

Las Virgenes Municipal Water District Capacity Fees
Frequently Asked Questions (FAQ)

1) **What are Capacity Fees?**

Capacity fees are one-time capital charges to new developments as a means for new water and/or sanitation customers to pay a proportional share of the costs for the capital facilities needed to provide the service(s). Capacity fees are also commonly known as connection fees, development charges, or impact fees.

2) **Who pays capacity fees?**

All new-construction sanitation and water system customers must pay the capacity fee(s) before connecting to either the water or sanitation system.

3) **Why are existing customers exempt from the new fee structure?**

Existing customers already paid capacity fees before they received water and sanitation services from the District.

4) **Are capacity fees a new thing? If not, what's changing?**

Capacity fees are not new. However, from time to time it is necessary to update them in order to recover equitable water and sanitation system capital costs from new customers.

5) **When were the fees last updated?**

Las Virgenes Municipal Water District last updated its capacity fees in 2019. In 2023, the District contracted with Raftelis Financial Consultants to review and propose updates to the capacity fee structure that more accurately reflects the costs of providing services for new connections.

6) **What is the current and proposed capacity fee for a typical new-construction single-family residential customer to connect to the water system?**

The current connection fee for a single ¾" water meter connection (typical for a new single family home) is \$15,091. The findings of the recently-completed capacity fee study indicate that the same connection should be priced at \$15,821. The following table shows current and proposed capacity fees. Capacity fees increase as the meter size increases because larger meters place greater demand on the system.

Meter Size	A	B	C	D	E = (A+B+C+D)	F	G	H	I
	2022 Water Buy-In Component	2022 Water Incremental Component	2022 Conservation Buy-In Component	2022 Conservation Incremental Component	2022 Total Water Capacity Fee	Proposed 2023 Total Water Capacity Fee	Currently Charged Water Capacity Fee	\$ Change (Current vs. Proposed 2023)	% Change (Current vs. Proposed 2023)
3/4"	\$13,149	\$243	\$2,177	\$33	\$15,602	\$15,821	\$15,091	\$730	4.8%
1"	\$21,915	\$405	\$3,629	\$55	\$26,004	\$26,368	\$25,085	\$1,283	5.1%
1 1/2"	\$43,831	\$809	\$7,257	\$110	\$52,007	\$52,736	\$50,069	\$2,667	5.3%
2"	\$70,129	\$1,295	\$11,612	\$176	\$83,211	\$84,378	\$80,047	\$4,331	5.4%
3"	\$153,407	\$2,832	\$25,401	\$384	\$182,025	\$184,577	\$174,862	\$9,715	5.6%
4"	\$276,133	\$5,098	\$45,722	\$691	\$327,644	\$332,238	\$314,745	\$17,493	5.6%
6"	\$701,290	\$12,948	\$116,119	\$1,756	\$832,113	\$843,780	\$799,338	\$44,442	5.6%
8"	\$1,227,257	\$22,660	\$203,208	\$3,073	\$1,456,197	\$1,476,614	\$1,398,834	\$77,780	5.6%
10"	\$1,840,885	\$33,990	\$304,811	\$4,609	\$2,184,295	\$2,214,922	\$2,098,245	\$116,677	5.6%

7) **What is the current and proposed capacity fee for typical new-construction single-family residential customer to connect to the sewer system?**

The current capacity fee for a single equivalent residential unit (ERU) for a sanitation customer is \$12,645. The recently-completed capacity fee study indicates that the fee should be increased to \$15,336. The following table shows current and proposed capacity fees. The capacity fee for the U-3 and B sewer areas (Woolsey Canyon and Chatsworth) will not change. Those costs are based on fees the District pays to the City of Los Angeles for providing sanitation (sewer) service at those locations.

District	A	B	C = A + B	D	E	F	G
	2022 Sanitation Buy-In Component	2022 Sanitation Incremental Component	2022 Total Sanitation Capacity Fee	2023 Proposed Sanitation Capacity Fee	Currently Charged Sanitation Capacity Fee	\$ Change (Current vs. Proposed 2023)	% Change (Current vs. Proposed 2023)
U-1	\$15,124	\$0	\$15,124	\$15,336	\$12,645	\$2,691	21.3%
U-2	\$15,124	\$0	\$15,124	\$15,336	\$12,645	\$2,691	21.3%
U-3	N/A	N/A	N/A	N/A	\$3,900	N/A	N/A
B	N/A	N/A	N/A	N/A	\$3,900	N/A	N/A
D	\$15,124	\$0	\$15,124	\$15,336	\$12,645	\$2,691	21.3%

8) **When will the new capacity fees take effect?**

The proposed fee structures for water and sanitation capacity fees are anticipated to take effect on July 1, 2024. The Board will hold a hearing at least thirty (30) days before any fee adjustments take effect.

9) **Will there be an opportunity to comment on the proposed fees before they are adopted?**

The Las Virgenes Municipal Water District Board is expected to take action on the proposed connection fees in early 2024. Notifications of Board meetings and agenda items can be found at www.LVMWD.com/Board-Meetings.

10) **Where can I get more information regarding the proposed capacity fees?**

The 2023 study is available online at [Capacity Fee Structure 2024 | Las Virgenes Municipal Water District \(lvmwd.com\)](https://www.lvmwd.com/Capacity-Fee-Structure-2024) Additionally, the Board will hold a hearing on the proposed fees in the first half of 2024. Notifications of Board meetings and agenda items are also available at the District's website.