


# 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: January 17, 2018

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)(3) defines a "capacity fee" as a charge permitting an "added burden" on the facilities of the District. The District does not currently impose a separate connection fee.

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, 2017 and a report of Capital Projects budgeted for FY 2017/18 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 6/30/2017**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
<b>Beginning General &amp; SCF Cash Balance</b>		\$2,670,275	\$1,793,716	\$ 809,849	\$ 66,710
<b>Revenue</b>					
Sewer Use Charges	0%	1,458,754	1,458,754		
Property Tax	0%	276,000	276,000		
Sewer Capacity Charge (SCC)	100%	4,850	-	4,850	
Interest	20%	25,591	20,128	5,030	433
Other	12%	266,924	234,924	32,000	
<b>Total Revenue</b>	<b>2%</b>	<b>2,032,119</b>	<b>1,989,806</b>	<b>41,880</b>	<b>433</b>
<b>Expenditures</b>					
<b>Sewer Collection System - Capital Projects</b>					
1 E-04-15 6" Main Sewer RI Joe Farrell	0%	850	850		
2 Lillian and Pomona spot repairs Project #16-7 Bill's Underground	0%	9,000	9,000		
3 E-09-06 spot repair near 75 Bishop Bill's Underground	0%	1,500	1,500		
4 Rodding sewer inlet near 56 Atherton Rescue Rooter	0%	3,500	3,500		
5 Memorial Hall Sewer Replacement Project Sewer Connection	0%	4,300	4,300		
6 Emergency repair near 1845 Pomona L.R. Paulsell	0%	7,144	7,144		
7 Emergency repair near 503 Kendall L.R. Paulsell	0%	4,172	4,172		
8 7th Ave Sewer Project #16-8 Sewer Connection	0%	9,600	9,600		
9 Emergency Pomona Sidewalk Project #16-5 L.R. Paulsell	0%	75,162	75,162		
10 Sidewalk V-21-09 to V-21-05 Project #16-5 J. Flores	0%	4,998	4,998		
11 Heald Court Tree Removal A Plus Tree Service	0%	10,460	10,460		
12 Vista Del Rio spot repair Bill's Underground	0%	5,100	5,100		
13 Edwards near 319 spot repair Bill's Underground	0%	1,600	1,600		
14 Spot repair Winslow Bill's Underground	0%	3,800	3,800		
15 N-16-11 to N-16-10 replacement project Advanced Trenchless	0%	6,850	6,850		
<b>Total Sewer System Collection System - Capital Projects</b>	<b>0%</b>	<b>148,036</b>	<b>148,036</b>	<b>-</b>	
<b>Sewer Pump Station - Capital Projects</b>					
1 Grundfos Grinder pumps for Loring PS	0%	3,971	3,971		
2 WCWD Channel Monster JWC upgrade	0%	22,189	22,189		
<b>Total Sewer Pump Station - Capital Projects</b>	<b>0%</b>	<b>26,160</b>	<b>26,160</b>	<b>-</b>	
<b>Joint Treatment Plant - Capital Projects (C&amp;H)</b>					
1 Chlorine Analyzer	100%	8,493	-	8,493	
2 Safety Platform	100%	700	-	700	
3 Chlorination system Metering Pumps	100%	8,757	-	8,757	
4 Emulsion System CapX	0%	285	285	-	
<b>Total Joint Treatment Plant - Capital Projects</b>	<b>98%</b>	<b>18,235</b>	<b>285</b>	<b>17,950</b>	

**CROCKETT COMMUNITY SERVICES DISTRICT  
CROCKETT SANITARY DEPARTMENT  
REVENUE AND EXPENDITURES  
YEAR ENDED 6/30/2017**

**Engineering & Prof. Services - Capital Projects**

1 V.W. Housen Heald Ct. and Del Mar Projects	0%	16,106	16,106	
2 Cunha Engineering Heald Ct and Del Mar Projects	0%	10,900	10,900	
3 Frisch Engineering Pump Station MCC Panel replacement	0%	31,290	31,290	
<b>Total Engineering &amp; Prof. Services - Capital Projects</b>	<b>0%</b>	<b>58,296</b>	<b>58,296</b>	<b>-</b>

**Admin & Finance - Capital Projects**

1 Loan financing and interest PY sewer projects	0%	28,792	28,792	
2 Computerized Maintenance Management System (CMMS / GIS)	0%	8,564	8,564	
3 CCTV Inspection Program	0%	27,837	27,837	
4 Smoke Testing Program	0%	15,029	15,029	
5 Salary & Benefits for Capital Projects	0%	8,091	8,091	
<b>Total Admin &amp; Finance - Capital Projects</b>	<b>0%</b>	<b>88,313</b>	<b>88,313</b>	<b>-</b>

<b>Grand Total Capital Expenditures</b>	<b>5%</b>	<b>339,040</b>	<b>321,090</b>	<b>17,950</b>	
<b>Grand Total Operating Expenditures</b>	<b>0%</b>	<b>1,231,310</b>	<b>1,231,267</b>	<b>39</b>	<b>4</b>
<b>Non-op Expenses (including Cap. Resrv and interfund transfers)</b>	<b>0%</b>	<b>64,252</b>	<b>64,252</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures (Capital, Expense &amp; Debt)</b>	<b>1%</b>	<b>1,634,602</b>	<b>1,616,609</b>	<b>17,989</b>	<b>4</b>

<b>Ending Cash Balance (Crockett San. Dept. Funds 3426, 2427, 3428)</b>		<b>3,067,792</b>	<b>2,166,913</b>	<b>833,740</b>	<b>67,139</b>
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\*\* Allocation to Rate Stabilization Reserve, included in General Fund #3426 142,664

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 17/18 ADOPTED BUDGET - CAPITAL PROJECT**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
<b>Sewer Collection System - Capital Projects</b>					
1 Heald Ct. E-01-12 to E-01-08 & S-05-06 to S-05-01 Proj. C-0999	0%	245,500	245,500	-	-
2 Del Mar Circle to Pomona V-06-09 to V-06-06, #16-9, C-0999	0%	35,000	35,000	-	-
3 Crockett Middle School C-0027	0%	25,000	25,000	-	-
4 Pomona spot repairs S-00-08 and S-00-04, Project #C-1001	0%	17,000	17,000	-	-
5 Atherton replacement and Cooke Sewer repair Project #C-1002	0%	125,000	125,000	-	-
6 Bishop and Emerson Sewer Replacement Project #C-1003	0%	90,000	90,000	-	-
7 East Pomona Sewer Repairs Project #C-1004	0%	28,000	28,000	-	-
8 Emergency projects, unidentified	0%	100,000	100,000	-	-
<b>Total Sewer System Collection System - Capital Projects</b>	<b>0%</b>	<b>665,500</b>	<b>665,500</b>	<b>-</b>	<b>-</b>
<b>Sewer Pump Station - Capital Projects</b>					
1 MCC Replacement -phase 1 construction June 2018	0%	200,000	200,000	-	-
2 Improve ventilation of wet well (additional. vent fans)	0%	3,000	3,000	-	-
3 Improve dust control of main control room	0%	2,000	2,000	-	-
4 Emergency Generator for Loring Pump Station	0%	4,000	4,000	-	-
<b>Total Sewer Pump Station - Capital Projects</b>	<b>0%</b>	<b>209,000</b>	<b>209,000</b>	<b>-</b>	<b>-</b>
<b>Joint Treatment Plant - Capital Projects (C&amp;H)</b>					
1 Replace Norton diffuser with membrane #1	100%	17,140	-	17,140	-
2 Allocation to clarifier / treatment plant reserve	0%	32,000	32,000	-	-
<b>Total Joint Treatment Plant - Capital Projects</b>	<b>35%</b>	<b>49,140</b>	<b>32,000</b>	<b>17,140</b>	<b>-</b>
<b>Engineering &amp; Prof. Services - Capital Projects</b>					
1 V.W. Housen MCC Project and Collection System Projects	0%	23,275	23,275	-	-
2 Capital Project Contracted Oversight	0%	33,275	33,275	-	-
3 Frisch Engineering Pump Station MCC Panel replacement	0%	18,710	18,710	-	-
<b>Total Engineering &amp; Prof. Services - Capital Projects</b>	<b>0%</b>	<b>75,260</b>	<b>75,260</b>	<b>-</b>	<b>-</b>
<b>Equipment - Capital Projects</b>					
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	-	-
<b>Total Engineering &amp; Prof. Services - Capital Projects</b>	<b>0%</b>	<b>4,500</b>	<b>4,500</b>	<b>-</b>	<b>-</b>
<b>Admin &amp; Finance - Capital Projects</b>					
1 Loan financing and interest PY sewer projects	0%	26,153	26,153	-	-
2 Computerized Maintenance Management System (CMMS / GIS)	0%	10,000	10,000	-	-
3 CCTV Inspection Program	0%	30,000	30,000	-	-
4 Line Location Project	0%	4,000	4,000	-	-
5 Smoke Testing Program	0%	20,000	20,000	-	-
6 Pipe Supplies for collection system emergencies	0%	1,500	1,500	-	-
7 Flow metering equipment	0%	3,000	3,000	-	-
8 Salary & Benefits for Capital Projects	0%	12,085	12,085	-	-
<b>Total Admin &amp; Finance - Capital Projects</b>	<b>0%</b>	<b>106,738</b>	<b>106,738</b>	<b>-</b>	<b>-</b>
<b>Grand Total Capital Expenditures (Including reserve transfer)</b>	<b>2%</b>	<b>1,110,138</b>	<b>1,092,998</b>	<b>17,140</b>	<b>-</b>