



October 6, 2026

Mr. Steve Wagner
General Manager
Goleta Sanitary District
1 William Moffett Place
Goleta CA 93117

Subject: Accessory Dwelling Unit Capacity Fees

Dear Mr. Wagner,

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to provide this memorandum (memo) for the Goleta Sanitary District (GSD or District). The memo was developed to support unique capacity fees for accessory dwelling units (ADUs) that are cost-based and proportional. The approach herein is consistent with, and relies upon, the Raftelis Sewer Connection and Annexation Fee Study Report dated June 9, 2026, while accounting for the unique requirements for ADUs codified into state law (Government Code 65852.2).

Sincerely,

A handwritten signature in black ink, appearing to read 'K Kostiuk', with a stylized flourish at the end.

Kevin Kostiuk
Senior Manager

Sewer Connection and Annexation Fee Study

The Goleta Sanitary District (GSD), established in 1942, serves approximately 80,000 residents across the Goleta Valley, including the City of Goleta, UCSB, the Santa Barbara Airport, and unincorporated areas of Santa Barbara County. The District operates over 135 miles of sewer collection mains and a Water Resource Recovery Facility capable of treating up to 9 MGD of wastewater to secondary and tertiary standards that meet or exceed California Title 22 requirements. GSD engaged Raftelis in 2025 to conduct an updated sewer connection and annexation fee study in conjunction with its sewer rate and fee study. The objective was to review existing fees, evaluate alternatives, and update the District's connection and annexation fees in alignment with California Government Code Section 66013 and the Mitigation Fee Act.

Using the Equity Buy-In method, Raftelis determined the value of GSD's existing sewer system facilities based on replacement cost new less depreciation (RCNLD) and updated the flow per equivalent residential unit (ERU) from 203 gpd to 150 gpd, consistent with the sewer rate and fee study. The resulting proposed connection fee is \$6,070 per ERU. The results are documented in the *Sewer Connection and Annexation Fee Study Report* dated June 9, 2026. For annexation fees, the analysis found that the per-parcel tax equity value is de minimis (approximately \$50 per ERU), and Raftelis recommended replacing the current \$2,546 per-acre annexation fee with a cost-based processing fee to cover administrative time. For a typical single-family residential connection within the District, the total fee increased from \$2,750 to \$6,070; for connections requiring annexation, the combined fee changed from \$5,496 to \$6,270.

Capacity Fee / Connection Fee Charges and Accessory Dwelling Units (ADUs)

California passed legislation codified in Government Code 65852.2 which exempts certain ADUs from capacity charges. For ADUs not exempted, the statute requires utility capacity charges to be determined on either the basis of fixture unit counts or the square footage of the ADU. In both options the use of drainage fixture units (DFUs) or square footage must be proportional to the impact of the ADU on the system.

GSD proposes that ADUs will be determined based on DFUs specific to each individual development. Overall, the District believes that of the two options available, drainage fixture unit count is a better representation of wastewater generation than square footage. Fixture units may vary significantly between ADUs depending on not just the size (square footage) of the unit but also construction choices, for example, if the ADU has laundry facilities or not; has one or two bathrooms; a kitchen dishwasher or not; etc.

Proposed ADU Connection Fee

The fee per Equivalent Residential Unit (ERU) was previously adopted by the District based on the *Raftelis Sewer Connection and Annexation Fee Study Report*. The proposed fee without annexation (the most common) is \$6,070 per ERU, which the District also refers to as the “Base Charge.” Per the District, the typical Single Family Residential (SFR) home (i.e., one ERU) in the service area has 20 DFUs on average. Given that the District will utilize DFU counts in determining proportional fees for ADUs the capacity fee calculation formula will be:

$$\text{Capacity Fee Calculation} = \left(\frac{\text{ADU DFUs}}{20} \right) \times \text{Base Charge}$$

If for example a proposed ADU has 12 DFUs, the calculated fee would be 12/20 or 0.6 ERUs. Based on the ERU / Base Charge of \$6,070, the ADU capacity fee would be \$3,642. The District will determine capacity fees for ADUs based on the specific count of DFUs proposed for an individual development, so as to be proportional and consistent with Government Code 65852.2 and as defined in the District's Draft Ordinance No. 98.

Comparative Survey

Raftelis conducted a brief survey of public agencies to compare similar and regional utilities choices on implementing ADU connection fees. Of those agencies surveyed, roughly the same proportion utilize square footage and drainage fixture units. Of the remaining agencies, one utilizes a fixed 0.5 EDU basis (presumably on square footage or fixture unit), one has an unknown basis, and one does not impose fees for ADUs in any circumstance.

Agency	Basis
Goleta West Sanitary District	Square footage
Ventura Water	Square footage
City of Santa Barbara	Drainage fixture units
Monterey One Water	Drainage fixture units
Central Contra Costa Sanitary District	Square footage fixed at 0.425 REU
City of Calistoga	Drainage fixture units
City of San Diego	0.5 Equivalent Dwelling Units
East Bay Municipal Utility District	Imposed by law but basis unknown
San Francisco Public Utilities Commission	No Fee
City of Long Beach	Drainage fixture units