



TECHNICAL MEMORANDUM

TO: WHATCOM COUNTY WATER DISTRICT 13
FROM: ROGER KUYKENDALL, P.E.
DATE: JANUARY 26, 2026
SUBJECT: NEW WATER GENERAL FACILITIES
CHARGE
WHATCOM COUNTY WATER
DISTRICT 13, WASHINGTON
G&O #25415.00

This technical memorandum provides the results of the calculation of the General Facility Charge (GFC) for the water utility. Future capital project information originates from the *2021 Small Water System Management Plan*, as modified by new information acquired during the preparation of the GFC, and as noted in the attached tables. In accordance with RCW 57.08.005, a Right-to-Connect or “General Facilities Charge” may be charged to a property owner seeking to connect to the system in order that those property owners bear their equitable share of the cost of the system. A GFC includes a pro rata share of the cost of existing facilities (existing facility component), facilities planned for construction within the next 10 years and contained in an adopted comprehensive plan (future facilities component), and other costs borne by the District which are directly attributable to the improvements required by property owners seeking to connect to the system. The cost of existing facilities cannot include simple portions of the system that were donated or paid for by grants. Also, the connection charge may include interest charges applied from the date of construction of the system until the connection or for a period not to exceed 10 years, whichever is shorter.

The existing facility component offsets the historical contributions from existing customers used to acquire existing assets of benefit to a new customer. The future facility component contributes toward capital improvement costs needed to serve future customers and is intended to minimize the impact to existing customers for the construction of facilities that may only be required due to growth. If new facilities are included in a 10-year Capital Improvement Program (CIP) that replace existing facilities, the cost of the older facilities must be removed from the calculation. GFCs cannot be used to pay operating and maintenance costs.

EXISTING FACILITY COMPONENT

Known original (1977) facility costs are provided in the attached Table 1. These costs are derived from the 1987 complaint filed in Whatcom County Superior Court regarding a class action lawsuit against the Peaceful Valley developers and the District. The



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allowable accrued annual interest on the original assets is 8.5 percent, based upon the bond interest rate identified in the complaint. Total eligible GFC costs for the original facilities equal \$455,320.

Known new assets and facilities, added since 1977, are provided in the attached Table 2. The allowable accrued annual interest on the new assets is approximated at 5.0 percent, based upon current commercial interest rates. Total eligible new asset GFC costs are \$193,654.

FUTURE FACILITY COMPONENT

The 2021 Small Water System Management Plan includes a CIP that identifies several different types of capital projects:

- Capacity Improvement – These projects are intended for the sole purpose of increasing existing system capacity to accommodate growth and are eligible for the GFC calculation.
- Regulatory – Money spent on activities or projects to meet regulatory requirements is an eligible cost.
- Repair and Replacement – These projects are not eligible for the GFC calculation unless they replace an existing facility with a facility that has an increased capacity. However, the existing facility must be removed from the existing facility cost basis.
- Growth Related/Developer Extensions – These projects are for the sole purpose of providing sewage collection and conveyance for developing properties. They are typically funded entirely by developers, becoming donated facilities, and hence are not eligible for the GFC calculation.

Table 3 identifies the capital projects scheduled for completion over the next 10 years. The total eligible GFC costs are estimated at \$615,282.

GFC CALCULATION

The pro rata share of the cost of the existing facilities is determined by dividing the calculated cost of existing facilities *that will benefit future customers* by the number of current customers. The current number of customers (residential customer equivalent or RCE) is $471 - 3.5 = 467.5$. Please note that the number of sewer RCEs is more than the number of water RCEs due to the fact that the EWRRC has 6.0 sewer RCEs and 2.5 water RCEs.



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The pro rata share of the cost of the future facilities is determined by dividing the calculated cost of future facilities *that are required to serve growth* by the number of customers that component is expected to serve (existing and future customers). Several of the eligible projects in the 10-year CIP are considered to serve growth for the number of RCEs anticipated in the tenth year (2035). Planning data is taken from the *Draft 2026 General Sewer Plan/Engineering Report*. Therefore, the GFC calculation will look ahead 10 years and use the 2035 RCE projection ($692 - 3.5 = 688.5$) as the number of anticipated RCEs at the end of the current 10-year period. The new wastewater treatment plant is designed to serve up to 1,200 RCEs, and this will be the number of RCEs used to distribute equitable cost for the water system.

Table 4 provides a breakdown of the GFC calculation for the existing and future components. The resulting GFC is calculated as \$1,388 (existing component) plus \$648 (future component) for a total GFC of \$2,036.

RECOMMENDATION

We recommend the District consider for adoption a GFC at or below the GFC calculated and presented Table 4. We also recommend that the calculation be reviewed by the District's attorney.

Table 1
Original Water Facilities
Whatcom County Water District 13

Original Facilities	Initial 1977 Cost (1)	Year Completed	Allowable Interest (2)	Total Existing Cost Basis	Facility to Benefit New Customers?	Eligible Existing Cost Basis (3)
Division 1 Water Distribution Pipe	\$ 85,398	1977	\$ 72,588	\$ 157,986	Yes	\$ 157,986
Division 1 Engineering, Financing, Admin	\$ 27,240	1977	\$ 23,154	\$ 50,394	Yes	\$ 50,394
Distribution Pipe to Serve Lots on Road from Div #1 to WWTP	\$ 25,900	1977	\$ 22,015	\$ 47,915	Yes	\$ 47,915
Well No. 1 & Storage Tanks	\$ 68,000	1977	\$ 57,800	\$ 125,800	Yes	\$ 125,800
Comp Plan, Engineering, Financing, Admin	\$ 39,581	1977	\$ 33,644	\$ 73,225	Yes	\$ 73,225
Total for Original Facilities	\$ 246,119			\$ 455,320		\$ 455,320

\$ 209,201

NOTES:

- (1) Initial costs based upon 1987 Whatcom County Superior Court complaint.
- (2) Allowable interest based upon 8.5% bond interest stated in Superior Court complaint.
- (3) Eligible costs are based upon existing facilities that will benefit future development.

Table 2
New Water Assets
Whatcom County Water District 13

New Assets	Initial Cost (1)	Year Completed	Allowable Interest (2)	Total New Asset Cost Basis	Asset to Benefit New Customers?	Eligible New Asset Cost Basis (3)
Well No. 2 Installation (4)	\$ 56,234	2003	\$ 28,117	\$ 84,351	Yes	\$ 84,351
Fencing/Security Around Well Sites	\$ 3,000	2012	\$ 1,500	\$ 4,500	Yes	\$ 4,500
2012 Small Water System Management Plan	\$ 7,500	2012	N/A	\$ 7,500	Yes	\$ 7,500
Developer Extension Manual	\$ 2,500	2012	N/A	\$ 2,500	Yes	\$ 2,500
Add New Valves System-Wide	\$ 3,000	2014	\$ 1,500	\$ 4,500	Yes	\$ 4,500
2015 Water Rate Study	\$ 7,200	2016	N/A	\$ 7,200	Yes	\$ 7,200
Emergency Backup Power Feasibility Study	\$ 5,931	2016	N/A	\$ 5,931	Yes	\$ 5,931
2021 Small Water System Management Plan	\$ 27,100	2021	N/A	\$ 27,100	Yes	\$ 27,100
Equip Well No. 1 for Portable Generator	\$ 47,688	2024	\$ 2,384	\$ 50,073	Yes	\$ 50,073
Total New Assets Since 1977:	\$ 160,153			\$ 193,654		\$ 193,654

NOTES:

- (1) Initial costs based upon actual cost for planning, design, construction, and construction management.
- (2) Allowable interest assumed at 5.0% based upon current commercial interest rates. Not applicable to non-facility assets.
- (3) Eligible costs are based upon new assets & facilities that will benefit future development.
- (4) Well No. 2 estimated cost in 2015 was \$74,250, adjusted by Seattle ENR CCI to year 2003 = \$56,234.05

Table 3
Water 10-Year Capital Improvement Projects
Whatcom County Water District 13

Project	2020 Estimated Cost (1)	Schedule (2)	2025 Estimated Cost (3)	To Serve Future Growth in next 10 years?	Eligible Future Cost Basis
Leak Detection (5)	\$ 12,000	Annual	\$ 14,886	Yes	\$ 14,886
Leak Repair (5)	\$ 100,000	Annual	\$ 124,049	Yes	\$ 124,049
WUE Programmatic Tasks (5)	\$ 9,000	Annual	\$ 11,164	Yes	\$ 11,164
Analytical Model for Wellhead Protection Area	\$ 10,000	2025	\$ 12,405	Yes	\$ 12,405
Water Rate Study	\$ 10,000	2026	\$ 12,405	Yes	\$ 12,405
Replace Distribution Lines - 1,000 LF	\$ 435,000	2028	\$ 539,612	No	\$ -
Project A: Install Loop from Well No.1 Supply Line to Fall Valley Lane	\$ 310,000	2030	\$ 384,551	Yes	\$ 384,551
Small Water System Mgmt Plan Update (4)	\$ 35,000	2031	\$ 43,417	Yes	\$ 43,417
Water Rate Study	\$ 10,000	2035	\$ 12,405	Yes	\$ 12,405
Total Capital Projects Cost:	\$ 931,000		\$ 1,154,894		\$ 615,282

NOTES:

- (1) Estimated costs based upon 2021 Small Water System Management Plan.
- (2) Schedule based upon 2021 Small Water System Management Plan.
- (3) 2025 estimated costs based upon Seattle Engineering News Record Construction Cost Index compared to 2020 ENR CCI.
- (4) Required every 10 years by Department of Health.
- (5) Represents total 10-year cost.

Table 4
Water GFC Update
Whatcom County Water District 13

General Facilities Charge Calculation	10 Year CIP: Year 2025 RCEs (467.5) (4)
Existing General Facility Component	
Original Plant in Service (incl. interest)	\$455,320
Less: Facilities replaced in 10-Year CIP	\$0
New Assets/Facilities added since 1977 (1)	<u>\$193,654</u>
Total Existing Asset Cost Basis	\$648,975
Existing RCEs (2025)	467.5
Existing Facility Charge per RCE	\$1,388
Future General Facility Component	
New Water Facilities (Capacity = 1,200 RCEs)	\$396,956
Other 10-Year CIP to Serve Growth (2)	<u>\$218,326</u>
Total Future Cost Basis	\$615,282
RCEs for New Water Facilities	1,200
RCEs for Other 10-Year CIP to Serve Growth (3)	688.5
Future Facility Charge per RCE	\$648
TOTAL GFC PER RCE	\$2,036

NOTES:

- (1) New assets & facilities includes engineering studies and items added since 1977.
- (2) See CIP Table (Table 3).
- (3) Reflects 10 years of growth from current RCE count, based on draft General Sewer Plan/Engr Report.
- (4) There are 3.5 fewer water RCEs than sewer RCEs.