



# Systems Development Charge (SDC) for Water and Wastewater Services GWA

Guam Realtors Association  
Tuesday, April 6<sup>th</sup> , 2010

# Here's how we got here:

- Pursuant to 12 GCA, Section 12015.5, enacted in 2003 by Public Law 26-164.
- The PUC was required to implement, a water and sewer system development charge (SDC) for GWA's new residential, commercial and government customers. "Growth pays for growth."
- PUC approved the new charges Jan 29, 2010.
- SDCs are effective March 1<sup>st</sup>, 2010.

# What are SDCs?

- SDCs are fees that are assessed to new development and to expansions in an existing building or facility where demand is increased .
- SDCs are necessary to pay for a portion of the costs borne by GWA to accommodate the increased growth-induced demand for water and wastewater services.
- SDCs are commonly used throughout the US and other developed nations to help address the cost of growth.
- SDCs help shield existing rate payers from the cost of additional infrastructure required by new growth.



# Who must comply:

- Anyone who is:
  - building a new structure/property which for the first time is being connected to the GWA water or wastewater system;
  - increasing the density (demand) of existing structures;
- SDC's will be charged to all new or expanded residential, commercial, and government structures.

# When are SDCs assessed?

- Change of use or occupancy; or
- Increase in the number of plumbing/ fixture units which then requires a larger water meter to be installed; or
- New water or sewer connections to property being connected for the first time (i.e., new development on previously undeveloped property); or
- Construction on a property already connected to the system results in additional volume to existing connections.

# Payment and Fees

- SDCs are paid up front at the time of construction permitting. An amortized SDC for certain residential customers is allowed.
- **The SDC fee paid is a function of the size of your water meter only. Regardless of the size of your sewer line, the fee charged will be based ONLY on the size of your water meter into your property.**



# SDC Fee schedule

Water Meter Size	Water SDC	Sewer SDC	Total SDC
5/8" x 3/4"	\$2,126	\$3,474	\$5,600
3/4"	\$3,190	\$5,212	\$8,402
1"	\$5,316	\$8,686	\$14,002
1 1/2"	\$10,632	\$17,372	\$28,004
2"	\$17,011	\$27,795	\$44,806
3"	\$34,022	\$55,590	\$89,612
4"	\$53,160	\$86,860	\$140,020
6"	\$106,320	\$173,720	\$280,040
8"	\$170,112	\$277,952	\$448,064
10"	\$244,536	\$399,556	\$644,092

# Amortized System Development Charges (ASDC's)

- Persons constructing or purchasing a single family dwelling intended for personal residence or for immediate family members may be entitled to amortize the cost of the applicable SDCs.
- Initial payment of \$1,000 prior to receiving building permit.
- Remainder of SDC amortized over a period not to exceed 15 years w/ an interest rate of 7.5%.



# More on ASDC's

- ASDC payment shall be added to the monthly GWA bill for the dwelling.
- The ASDC shall NOT apply to any commercial development or construction of multi-family dwellings nor is it transferable to any other party.

# SDC FAQs

- Who do I call with questions regarding SDCs?  
*Please call the GWA Permits Office at 647-7847/9*
- What are SDCs and for what can they be used?
- Doesn't development "pay its own way" by generating revenues for the government?
- If not for SDCs, how would infrastructure to support future growth be funded?
- How were the SDCs formulated?
- Where do the collected SDCs go?



*QUESTIONS?  
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“Investing In Better Water,  
Better Lives”