


CROCKETT COMMUNITY SERVICES DISTRICT

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TO: Board of Directors

FROM: Dale McDonald 

SUBJECT: Connection Fee and Capacity Charge Accounting and Reporting

DATE: September 6, 2019

The Mitigation Fee Act (California Government Code Section 66000 et seq.) provides requirements for development of impact fee programs. Most of the Act's provisions were adopted in 1987 as AB 1600 (Cortese) and are sometimes referred to as "AB 1600 requirements." The requirements, which became effective on January 1, 1989, regulate the way that impact fees are imposed on development projects. The agency imposing the fee must (1) identify the purpose of the fee; (2) identify the use to which the fee is to be put, including identifying the public facilities to be financed; (3) show a reasonable relationship (nexus) between the fee's use and the type of development project; (4) show the reasonable relationship between the public facility to be constructed and the type of development; and (5) account for and spend the fees collected only for the purposes and projects specifically used in calculating the fee. As part of the Act, Government Code Section 66013 was substantially amended and more stringent accounting and reporting requirements for fees collected for sewer connection and capacity charges were imposed.

As defined by Government Code Section 66013 a "sewer connection" means the connection of a structure or project to a public sewer system. "Capacity charge" is defined as a charge for facilities in existence at the time a charge is imposed or charges for new facilities to be constructed in the future that are proportional to the person or property being charged.

The Crockett Community Services District Code Chapter 6.12 governs our Capacity Fee Program. District Code Section 6.12.030(A)(4) defines a charge (capacity fee) as a charge permitting an "added burden" on the facilities of the District.

The accounting requirements of AB 1600 require that the District (1) deposit its sewer capacity charges (SCC) and related interest earned into a separate sewer construction fund (SCF); (2) account for those charges in a manner to avoid comingling with other monies of the District; and (3) expend those charges only for the purposes for which the charges were collected. District Code Section 2.28.040 established Fund 3427 as the Crockett Sanitary Department Sewer Construction Fund (SCF).

The law also requires that this information simply be made available to the public within 180 days after the end of the fiscal year. Attached for information only is a copy of the District's annual Revenue and Expenditure Report for the fiscal year ended June 30, 2019 and a report of Capital Projects budgeted for FY 2019/20 that fully comply with the accounting and reporting provisions of Government Code Section 66013.

The report provides details on the Crockett Sanitary Department Fund 3427. The Port Costa Sanitary Department has not collected any capacity charges or connection fees since the County transferred ownership to the District in 2008. The District did not receive a separate balance of Port Costa's Sewer Construction Fund so it appears all funds were comingled prior to 2008. The District has assumed a beginning balance of \$0 for Port Costa's SCF. All construction projects at Port Costa are therefore paid from the general operating fund until the first connection or capacity fee is imposed.

://Admin/B&F/CapacityChargeAccounting.annual.doc

**CROCKETT COMMUNITY SERVICES DISTRICT
CROCKETT SANITARY DEPARTMENT
REVENUE AND EXPENDITURES
YEAR ENDED 6/30/2019**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
Beginning General & SCF Cash Balance		\$ 3,367,643	\$ 2,427,977	\$ 871,742	\$ 67,924
Revenue					
Sewer Use Charges	0%	1,524,262	1,524,262		
Property Tax	0%	323,000	323,000		
Sewer Capacity Charge (SCC)	100%	2,425	-	2,425	
Interest	23%	83,965	63,046	19,384	1,534
Other	15%	212,728	180,728	32,000	
Total Revenue	3%	2,146,380	2,091,036	53,809	1,534
Expenditures					
Sewer Collection System - Capital Projects					
1 Flora Spot repair Project C-1009	0%	4,800	4,800		
2 Emergency Spot Repair Project C-00-04	0%	12,431	12,431		
3 Manhole N-00-16 rehab	0%	3,700	3,700		
4 Loring sewer C-14-01 replacement project C-1011	0%	40,805	40,805		
Total Sewer System Collection System - Capital Projects	0%	61,736	61,736	-	
Sewer Pump Station - Capital Projects					
1 Backup Grundfos pump	0%	2,107	2,107		
Total Sewer Pump Station - Capital Projects	0%	2,107	2,107	-	
Joint Treatment Plant - Capital Projects (C&H)					
1 Hydrolic Control Module for belt press	100%	2,595	-	2,595	
2 Video surveillance system upgrade	100%	1,126	-	1,126	
3 ATI Residual Sulfite Analyzer	100%	7,878	-	7,878	
Total Joint Treatment Plant - Capital Projects	100%	11,599	-	11,599	
Engineering & Prof. Services - Capital Projects					
1 V.W. Housen Atherton-Cooke Front End Specs	0%	2,104	2,104		
2 Cunha Engineering Atherton Plans Project C-1002	0%	8,500	8,500		
3 V.W. Housen Pump Station MCC Panel replacement	0%	1,194	1,194		
Total Engineering & Prof. Services - Capital Projects	0%	11,798	11,798	-	
Capital Equipment - Capital Projects					
1 iTracker collection flow monitoring systems	0%	7,300	7,300		
2 District office Dell laptop and monitor	0%	1,125	1,125		
Total Capital Equipment - Capital Projects	0%	8,425	8,425	-	

**CROCKETT COMMUNITY SERVICES DISTRICT
CROCKETT SANITARY DEPARTMENT
REVENUE AND EXPENDITURES
YEAR ENDED 6/30/2019**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
Admin & Finance - Capital Projects					
1 CCTV Inspection Program	0%	20,336	20,336		
2 Salary & Benefits for Capital Projects	0%	4,044	4,044		
Total Admin & Finance - Capital Projects	0%	24,380	24,380	-	
Grand Total Capital Expenditures	10%	120,045	108,446	11,599	
Grand Total Operating Expenditures	0%	1,142,649	1,142,554	87	8
Non-op Expenses (including Cap. Resrv and interfund transf	0%	73,328	73,328	-	-
Total Expenditures (Capital, Expense & Debt)	1%	1,336,022	1,324,328	11,686	8
Ending Cash Balance (Crockett San. Dept. Funds 3426, 2427, 3429)		4,178,001	3,194,685	913,865	69,451

** Allocation to Rate Stabilization Reserve, included in General Fund #3426

General Definitions

Sewer Capacity Charge (SCC)

The Sewer Capacity Charge applies to all new sewer connections and change of property use as defined by District Code Section 6.12. For residential development, the charge is based on the number and type of dwelling unit(s). For nonresidential development, the charge is based on the sum of fixture charges as listed in District Code Section 6.34. The Charge is meant to help recover cost from growth related to capital projects tied to the District's wastewater collection and treatment capacity.

Sewer Construction Fund (SCF)

Fund designed to track revenues and expenditures of growth related facilities.

General Fund (GF)

General group designed for all other funds to account for non-growth related activities including revenues, operating expenses, capital expenditures and debt service.

Capital Reserve Fund (CRF)

The fund is dedicated for expansion, major renovation or replacement of the Crockett wastewater treatment facilities, as required by State Revolving Fund loan contracts signed by the District and the State Water Resources Control Board. (Res. No. 00-01-02)

**CROCKETT COMMUNITY SERVICES DISTRICT
CROCKETT SANITARY DEPARTMENT
FY 19/20 ADOPTED BUDGET - CAPITAL PROJECT**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427
Sewer Collection System - Capital Projects				
1 Pomona S-00-4 and S-00-08 Proj. C1001	0%	17,000	17,000	-
2 Atherton Cooke Proj. C1002	0%	249,880	249,880	-
3 Baldwin Emerson Bishop Proj. C1003	0%	114,900	114,900	-
4 Pomona Cooke to Baldwin Project C1004	0%	57,000	57,000	-
5 Fifth Ave V-12-22 Project C1005	0%	22,000	22,000	-
6 Alexander Easement Project C1008	0%	155,650	155,650	-
7 Balwin Emerson Hartwell repairs Project C1009	0%	79,600	79,600	-
8 Winslow Alhambra Edwards repairs Project C1010	0%	66,000	66,000	-
9 Wanda Lillian Repairs Project C1011	0%	21,000	21,000	-
10 Grandview repairs Project C1012	0%	24,000	24,000	-
11 Emergency projects, unidentified	0%	90,000	90,000	-
Total Sewer System Collection System - Capital Projects	0%	897,030	897,030	-
Sewer Pump Station - Capital Projects				
1 MCC Replacement (parts in 2019, finish July 2020)	0%	250,000	\$250,000.00	-
2 Improve ventilation of wet well (additional. vent fans)	0%	3,300	\$3,300.00	-
3 Rebuild/replace fresh water system booster pump	0%	5,500	\$5,500.00	-
4 Rebuild Air Compressor and motor 1 & 2	0%	11,000	\$11,000.00	-
5 Rebuild of Grit Pump No. 1	0%	11,000	\$11,000.00	-
6 Rebuild/replace/modify Pump No. 5 air vent system	0%	2,800	\$2,800.00	-
7 Loring Power Generator Package	0%	9,500	\$9,500.00	-
Total Sewer Pump Station - Capital Projects	0%	293,100	\$293,100.00	-
Joint Treatment Plant - Capital Projects (C&H)				
1 Replace DAF air compressor	0%	3,370	\$3,370.00	-
2 Install french drain south of reactors	0%	5,055	5,055	-
3 New wires from control room tp reactor pump	0%	940	\$940.00	-
4 Miscellaneous projects - cap replacement	0%	2,528	\$2,528.00	-
5 Replace influent pumps, impellers, etc.	100%	8,425	-	\$8,425.00
6 Replace sewer liner	100%	13,712	-	\$13,712.00
7 Overhaul DAF #1	100%	84,250	-	\$84,250.00
8 Cap. Reserve to JTP diffusers/3rd clarifier	0%	32,000	32,000	-
Total Joint Treatment Plant - Capital Projects	75%	129,962	32,000	97,962
Engineering & Prof. Services - Capital Projects				
1 Capital Project Contracted Oversight	0%	40,402	40,402	-
Total Engineering & Prof. Services - Capital Projects	0%	40,402	40,402	-
Equipment - Capital Projects				
1 Safety equipment and tools	0%	1,000	1,000	-
2 Computer software upgrades / replacement	0%	2,500	2,500	-
3 Office equipment	0%	1,000	1,000	-
Total Engineering & Prof. Services - Capital Projects	0%	4,500	4,500	-
Admin & Finance - Capital Projects				
1 CCTV Inspection Program	0%	22,000	22,000	-
2 Flow metering equipment	0%	3,000	3,000	-
3 Salary & Benefits for Capital Projects	0%	17,671	17,671	-
Total Admin & Finance - Capital Projects	0%	42,671	42,671	-
Grand Total Capital Expenditures (Including reserve transfer)	7%	1,407,665	1,309,703	97,962