

RESOLUTION NO. 2695

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY APPROVING THE IMPACT CAPACITY FEE INCREASES FOR SANTA CLARITA WATER DIVISION

WHEREAS, on November 12, 2008, the Castaic Lake Water Agency (CLWA) Board of Directors approved the selection of Camp Dresser & McKee Inc. (CDM), to prepare a Comprehensive Water Rate Report and Impact/Capacity Fee Analysis for Santa Clarita Water Division (SCWD); and

WHEREAS, on July 8, 2009, CDM concluded its analysis of the SCWD water rates and impact/capacity fees and presented its findings to the CLWA Board of Directors; and

WHEREAS, SCWD staff and consultants have developed sound recommendations to update SCWD's Impact Capacity Fees for new development; and

WHEREAS, Government Code Sections 66013 and 66016 set forth the authority and procedures to establish and impose an Impact Capacity Fee, in the nature of a connection fee, for the right to make a new connection; and

WHEREAS, CDM calculated Impact Capacity Fees, which includes the costs for production, storage and transmission, based on methods endorsed by the American Water Works Association (AWWA) and presented in the Water Rate AWWA Manual M1 and consistent with California Government Code requirements promulgated under AB1600, including Government Code Section 66013; and

WHEREAS, the proposed Impact Capacity Fees, also known as System Development Charges, assign the capacity cost of growth to those causing the growth rather than to existing customers, thus insulating existing customers from capital costs associated with system growth. The proposed fees are based on both the replacement value of existing but unused assets held for the benefit of new customers and the projected cost of future expansion related projects in the 2008 Water Master Plan. The value of existing assets is calculated using the equity buy-in method, and the value of future facilities is calculated using the incremental future capacity method; and

WHEREAS, the CLWA Board of Directors has reviewed the data and recommendations prepared by the SCWD staff and CDM, as contained in the "Comprehensive Water Rate Report and Impact/Capacity Fee Analysis for Santa Clarita Water Division" dated August 2009 (Fee Report), which has been on file with CLWA and available to the public since July 9, 2009, including by download through the CLWA website, with respect to the methodology for, and the calculation and proposed adoption of Impact Capacity Fees in reasonable relationship to the cost of providing the benefit to the new development; and

WHEREAS, SCWD has complied with the procedural requirements as set forth in Government Code Section 66016; and

WHEREAS, on December 9, 2009, at 6:15 P.M., in the CLWA Boardroom on the first floor of its Administration Building located at 27234 Bouquet Canyon Road, Santa Clarita, California, CLWA held a properly noticed open and public meeting in order to receive and consider written and oral presentations concerning the proposed Impact Capacity Fees; and

WHEREAS, CLWA's Board of Directors has carefully reviewed the Fee Report and has considered the public and Board of Directors' comments, and the oral and written presentation by SCWD staff made at the December 9, 2009 public hearing, as well as any written public comments.

NOW, THEREFORE, BE IT RESOLVED that the CLWA's Board of Directors hereby adopts, and directs SCWD staff to implement, the Impact Capacity Fees Increases as follows:

SCWD Impact Capacity Fees			
Effective February 1, 2010			
Meter Size	Current Fee	Proposed Fee *	Increase
5/8" x 3/4"	\$ 1,200	\$ 2,047	\$ 847
3/4"	\$ 1,200	\$ 2,047	\$ 847
1"	\$ 2,000	\$ 3,699	\$ 1,699
1 1/2"	\$ 3,300	\$ 7,143	\$ 3,843
2"	\$ 7,500	\$ 12,567	\$ 5,067
3"	\$ 14,200	\$ 21,430	\$ 7,230
4"	\$ 18,200	\$ 36,816	\$ 18,616
6"	\$ 35,000	\$ 95,234	\$ 60,234
8"	n/a	\$ 132,561	\$ 132,561

* The Impact Capacity Fees, which include costs for production, storage and transmission, are calculated based on methods endorsed by the American Water Works Association (AWWA) and presented in the Water Rate AWWA Manual M1. In addition, the Fees are consistent with California Government Code requirements promulgated under AB1600, including Government Code Section 66013.

RESOLVED FURTHER, that the CLWA Board of Directors finds that the conclusions reached in the Fee Report dated August 2009 are supported by substantial evidence.

RESOLVED FURTHER, that the CLWA Board of Directors finds and determines there is (1) a reasonable relationship between the use for the Impact Capacity Fee and the type of development project upon which it is being imposed; (2) the Impact Capacity Fee is an amount proportionate to the benefit to the land to be served, which includes consideration of the volume of water to be delivered to each projected new connection; (3) the Impact Capacity Fee does not exceed the estimated reasonable cost of providing the service for which the fee is being imposed, and (4) there is a reasonable relationship between the need for the capital facilities and the type of development project on which the fee is imposed.

RESOLVED FURTHER, that the Impact Capacity Fees adopted by this Resolution do not involve a property-related service and the requirements of Proposition 218 and Government Code Section 53750 et seq. do not apply.


RESOLVED FURTHER, SCWD's Impact Capacity Fees Increases shall become effective February 1, 2010.



 President

I, the undersigned, hereby certify I am the duly appointed and acting Secretary of the Castaic Lake Water Agency and at a regular meeting of the Board of Directors of said Agency held on Wednesday, December 9, 2009, the foregoing Resolution No. 2695 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and it is now in full force and effect.

DATED: December 9, 2009


April Jacobs
April Jacobs, Secretary