

Capital Facilities Charges (CFC) Update

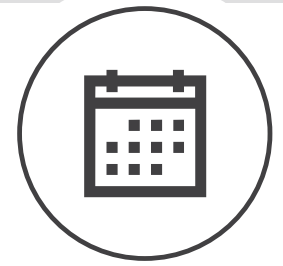
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Agenda

- Background
- Capital Facilities Charge Methodology
- Presentation of Draft Results
 - Water Connection Fees
 - Wastewater Connection Fees
 - Stormwater CFCs
- Next Steps
- Questions



Background

- What are Capital Facilities Charges?
 - One-time charges
 - Applied to new development as a condition of connecting to utility infrastructure
 - Recovers the cost to provide system capacity to new customers
 - Ensures equity in payment between existing and new utility customers
 - All proceeds must be used for utility capital improvements



Background

- Charges in Redmond
 - Water Connection Fees
 - Wastewater Connection Fees
 - Stormwater Capital Facilities Charges
 - Citywide
 - Downtown
 - Overlake



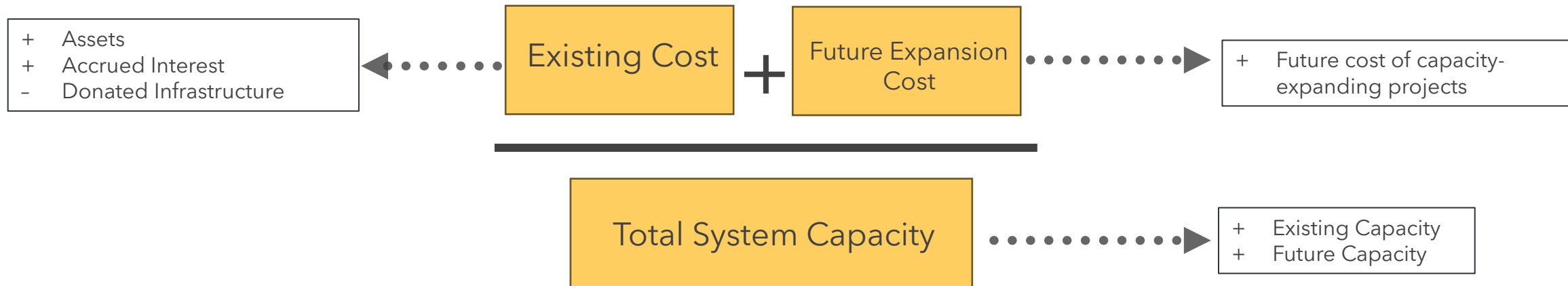
Background

- Why Update? Why Now?
 - Per Redmond Code, Connection and Capital Facilities Charges should be reviewed and updated biennially, in each odd-numbered year
 - The last CFC update was in June 2018
 - 2023 Water System Plan provides system data to inform the process
 - Updating CFCs ensures:
 - The most accurate cost-basis
 - Best practices in calculation methodology
 - Equitable share of the total cost of the system between existing customers and new development

CFC Calculation Methodology



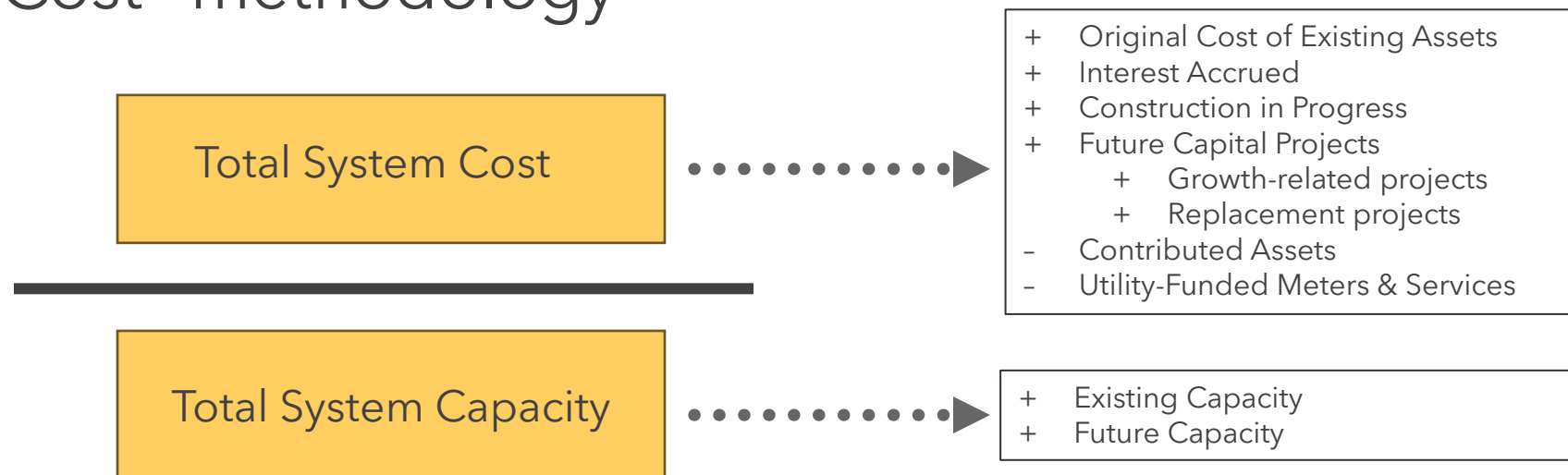
- Current Water & Wastewater Calculation



CFC Calculation Methodology



- Current Stormwater CFC methodology and Updated Water/Wastewater methodology
- "Average-Cost" methodology



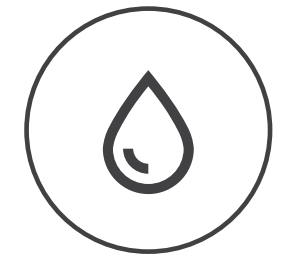


Single-Family Residential Definition

- Current
 - Small Home (0-2,400 SF)
 - Medium Home (2,401-3,300 SF)
 - Large Home (3,301+ SF)
- Updated
 - Small Home (Less than 1,500 SF)
 - Medium Home (1,500-2,999 SF)
 - Large Home (3,000+ SF)
- Include in Wastewater Connection Calculation
- Align with King County Definitions



Water Connection Charges



Water Connection Charges

Water CFC Schedule	Total CFC		CFC Net of Distribution Credit	
	Current	Updated	Current	Updated
Single-Family Residential¹				
Small Home (Less Than 1,500 SF)	\$3,050	\$4,230	\$2,040	\$2,870
Medium Home (1,500 - 2,999 SF)	\$4,510	\$5,380	\$3,010	\$3,790
Large Home (3,000 SF+)	\$6,290	\$7,130	\$4,200	\$5,180
Commercial & Multi-Family:				
3/4" Meter	\$4,560	\$9,070	\$3,050	\$6,120
1" Meter	\$11,390	\$12,910	\$7,615	\$9,160
1-1/2" Meter	\$22,780	\$19,320	\$15,230	\$14,240
2" Meter	\$36,450	\$27,000	\$24,370	\$20,330
3" Meter	\$72,900	\$47,400	\$48,740	\$36,500
4" Meter	\$113,900	\$70,500	\$76,150	\$54,800
6" Meter	\$227,800	\$134,500	\$152,300	\$105,500
8" Meter	\$364,500	\$211,300	\$243,700	\$166,400
Irrigation & Cooling Towers:				
3/4" Meter	\$13,670	\$14,300	\$9,130	\$11,410
1" Meter	\$34,170	\$35,760	\$22,820	\$28,540
1-1/2" Meter	\$68,350	\$71,520	\$45,650	\$57,090
2" Meter	\$109,360	\$114,430	\$73,040	\$91,350
3" Meter	\$218,700	\$228,800	\$146,060	\$182,700
4" Meter	\$341,700	\$357,600	\$228,200	\$285,400
6" Meter	\$683,500	\$715,200	\$456,500	\$570,900
8" Meter	\$1,093,600	\$1,144,300	\$730,400	\$913,500

¹Includes townhome and cottage housing units.



Wastewater Connection Charges



Wastewater Connection Charges

Wastewater CFC Schedule	Total CFC		CFC Net of Credit	
	Current	Updated	Current	Updated
Single-Family Residential¹				
Small Home (Less Than 1,500 SF)	\$2,890	\$2,470	\$1,160	\$1,510
Medium Home (1,500 - 2,999 SF)	\$2,890	\$3,050	\$1,160	\$1,860
Large Home (3,000 SF+)	\$2,890	\$3,540	\$1,160	\$2,160
Other Residential				
Duplex	\$4,620	\$4,940	\$1,850	\$3,020
Triplex	\$6,930	\$7,420	\$2,770	\$4,530
Fourplex	\$9,240	\$9,890	\$3,700	\$6,040
More Than Four Units (Per Unit)	\$1,850	\$1,920	\$740	\$1,170
Mobile Homes (Per Space)	\$2,890	\$3,050	\$1,160	\$1,860
Residential Suites (Per Unit)	\$920	\$1,060	\$370	\$650

¹Includes townhome and cottage housing units.

Wastewater Connection Charges

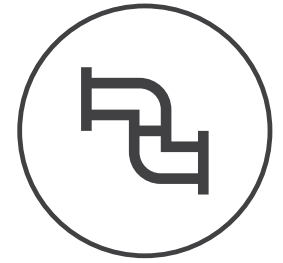


Wastewater CFC Schedule	Total CFC		CFC Net of Credit	
	Current	Updated	Current	Updated
Commercial:				
3/4" Meter	\$2,890	\$3,050	\$1,160	\$1,860
1" Meter	\$7,220	\$7,630	\$2,890	\$4,660
1-1/2" Meter	\$14,440	\$15,270	\$5,780	\$9,330
2" Meter	\$23,110	\$24,430	\$9,240	\$14,930
3" Meter	\$46,200	\$48,800	\$18,480	\$29,800
4" Meter	\$72,200	\$76,300	\$28,880	\$46,600
6" Meter	\$144,400	\$152,700	\$57,760	\$93,300
8" Meter	\$231,100	\$244,300	\$92,440	\$149,300
Cooling Towers:				
3/4" Meter	\$430	\$450	\$170	\$280
1" Meter	\$1,080	\$1,140	\$430	\$700
1-1/2" Meter	\$2,170	\$2,290	\$870	\$1,400
2" Meter	\$3,470	\$3,660	\$1,390	\$2,240
3" Meter	\$6,900	\$7,300	\$2,760	\$4,400
4" Meter	\$10,800	\$11,400	\$4,320	\$7,000
6" Meter	\$21,700	\$22,900	\$8,680	\$14,000
8" Meter	\$34,700	\$36,600	\$13,880	\$22,400

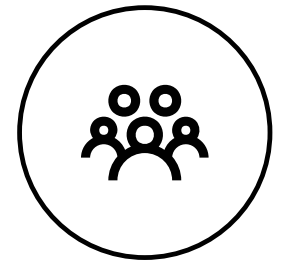


Stormwater Capital Facilities Charges

Stormwater Capital Facilities Charges



Stormwater CFC Per Impervious Unit	Total CFC	
	<i>Current</i>	<i>Updated</i>
Citywide	\$1,342	\$2,310
Downtown	\$5,979	\$3,358
Overlake	\$10,929	\$10,253



Next Steps

- City Council Communication
 - Finance & Administration Committee of the Whole - **November 12, 2025**
 - Business Meeting Consent - **November 18, 2025**
- New fees and charges effective January 1, 2026

Thank You

Any Questions?

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