

Proposed FY21 System Development Charge Calculation

	Total System	Water	Sewer	
Net Investment in Capital Assets as of June 30, 2019	468,755,415.00			A
Depreciated Value of Conveyed Assets as June 30, 2019	70,055,205.19			B
	398,700,209.81			A-B
Proportion of Cumulative System Investment		47.36%	52.64%	C
		188,805,677.28	209,894,532.53	(A-B)*C
Proportion of non-ratepayer funding sources		4.85%	11.65%	D
		179,652,473.86	185,432,367.33	[(A-B)*C]*[1-D]
FY21 Forecasted ERUs		93,330	89,760	E
Proposed FY21 System Development Charge	\$	1,920.00	\$ 2,070.00	([(A-B)*C]*[1-D])/E
FY20 System Development Charge	\$	1,880.00	\$ 1,930.00	
Proposed Increase/(Decrease)	\$	40.00	\$ 140.00	

- A** The Net Investment in Capital Assets as of June 30, 2019, CFPUA's most recently audited fiscal year, was \$468,755,415. The Net Investment in Capital Assets represents the depreciated value of all water and sewer infrastructure assets less the outstanding debt that was issued to acquire or construct those assets. Source: CFPUA's Fiscal Year 2019 Comprehensive Annual Financial Report, page 28.
- B** The Depreciated Value of Conveyed Assets must be removed since the assets were not funded by ratepayers. As of June 30, 2019 was \$70,055,205.19. See page 2.
- C** The Proportion of Cumulative Investment in the water and sewer systems is used to allocate total system values so that separate SDCs can be calculated for water and sewer. These proportions were determined using the proportion of cumulative capital expenditures in the water and sewer systems since inception through June 30, 2019. System-wide capital expenditures were allocated evenly between the water and sewer systems. See page 3.
- D** The depreciated value of water and sewer assets that were non-rate payer funded such as grants and contributions must be excluded. To remove these, a reduction is made equal to the proportionate share of total capital investment in the water and sewer systems that was non-rate payer funded through June 30, 2019. See page 3.
- E** Forecasted equivalent residential units (ERUs) were determined using actual ERUs through the first six months of FY20 rounded to the nearest thousand adjusted for expected growth during the next fiscal year.

Depreciated Value of Conveyances as of June 30, 2019

Asset Type	Value Conveyed	Accumulated Depreciation	Depreciated Value
Easements	1,553,058.18	-	1,553,058.18
Sewer Lines	45,729,369.56	(3,602,467.98)	42,126,901.58
Water Lines	28,617,570.99	(2,242,325.56)	<u>26,375,245.43</u>
			<u><u>70,055,205.19</u></u>

Note: Easements are not depreciated in accordance with generally accepted accounting principles.

Source: CFPUA's Financial System

Cumulative Capital Investment by Funding Source as of June 30, 2019

Rate-payer funded sources:	System-wide	Water	Sewer	Total
Transfers from the Operating Fund	9,221,682.39	31,762,625.50	56,287,090.03	97,271,397.92
Investment Earnings	44,719.99	1,121,603.41	5,799,400.08	6,965,723.48
Debt Proceeds	-	132,427,914.33	108,233,892.35	240,661,806.68
Appropriated Fund Balance	-	16,069,709.39	17,008,845.00	33,078,554.39
Insurance Proceeds	66,902.25	96,904.51	138,318.00	302,124.76
Non-rate payer funded sources:				
Grants	49,735.31	1,851,203.89	4,340,199.19	6,241,138.39
Contributions from Third Parties	109,800.00	7,553,043.69	20,926,301.20	28,589,144.89
	<u>9,492,839.94</u>	<u>190,883,004.72</u>	<u>212,734,045.85</u>	<u>413,109,890.51</u>

Proportion of Cumulative Capital Investment by System

Water	47.36%
Sewer	52.64%
	<u>100%</u>

Proportion of Cumulative Capital Investment Funded with Non-Rate-Payer Funding Sources

Water	4.85%
Sewer	11.65%

Source: CFPUA's Financial System