WATER MANAGEMENT &
LONG RANGE PLANNING
COMMITTEE
AGENDA LETTER

Secretary of the Board of Directors
4699 Hollister Avenue,
Goleta, CA 93110
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Division Name: Operations

For Agenda Of: October 21, 2010

Estimated Time 15 minutes
Continued Item: No
If Yes, date from:

TO: Committee Members

FROM: Division: Operations Department
Contact Info: Thomas Bunosky, Operations Manager

SUBJECT: **Charges and Fees for "Expanded Use"**

Legal Concurrence
As to form: N/A

Recommended Actions:

Review this Staff Report on the current methodology used per the District Code for charging new water supply charges for expanded water use for existing customers.

Summary Text:

The Goleta Water District Code Appendix A (attached) describes how each class of customer's expanded use and subsequent New Water Supply Charge ("NWSC") is calculated based on formulas listed in Appendix A. The expanded use must be within the parcel as it existed as of June 4, 1991 or the date when service was first established whichever date is later. Expanded use beyond the parcel is considered new development and not expanded use. Changes of use (i.e. residential to commercial, commercial to residential, agriculture to residential) are considered New Developments and are treated the same as any other New Development for purposes of calculating the NWSC.

Below are the various scenarios on how each type of customer class's expanded use is treated for calculating the NWSC.

Residential Expanded Use - the NWSC is based on the number of bedrooms added. The first additional bedroom added has no NWSC. Subsequent bedrooms added are charged a NWSC based on the subsequent number of bedrooms added times $1,703 = NWSC.

Agricultural, Landscape, and Recreational Expanded Use - the NWSC is based on the difference between their existing service size and the new service size required to accommodate their expanded use times the respective service line charge for the resultant additional service line size. As an example, a Landscape customer's expanded use requires a 2 inch service line instead of the existing 1 inch service line, the difference is one inch times the cost of a one inch Landscape NWSC (1 inch = $21,467.00).

Commercial Office Customers Expanded Use - the NWSC is determined based on the square footage of office space added. For every 1,000 square feet of office space added, $1,154.56 is charged for the NWSC.

Other Commercial Expanded Use – per the District Code Appendix A customers whose expanded use is a result of "existing structure is being removed or radically modified and additional or enlarged service is required" then a calculation is made based on the size difference of the existing service versus the new service or services required to supply the new facilities. This is similar to the Agricultural expanded use calculation except the NWSC cost per size for commercial connections is different. For example, an additional one inch size service line is required for a radically modified commercial building; therefore the NWSC is $ $12,648.00 as compared to the one inch size increase for Agricultural is $50,352.00.

Atypical Non-Residential Expanded Use - District Code: Appendix A Section G, Atypical New Water Service Requests specifies the procedure to be followed when a non residential customer applies for expanded use that is atypical. This section states that when a non residential expanded use request is not for the typical office space, landscaping, agriculture, recreation, or commercial use, as determined by the District, then a NWSC is calculated based on the annual demand of the new water service times the unit cost for the NWSC. "Atypical" is not a defined term in the District Code. However, the vast majority of expanded use for existing non residential customers is accommodated per the existing District Code and the amount of the NWSC is calculated based on the formulas listed in Appendix A of the District Code as described previously.

If revisions and modifications are requested to the current District Code in regards to the NWSC, numerous methodologies can be proposed based upon the ultimate goal desired.

Background:

None

Fiscal Analysis:

None conducted

Attachments:

Goleta Water District Code Appendix A

Authored by:

Thomas Bunosky, Operations Manager

Appendix A

SCHEDULE OF CHARGES

1. WATER RATES AND METER CHARGES

See Section 1.04.020 Water Service Classifications

a. Urban	$3.71 per hcf
a.1 Urban Conservation ≤ 4 hcf	$3.55 per hcf
b. Agricultural	$1.00 per hcf
c. Recreation	$2.68 per hcf
d. Reclaimed	$2.17 per hcf
e. Meter Charges, per month	
5/8 – ¾" (4 or less hcf)	$9.21
5/8– ¾" (between 5 hcf and 8chf)	$18.42
5/8" - ¾"	$27.63
1"	$46.06
1-1/2"	$92.10
2"	$147.38
3"	$276.33
4"	$460.55
6"	$921.09
8"	$1,473.76
10"	$3,500.72

Note: Certain customers receive special rates based on agreements and/or the judgment in Wright vs. Goleta Water District.

2. SERVICE INITIATION CHARGES.

A charge of twenty-five dollars ($25.00) shall be assessed to each new potable or reclaimed customer. This charge shall not apply to initial water service to properties that were required to pay New Water Supply Charges.

3. DEPOSITS.

Deposits for establishment and re-establishment of credit with the district shall be an amount from the following table or an amount equal to the highest of the previous twelve monthly billing periods, computed at current water rates, whichever amount is greater.

Meter Size	
5/8 × 3/4"	$ 28.00
3/4"	28.00
1"	28.00
1 1/2"	28.00
2"	28.00
3"	33.00
4"	44.00
6"	66.00
8"	88.00
10"	110.00

4. DELINQUENT PAYMENT CHARGE

The greater of $5 or 1.5% of the unpaid amount due for each month or part thereof for which payment is past due. (Res. 09-25)

5. BAD CHECK CHARGE

a. Insufficient funds check was paid to district for anything other than a shut-off door tag $20.00

b. Insufficient funds check was paid to district for a shut-off door tag $24.00

6. RECONNECTION CHARGE $48.00

Tag door	16.00
Lock, unlock turn on	32.00
Broken lock	30.00

7. DUPLICATE BILL CHARGE

$1.10 per duplicate per billing period

8. METER TEST DEPOSIT $55.00

9. TEMPORARY METERS

Refundable deposit	$468.00
Installation/administration charge	110.00
Water commodity charge	Applicable water rate plus 50%

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10. FIRE PROTECTION SERVICE CHARGE

Metered Fire Service. In addition to the regular monthly charges for water service as set forth elsewhere in these rules and regulations, a consumer with a metered fire-line shall pay a base monthly charge of two dollars ($2.00) for each fire hydrant served from said line, plus an amount for inside wet sprinkler systems served by said line in accordance with the following table of rates:

4" meter	$2.65
6" meter	4.00
8" meter	5.35
10" meter	6.65

These minimum metered fire-line charges shall be for standby service only and shall not be credited toward the hereinafter set forth regular monthly meter charge for water service.

Unmetered Fire Service. Where unmetered service lines are connected to fire hydrants, the rate for said service shall be two dollars ($2.00) per fire hydrant per month, payable semiannually in advance. All water used through private fire lines, except water used to actually respond to a fire, as registered by the bypass meter, shall be charged the current urban water rate.

Where the service lines are connected to inside wet sprinkler systems, the rate for said service shall be in accordance with the following table of rates, payable semi-annually in advance:

2" sprinkler system	$ 8.00 per year
3" sprinkler system	12.00 per year
4" sprinkler system	16.00 per year
6" sprinkler system	24.00 per year
8" sprinkler system	32.00 per year
10" sprinkler system	40.00 per year

11. BACKFLOW PREVENTION DEVICE CHARGE.

A charge of two dollars and fifty cents ($2.50) shall be assessed on the bill of each customer who has a backflow prevention device installed to protect the potable water system. Such charge shall be assessed per backflow device per month.

12. NEW WATER SUPPLY CHARGE.

The district will determine the charge for one acre foot of water each year. The new water supply charge will apply to both potable and reclaimed applicants as described in Chapter 5.16. The district will determine the required minimum service size for each project based on:

Type of use
Area of use
Lot size
Zoning
Project plans

The current new water supply charge is:
$26,240.00 per acre foot/year

The fees assessed to new service applicants will be based on type of project and required service size. Listed below are the categories of new service:

A. Single-Family Residential

Gross Lot Size	Minimum Size of Service Connection	New Water Supply Charge
Up to 1/4 acre	3/4 inch	$ 7,610.00
More than 1/4 acre to 2 acres	1 inch	$13,858.00
More than 2 acres to 10 acres	1 1/2 inch	$16,957.00
Over 10 acres	2 inch	$19,497.00

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a. Residential shall not include any residential application classified as "multiple-family."

b. Exclude area that is dedicated to public roadway that will be permanently paved as shown on a recorded tract or parcel map.

c. Density calculation--Some single-family residential developments may have a total density to classify the project as multiple-family category for the purpose of determining the new water supply charge. The following formula can be used for determining the category.

$$D = \frac{N}{G - P - S}.$$

Where:

N = Total Number of Dwelling Units

G = Gross Area of Project Site (Acres)

P = Total Area of Public Rights-of-Way within Project Site, (Acres)

S = Total area of private streets within project site (acres)

If D < 8 dwelling units per acre then all dwelling units are considered single-family residences.

If D > 8 dwelling units per acre then all dwelling units are considered multiple-family residences.

B. Multiple-Family Residential

Type		New Water Supply Charge Per Unit
Granny unit	Residential Unit Conforming to County of Santa Barbara's Residential Second Unit Program	$5,165.00/unit
Duplex	Single detached building designed for and occupied exclusively by two (2) families alone, and having but two (2) kitchens (duplex)	$5,275.00/unit
Multiple Dwelling	Single detached building designed for and occupied exclusively by three or more families living independently of each other as separate housekeeping units.	$5,275.00/unit

Additional service connections for community purposes are exempt from a new water supply charge. Examples of multiple-family community purposes are:

Central laundry rooms
Community rooms
Community pools
Common - area landscaping provided:

$$\text{Irrigated area (Acres)} \leq \frac{\text{Number of Units}}{24}$$

C. Landscape and Recreation Irrigation.

The new water supply charge for landscape and recreation irrigation will be based on the required service size up to two inches.

Service Connection	New Water Service Charge
3/4 inch	$ 18,082.00
1 inch	21,467.00
1 1/2 inch	37,762.00
2 inch	149,343.00

D. Agricultural Irrigation.

The new water supply charge for agricultural irrigation uses will be based on required service size up to two inches.

Service Connection	New Water Service Charge
1 inch	$ 50,352.00
1 1/2 inch	133,651.00
2 inch	338,727.00

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E. Commercial and Other Nonresidential Uses.

The new water service charge for commercial and other nonresidential uses will be based on required service size up to two inches.

Service Connection	New Water Service Charge
3/4 inch	$ 8,295.00
1 inch	12,648.00
1 1/2 inch	44,451.00
2 inch	99,639.00

F. Expanded Service to Existing Structures or Uses.

Any expanded service to a property with an existing district service connection shall be subject to the new water supply charge as described herein.

Residential	New Water Supply Charge
1st additional bedroom	None
Subsequent additional bedrooms	$1,703.00/

Commercial and Other Nonresidential.

Additional office space will be determined by the following formula:

New Water Supply Charge = A × 0.044 AFY × $26,240.00.

Where:
A is the area of new office space in square feet divided by 1,000.

Where the existing structure is being removed or radically modified and additional or enlarged service is required, then the customer is responsible for the new water supply charge for the new service and is credited for the existing service size. Example: commercial customer with a three-fourths inch service, who will enlarge the office space and will require a one-inch service. The customer's new water supply charge would be:

$12,648 - $8,295 = $4,353

Agricultural, Landscape, and Recreation.

Where an existing customer is proposing to significantly enlarge the area of agricultural, landscape or recreation irrigation, customer is responsible for the new water supply charge for the new service and is credited for the existing service size. Example: an agricultural customer with a one-inch service, who will enlarge the area of irrigation and will require a two-inch service. The customer's new water supply charge would be:

$338,727.00 - $50,352.00 = 288,375.00

G. Atypical New Water Service Requests.

Where the district determines that a new or expanded water service request is not for typical office space, landscaping, agriculture, recreation, or commercial use, an estimated annual new water service demand shall be calculated by the district for determining the new water supply charge. The new water supply charge shall be the estimated annual demand for the new water service, times the unit cost for the new water supply charge. This method is not intended to apply to new residential development.

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