

Proposed FY22 System Development Charge Calculation

	Total System	Water	Sewer	
Net Investment in Capital Assets as of June 30, 2020	512,151,108.00			A
Depreciated Value of Conveyed Assets as June 30, 2020	77,517,158.50			B
	434,633,949.50			A-B
Proportion of Cumulative System Investment		47.59%	52.41%	C
		206,842,501.25	227,791,448.25	(A-B)*C
Proportion of non-customer funding sources		3.26%	13.32%	D
		200,096,266.98	197,455,492.09	[(A-B)*C]*[1-D]
FY22 Forecasted ERUs		94,187	90,568	E
Proposed FY22 System Development Charge		\$ 2,120.00	\$ 2,180.00	([(A-B)*C]*[1-D])/E
FY21 System Development Charge		\$ 1,920.00	\$ 2,070.00	
Proposed Increase/(Decrease)		\$ 200.00	\$ 110.00	

- A** The Net Investment in Capital Assets as of June 30, 2020, CFPUA's most recently audited fiscal year, was \$512,151,108. 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 2020 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, 2020 was \$77,517,158.50. 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, 2020. 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-customer 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-customer funded through June 30, 2020. See page 3.
- E** Forecasted equivalent residential units (ERUs) were determined by multiplying the 12-month rolling average ERUs at December 31, 2020 by the actual 3-year growth rate in 12-month rolling average ERUs.

Depreciated Value of Conveyances as of June 30, 2020

Asset Type	Value Conveyed	Accumulated Depreciation	Depreciated Value
Easements	1,553,058.18	-	1,553,058.18
Sewer Lines	51,490,306.56	(4,590,783.60)	46,899,522.96
Water Lines	31,918,794.99	(2,854,217.63)	29,064,577.36
	<u>84,962,159.73</u>	<u>(7,445,001.23)</u>	<u>77,517,158.50</u>

Note: In accordance with generally accepted accounting principles, easements are not depreciated.

Source: CFPUA's Financial System

Cumulative Capital Investment by Funding Source as of June 30, 2020

Rate-payer funded sources:	System-wide	Water	Sewer	Total
Transfers from the Operating Fund	12,689,539.97	44,363,193.57	76,275,158.24	133,327,891.78
Investment Earnings	44,719.99	1,121,603.41	5,799,400.08	6,965,723.48
Debt Proceeds	-	144,459,275.27	108,696,928.77	253,156,204.04
Appropriated Fund Balance	-	20,796,825.63	17,135,371.73	37,932,197.36
Insurance Proceeds	190,601.56	184,925.20	149,978.00	525,504.76
Non-rate payer funded sources:				
Grants	-	2,424,424.28	11,926,337.87	14,350,762.15
Contributions from Third Parties	109,800.00	4,849,908.35	20,976,301.20	25,936,009.55
	<u>13,034,661.52</u>	<u>218,200,155.71</u>	<u>240,959,475.89</u>	<u>472,194,293.12</u>

Proportion of Cumulative Capital Investment by System

Water	47.59%
Sewer	52.41%
	<u>100%</u>

Proportion of Cumulative Capital Investment Funded with Non-Customer Funding Sources

Water	3.26%
Sewer	13.32%

Source: CFPUA's Financial System