

RESOLUTION NO. 2017-906

**RESOLUTION OF THE GOVERNING BOARD
OF THE MONTECITO SANITARY DISTRICT
AMENDING SECTION VIII OF RESOLUTION 2010-861 AND
REPEALING ALL PRIOR BOARD ACTION RELATED
TO ESTABLISHING FEE SCHEDULES**

WHEREAS the Governing Board of the Montecito Sanitary District adopted Resolution No. 1961-44 on May 29, 1961, titled "Standard Requirements for the Design and Processing of Private Contract Sewer Plans" (hereafter "the Standard Requirements"); and

WHEREAS the Standard Requirements include Section VIII (Fees); and

WHEREAS Section VIII (Fees) of the Standard Requirements has been revised by Board action in resolutions numbered 1982-610, 1985-642, 1990-675, 2004-816, and 2010-861 and other action as may be reflected in Board Minutes; and

WHEREAS the Governing Board desires to amend Section VIII (Fees) of Resolution No. 2010-861 and to repeal all prior Board action related to establishing fee schedules; and

WHEREAS information establishing the basis for increasing residential and non-residential sewer connection fees has been available to the public for at least ten days before the Governing Board's October 9, 2017 meeting;

WHEREAS the Governing Board has heard and considered all objections and comments related to the information establishing the basis for increasing said fees;

NOW, THEREFORE, BE IT RESOLVED:

1. That all of the recitals contained in the preamble to this Resolution are true;
2. That the fee increases allowed and established by this Resolution are exempt from the California Environmental Quality Act, because they comply with subdivision (b)(8) of section 21080 of the Public Resources Code;
3. That as required by sections 50076 and 66016 of the Government Code, the Governing Board has determined that each fee prescribed in this Resolution does not exceed the estimated reasonable cost to provide the service for which the fee is charged and that no fee is levied for general revenue purposes; and
4. That Section VIII of Resolution No. 2010-861 is amended to read as hereinafter stated:

SECTION VIII – FEES

1. **Sewer Main Extension – Design Review and Plan Checking Fees** – Montecito Sanitary District (District) costs for design review, plan check, and site investigation shall be reimbursed by an applicant requiring a sewer extension permit. An applicant requiring these services shall make a deposit with the District in the following amount, based on the total lineal feet (L.F.) of the extension proposed for construction:

Less than 1,000 L.F.	\$1,725
1,000 L.F. to 3,000 L.F.	\$2,875
3,001 L.F. to 5,000 L.F.	\$4,025
Greater than 5,000 L.F.	\$5,175

Any unused amount of the deposit will be refunded to the applicant. A “per-hour rate” shall be charged against the deposit based on the District’s current hourly rate for staff member(s) assigned to the work. If total charges for actual District costs exceed the deposit, the applicant will be required to pay the additional costs before the permit is issued.

2. **Administrative Review Fees** – An applicant seeking review of a property or properties for a District “Sewer Availability” or “Letter of Certification” required by the County of Santa Barbara Planning and Development Department will pay these administrative fees:

Administrative Review – No MSD permit(s) required	\$ 85
Administrative Review – MSD permit(s) required	\$175

3. **Engineering Review Fees** – Engineering Review Fees must be paid by any applicant requiring an Engineering Review. Engineering Reviews may be required by the District or of the District by the County of Santa Barbara for a project, including, but not limited to, a lot line adjustment, condo conversion, subdivision, development of commercial property, and review of encroachment into a District easement. These review fees are:

Engineering Review – No MSD permit(s) required	\$175
Engineering Review – MSD permit(s) required	\$345

4. **Construction Inspection Fees** – Before granting a permit for the construction of a main line sewer and appurtenances, the District shall collect a deposit from an applicant to cover the actual cost to provide field inspection of the proposed construction. The amount of the deposit will be based on the estimated number of days of construction multiplied by the daily cost to the District to provide full time inspection.

Any unused amount of the deposit will be refunded to the applicant. If the deposit is exceeded by actual District costs, the applicant will be required to pay the additional costs before the permit is issued.

5. **Sewer Easement Processing Fee** – A privately constructed sewer main to be dedicated to the District must be located within an easement dedicated to the District. Said dedication requires payment of a sewer easement processing fee of \$2,300 for the first parcel and \$1,150 for each additional parcel.

6. **Reimbursement Project / Reimbursement Agreement Processing Fee** – When private construction of a sewer main to be dedicated to the District includes a request for a reimbursement agreement, said agreement is subject to an administrative processing fee deposit of \$865 and a deposit of adequate funds to reimburse the District the cost of a reimbursement analysis that is performed by an independent engineering firm.
7. **Agreement Processing Fees** – The District incurs costs to process customer agreements. These administrative fees apply to processing agreements between the District and a property owner:

Dedication Agreement for Sewer Facilities (<i>for the construction of sewer mains</i>)	\$2,300
License Agreement (<i>for encroachment into a District easement</i>)	\$5,750
Agreement for the Construction of Private Building Sewer	\$1,150
Crossing Two Adjacent Properties Agreement for Service to Condominiums	\$1,150
Residential Sewer Service Agreement for Private Pumping Station and Pressure Line Building Sewer	\$1,150
Residential Sewer Service Agreement (<i>For existing and new auxiliary structures/buildings</i>)	\$230
Accessory Dwelling Unit (ADU) Sewer Service Agreement	\$230
Termination of Residential Sewer Service Agreement (<i>For existing auxiliary structures that are converted into an ADU</i>)	\$115

8. **Connection Fees** – An owner seeking a connection of a parcel, building, or facility to the District’s sanitary sewer system (“System”) shall pay to the District a one-time connection fee based on the specifics of the connection, as defined in this section. The fee calculations are divided between new sewer connections and property improvements on connected parcels.

8.1 **New Sewer Connections** – Payments for new connections are required when a new connection to the System is established. The payment is based on the connecting customer type, and is divided between residential and non-residential customer classes. All connection fees are based on equivalent residential units (ERUs). **The charge per 1.0 ERU is set at \$8,400 as calculated for calendar year 2018.**

8.1.1 **Residential Sewer Connections** – A connection fee of 1.0 ERU is charged per residential dwelling unit of any type. A residential dwelling unit is defined as an independent living quarter with sleeping, bathroom, and cooking facilities, without regard for the number of bedrooms.

Auxiliary structures are buildings on single family dwelling parcels with indoor plumbing facilities, but without the capability of providing cooking facilities. An auxiliary structure is typically a guest house, pool cabana, art studio, workshop, gym, office, or similar use. Auxiliary structures connected to the System shall pay a connection fee of 0.31 ERU.

Residential dwellings include multi-family dwellings, such as apartments and condominium units. A single parcel may have residential and non-residential uses.

Connection fees for a parcel complex with multi-family dwellings and common areas are calculated as a combination of separate residential dwelling units, with each charged 1.0 ERU, plus non-residential common areas charged as described below.

8.1.2 Non-Residential Sewer Connections – The connection fee for all non-residential connections is calculated using a pro-rata 1.0 ERU, as specified herein and in accompanying tables.

The Montecito Water District (“MWD”) assigns a water base allotment to each parcel in the District’s service area. The calculation of the District connection fee shall be based on MWD’s Base Allotment¹ and the sewage strength classification associated with the customer class specified in Table 1 of this section, plus an administrative facility fee for the non-residential connection.

The connection fee for a non-residential sewer connection equals the calculated ERU for the parcel multiplied by the charge in dollars per ERU (\$8,400 per ERU in calendar year 2018).

The calculated ERU is determined by using MWD’s Water Base Allotment in HCF per month or gallons per day multiplied by the appropriate figure from Table 2 for the customer’s sewage strength provided in Table 1.

¹ The Base Allotment defines the basic water supply allocation to each MWD account.

TABLE 1
Categorical Sewage Discharge Strengths

Billing Classification	Strength Class (a)
Residential Dwelling Unit (1.0 ERU)	
Non-Residential	
Church	Low
Clubs	Low
Offices	Low
Laboratory or Doctor's Office	Med
Food Market	High
Barber and Beauty Shop	Low
Fire Station	Med
Other Commercial / Governmental	Low
Meeting / Convention Hall	Low
Hotel / Motel without Laundry	Low
Hotel / Motel with Laundry	Med
Park	Low
Food Serving Facility (restaurant, etc.)	High
School and Colleges without Residential Living	Low
Resident School Attendance (w/ living facilities)	Med
Auxiliary Structures	Varies
Service Station/Garage	Low
Water Treatment Process Wastewater	High

Med: Medium; Res: Residential; ERU: Equivalent Residential Unit

(a): The sewage strength assignments are based on California SWRCB guidelines

The District Engineer shall determine the sewage strength class for any parcel not provided in this Table.

TABLE 2
Wastewater Connection Fees per Unit of Water Demand

Customer Sewage Strength	ERU per GPD of Water Allocation	ERU per HCF/month of Water Allocation
Low Strength	0.0038	0.0941
Residential Strength	0.0047	0.1160
Medium Strength	0.0043	0.1049
High Strength	0.0047	0.1140
Administrative Facility Fee* (ERU per connection)		0.0064

ERU: Equivalent Residential Unit; GPD: Gallon Per Day; HCF: Hundred Cubic Feet.

Fees are based on a water use return to sewer ratio typical of the commercial and multi-family dwelling sewer connections.

There are 24.5 GPD to 1.0 HCF per month.

*\$8400 per ERU multiplied by 0.0064 ERU per connection equals \$53.76 in 2018.

8.2 **Connection Fees for Property Improvements on Connected Parcels** – Any connected parcel with a building or facility remodel, improvement, tear-down and rebuild, construction, expansion or new facility, or change in customer classification is deemed to be and defined as a property improvement. Whereas the District’s service capacity is determined by the land uses within its service area and the use of the District’s facilities may be affected by changes in existing customer property improvements, adjustments to the connection fee may be required when there is a property improvement to a connected parcel.

On any parcel connected to the System, any property improvement that results in (1) at least one additional plumbing “fixture unit”², and/or (2) an increase in bedrooms, and/or (3) an increase in the building area of more than 350 square feet shall first obtain a District connection permit and pay the connection fee to the District required by this section.

All building improvements requiring a connection permit shall pay a pro-rata connection fee equal to the fee for a new connection to the System of all existing and planned buildings and facilities on the parcel, less a credit for the amount in dollars of the sum of all previous connection fees paid to the District, based on District records.

8.3. **No Refund of Connection Fees** – If the District revokes a connection permit for failure to comply with permit conditions or requirements, the permit holder is not entitled to a refund or reimbursement of fees paid. No credit or refund will be made for any reduction in the number or type of connected buildings or facilities on any parcel. No credit or refund will be made for any reduction in the strength of the discharged sewage.

9. **Inflationary Adjustments to Section VIII - Fees** – Unit fees specified in Section VIII – Fees (excluding annual sewer service charges) shall be adjusted for inflation, from time to time.

The adjustment shall be made by multiplying each fee by a ratio of the Construction Cost Indexes applicable to the City of Los Angeles, as reported by *Engineering News-Record*, a McGraw-Hill periodical. The ratio of Indexes shall be determined by the percentage increase in the ratio between the year of the enactment of the existing fee and the current year. The product shall be rounded to the nearest five dollar increment.

Other adjustments of fees to recover District costs shall be made at the discretion of the Governing Board.

² “Fixture unit” is as defined by the Uniform Plumbing Code (UPC) for Drainage Fixture Unit Values (DFU).

10. **Inspection Fees** – A connection of any category requires payment of an inspection fee specified herein:

New/Replacement of Property Line Clean Out to Existing Lateral	\$175
Capping off (for demolition projects)	\$175
Reconnecting to Existing Lateral (for reconstruction projects)	\$175
Replacement of Existing Lateral within private property	\$345
Replacement of Existing Lateral up to the District main	\$575
New Lateral Connection/Construction to District Mainline	\$635

11. **Refundable Performance Deposits** – Work on a private lateral from the property line clean-out to the District’s mainline for any length lateral requires payment of a refundable performance deposit specified herein:

Replacement of only an existing property line clean out	No Cost
Repair to existing lateral and/or cap-off and reconnection of existing lateral within private property	\$1,150
Replacement and/or cap-off and reconnection of existing lateral within roadway	\$2,300
New lateral construction	\$3,450

12. **Annual Sewer Service Charges** – Annual sewer service charges are pro-rated and based on current approved annual service charge amounts from July 1 to date of issuance of a District connection permit or as appropriate for the type of connection. District Resolution No. 2016-897 (Sewer Service Charge), as amended, specifies applicable sewer service charges.

The District shall start collecting annual sewer service charges under Resolution 2016-897, as amended, when project construction is underway and staff has made the tie-in inspection of the lateral connection to the District mainline.

13. **Illegal/Non-Permitted Connections to District System** – The owner of a property with private facilities connected to the System without a District connection permit shall pay all applicable fees at a rate of one and a half times the current connection fee and two times the current inspection fee, which charges include the regular fee rates plus a penalty.

- 14. **Finalization of Connection Permits** – An applicant failing to finalize a connection permit as required by District rules and regulations is subject to these fees:

Final Inspection Not Performed <i>(District was not called out for final inspection)</i>	\$175
No Inspections Performed <i>(Work completed without inspection by District staff)</i>	\$575

If a permit is three or more years old and has not been finalized because of “no-response” from the property owner or contractor and if the construction is completed, the owner shall forfeit the entire amount of the Refundable Performance Deposit. If the lateral tie-in does not comply with District’s Standard Specifications, the District shall hire a contractor to complete and/or repair the work. If the deposit is exceeded by actual District cost, the owner shall pay the additional cost.

- 15. **Extension/Cancellation of Connection Permits** – District connection permits are valid for one year from date of issuance. The Permit will remain open during the time of the construction project. If no work has begun on a property after one year, the property owner may submit a written request to extend or cancel the connection permit and pay these fees from the Refundable Performance Deposit to process the request:

First request for a one-year extension of a connection permit	\$115
Second and Final Request for a one-year extension of a connection permit	\$230
Request for cancellation of connection permit	\$575

PASSED AND ADOPTED by the Governing Board of the Montecito Sanitary District this 9th day of October 2017, to become effective January 1, 2018, by the following vote:

- AYES:
- NAYS:
- ABSTAIN:
- ABSENT:

Robert Williams, President of the
Governing Board of the
Montecito Sanitary District

ATTEST:

Warner B. Owens, Secretary of the
Governing Board of the
Montecito Sanitary District

