**RESOLUTION NO. 2325**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTECITO WATER DISTRICT ADOPTING CAPITAL COST RECOVERY FEES AND CONNECTION FEES EFFECTIVE JULY 1, 2026**

**WHEREAS,** the Montecito Water District ("District") is a County Water District formed under and pursuant to the California Water Code Sections 30000 – 33901, serving approximately 4,670 customers located in the unincorporated areas of Montecito and Summerland; and

**WHEREAS**, the California Water Code grants the District the power generally to perform all acts necessary to carry out its mission of providing an adequate and reliable supply of high-quality water at the most reasonable cost [Water Code §31001]; and

**WHEREAS**, the District has invested, and continues to invest, in significant public waterworks projects necessary to acquire, treat and deliver a reliable supply of potable water to its customers; and

**WHEREAS**, individuals desiring to become District customers and receive potable water service are responsible for: (1) the actual cost including direct labor, material and equipment of physically connecting to the District's water system, referred to as the Connection Fee; and (2) funding a proportionate share of the District's facilities in the form of a Capital Cost Recovery Fee; and

**WHEREAS**, the purpose of this resolution is to: (a) rescind Resolution No. 2303 which established the District's current Connection Fees and Capital Cost Recovery Fees; and (b) establish updated Connection Fees and Capital Cost Recovery Fees for new water services and changes to existing water services effective July 1, 2026;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Montecito Water District as follows:

1. Resolution 2303 dated June 24, 2025, is hereby rescinded in its entirety.
2. The Connection Fee for new water services and changes to existing water services shall be adjusted annually at the beginning of each fiscal year, on or before July 1, based on the District's estimated actual cost to perform the work.
3. The Capital Cost Recovery Fee for new water services and changes to existing water services shall be adjusted annually at the beginning of each fiscal year, on or before July 1 using the following formula:

   *(net total fixed assets/total meter equivalent) x meter equivalent factor*

4. The Capital Cost Recovery Fees and Connection Fees for Fiscal Year 2027 have been established as follows:

| Meter Size | Connection Fee | Capital Cost Recovery Fee |
|---|---|---|
| 3/4" | $11,645 | $23,808 |
| 1" | $11,720 | $40,920 |
| 1.5" | $13,804 | $74,400 |
| 2" | $15,242 | $119,040 |
| 3"-6" | * | ** |

* Conditions typically vary widely for larger size meters. Connection fee is determined on a case-by-case basis based on time & materials including (1) actual cost of direct labor and (2) actual cost of materials and equipment usage.

** Contact the District for a determination of Capital Cost Recovery Fees for 3-inch and larger meters.

1. Charges Do Not Exceed Estimated Cost of Service. Pursuant to Government Code §66013, it is hereby found and determined that none of the charges exceed the estimated reasonable cost of providing the service for which the charges are imposed.

2. Compliance with Government Code §66016. Pursuant to Government Code §66016, information concerning the amount of the cost or estimated cost to provide the service for which the fees or charges are levied was made available, and the fees and charges as set forth in this Resolution were established after an open and public meeting. The fees and charges established by this Resolution are not subject to the procedural requirements of Article XIII D of the California Constitution.

3. CEQA Exemption. Public Resources Code §21080(b)(8) is contained in and is a part of the California Environmental Quality Act (CEQA), which Act is in Division 13 of the Public Resources Code, commencing at Section 21000. Section 21080(b)(8) of said Act provides that CEQA does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by a public agency which the public agency finds are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs or requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas.

   It is hereby found and determined that none of the charges fixed and established by this Resolution are for any purposes other than the purposes set forth in Section 21080(b)(8) and are therefore pursuant to said Section, exempt from the requirements of CEQA. This Resolution constitutes the written findings of the record of the proceedings claiming the aforesaid exemption.

4. Effective Date and Term of This Resolution. The fees and charges set forth in this Resolution shall be effective on July 1, 2026, and shall remain in effect until changed by the Board of Directors of the Montecito Water District.

**PASSED AND ADOPTED** by the Board of Directors of the Montecito Water District this 23rd day of June 2026 by the following roll call vote:

AYES: Coates, Goebel, Hayman, Plough, Wicks
NOES:
ABSTAIN:
ABSENT:

APPROVED:

Brian Goebel, Board President

ATTEST:

Nick Turner, Secretary