

**Adopted April 23, 2025**

## **Charles Town Utility Board Capacity Improvement Fee Policy**

### **Purpose**

The Charles Town Utility Board (CTUB) is committed to ensuring that the cost of necessary water and sewer infrastructure expansion required to serve new development is borne by those creating the demand for such new facilities, rather than by existing ratepayers. This policy affirms the Board's commitment to maintaining a fair and reasonable Capacity Improvement Fee (CIF) that adequately funds system expansion while ensuring financial sustainability and equitable cost distribution.

### **Policy Statement**

CTUB recognizes that growth within its service area necessitates ongoing investment in water and sewer infrastructure. To prevent the financial burden of system expansion from falling on existing ratepayers, the Board maintains a CIF to be assessed on new development. CIF's provide a temporary means of accumulating at least part of the funds necessary to expand capacity thus reducing the rate impact on all customers. This fee is designed to reflect the actual costs associated with capacity improvements and will be reviewed and adjusted at least every three to five years to ensure its adequacy in funding required infrastructure projects.

### **Guiding Principles**

1. **Equity and Fairness** – The CIF shall ensure that new growth contributes equitably to the cost of expanding infrastructure without placing an undue burden on existing ratepayers.
2. **Cost-Based Assessment** – The fee shall be based on documented infrastructure investment needs, ensuring that it remains aligned with actual expansion costs as calculated according to West Virginia Public Service Commission (PSC) and industry standards.
3. **Transparency** – The methodology used to determine and adjust the CIF shall be publicly available, and the Board shall review the fee periodically to maintain consistency with infrastructure funding requirements.
4. **Regulatory Compliance** – The CIF shall be assessed in accordance with applicable West Virginia state law and PSC regulations governing municipal utilities and infrastructure funding.
5. **Fiscal Responsibility** – Revenues generated from the CIF shall be allocated to qualifying costs for capital improvement projects that expand system capacity, ensuring responsible financial stewardship.

### **Review and Adjustments**

Recognizing that the current CIF was set several years ago and has proven to be insufficient, the Board is actively reviewing the fee structure to ensure it meets the rapidly growing demands of the service area. CTUB has engaged Raftelis Financial Consultants to analyze and recommend an appropriate CIF adjustment. The Board will consider these recommendations and, with advice of the Charles Town City Council, make necessary modifications to ensure the CIF remains fair, reasonable, and sufficient to fund required infrastructure expansion.

### **Conclusion**

The Charles Town Utility Board remains dedicated to maintaining high-quality, environmentally sound water and sewer services while ensuring that infrastructure costs are equitably distributed. This policy reaffirms the Board's commitment to responsible utility management, financial sustainability, and fair growth contributions.