



2012-4-1

Resolution Establishing Capital Connection Charges for New Service Connections and Private Fire Flow Services

Whereas, MOWD maintains the District's infrastructure on a pay as you go basis, and;

Whereas, the customers of MOWD have invested in the existing water infrastructure which has a depreciated total value reported each year in the District's Annual Financial Audit, and;

Whereas, the customers of MOWD have and continue to invest in the District's cash reserve funds for the purpose of financing future replacements of various components of the water system's infrastructure, and;

Whereas, the District's total cash reserve funds are reported each year in the District's Annual Financial Audit, and;

Whereas, the total net assets of the District is the combination of the un-depreciated value of the water system infrastructure, plus the total cash reserves held by the District at the end of each fiscal year, and;

Whereas, the District determines the number of customers it serves by the total of number of water service connections to the MOWD water system, and;

Whereas, each of the customers served by MOWD has vested interest in the total net assets of the District, and;

Whereas, the share of the net total assets allocated to each customer can be determined by dividing the total net assets each year by the total of number of customers served, and;

Whereas, it is fair and reasonable that any new customer of the District should, as a condition of service, contribute equally to the District's total net assets, and ;

Whereas, the District completed the 2012 Water System Compliance Report and determined that the District has capacity to serve an additional 557 connections with a capacity of 30 gallons per minute per connection, and;

Whereas, the report also concluded that the District's water system has adequate capacity to meet original system design fire flow requirements, however, the District is planning infrastructure improvements to enhance future fire flow capacity to meet more modern design standards, and;

Whereas, the customers of the District are and will continue to contribute to the financing of these fire flow enhancements, and;

Now, Therefore, Be it resolved, that a connection charge shall be levied on each new service added to the water system as follows:

1. A service unit is equal to a service capacity of 30 gallons per minute
2. The connection charge per service unit shall be calculated by the following formula:

Net assets of the District (Reported in the most recent Annual Financial Audit)

Divided by

The most current number of total service connections

Equals: One Service Unit

3. Service Units per size of meter:
 - a) A ¾ inch meter service has a capacity of 30 GPM or one service unit
 - b) A 1 inch meter service has a capacity of 50 GPM or 1.66 service units
 - c) A 1.5 inch meter service has a capacity of 75 GPM or 2.5 service units
 - d) A 2 inch meter service has a capacity of 160 GPM or 5.33 service units
 - e) A 3 inch meter service has a capacity of 350 GPM or 11.66 service units
 - f) A 4 inch meter service has a capacity of 1000 GPM or 33.33 service units

4. Private fire services do not have the same impact as full or domestic service connections therefore a connection charge shall be levied on fire services as follows:

a) One inch through two (2) inch fire services shall be equivalent to one service unit

b) Three (3) and Four (4) inch fire services shall be equivalent to two (2) service units

The following is an example of how service connection charges would be levied in fiscal year 2011-2012:

The 2011 MOWD Auditors report stated that as of June 30, 2011 the District's net assets were \$ 2,585,873.00

In April 2011 the District served a total of 1286 water service connections.

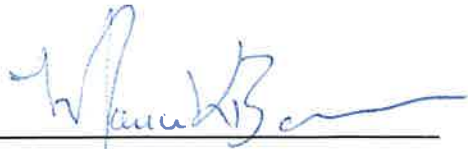
One service unit equals \$ 2,585,873.00/1286 = \$ 2,010.78

The connection charges for each for each meter size are as follows:

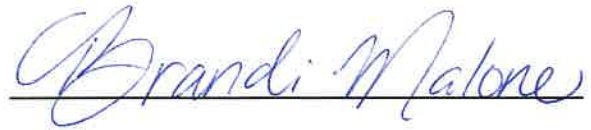
¾ inch meter =	\$ 2,010.78
1 inch meter = \$ 2,010.78*1.66 =	\$ 3,337.90
1.5 inch meter = \$ 2,010.78* 2.5 =	\$ 5,026.95
2 inch meter = \$ 2,010.78* 5.33 =	\$ 10,717.45
3 inch meter = \$ 2,010.78* 11.66 =	\$ 23,445.69
4 inch meter = \$ 2,010.78* 33.33 =	\$ 67,019.29

Fire flow service connection charges:

1 inch = 50 GPM*1.66 = \$ 83.00 + \$ 2,010.78 =	\$ 2,093.78
2 inch = 160 GPM*5.33 = \$852.80 + \$ 2,010.78 =	\$ 2,863.58
3 inch = 350 GPM*11.66 = \$ 4,081.00 + 2,010.78 =	\$ 6,091.78
4 inch = 1000 GPM*33.33 = \$ 33,330.00 + 2,010.78 =	\$ 35,340.78

A handwritten signature in blue ink, appearing to read "Moira Barron", written over a horizontal line.

Board President Moira Barron

A handwritten signature in blue ink, appearing to read "Brandi Malone", written over a horizontal line.

Board Secretary Brandi Malone