

Ordinance Type	District Operations	Date Adopted	June 28, 2006
Ordinance Number & Title	14000 - Connection Fees for Water Service	Date Amended	July 17, 2024

14000.01 Determination of Connection Fees

Basis for determination: A connection fee shall be paid by the Applicant at the time of connection to the District’s water system to a specified parcel of land or address. The connection fee shall, at a minimum, consist of a capital facilities fee, annexation fees (if applicable), a meter installation inspection fee and a deposit for installing a service tap (as applicable). The amount of fees and charges shall be determined according to rates set by the Board of Directors and set forth in the District’s current Schedule of Rates, Fees, Charges, and Deposits. All fees paid are applicable to the parcel and remain with the parcel upon sale of the parcel.

Prior to August 1, 2008, the District may have accepted connection fees without requiring the Applicant to connect to the District’s water system. In these situations, if the full connection fee amount was paid by a Developer or Applicant and a meter was installed at the service connection, then no additional connection fee was considered to be due. If a connection fee was paid by a Developer or Applicant and they did not install a meter and connect to the District’s water system, the Applicant desiring to connect to the District’s water system was required to pay the current connection fees and previously-paid fees, with the appropriate documentation, were credited against the amount due.

Presently, prior to any service activation or re-activation, all differential amounts, or outstanding fees and charges must be made current. Connection fees shall be paid in accordance with the following:

- A. For a new service, the connection fee is derived from the then-current Schedule of Rates, Fees, Charges, and Deposits.
- B. For a service where prior connection fees were paid but the service was not activated, was abandoned, or there were no billings or billings were not paid, the differential between the prior amount(s) documented as paid and the current amount due for a new connection shall be paid, irrespective as to whether or not a meter is installed.
- C. For a service that had been activated and at least one billing occurred and was paid, was subsequently inactivated or abandoned, and there is a request for re-activation where the service has been inactive for more than one (1) year, the connection fee amount shall be calculated as the difference between the then-current connection fees per the Schedule of Rates, Fees, Charges, and Deposits, and the connection fees at the time the Customer inactivated or abandoned the service. If the inactive period is less than a year, re-activation shall be in accordance with Ordinance Numbers 17000, 18000 and other applicable Ordinances which may also apply.

Payment of Capital Facilities Fees shall be as outlined in Ordinance 14000.04. Other conditions as outlined in Ordinance Numbers 12000, 13000, 17000 and other applicable Ordinances may also apply.

14000.02 Request for a Will Serve Letter for New Service Connections

Upon receiving a written request for a Will Serve Letter (or Letter of Water Availability), the District shall issue a letter giving the current status of availability of treated water supply and facilities to serve a proposed development project on a particular parcel or parcels of land. A Will Serve Letter shall be only a statement of supply and capacity conditions as of the date of the letter. A Will Serve Letter shall not be deemed a contract or a binding commitment to provide water connections or service to any particular development project or property. A Will Serve Letter shall be valid for a maximum period of one year.

14000.03 Application for a Will Serve Letter for a Development Project

Any Developer or Applicant desiring a Will-Serve Letter (or Letter of Water Availability) for any development project shall submit an application to the District in a form and content as determined by the District. Upon receipt of a full and complete Will-Serve Letter application and payment of all applicable fees, the District shall issue a brief Will-Serve Letter stating (1) whether, as of the date of the letter, treated water supply and facilities are available to serve the development project, and (2) that water connections and service shall be subject to applicable District Codes, resolutions, policies, fees and charges. The Will-Serve Letter shall be in a form and content approved by the General Manager or the Board of Directors. A Will-Serve Letter shall not be issued for property located outside of the District boundaries. A Will Serve Letter shall be only a statement of supply and capacity conditions as of the date of the letter. A Will Serve Letter shall not be deemed a contract or a binding commitment to provide water connections or service to any particular development project or property. A Will Serve Letter shall be valid for a maximum period of one year.

14000.04 Capital Facilities Fees

Capital facilities fees are classified as the “backbone” of the system and are included in the District’s master plan. Their purpose is to provide revenues to treat, distribute, and store water for individual properties within the District. Bond sales, assessments, general District funds, and other financing vehicles also are used to fund capital facilities. Capital facilities fees for single connections shall be paid no later than at the time of connection or reconnection to the District water system, at the then-applicable rate. Capital Facilities Fees for parcel splits or sub-divisions shall be paid in accordance with the terms and conditions of a Conveyance Agreement, and under all circumstances must be fully paid prior to the District issuing written notice of Project Acceptance. Capital Facilities Fees are based on the amount of system capacity that could be used by a specific parcel, which is based on meter size. The fees are included in the District’s current Schedule of Rates, Fees, Charges, and Deposits.

Prior to August 1, 2006, capital facilities fees were based on estimated water usage, and acreage agreements were entered into between Customers and the District to allow Customers who agreed to restricted water use to pay a reduced portion of capital facilities fees. These acreage agreements are not applicable with the revised capital facilities fees based on meter size, and new agreements will not be entered into by the District. However, while acreage agreements are still in force, the following paragraph applies:

When the General Manager approved a capital facilities fee reduction for a project involving use of water on a portion of a parcel, the Applicant signed an Acreage Agreement in a form provided by the District in which the Applicant agreed to use no more than the annual amount of water budgeted to the parcel by the District in accordance with the reduced capital facilities fees actually paid. Once water service is commenced, the Customer must then confine his or

her water use to no more than the maximum amount permitted in the annual water budget established in the Acreage Agreement. If the Customer exceeds the budgeted amount, he or she will become liable to pay an additional portion of the waived capital facilities fees to increase the annual water budget to cover the amount actually being used on the parcel. In cases where a Customer exceeds his or her annual water budget on a year-over-year basis, the General Manager may calculate any additional capital facilities fees owing to the District based on the amount of increased water use and as a condition of continued service require the Customer to pay such additional fees and to execute an addendum to the Acreage Agreement establishing the increased water budget and recording the additional fees paid. A Customer subject to an Acreage Agreement that desires to terminate the agreement and to increase his or her water budget to the entire amount allocated to the parcel must pay all remaining capital facilities fees at the then-applicable rate and all remaining annexation fees (if applicable) to the District and immediately upon such payment, the District shall provide the Customer unrestricted water service and record a notice terminating the Acreage Agreement in the Placer or Sacramento County Official Records according to the County in which the parcel is located.

14000.05 Waiver of Connection Fees for Public Facilities

Connection fees for non-enterprise parks, libraries, school districts, and fire departments shall be waived.

Revision History:

Revision Date	Description of Changes	Requested By
6/25/08	Ord. 08-001 repealed all prior ordinances	
7/17/24	Additional language to clearly state existing practice	Legal Affairs Committee