

RESOLUTION NO. SCV-386

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ESTABLISHING THE RATES OF RETAIL CAPACITY
FEES FOR THE VALENCIA SERVICE AREA**

WHEREAS, pursuant to California Government Code Section 66013, the Santa Clarita Valley Water Agency (the "Agency") is authorized to establish and impose retail capacity charges for public facilities in existence at the time a charge is imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or facility capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities; and

WHEREAS, California Government Code Section 66013 provides that when a local agency imposes facility capacity fees, those fees shall not exceed the estimated reasonable cost of providing the service for which the charge is imposed; and

WHEREAS, on July 25, 2022, the Agency engaged Bartle Wells Associates (BWA) to prepare a Capacity Fee Study Report for the Valencia Service Area; and

WHEREAS, on October 3, 2023, BWA presented its findings to the Agency Board of Directors; and

WHEREAS, Agency staff and consultants have developed sound recommendations to develop Valencia Service Area Retail Capacity Fees; and

WHEREAS, the Agency Board of Directors has reviewed the data and recommendations prepared by Agency staff and BWA, as contained in the "Valencia Service Area Retail Water Capacity Fee Study" dated August 29, 2023 (Fee Report), which has been on file with the Agency and available to the public since September 8, 2023, including by download through the Agency website, with respect to the methodology for, and the calculation and proposed adoption of Retail Capacity Fees; and

WHEREAS, the Agency has consulted with Ratepayer Advocate in regards to these retail capacity fees, and the study has been available for public inspection for at least 10 days prior to this meeting; and

WHEREAS, the Agency Board of Directors has reviewed the data and recommendations in the study and has determined that: (1) the rates for the Valencia service area capacity fees do not exceed the estimated reasonable cost of the services and facilities for which a capacity charge will be imposed; and (2) the allocation of those costs are fair or reasonable in relationship to the burdens on, or benefits that those who pay a retail capacity charge will receive from such services and facilities; and

WHEREAS, the Agency now wishes to adopt the Valencia service area retail capacity fees recommended in the study, which shall be imposed on any person, firm, corporation or other entity that requests a water connection, or wishes to upsize an existing water connection in the Valencia service area.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Clarita Valley Water Agency as follows:

1. The forgoing Recitals are true and correct and by this reference are incorporated herein and made an operative part hereof.
2. A retail capacity charge(s), as established by this Resolution and adjusted from time-to-time by a resolution or ordinance of the Board of Directors, shall be paid by any person, firm, corporation or other entity (collectively a Developer) within the Valencia service area when:
 - (a) any Developer requests a new water connection; or
 - (b) any Developer wishes to upsize an existing water connection.
3. The retail capacity fees are hereby adopted in the amounts set forth below, effective on November 1, 2023:

Meter Size	AWWA Meter Ratios	Proposed Fee
3/4"	0.60	\$585
1"	1.00	\$974
1 1/2"	2.00	\$1,948
2"	3.20	\$3,118
3"	6.00	\$5,845
4"	10.00	\$9,742
6"	20.00	\$19,485
8"	32.00	\$31,175
10"	46.00	\$44,815
12"	86.00	\$83,784

The retail capacity charge(s) shall be due and payable, unless otherwise provided for by a resolution of the Board of Directors, at the time the building permit fees are paid, or if a building permit is not required, at the time for the new or upsized water meter. In any case, the water retail capacity charge(s) must be paid before the new construction, the addition of any type of dwelling, commercial or industrial unit or units, or the conversion of a portion of any dwelling, commercial or industrial unit or units is completed, as applicable.

For an upsized connection, the capacity fee shall be calculated based on the difference between the capacity fee then in effect for the upsized meter, and the capacity fee for the existing meter. For example, if a connection is to be upsized from a 1" to a 2" meter, the capacity fee would be \$3,118 minus \$974, or \$2,114.

4. Commencing July 1, 2024, and each July 1 thereafter, the Agency shall be authorized to increase the capacity fees set forth in section 3 above by the change in the Engineering News-Record Construction Cost Index (20-Cities Average) to account for future construction cost inflation; provided, however, such adjustment

shall not result in capacity fee that exceeds the estimated reasonable cost of providing the service for which the retail capacity charge is imposed.

5. The determination of whether new or a larger water meter is required to serve a property shall be determined in accordance with the Agency's current policies and procedures.
6. If any section, subsection, clause or provision in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.
7. The Agency staff is hereby authorized and directed to develop such forms and procedures as may be necessary to implement this Resolution.
8. As of the effective date, this Resolution shall supersede and otherwise control over the provisions of any other Resolution or policy which may be in conflict with the provisions of this Resolution.



President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular scheduled meeting of the Board of Directors of said Agency held on October 3, 2023 the foregoing Resolution No. SCV-386 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 that it is now in full force and effect.

DATED: October 3, 2023



Secretary

