

**RESOLUTION 2020-06**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE**  
**COMMUNITY SERVICES DISTRICT, COUNTY OF LAKE, STATE OF CALIFORNIA,**  
**ADOPTING WATER SYSTEM AND WASTEWATER SYSTEM CAPACITY FEES,**  
**CONNECTION FEES, AND SEWER INSPECTION FEE**

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**WHEREAS**, pursuant to Government Code section 66013, the Hidden Valley Lake Community Services District (the "District") is authorized to impose fees for water and sewer connections, sewer inspection fees, and to impose capacity charges for public facilities in existence at the time the charge is imposed or for new facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged; and

**WHEREAS**, the District's capacity charges (referred to hereafter for consistency with local usage as "capacity fees") are imposed on any property or any person requesting a new, additional, or larger connection to the District's water and wastewater system; and

**WHEREAS**, an analysis of the District's capacity fees was prepared by NBS dated October 2018, entitled "Water and Sewer Connection Fee Analysis" ("Report"), a copy of which is on file in the Office of the District Secretary, and is hereby incorporated by reference; and

**WHEREAS**, on May 19, 2020, the District's Board of Directors (the "Board") approved and adopted the Report; and

**WHEREAS**, the Report establishes that the amount of the capacity fees, as set forth in the schedule attached hereto as Exhibit "A", are no more than necessary to cover the reasonable costs of the District services provided, and that the manner in which those costs are allocated to a capacity fee payor bear a fair or reasonable relationship to the payor's burden on, or benefits received from, the District's services; and

**WHEREAS**, the District desires to implement capacity fees that will keep pace with the annual rate of inflation while reducing the administrative burden of annual modification; and

**WHEREAS**, the District desires to implement connection fees, as set forth in the schedule attached hereto as Exhibit "A", which represent the cost of physically installing a specific size meter to a new connection, or installing a larger meter to an existing connection; and

**WHEREAS**, the District desires to implement sewer inspection fees, as set forth in the schedule attached hereto as Exhibit "A", which represents the cost of physical inspection of customer owned sewer lines; and

**WHEREAS**, pursuant to District Ordinance 57.1, the Board must establish and impose capacity fees, connection fees, and other miscellaneous fees and charges by resolution; and

**WHEREAS**, said capacity fees, connection fees, and sewer inspection fees are not "taxes" as defined in Section 1, paragraph(e) of Article XIIC of the California Constitution (commonly referred to as "Proposition 26") because said fees are imposed for a specific service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable cost to the District of providing the service; and/or the fee is imposed for a specific government service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable cost to the District of providing the service; and

**WHEREAS**, the California Environmental Quality Act (CEQA), Section 15273. Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency

finds are for the purpose of obtaining funds for capital projects, necessary to maintain service within existing service areas; meeting operating expenses; meeting financial reserve needs and requirements, and similar activities.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The Board of Directors of the District finds and determines that the foregoing Recitals are true and correct, and hereby incorporates the Recitals herein.
2. The Water System Capacity Fees, Water System Connection Fees, Wastewater System Capacity Fees, and the Sewer Inspection Fee, as set forth in Exhibit "A", attached hereto and incorporated herein, are hereby approved and adopted.
3. On July 1 of each year, commencing on July 1, 2021, the Water Capacity Fees and Wastewater Capacity Fees described herein shall be adjusted to account for increases or decreases in the index set forth below. The Water Capacity Fees and Wastewater Capacity Fees shall each be adjusted as follows:
  - a. Annual Adjustment to Water Capacity Fees and Wastewater Capacity Fees. Each capacity fee shall be adjusted in accordance with the following formula:
$$\text{NCF} = \text{CCF} + ((\text{CCF}) \times (\text{ENR Annual Change}))$$
Wherein,
    - "NCF" is the new or adjusted capacity fee for the upcoming fiscal year;
    - "CCF" is the capacity fee in effect during the current fiscal year; and
    - "ENR Annual Change" is the percentage change in the Engineering News Record Construction Cost Index for the San Francisco Bar Area from December for the second prior calendar year to December for the prior calendar year.
4. The capacity fees, as set forth in Exhibit "A", are reasonable and rationally related to the demand for system capacity and facilities generated by new connections.
5. The revenue derived from the Water System Capacity Fees and Wastewater System Capacity Fees, as imposed and set forth in Exhibit "A" attached hereto, shall be used respectively for the exclusive purpose of providing facilities for water source, treatment and transmission of the Water System and for facilities for treatment, transmission, disposal, and storage capacity of the Wastewater System. Such revenues shall not be used to replace existing components of either the Water System or the Wastewater System except to the extent that such replacement provides additional capacity to the Water System or the Wastewater System. Said revenues shall be maintained in separate funds and are not to be considered as or commingled with any other funds of the utilities system including, but not limited to, revenues derived from operation of the utilities system.
6. The Water Capacity Fees, Wastewater Capacity Fees, Connection Fees, and the Sewer Inspection Fee, as set forth in Exhibit "A", shall become effective immediately upon adoption of this Resolution.
7. If any section, subsection, clause, phrases, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution.
8. All other previously approved capacity fees, connection fees, and sewer inspection fees, inclusive of Section 5 of Resolution 2019-12, are rescinded upon adoption of this Resolution.



Resolution 2020-06

This Resolution shall be effective immediately upon adoption and shall remain in effect until such time as modified, repealed, or superseded by further resolution of the Board.

**PASSED AND ADOPTED on July 21, 2020** by the following vote:


**AYES: Directors, Brown, Graham, Graves, Freeman and Lieberman**

**NOES:**

**ABSTAIN:**

**ABSENT:**

  
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Jim Lieberman,  
President of the Board of Directors

ATTEST:   
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Penny Cuadras,  
Secretary to the Board of Directors



**EXHIBIT A**

**Section 1: Water System Capacity Fees and Connection Fees**

**Water System Capacity Fees**

Meter Size	Maximum Potable Capacity Fee Per Meter
5/8, 3/4 Inch	\$9,137
1 Inch	\$22,842
1 ½ Inch	\$45,684
2 Inch	\$73,095

**Water System Connection Fees**

Meter Size	Meter Cost
5/8, 3/4 Inch	\$329
1 Inch	\$448
1 ½ Inch	\$702
2 Inch	\$944

Meter Install Fee	\$130
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**Section 2: Wastewater System Capacity Fees and Sewer Inspection Fee**

Wastewater System Capacity Fee Per HEU*	\$9,537
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\*HEU: House Equivalent Unit

Sewer Inspection Fee	\$100.00
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