



LT MUNICIPAL
CONSULTANTS



Water and Sewer Capacity Fee Update

Root Creek Water District

Final Report

August 10, 2026

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SECTION 1: Background and Executive Summary

Introduction

The Root Creek Water District (Root Creek WD, RCWD, or District) was formed in 1996 to address the declining groundwater table in southeastern Madera County and to ensure a long-term reliable water supply for all water users within RCWD. From 1996 onward only its agricultural water supply powers were used until the District applied to the Madera County Local Agency Formation Commission to activate RCWD's latent powers to provide potable municipal water supply and wastewater (sewer) services for the Riverstone Development in 2013. At buildout, RCWD will provide municipal water and sewer service to about 7,850 equivalent dwelling units (EDUs) in the Riverstone Development consisting of homes, commercial development, schools, and the Community Center, see Table 1. One EDU is defined as the average water usage or sewer flow of a medium density single family dwelling unit.

Table 1: Planned EDUs by Village

Village	Commercial 1,000 Sq Ft	Equivalent Dwelling Units			TOTAL EDUs
		Commercial [1]	Schools & Community Center	Residential	
Village A	450	312.00	41.23	839.00	1,192.23
Village B	200	139.00	6.06	2,058.00	2,203.06
Village C	100	69.00	41.23	1,396.00	1,506.23
Village D	700	485.00	0.00	0.00	485.00
Village E	<u>200</u>	<u>139.00</u>	<u>41.23</u>	<u>2,285.00</u>	<u>2,465.23</u>
Total	1,650	1,144.00	129.75	6,578.00	7,851.75

1 - one commercial EDU = 1,443 square feet as determined by the District's engineer

Commercial development within Riverstone continues to evolve based upon the ability to attract business. As is documented later in this report, water demands and wastewater generation can vary significantly based upon the ultimate development of the property. Low values of wastewater generation are generally associated with warehouses, dry goods retail, and the like. High wastewater generation is associated with restaurants and food service businesses. Recent development has consisted of restaurants and food service, and presently a Tractor Supply and supermarket are underway. While there is no formalized plan on the ultimate development of the property, it is expected to consist of office buildings, retail stores and multifamily dwellings. On a regional scale, it is estimated that 55% of the property will be developed into office buildings, 35% into retail stores and 10% into multifamily dwellings. Using these numbers results in a generalized rate of 1 commercial EDU per 1,443 square feet. It should be recognized that this number is an estimate and could vary significantly (either higher or lower) but is considered a reasonable average based upon current knowledge. These numbers should be reevaluated as development progresses.

The District last completed a Capacity Fee Study in 2021 and a Rate Study and Financial Plan in 2022. The plan, which was approved by landowners in the District, recommended a Community Facilities District special tax, capacity fees, utility rates, and charges to fairly recover costs for water service to agricultural lands within the District and municipal utility services for the Riverstone Development. This report

serves to update the financing assumptions for the Community Facilities District (CFD) Bonds and the costs recovered by each capacity fee for the remaining equivalent dwelling units in the Riverstone Development. Revenue generated from bonds and capacity fees fund the capital costs to construct municipal water and sewer systems.

Capacity Fee Legal Requirements

Capacity charges are governed primarily by California Government Code Section 66013 and article XIII C, section 1 of the California Constitution. Section 66013 is a part of the Mitigation Fee Act. Pursuant to Section 66013 and article XIII C, section 1, a capacity charge is not a tax so long as it reflects the proportional cost of capacity in the system.

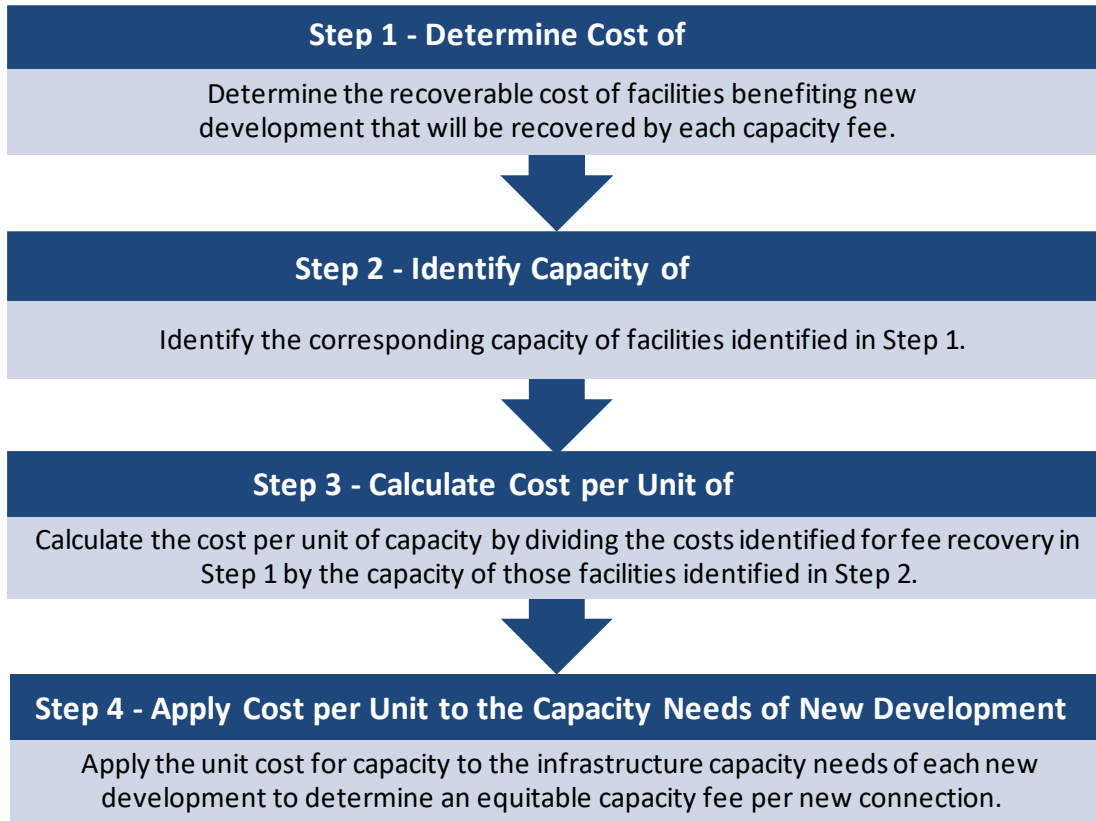
Section 66013 defines a “capacity charge” to mean “a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.”

According to Section 66013, a water or sewer capacity charge “shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed” unless approved by a two-thirds vote of the qualified electors subject to the charge. Section 66013 does not detail any specific methodology for calculating capacity charges. For purposes of this study “capacity charge” and “capacity fee” is used interchangeably and both terms shall mean a “capacity charge” as defined in section 66013.

Capacity Fee Methodology

The method used to calculate the Root Creek WD capacity fees is summarized in Figure 1. In general, the cost to construct infrastructure to serve growth is divided by the capacity that will be used by future growth. That calculation results in the cost to develop each unit of capacity. Costs can include design, engineering, construction, and costs to secure water supply. The unit cost of capacity is multiplied by the typical capacity needed to serve different types of development (single family residential, apartments, commercial, etc.) to determine the final capacity fee.

Figure 1: Capacity Fee Methodology



Summary of Proposed Fees

The updated fees proposed for water and wastewater capacity were developed to fairly recover legally permissible costs. For the municipal water system, the cost of capacity is \$27,247/acre feet per year (AFY). The water capacity fee charged to each new connection will depend on the estimated demand of that connection. For comparison purposes, a typical new connection in RCWD is a medium density residential home on a 1/5 acre parcel with water usage of 0.36 AFY.¹ In this example, the proposed RCWD water capacity fee for this customer is \$11,309. In addition, the Madera Irrigation District (MID) charges a rooftop fee of \$1,500 for each new home in RCWD that is receiving water service. The rooftop fee covers the cost of RCWD's conveyance capacity in MID's water delivery infrastructure. RCWD proposes to pass the MID rooftop fee through to project applicants applying to connect to RCWD's system. Therefore, the total water capacity fee is the combined total of the RCWD's applicable water capacity fee plus \$1,500 for MID's rooftop fee (conveyance capacity fee).

Wastewater capacity fees are proposed to be collected from new developments based on the number of equivalent dwelling units (EDUs) assigned to each parcel. An EDU is defined as wastewater flow of 135 gallons per day which is the average single family residential flow as estimated by the District Engineer. Non-residential customers are assigned EDUs based on their flow relative to the average single

¹ Medium density residential assumes five homes per acre with a total demand of 1.8 acre feet per year. Divided by five homes per acre equals demand per home of 0.36 AFY.

family flow. The proposed cost of wastewater capacity is about \$145 per gallon per day or \$19,508 per EDU.

Current and proposed capacity fees for a medium density residential parcel are provided in Table 2. The total combined water and sewer capacity fee for a typical single family home is proposed to increase from \$21,110 (current) to \$30,817. This fee includes a rooftop fee of \$1,500 (see notes in the table below). The current fees for the City of Clovis are also included in Table 2 for comparison purposes.

Table 2: Summary of Current and Proposed Medium Density Residential Capacity Fees

Category	RCWD Current [1]	RCWD Proposed [2]	City of Clovis Current [3]
Water	\$7,503	\$11,309	\$15,022
Wastewater	<u>\$13,607</u>	<u>\$19,508</u>	<u>\$13,116</u>
Total	\$21,110	\$30,817	\$28,138

1 – The current RCWD fee includes a \$1,400 rooftop fee. The current water fee is based on usage of 2.0 AF/acre.

2 – The proposed RCWD fees include a \$1,500 rooftop fee and is based on updated usage of 1.8 AF/acre. The \$1,400 MID rooftop fee (2026) will escalate to \$1,500 (2027-2031)

3 – Published fee schedule dated July 21, 2025. Includes major facilities fees, oversize fees, and front footage fees.

SECTION 2: CFD Revenues Netted from Revenue Requirements

The Root Creek Water District has two sources of funding for the construction of its municipal utility systems – capacity fees and Community Facilities District (CFD) special taxes. Annual special tax revenues are planned to be used to support bond issuances, the proceeds of which will be used to fund major capital improvements. This section determines the likely amount of revenue provided by CFD special taxes which directly reduces the capacity fee revenue requirements.

CFD Overview

Community Facilities Districts are formed to fund infrastructure needs of a specific area, often a new development or group of developments. Bonds issued by a CFD are known as Mello-Roos or Special Tax Bonds. The bonds are secured by a special tax levied on the Riverstone property within the CFD boundary. The special tax, in turn, is secured by a lien on the Riverstone property and the threat of foreclosure if there is a payment delinquency.

Infrastructure costs can be allocated to property within the CFD boundary by any reasonable method except assessed value. The measure approved by the voters must specify a maximum tax rate and the method in which the special tax will be apportioned. The Riverstone CFD has a maximum special tax rate of \$0.20 per square foot of development. Table 3 projects the maximum CFD annual revenues.

Based on expected development in each Village, maximum special tax rates, and conservative estimated bond financing terms and conditions, bond proceeds are estimated at about \$19.7 million, of which RCWD would receive about \$17.9 million in project funds. Financing assumptions for future bonds are provided in Table 4. The total annual estimated debt service expense for the bonds is about \$1.33 million and requires a coverage ratio of 110%. Thus, RCWD's annual CFD special tax revenue would need to be about \$1.41 million or more to service bonds of \$19.7 million. It should be noted that the difference in actual debt service costs and the 110% coverage requirement (i.e. about \$80,000 annually: the coverage requirement of \$1.41 million less \$1.33 million of debt service costs) will be used to fund annual administrative expenses and other capital improvements for the benefit of the taxpayers. The financing assumptions in Table 4 are planning-level assumptions based on general market conditions. Actual financing terms and conditions will vary at the time of debt issuance. RCWD will engage a Municipal Advisor registered with the Securities Exchange Commission to determine the size and structure of future debt.

Table 3: CFD Maximum Annual Tax Revenues for Remaining Development

Village	Maximum Estimated Annual Tax Revenues [1]	Bond Proceeds (Project Funds)
Village A		
Remaining Commercial [2]	\$77,345	
Village B		
Commercial	\$40,000	
Village C		
Residential	\$642,160	
Commercial	\$20,000	
Village D		
Residential	\$0	
Commercial	\$140,000	
Village E		
Residential [3]	\$450,800	
Commercial	<u>\$40,000</u>	
Total	\$1,410,305	\$17,878,000 (Table 4)

1 – Annual tax revenues estimated based on a tax rate of \$0.20 per square foot of commercial development from Table 1. Residential tax revenues are estimated at \$460 per home based on recent home sales information.

2 – 450,000 total commercial square feet are expected to be constructed in Village A at buildout (see Table 1). About 63,500 square feet have been constructed to date for the Riverwalk development leaving about 386,710 square feet of future development.

3 – Based on 980 remaining homes to be developed (bonded) in Village E.

Table 4: CFD Bond Proceeds

Term of bonds (years)	30
Interest Rate	5%
Financing Costs	
Reserve Fund [1]	6.0%
Cost of Issuance	2.0%
Underwriter's Discount	1.25%
Proceeds	91%
Bond Amount	\$19,700,000
Proceeds to RCWD	\$17,878,000
Annual Payment	\$1,282,000
Annual Admin Expense	<u>\$50,000</u>
Total Annual Cost	\$1,332,000
Coverage Requirement 110%	\$1,410,200

1 - Roughly equal to one debt service payment

Allocation of CFD Bond Proceeds

Table 5 illustrates how future bond proceeds are proposed to be allocated between each of the municipal utilities to fund construction of facilities. Although the storm drain development impact fee is not calculated in this report, it is projected that the cost of storm drain facilities will be partially funded with CFD bond proceeds.

Table 5: Allocation of CFD Bond Proceeds

Future CFD Bond Proceeds	\$17,878,000
Utility Allocation	
Municipal Water	\$4,283,000
Sewer	\$0
Storm Drain	<u>\$13,595,000</u>
Total Allocation	\$17,878,000

SECTION 3: Water Capacity Fee

Water System Demand

The capacity of the municipal water system is designed to serve buildout of Riverstone consisting of about 2,047.8 acres. Nearly half of the area has been developed to date, see Table 6.

Table 6: Estimated Acres at Buildout

Land Use Density	Dwelling Units per Acre	Gross Acres	Developed Acres
Ultra Low	<1.7	0.0	0.0
Very Low	>1.7 to 2.5	0.0	0.0
Low	>2.5 to 3.5	56.5	56.5
Medium Low	>3.5 to 4.5	445.2	146.9
Medium	>4.5 to 6.0	912.0	533.0
Medium High	>6.0 to 9.0	43.1	17.4
High	>9.0 to 15.0	41.3	41.3
Very High	>15.0	0.0	0.0
Commercial	NA	183.4	3.8
Parks	NA	28.3	14.1
Civic	NA	9.9	3.7
Utilities	NA	59.3	54.1
Open Space	NA	132.8	132.8
School	NA	<u>136.0</u>	<u>19.5</u>
Total Gross Acres		2,047.8	1,023.1
Developed/Existing Acres			1,023.1 49.96%
Future Acres to be Developed			<u>1,024.7</u> <u>50.04%</u>
Total acres at buildout			2,047.8 100.00%

Water System Capacity Costs

Table 7 provides a description of costs proposed to be recovered by the water capacity fee. Riverstone is a master planned community and many initial facilities were oversized to provide capacity through buildout. The District Engineer, Provost & Pritchard Consulting Group, allocated the costs shown in Table 7 based on whether each cost will serve only future development OR if the cost reflects an expense that serves all customers through buildout (i.e. an oversized facility). Expenses that serve all customers through buildout are allocated about 50.04% cost recovery via the capacity fee based on the calculation of future acres to be developed in Table 6.

In total, the water system costs allocated to future growth are about \$52.2 million. About \$4.3 million will be funded by CFD bond proceeds (Table 5) and about \$47.9 million is proposed to be recovered from the water capacity fee.

Table 7: Municipal Water System Construction Cost

Description	Total Cost	% Allocation to Future Development	\$ Allocation to Future Development
Municipal Water System Construction Costs			
In-lieu Pipeline (local share)	\$1,038,000	50.04%	\$519,400
MID Water Supply Contract	\$100,000	50.04%	\$50,000
Additional Imported Water Supply Infrastructure	\$2,000,000	100.00%	\$2,000,000
Village A Partial System	\$10,336,700	50.04%	\$5,172,400
Pump for Well 2 & Abandon Well 4	\$782,000	50.04%	\$391,300
Well 5 (design, legal, environmental, cm)	\$272,000	50.04%	\$136,100
Well 7 (design, legal, environmental, cm)	\$348,900	50.04%	\$174,600
Domestic wells (5)	\$8,000,000	100.00%	\$8,000,000
Domestic wells (3)	\$5,000,000	50.04%	\$2,502,000
Groundwater blending (design, legal, environmental, cm)	\$1,699,200	50.04%	\$850,300
Fiber communication between well sites	\$170,000	100.00%	\$170,000
Storm water control @ blending site	\$300,000	50.04%	\$150,100
Storage Tank	\$6,633,800	50.04%	\$3,319,500
Wellhead treatment	\$20,000,000	50.04%	\$10,007,800
Pipe & Appurtenances [1]	<u>\$13,593,000</u>	85.26%	<u>\$11,589,000</u>
Subtotal Construction Costs	\$70,273,600		\$45,032,500
Land and easements			
1 Well Sites (developed land)	\$64,200	50.04%	\$32,100
5 Well Sites undeveloped	\$30,500	100.00%	\$30,500
Treatment site	\$2,359,400	50.04%	\$1,180,600
Well sites	\$12,000	50.04%	\$6,000
Tank site	\$292,800	50.04%	\$146,500
Direct Recharge site	<u>\$3,520,000</u>	100.00%	<u>\$3,520,000</u>
Subtotal Land and easements	\$6,278,900		\$4,915,700
Future Construction Management [2]	\$2,250,000	100%	\$2,250,000
Subtotal Costs	\$78,802,500		\$52,198,200
Less Estimated CFD Proceeds			<u>(\$4,283,000)</u>
Total			\$47,915,200

1 – Existing pipe and appurtenances provide approximately 20% of needed capacity to serve municipal demand. Future development will increase demand and the remaining approximately 85% required capacity will be constructed to accommodate the total water demand at full buildout.

2 – RCWD's construction management expense for future development-driven projects. Calculated as 45% of \$250,000 per year over 20 years. As an informal policy, RCWD allocates 45% of overhead and administrative costs to the water utility.

Table 8 presents the unit cost of water capacity. The capacity revenue requirement of \$47.9 million is divided by future annual demand to calculate a unit cost of \$27,247 per acre foot. Provost & Pritchard Consulting Group determined buildout water demand to be 3,514.3 acre feet per year (AFY), see Appendix A. Demand of future connections is estimated as 3,514.3 acres multiplied by 50.04% (Table 6). Table 8 also provides the water capacity fee for various land use classifications on a \$/acre basis and on a \$/dwelling unit basis. The capacity fees are proportional to the estimated demand of each type of customer. The water capacity fees only apply to potable water customers. Non-potable customers do not contribute to the need to construct and maintain water treatment and distribution facilities. Thus, non-potable customers are excluded from paying capacity fees. Potable water customers are also subject to a \$1,500 per rooftop charge from the Madera Irrigation District in addition to RCWD's water capacity fee. This fee covers the cost of conveyance capacity and is a condition of RCWD's water purchases from MID. Only potable water (municipal) customers pay the MID rooftop fee. Irrigation water customers do not pay the MID fee.

The most common customer is a single family residential dwelling unit on 1/5 of an acre parcel (medium density land use). This customer will pay the proposed water capacity fee of \$11,309 which includes the \$1,400 MID rooftop fee (2026) which escalates to \$1,500 (2027-2031) and escalates by \$100 every 5-year period (i.e. \$1600 in years 2032-2036). Non-residential water capacity fees are calculated by acreage and by adding the non-residential Rooftop Fee. The non-residential Rooftop Fees are calculated by dividing the total square feet of floor space by 500 multiplied by \$290.00 (2026) and \$300.00 (2027-2031), escalating by \$10 every 5-year period (i.e. \$310 in years 2032-2036). Table 9 provides a comparison between the Root Creek WD proposed water capacity fee for one medium density dwelling and the current fee charged to development within the City of Clovis. Root Creek WD's current fee is lower than the fee in the City of Clovis and will remain as such following this update. The Clovis water capacity fee consists of a major facilities fee, an oversize fee, and front footage fees

Table 8: Water Capacity Fee Schedule

Water Capacity Fee Revenue Requirement	\$47,915,200					
Total Annual Demand at Buildout (AFY)	3,514.3	(see Appendix A)				
Less Capacity Already Purchased (AFY)	<u>(1,755.8)</u>	49.96%				
Remaining Demand (AFY)	1,758.5	50.04%				
Unit Cost (\$/AFY)	\$27,247					
Column	A	B	C	D	E	F
	Dwelling Units per Acre (midpoint)	Annual Demand (AF/acre)	RCWD Fee per Acre [1]	Total Fee per Acre (RCWD + \$1,500 rooftop fee) [2]	RCWD Fee per Dwelling [3]	Total Fee per Unit (RCWD + \$1,500 rooftop fee) [4]
Land Use Density						
Low	3	1.80	\$49,045	\$53,545	\$16,348	\$17,848
Medium Low	4	2.00	\$54,494	\$60,494	\$13,624	\$15,124
Medium	5	1.80	\$49,045	\$56,545	\$9,809	\$11,309
Medium High	8	2.00	\$54,494	\$66,494	\$6,812	\$8,312
High	12	2.40	\$65,393	\$83,393	\$5,449	\$6,949
Very High	20	3.00	\$81,741	\$111,741	\$4,087	\$5,587
Commercial	NA	1.50	\$40,871	[5]		
Parks	NA	2.10	\$57,219			
Civic	NA	2.10	\$57,219	[5]		
School	NA	2.50	\$68,118	[5]		

Note: The \$1,400 MID rooftop fee (2026) will escalate to \$1,500 (2027-2031)

1 – Column B X \$27,247/acre

2 – (Column A X \$1,500/dwelling unit) + Column C

3 – Column C ÷ Column A

4 – Column E + \$1,500

5 – The MID rooftop fee is an additional cost added to the RCWD fee and is calculated by dividing the total square feet of floor space by 500 multiplied by \$290.00 (2026) and \$300.00 (2027-2031), escalating by \$10 every 5-year period (i.e. \$310 in years 2032-2036)

Table 9: Water Capacity Fee Comparison (Medium Density Residential Dwelling)

Category	RCWD Current [1]	RCWD Proposed [2]	City of Clovis Current [3]
Water	\$7,503	\$11,309	\$15,022

1 – The current RCWD fee includes a \$1,400 rooftop fee. The current water fee is based on usage of 2.0 AF/acre.

2 – The proposed RCWD fees include a \$1,500 rooftop fee and is based on updated usage of 1.8 AF/acre. The \$1,400 MID rooftop fee (2026) will escalate to \$1,500 (2027-2031).

3 – Published fee schedule dated July 21, 2025. Includes major facilities fees, oversize fees, and front footage fees.

Accessory Dwelling Unit Water Capacity Fees

Water and sewer capacity fees are assigned to accessory dwelling units via a different method than other land uses. An Accessory Dwelling Unit (ADU) is a secondary living space that is attached to or separate from a primary residence and has its own living facilities. ADUs are also known as in-law units, granny flats, backyard cottages, or secondary units. The primary residence on a parcel cannot be considered an accessory dwelling unit. Recent legislation has restricted the ability to require ADUs to separately connect to the water or sewer systems and has limited the ability to charge ADUs capacity charges and connection fees.

Pursuant to Government Code section 66311.5, public agencies cannot require a direct connection to the utility nor impose capacity fees or connection fees on ADUs unless: (1) the ADU was constructed with a new single-family dwelling (Gov. Code, § 66311.5(b).); or (2) upon separate conveyance of the ADU. (Gov. Code, § 66311.5(d).) If an ADU meets one of the two requirements above, RCWD may impose the full capacity fee on such ADUs.

Finally, for any ADU that has not complied with the development requirements of Government Code section 66323(a)(1), RCWD may require a direct connection to the utility and may impose proportional capacity fees pursuant to Government Code section 66311.5(e). In such an event, the amount of the capacity fees must be proportionate to burden of the proposed ADU based upon either the ratio of the square footage or the number of drainage fixture unit values, as defined by the Uniform Plumbing Code. (Gov. Code, § 66311.5(e)).

Table 10 calculates the water capacity fee per plumbing fixture unit for ADUs. As a first step, the water demand per plumbing fixture unit (12 gallons per day per fixture) was determined based on the typical demand of a medium density single family home (321 gallons per day) and the number of plumbing fixtures per home (26 fixtures). As a second step, the cost per gallon of \$31 was determined by dividing the single family medium density fee of \$9,809 by 321 gallons per day.² The cost per gallon was multiplied by 12 gpd per plumbing fixture to determine a fee of \$372 per plumbing fixture unit. This does not include MID's rooftop fee.

² Based on 0.36 AFY

Table 10: Water Capacity Fee per Plumbing Fixture Unit

Medium Density Single Family Residence		
Water Use	0.36	AFY
Water Use	321	Gallons per day
# of plumbing fixture units	26	Fixture units [1]
Water Use per fixture unit	12	Gallons per day per fixture unit
RCWD Water Capacity Fee (does not include MID Fee)	\$9,809	\$/dwelling unit
Water Use	321	Gallons per day
RCWD Water Capacity Fee	\$31	\$/gallon per day
Accessory Dwelling Unit		
RCWD Water Capacity Fee per gallon	\$31	\$/gallon per day
Water use per plumbing fixture unit	12	Gallons per day
Water Capacity Fee per plumbing fixture unit	\$372	\$/fixture unit

Fees shown above do not include MID's rooftop fee

1 - Based on 3 toilets, 3 bathroom sinks, 1 kitchen sink, 2 shower/bath combinations, laundry, and dishwasher. See the listing of plumbing fixtures in Appendix B.

Table 11 shows an illustrative example of an ADU water capacity fee for an ADU with one bathroom, a kitchen, and laundry. A listing of plumbing fixture units is provided in Appendix B.

Table 11: Example ADU Water Capacity fee for a 1 Bathroom ADU with Kitchen and Laundry

Fixture Type	Equivalent Fixture Count	# of Fixtures	# of Equivalent Fixture Units				
Bathtub or Bath/Shower	2	x	1	=	2		
Clothes Washer, Domestic	3	x	1	=	3		
Sink	2	x	2	=	4		
Toilet or water closet	3	x	1	=	3		
Total Equivalent Fixture Units					12	X	\$372 = \$4,464
						per plumbing fixture unit	RCWD Water Capacity Fee [1]

1 – Does not include MID's rooftop fee. MID's rooftop fee applies to accessory dwelling units.

SECTION 4: Wastewater Capacity Fee

Sewer System Flows and Capacity Cost

Table 12 provides a description of wastewater system costs associated with providing capacity to new connections through buildout. Many initial wastewater facilities were oversized to serve up to 7,852 EDUs. 4,006.23 wastewater EDUs have been connected through November 2025 (51.02%) leaving 3,845.52 (48.98%) future EDUs. For oversized facilities, costs were allocated proportionally for recovery in the capacity fee. Other facilities were allocated solely to future connections. These facilities provide expanded capacity for growth and do not provide capacity for existing connections. In total, about \$75.0 million in expenses are proposed to be recovered in the wastewater capacity fee. No CFD bond proceeds are allocated to the wastewater enterprise. The cost of \$75.0 million is divided by 3,845.52 future EDUs to equal a sewer capacity fee of \$19,508 per EDU. Each EDU is equal to 135 gallons of wastewater flow as determined by the District Engineer.

Table 13 compares the Root Creek WD current and proposed wastewater capacity fees for one EDU to the current fee charged to development within the City of Clovis.

Table 12: Wastewater System Construction Cost

Description	Total Cost	% Allocation to Future Development [1]	\$ Allocation to Future Development
Collection System			
Sewer Backbone	\$8,012,500	48.98%	\$3,924,200
12" line to RCWD	\$689,000	100.00%	\$689,000
Pump Station Village C	<u>\$2,000,000</u>	100.00%	<u>\$2,000,000</u>
Subtotal Collection System	\$10,701,500		\$6,613,200
Treatment			
Initial WWTP (65,000 gpd)	\$7,598,100	0.00%	\$0
Expansion from 65,000 to 130,000 gpd	\$1,841,000	0.00%	\$0
Initial 400K gpd	\$10,000,000	0.00%	\$0
Expansion to 600k	\$4,200,000	48.98%	\$2,057,000
Expansion from 600k gpd to 1.2 MGD	\$47,100,000	100.00%	\$47,100,000
Retrofit Bioreactor with Membranes	\$10,000,000	100.00%	\$10,000,000
Stormwater control at WWTP site	\$200,000	100.00%	\$200,000
WWTP design, legal, and environmental	\$3,870,600	100.00%	\$3,870,600
Reclaimed water system	<u>\$1,600,000</u>	100.00%	<u>\$1,600,000</u>
Subtotal Treatment	\$86,409,700		\$64,827,600
Land			
Initial WWTP site	\$1,573,700	48.98%	\$770,700
Initial WWTP ponds	\$806,000	48.98%	\$394,800
Village C WWTP site	<u>\$161,500</u>	100.00%	<u>\$161,500</u>
Subtotal Land	\$2,541,200		\$1,327,000
Future Construction Management [2]	\$2,250,000	100.00%	\$2,250,000
Subtotal Costs	\$101,902,400		\$75,017,800
Less Estimated CFD Proceeds			<u>\$0</u>
Total			\$75,017,800
Future EDUs			3,845.52
Wastewater Capacity Fee (\$/EDU)			\$19,508
Wastewater Capacity Fee (\$/gallon per day)			\$145

1 – Costs were allocated to “all future” or a proportional share (48.98%) by Provost & Pritchard Consulting Engineers

2 – RCWD’s construction management expense for future development-driven projects. Calculated as 45% of \$250,000 per year over 20 years. As an informal policy, RCWD allocates 45% of overhead and administrative costs to the wastewater utility.

Table 13: Wastewater Capacity Fee Comparison (1 EDU)

Category	RCWD Current	RCWD Proposed 2026	City of Clovis Current [1]
Wastewater	\$13,607	\$19,508	\$13,116

1 – Published fee schedule dated July 21, 2025. Includes major facilities fees, oversize fees, and front footage fees.

To comply with California State law, the amount of the wastewater capacity fee levied on any customer must be proportional to the cost of facilities used to provide service to that customer. Wastewater service is defined as conveyance, treatment, and disposal of wastewater flow (expressed as gallons per day – gpd). The District Engineer determined that the average single family dwelling in Root Creek discharges 135 gallons per day of sewer flow. Table 14 estimates the typical flows of multifamily dwellings and non-residential land uses. The proposed wastewater capacity fee of \$19,508 per EDU is multiplied by the number of EDUs for each land use to calculate the fee for each land use.

Table 14: Wastewater EDUs and Proposed Fees

Customer	Unit	Flow (gpd)	Proposed EDUs	Proposed Sewer Fee
Residential				
Single Family Residence [1]	Each	135	1.00	\$19,508
Multifamily/Apartments/Townhouse Residence [2]	Each	90	0.67	\$14,815
Accessory Dwelling Unit	NA – billed per plumbing fixture unit			
Non-Residential [3]				
Animal Kennel	1,000 SF	100	0.74	\$14,450
Barber Shop	1,000 SF	120	0.89	\$17,340
Day Care or School	Student	9	0.07	\$1,301
Dry Goods Retail (no perishable goods)	1,000 SF	25	0.19	\$3,613
Financial Institution	1,000 SF	50	0.37	\$7,225
Fueling Station	4 bays	430	3.19	\$62,137
Gym/Fitness w/showers	1,000 SF	200	1.48	\$28,901
Hospital/Nursing Home	Bed	70	0.52	\$10,115
Hotel / Motel w/ Kitchen [4]	Room	90	0.67	\$13,005
Hotel / Motel w/out Kitchen [5]	Room	70	0.52	\$10,115
Laundromat	Washing Machine	185	1.37	\$26,733
Light Industrial	1,000 SF	50	0.37	\$7,225
Medical Office (Doctor, Dentist, Urgent Care)	1,000 SF	250	1.85	\$36,126
Office Building	1,000 SF	120	0.89	\$17,340
Open Storage	1,000 SF	30	0.22	\$4,335
Pub/Bar/Brewery/Winetasting	1,000 SF	720	5.33	\$104,043
Restaurant (full service)	seat	30	0.22	\$4,335
Restaurant w/ Drive-thru (i.e. Fast Food)	seat	25	0.19	\$3,613
Retail Store	1,000 SF	50	0.37	\$7,225
Supermarket	1,000 SF	120	0.89	\$17,340
Theater	seat	3	0.02	\$434
Warehousing	1,000 SF	30	0.22	\$4,335

1 – Determined by the District Engineer

2 – Estimated based on 45 gallons per person per day for a 2-person dwelling

3 – Source: City of Los Angeles (City of LA) Sewage Generation Factors Chart

<https://engpermitmanual.lacity.org/sewer-s-permits/technical-procedures/sewage-generation-factors-chart>

4 – Same as multifamily dwelling

5 – Same as nursing home/hospital bed

Accessory Dwelling Unit Sewer Capacity Fees

Page 10 of this study describes the laws governing ADUs, utility connections, and applicable capacity fees. Table 15 calculates the sewer capacity fee per plumbing fixture unit for ADUs in compliance with State law. The sewer capacity cost per gallon is \$145 and sewer flow per fixture unit is 5 gpd, resulting in a cost per plumbing fixture unit of \$725.

Table 15: Sewer Capacity Fee per Plumbing Fixture Unit

Medium Density Single Family Residence		
Sewer Flow	135	Gallons per day
# of plumbing fixture units	26	Fixture units [1]
Flow per fixture unit	5	Gallons per day per fixture unit
RCWD Sewer Capacity Fee	\$19,508	\$/dwelling unit
Sewer Flow	135	Gallons per day
RCWD Sewer Capacity Fee	\$145	\$/gallon per day
Accessory Dwelling Unit		
RCWD Capacity Fee per gallon	\$145	\$/gallon per day
Water Use per plumbing fixture unit	5	Gallons per day
Capacity Fee per plumbing fixture unit	\$725	\$/fixture unit

1 - Based on 3 toilets, 3 bathroom sinks, 1 kitchen sink, 2 shower/bath combinations, laundry, and dishwasher. See the listing of plumbing fixtures in Appendix B.

Table 16 shows an illustrative example of an ADU sewer capacity fee for an ADU with one bathroom, a kitchen, and laundry. A listing of plumbing fixture units is provided in Appendix B.

Table 16: Example ADU Sewer Capacity fee for a 1 Bathroom ADU with Kitchen and Laundry

Fixture Type	Equivalent Fixture Count	# of Fixtures	# of Equivalent Fixture Units			
Bathtub or Bath/Shower	2	x	1	=	2	
Clothes Washer, Domestic	3	x	1	=	3	
Sink	2	x	2	=	4	
Toilet or water closet	3	x	1	=	<u>3</u>	
Total Equivalent Fixture Units				12	X	\$725 = \$8,700
					per plumbing fixture unit	Sewer Capacity Fee

SECTION 5: Combined Capacity Fee and Fee Implementation

Combined Capacity Fee

Root Creek WD's updated capacity fees for a typical single family residential customer are proposed to total \$30,817 including water and wastewater capacity fees and the MID rooftop fee. The proposed Root Creek WD updated fees are \$2,679 higher than the City of Clovis fees of \$28,138, see Table 17.

Table 17: Summary of Medium Density Residential Capacity Fees

Category	RCWD Proposed [1]	City of Clovis Current [2]	Difference (RCWD less City of Clovis)
Water	\$11,309	\$15,022	(\$3,713)
Wastewater	<u>\$19,508</u>	<u>\$13,116</u>	<u>\$6,392</u>
Total	\$30,817	\$28,138	\$2,679

1 – The proposed RCWD fees include a \$1,500 rooftop fee. \$1,400 MID rooftop fee (2026) will escalate to \$1,500 (2027-2031)

2 – Published fee schedule dated July 21, 2025. Includes major facilities fees, oversize fees, and front footage fees.

Capacity Fee Adoption

In order to adopt capacity fees, public agencies in California must 1) develop a justification for the capacity fees, 2) conduct a public meeting pursuant to Government Code section 66016(a), and 3) adopt an ordinance or resolution. The adoption of capacity fees requires the Board of Directors to vote to approve the ordinance or resolution and does not require a public vote, unless the District elects to impose a capacity fee in excess of the estimated amount required to provide the service for which the fee is imposed. In such an event the capacity fees would require two-thirds approval of the registered voters.

- 1) This report provides an administrative record of the cost of providing infrastructure capacity to new development and the reasonable and proportional benefit received by new connections. This report must be made accessible to the public 14 days before the Root Creek WD Board of Directors votes on the fee.
- 2) A notice of public hearing must be mailed to any interested party having requested such notice at least 14 days prior to the date of the public meeting. (Gov. Code, § 66016.) The notice must include the date, time, location of the meeting, a general explanation of the fees being considered, and a statement that the data required to establish the fees has been made publicly available. At the public meeting members of the public must be given the opportunity to make oral or written presentations to the Board.
- 3) The new capacity fees should be adopted via ordinance or resolution. The District will include the language provided below in the ordinance or resolution to provide for inflationary cost increases.

Capacity Fee Implementation

Capacity fee revenues may only be used for the benefit of new connections and may not be used for other purposes. To that end, public agencies are required to account for capacity fee revenues separately from other agency revenues. Within 180 days of the end of fiscal year, Root Creek WD must make available to the public:

- 1) A description of the charges deposited into the capacity fee or capital fund
- 2) The beginning and ending balance of the fund and interest earned
- 3) The amount of the charges collected that fiscal year
- 4) An identification of all the following:
 - a. Each public improvement on which charges were expended, the amount expended for each improvement, and the percentage of the total cost of the improvement that was funded with the capacity fee if more than one source of funding was used
 - b. Each public improvement completed during the current fiscal year
 - c. Each public improvement anticipated to begin the following fiscal year
- 5) A description of any interfund transfers or loans. In the case of interfund transfers the report must identify the public improvements for which the transferred funds will be used. In the case of a loan the report must identify the date the loan will be repaid and the interest rate the loan will receive.

Capacity Fee Updates

Capacity fees should be adjusted regularly to prevent them from falling behind the costs of constructing new facilities. Several methods can be used to adjust the fees, including:

- ENR Construction Cost Index: ENR (Engineering News-Record) magazine publishes construction cost indices monthly. This index can be used to estimate the change in the construction cost of facilities. If the ENR Index has increased by three percent since the last fee adjustment, the fee should be increased by three percent.
- U.S., California, or regional consumer price index.
- Interest rate and borrowing costs: The interest and borrowing costs for debt issued to finance sewer capital projects can be added to the capacity fee annually.

LTMC recommends that the Root Creek Water District adjust its fees annually by the change in the ENR Construction Cost Index 20-cities average. This is the most appropriate index because it directly reflects construction costs. Suggested language for implementing this policy is:

Each year, commencing on (m/d/y) and continuing thereafter on each (m/d) , the capacity fees shall be increased based on the change in the Engineering News-Record Construction Cost Index for the 20-cities average over the prior year.

However, the Root Creek WD Board of Directors may at its option determine, by resolution adopted prior thereto, that such adjustment shall not be effective for the next succeeding year, or may determine other amounts of adjustment as appropriate. In general, it is recommended that public agencies re-evaluate their capacity fees every eight years or concurrent with the development of master plans.

APPENDIX A

Memorandum from Provost & Pritchard Consulting Group dated April 23, 2025; Revised July 1, 2026

APPENDIX B

**TABLE 702.1
DRAINAGE FIXTURE UNIT VALUES (DFU)**

PLUMBING APPLIANCES, APPURTENANCES, OR FIXTURES	MINIMUM SIZE TRAP AND TRAP ARM ⁷ (inches)	PRIVATE	PUBLIC	ASSEMBLY ⁸
Bathtub or Combination Bath/Shower	1½	2.0	2.0	—
Bidet	1¼	1.0	—	—
Bidet	1½	2.0	—	—
Clothes Washer, domestic, standpipe ⁵	2	3.0	3.0	3.0
Dental Unit, cuspidor	1¼	—	1.0	1.0
Dishwasher, domestic, with independent drain ²	1½	2.0	2.0	2.0
Drinking Fountain or Water Cooler	1¼	0.5	0.5	1.0
Food Waste Disposer, commercial	2	—	3.0	3.0
Floor Drain, emergency	2	—	0.0	0.0
Floor Drain (for additional sizes see Section 702.0)	2	2.0	2.0	2.0
Shower, single-head trap	2	2.0	2.0	2.0
Multi-head, each additional	2	1.0	1.0	1.0
Lavatory	1¼	1.0	1.0	1.0
Lavatories in sets	1½	2.0	2.0	2.0
Washfountain	1½	—	2.0	2.0
Washfountain	2	—	3.0	3.0
Mobilehome or Manufactured Home, trap ⁹	3	6.0	—	—
Receptor, indirect waste ^{1,3}	1½	See footnote ^{1,3}		
Receptor, indirect waste ^{1,4}	2	See footnote ^{1,4}		
Receptor, indirect waste ¹	3	See footnote ¹		
Sinks	—	—	—	—
Bar	1½	1.0	—	—
Bar ²	1½	—	2.0	2.0
Clinical	3	—	6.0	6.0
Commercial with food waste ²	1½	—	3.0	3.0
Exam Room	1½	—	1.0	—
Special Purpose ²	1½	2.0	3.0	3.0
Special Purpose	2	3.0	4.0	4.0
Special Purpose	3	—	6.0	6.0
Kitchen, domestic ² (with or without food waste disposer, dishwasher, or both)	1½	2.0	2.0	—
Laundry ² (with or without discharge from a clothes washer)	1½	2.0	2.0	2.0
Service or Mop Basin	2	—	3.0	3.0
Service or Mop Basin	3	—	3.0	3.0
Service, flushing rim	3	—	6.0	6.0
Wash, each set of faucets	—	—	2.0	2.0
Urinal, integral trap 1.0 GPF ²	2	2.0	2.0	5.0
Urinal, integral trap greater than 1.0 GPF	2	2.0	2.0	6.0
Urinal, exposed trap ²	1½	2.0	2.0	5.0
Water Closet, 1.6 GPF Gravity Tank ⁶	3	3.0	4.0	6.0
Water Closet, 1.6 GPF Flushometer Tank ⁶	3	3.0	4.0	6.0
Water Closet, 1.6 GPF Flushometer Valve ⁶	3	3.0	4.0	6.0
Water Closet, greater than 1.6 GPF Gravity Tank ⁶	3	4.0	6.0	8.0
Water Closet, greater than 1.6 GPF Flushometer Valve ⁶	3	4.0	6.0	8.0

For SI units: 1 inch = 25 mm

Notes:

¹ Indirect waste receptors shall be sized based on the total drainage capacity of the fixtures that drain therein to, in accordance with Table 702.2(2).

² Provide a 2 inch (50 mm) minimum drain.

³ For refrigerators, coffee urns, water stations, and similar low demands.

⁴ For commercial sinks, dishwashers, and similar moderate or heavy demands.

⁵ Buildings having a clothes-washing area with clothes washers in a battery of three or more clothes washers shall be rated at 6 fixture units each for purposes of sizing common horizontal and vertical drainage piping.

⁶ Water closets shall be computed as 6 fixture units where determining septic tank sizes based on Appendix H of this code.

⁷ Trap sizes shall not be increased to the point where the fixture discharge is capable of being inadequate to maintain their self-scouring properties.

⁸ Assembly [Public Use (see Table 422.1)].

⁹ For drainage fixture unit values related to lots within mobilehome parks in all parts of the State of California, see California Code of Regulations, Title 25, Division 1, Chapter 2, Article 5, Section 1268. For drainage fixture unit values related to lots within special occupancy parks in all parts of the State of California, see California Code of Regulations, Title 25, Division 1, Chapter 2.2, Article 5, Section 2268.

