



# Water and Wastewater Connection Fees

Vandenberg Village Community Services District

June 2, 2009

# Government Code §66001

- 1) Identify the purpose of the fee.
- 2) Identify the use to which the fee is to be put.
- 3) Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
- 4) Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

# VVCSD Ordinance

Connection fees to connect previously unconnected premises or lots or parcels of land or facilities to the District's Water and/or Wastewater Systems are hereby established. Said connection fees are due and payable prior to the installation of a water meter serving the property, or at an earlier date to reimburse capital improvements already made, or contemplated to be made in the Strategic Plan...

# General Information

- Source Documents
  - Resolution 163-03 (2003)
  - Strategic Plan (2005)
  - Annual Audit (2008)
  - Annual Budget (2010)
- Conversion Factor
  - Single family houses, condominiums, and apartments  
→ single family equivalent (SFE)
  - One SFE = 16.77 CCF or approximately 17 CCF per month of water
- LRWRP
  - Early construction estimates were \$30-\$40 million but low bid was \$80 million
  - Uncertainty of total construction cost and \$4 million Prop 50 grant
  - \$20 million over 20 years - somebody's got to pay: current ratepayers, new development, or a combination of both
- Assets have increased

# Buy-in Fee

- Collected to “reimburse capital improvements already made”
- Buy-in fee is not restricted revenue

## CALCULATION:

(Amount of Total Assets From Audited Financial Statements ÷ Average Daily Production/Collection × Average Customer Requirement) + Current Year Projected Net Income Per Connection

# Water Buy-in Fee

CALCULATIONS		
	Amount of Total Assets From Audited Financial Statements	\$5,942,443
÷	Average Daily Production	1.315775 MGD
×	Average Customer Requirement	0.000535 MGD
=	Buy-in Fee per Residential Equivalent	\$2,416.22
+	Current Year Projected Net Income Per Connection	\$131.01
	<b>Total Buy-in</b>	<b>\$2,547.23</b>

# Wastewater Buy-in Fee

CALCULATIONS		
	Amount of Total Assets From Audited Financial Statements	\$10,472.411
÷	Average Daily Collection	0.49077 MGD
×	Average Customer Requirement	0.000226 MGD
=	Buy-in Fee per Residential Equivalent	\$4,822.55
+	Current Year Projected Net Income Per Connection	\$130.09
	<b>Total Buy-in</b>	<b>\$4,952.64</b>

# Developer Fee

- Collected to “reimburse capital improvements contemplated to be made in the Strategic Plan”
- Developer fee is restricted revenue and is returned to the developer if not used for the specified improvement within five years

## CALCULATION:

Capital Improvements (Past and Future) Impacted by  
Development × Percentage of Development Impact ÷  
Total Number of Pending Connections

# Water Developer Fee

CALCULATIONS		
×	Water System Capital Plan 20% Development Impact	\$1,604,786 = \$320,957
×	Water System Capital Plan 75% Development Impact	\$283,342 = \$212,507
-	Amount Previously Collected	\$178,892
÷	Number of Pending Connections	369.2
	<b>Total Developer Fee</b>	<b>\$960.38</b>

# Wastewater Developer Fee

CALCULATIONS		
×	Wastewater System Capital Plan 20% Development Impact	\$17,514,731 = \$3,502,946
-	Amount Previously Collected	\$196,587
÷	Number of Pending Connections	369.2
	<b>Total Developer Fee</b>	<b>\$8,955.47</b>

# Connection Fee History

Year	Water Buy-in	Water Developer Fee	Water Connection Fee	Wastewater Buy-in	Wastewater Developer Fee	Wastewater Connection Fee	Conservation
1990		2,000	2,000		2,000	2,000	
1992		2,000	2,000		2,000	2,000	
1993		2,000	2,000		2,000	2,000	870
1995		2,000	2,000		2,000	2,000	870
1996		2,000	2,000		2,000	2,000	1,500
1997	1,374	766	2,139	566	305	871	1,500
1998	1,492	551	2,043	655	339	994	1,500
1999	1,366	556	1,922	734	368	1,102	1,500
2000	1,446	346	1,792	841	396	1,238	3,000
2001	1,581	346	1,927	956	423	1,379	3,000
2002	1,698	346	2,044	1,067	436	1,503	3,000
2003	1,824	256	2,080	1,234	450	1,684	3,000
2004	1,944	285	2,229	1,365	685	2,049	3,000
2005	2,659	962	3,621	1,640	947	2,587	3,000
2006	2,612	916	3,528	1,746	735	2,481	3,000
2007	2,402	959	3,362	1,752	757	2,509	3,000
2008	2,450	957	3,407	2,068	882	2,950	4,300
2009	2,547	960	3,508	4,953	8,955	13,908	4,300

# Connection Fee Comparison Santa Barbara and San Luis Obispo Counties 2009

