

## RESOLUTION NO. B-1380

### **A RESOLUTION OF THE BOARD OF LAKEWOOD WATER DISTRICT COMMISSION RE-ESTABLISHING GENERAL FACILITIES CHARGES, WHICH ARE CONNECTION CHARGES AUTHORIZED BY RCW 57.08.005 (10), TO BE CHARGED AS A ONE-TIME FEE FOR NEW CONNECTIONS, AS A CONDITION OF SERVICE.**

WHEREAS, the area served by Lakewood Water District has experienced substantial growth in recent years, and such population growth requires significant expansion and replacement of the water system, or portions thereof; and

WHEREAS, the existing water system, which generally serves all Lakewood Water District customers, has been constructed, upgraded, expanded and maintained by funds collected from ratepayers for water service; and

WHEREAS, ratepayers and property owner benefiting from new connections should pay their fair and equitable pro rata share of the general facilities costs of the existing facilities, for those general facilities to which they connect; and

WHEREAS, land use changes necessitating increased water used should be treated similarly to new connections with respect to general facilities charges; and

WHEREAS, RCW 57.08.005 (10) grant the Commissioners of the Water District the legal authority to establish connection charges, such as General Facilities Charges, as a condition of connecting to the existing water system, under certain regulations and conditions; and

WHEREAS, the Commissioners of the Lakewood Water District have determined that it would be in the best interest of the district and all of the customers it serves, to establish connection charges, as most public water purveyors in Western Washington have done in recent years;

NOW THEREFORE, BE IT HEREBY RESOLVED:

**Section 1.** Pursuant to RCW 57.08/005 (10), a system of connection charges, denominated General Facilities Charges, is hereby established in the Lakewood Water District. The purposed of the one-time fees, which shall be paid as a condition of receiving new service or upgraded service from Lakewood Water District, is to provide adequate funds, in addition to water rates or service charges, for the expansion and replacement of the capital facilities of the water system. The Board of Commissioners expressly finds that substantial growth in the Lakewood area since the existing system was constructed, together with the need to replace outdated portions of the system, are causing the demand for the increased capital expenditures to outstrip the funds that can reasonably be provided by water rates, or increases thereof. It would be unfair to existing customers, who have paid for the present system, the Board finds, not to charge new customers a connection charge for their pro rata share of the cost of the existing system.

**Section 2.** As a condition of connecting to the water system of the Lakewood Water District, property, owners responsible for all new connections and “upgraded connections” shall first pay the General Facilities Charges established by this resolution. “Upgraded connections” shall mean, or refer, those properties undergoing land use or related changes, whereby the water usage is significantly increased due to the land use or density change on the property. For example, a single family residential property being re-zoned for multiple family use by several residential equivalents would need upgraded water service and a larger meter or added meters, and would therefore be considered an upgraded connection under this resolution. Also, any service update requiring a larger meter may cause a General Facility Charge to be levied. Determination of “upgraded connection” status shall be an administrative discretionary decision of the Manager of the District.

**Section 3.** As authorized by RCW 57.08.005 (10), this General Facilities Charge may include interest on the cost of the existing system, less outstanding debt, excluding the value of any donations or grants, and excluding prior contributions-in-aid of construction. Based upon the District's calculations in accordance with the statute, the General Facilities Charge (GFC) is established on the effective date of the resolution at the rates as shown on Exhibit A. The GFC shall be established in accord with meter size, with the GFC increasing as the meter size increases, as shown on Exhibit A to this resolution, which is hereby incorporated herein by this reference; provided, however, that the fire flow component of the GFC shall not be charged for property connecting to the District's water system for irrigation only. **The GFC rates as shown on Exhibit A may be changed by the Board of Commissioners from time to time, by passage of a motion amending the Exhibit.**

**Section 4.** Credit against the amount otherwise due for CFC will be allowed for the existing meter or level of service (provided the GFC was paid when the property was charged for such level of service). For example, when a property upgrades from 5/8" to a 1" meter, only the difference in GFC amounts will be due and payable.

**Sections 5.** For accounting purposes, the General Facilities Charges revenue shall be deemed to be "payments in aid of construction" as defined by Department of Revenue rules.

**Section 6.** The following resolutions are superseded and repealed: Resolutions No. B-795 (front footage charges), B-112 and B-117 (annexation fees), B-1348, B-1353, and B-1370.

ADOPTED this 19th day of April 2007.

LAKEWOOD WATER DISTRICT

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President

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Commissioner

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Commissioner

Attest:

\_\_\_\_\_  
District Secretary

Approved as to Form:

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Joseph F. Quinn, Attorney