



ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7

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ORIGINATING SECTION: ADMINISTRATIVE SERVICES

CONTACT: Osborn Solitei

AGENDA DATE: October 21, 2015

ITEM NO. 10

SUBJECT: Proposed 2016 Municipal & Industrial Water Connection Fee

SUMMARY:

- Zone 7 established the Municipal & Industrial (M&I) Connection Fee Program in 1972 to assess water connection fees to new development in order to fund water system expansion projects required to serve additional water demands from new development.
- The Board resolved with the adoption of the 2002 Connection Fee (Resolution No. 02-2450), that the basic fee be updated annually based on the Engineering News Record Construction Cost Index (ENR CCI), or as warranted to keep current with current plans and projections based on periodic reviews. In 2013, the Board adopted Resolution No. 14-4316 which changed the maximum update interval for comprehensively evaluating the connection fee from every three years to every five years.
- One of these periodic reviews was performed in 2011. Zone 7 staff determined that the future funding needs of the program were in-line with the existing connection fees. The review recommended annual increases based on ENR CCI to account for the impact of inflation on future projects.
- At the September 10, 2015, Zone 7 Finance Committee meeting, staff recommended adjusting the current fees by the change in the ENR CCI from September 2014 to September 2015 or 2%. The committee concurred with Staff's recommendation. The proposed fees per Dwelling Unit Equivalent (standard 5/8" meter) are in the table below:

Effective Period	Alameda County (per Dwelling Unit Equivalent)	Dougherty Valley (per Dwelling Unit Equivalent)
Effective January 1, 2015	\$24,830	\$22,980
Effective January 1, 2016 (2% increase)	\$25,320	\$23,430

FUNDING:

Water connection fee revenue accrues to Fund 130 – Water Expansion.

RECOMMENDED ACTION:

Adopt the attached resolution.

ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

BOARD OF DIRECTORS

RESOLUTION NO

INTRODUCED BY
SECONDED BY

**CONNECTION FEES FOR THE ZONE 7 AND DOUGHERTY VALLEY
SERVICE AREAS
EFFECTIVE JANUARY 1, 2016**

WHEREAS, a Water Connection Fee Program for Zone 7 of the Alameda County Flood Control and Water Conservation District (Zone 7) was adopted by District Ordinance No. FC 72-1 on January 18, 1972 and was subsequently amended by Ordinances Nos. FC 77-2, FC 86-136, and FC 0-91-68; and

WHEREAS, said Ordinances provide that the water connection fee is subject to periodic review and modification at the discretion of the Board of Directors of Zone 7 (Board); and the Board resolved with the 2002 amended connection fee (Resolution No. 02-2450) that the basic fee be updated, at a minimum, based on the Engineering News Record Construction Cost Index, or other appropriate index on a yearly basis or as otherwise warranted, to keep current with inflation and that the connection fee program be comprehensively reevaluated every three years or sooner as needed; and

WHEREAS, in 2013, the Board adopted Resolution No. 14-4316 which changed the maximum update interval for comprehensively evaluating the connection fee from every three years to every five years; and

WHEREAS, such comprehensive review was completed in 2011.

BE IT RESOLVED that the Board hereby amends the basic fee for a standard 5/8" meter, as specified in said Ordinances, within the Zone 7 service area to \$25,320 and to \$23,430 within the Dougherty Valley Service Area. For meter types larger than the 5/8" basic meter, the basic charge shall be multiplied by a fee factor as described in Zone 7's Ordinance No. FC 0-91-68.

BE IT FURTHER RESOLVED that said basic fee as amended herein shall become effective January 1, 2016, and remain in effect until such time as the Board establishes a new basic fee for Zone 7.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a correct copy of a resolution adopted by the Board of Directors of Zone 7 of Alameda County Flood Control and Water Conservation District on October 21, 2015.

By _____
President, Board of Directors