




City of Placerville (City) & El Dorado Irrigation District (EID)

— Facility Capacity Charges (FCCs)

February 10, 2026

PRESENTATION ROADMAP

1. What is a Capacity Charge?
 2. What Projects do they fund?
 3. District FCC process
 4. District & City Agreement
 5. Current Charge
 6. Future Charges
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WHAT IS A (FACILITY) CAPACITY CHARGE?

A capacity charge is a fee assessed to new development to ensure **growth pays for growth** (pursuant to Prop 218 & the Mitigation Fee Act).

Ensures equitable recovery of capital costs incurred by the District to provide future customers with adequate capacity

Two-component charge:

- Buy-in

$$\text{Capacity Charge (per Unit of Service)} = \frac{\text{Capital Asset Value} \pm \text{Adjustments}}{\text{Units of Service}}$$

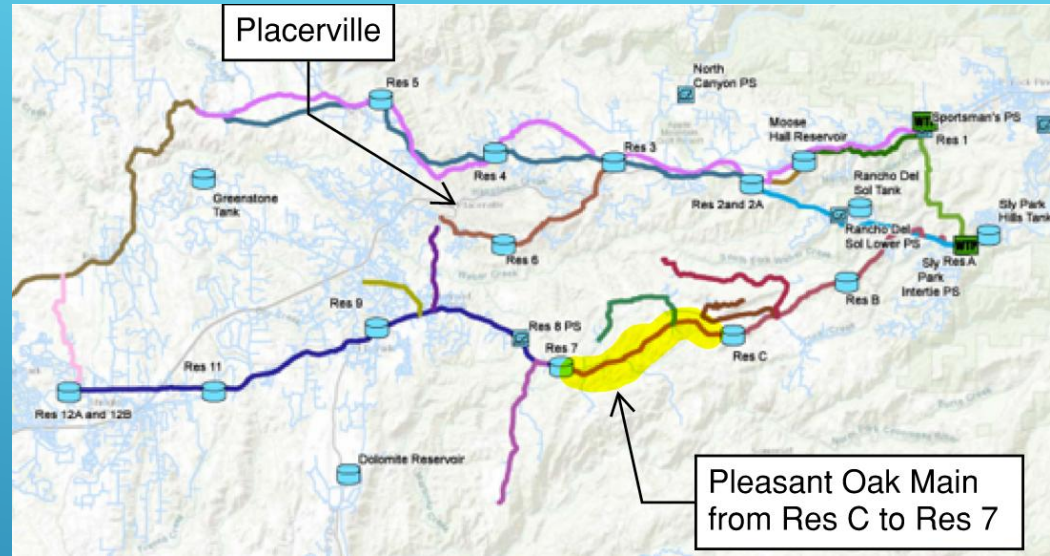
- Incremental

$$\text{Capacity Charge (per Unit of Capacity)} = \frac{\text{Incremental CIP Costs} + \text{Debt Financing Costs}}{\text{Expanded Units of Capacity}}$$

The District utilizes a hybrid approach, the “Combined Cost Method”

PROJECTS THAT FCCCS FUND


Example: Transmission Main upsizing along the Pleasant Oak Main (POM) between Res C & Res 7



Example: Res 1 Water Treatment Plant Upgrades

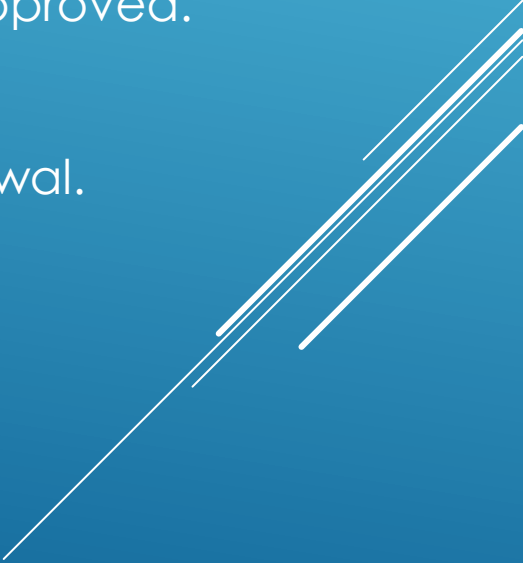


DISTRICT PROCESS – EID'S 2024 FCC UPDATE

- EID aims to undertake an FCC study every 6 years; last study was 2013.
 - FCCs are escalated annually per 20-City Construction Cost Index.
 - City is EID's only wholesale customer – Water Supply Agreement
 - Efforts to update the City-EID FCC were delayed until late 2024.
 - Parties worked together & came to mutual agreement in Sept 2025.
 - District receives quarterly disbursements from City based on collected FCCs.
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CITY & EID WATER SUPPLY AGREEMENT

Recent History:

- January 2016 – Agreement between the City & EID approved.
 - November 2020 – First Amendment to the Agreement approved.
 - June 2024 - Second Amendment to the Agreement approved.
 - **2026 – Updated Exhibit 2 – FCC Schedule**
 - December 2028 – Agreement set for expiration & renewal.
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CITY-EID CURRENT FCC

Due to exclusions for 1) a portion of General District Operations not related to water production & 2) lines equal to and smaller than 6", the City FCC is an adjusted rate.

2024:

- 2024 City FCC = \$18,267
- 2024 EID Retail FCC = \$25,178
- Difference = \$6,911
- Adjustment = 27.1%*

*Historical, 27.1% adjusted fee established in 1999.

2025:

- 2025 Proposed City FCC = \$29,195
- 2025 EID Retail FCC = \$34,140
- Difference = \$4,945
- Adjustment = 14.5%

CITY - EID 2026-2029 FCC: STEPPED INCREASES

- Provides for a gradual stepped increase each of the next four years.
- Agreement is Effective through 2029, until re-negotiated, or a new FCC Study is undertaken.

Year	Amount	Base Percent Increase*	Fee Adjustment **
2025	\$20,658	13%	40.1%
2026	\$23,362	13%	33.7%
2027*	\$24,824	10%	27.3%
2028*	\$27,009	9%	20.8%
2029*	\$29,195	8%	14.5%

*Does not include escalation per item 4c of the Agreement

**Fee adjustment percentage calculated based on 2025 EID Retail FCC of \$34,140

QUESTIONS?

