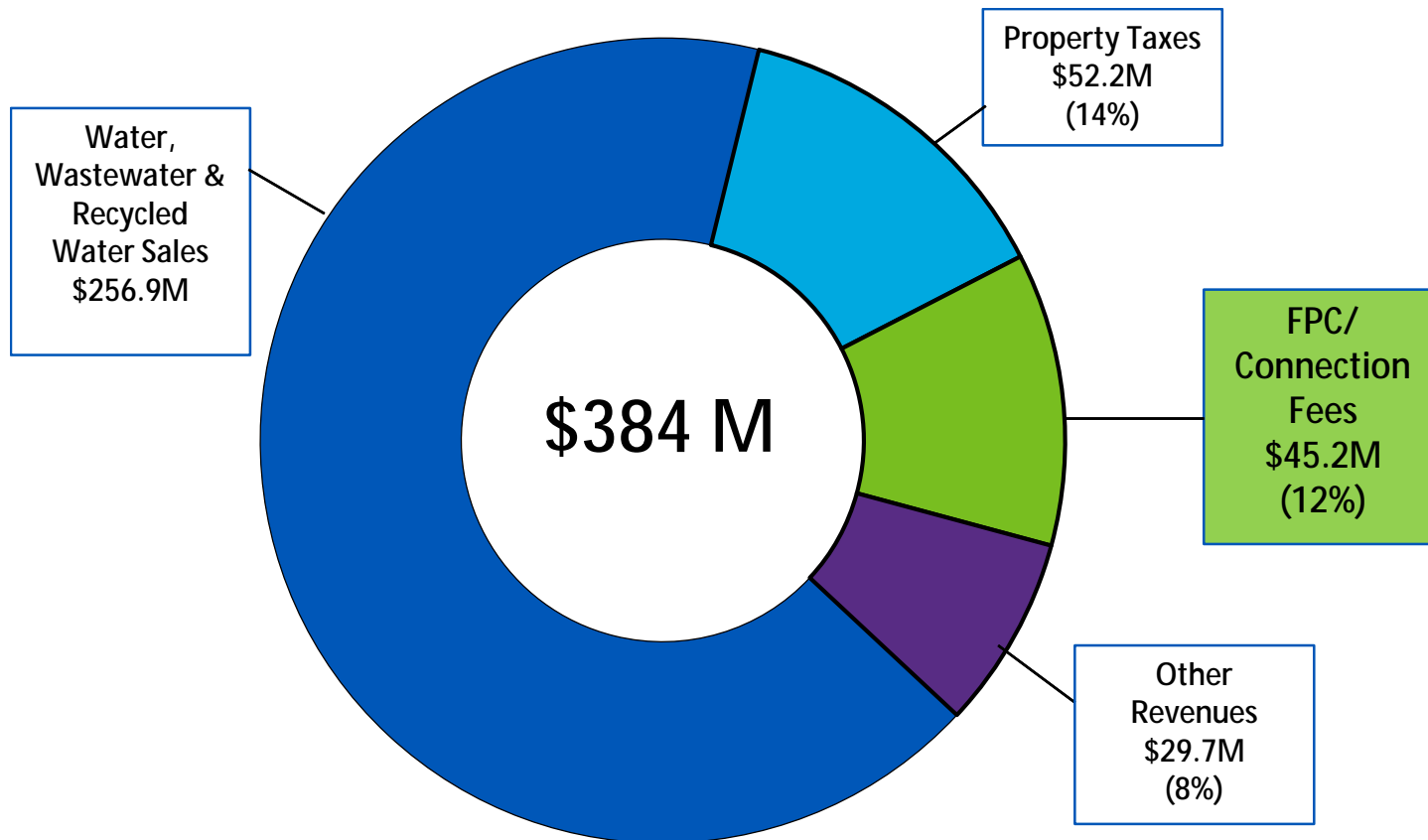
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- FPCs help ensure development pays its fair share of the District's capital facilities
- FPCs, sometimes referred to as "connection fees," are collected to pay for planned and existing regional water and wastewater facilities
- Development is required to proportionately buy-in to these capital facilities through the payment of FPCs on an Equivalent Meter Service (water) and Equivalent Dwelling Unit (sewer) basis
- Some Regional Capital Facilities include:
  - Water Transmission Pipelines
  - Pumping Stations
  - Wastewater Treatment Plants
  - Sewage Transmission Lines
  - Sewage Lift Stations



# EMWD Revenue Sources

- The District's Annual Revenues were \$384 million in FY 2019-20
- Charges include Financial Participation Charges (FPC) representing 12% of these revenues



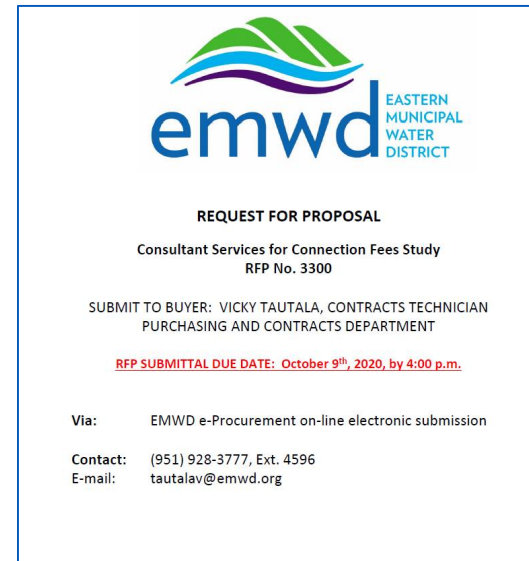
# Project Background

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- Strategic Priority from Triennial Strategic Plan 2019-2021
  - Fiscal Responsibility and Appropriate Investment: Proportionate Cost of Service
  - 5.20 - Connection Fee (Financial Participation Charge) Study: With assistance from consultants, prepare a connection fees study for capacity and system buy-in charges (Financial Participation Charges)
- The previous FPC study was completed February 2011
  - The District has subsequently adjusted FPCs based upon the Engineering News Record (ENR) annual Construction Cost Index
- FPC study update needed to review cost structure and ensure fees appropriately recover District's costs
  - Best practices for independent study is recommended to be completed every 8-10 years.
  - Study process will include Board workshops and stakeholder coordination with building community

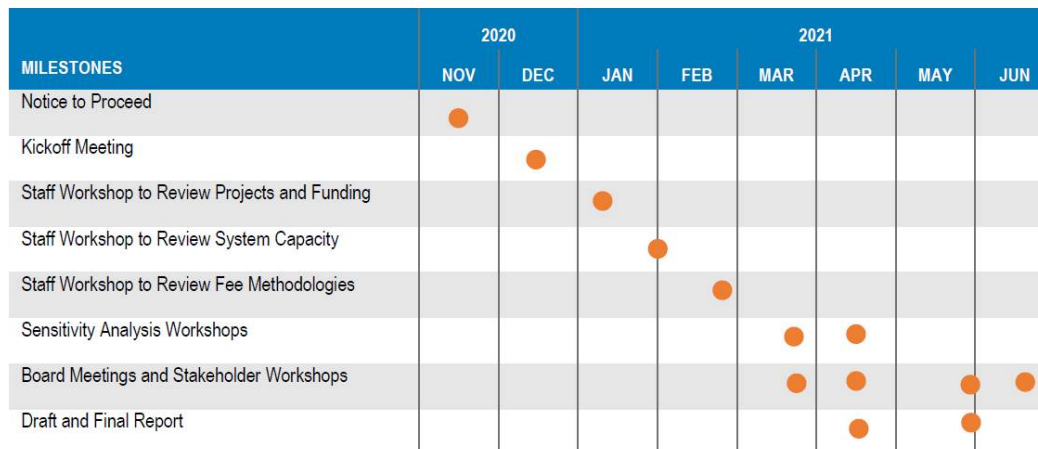
# RFP Process

- Released RFP No. 3300: September 2020
- Scope of Work:
  - Project management and meetings
  - Assess current costs/rates and recommend cost structure
  - Conduct connection fee analysis
  - Propose changes to current connection fees
  - Perform sensitivity analysis
  - Reports and presentations
- Evaluations Conducted October 2020
  - 3 proposals received
  - Recommend Carollo Engineering
  - Proposed Cost \$75,358



# Project Timeline

Administrative Committee Update	November 2020
Project Kick Off	December 2020
Draft FPC Study Report	April 2021
Stakeholder Engagement and Outreach	May 2021
Board Recommendation	June 2021





# Contact Information

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