


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: August 21, 2020

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, 2020 and a report of Capital Projects budgeted for FY 2021/21 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 6/30/2020**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
Beginning General & SCF Cash Balance		\$ 4,178,001	\$ 3,194,685	\$ 913,865	\$ 69,451
Revenue					
Sewer Use Charges	0%	1,475,438	1,475,438		
Property Tax	0%	333,813	333,813		
Sewer Capacity Charge (SCC)	100%	4,850	-	4,850	
Interest	23%	88,616	66,428	20,560	1,628
Other	20%	163,074	131,074	32,000	
Total Revenue	3%	2,065,791	2,006,753	57,410	1,628
Expenditures					
Sewer Collection System - Capital Projects					
1 ECAST Atherton Cooke Pomona Proj C-1002	0%	438,958	438,958		
2 Emerson line replacement E-08-04 to E-08-03 ect C-00-04	0%	32,495	32,495		
3 Sewer replacment Project C-1013 N-00-40A to N-00-40	0%	39,955	39,955		
4 Winslow sewer spot repair C-1017 N-00-40 to N-00-39	0%	13,138	13,138		
5 Emergency repair Wanda V-00-07 to V-00-06	0%	1,934	1,934		
6 Sewer replacement Project C-1018 V-00-06 to V-00-05	0%	40,000	40,000		
7 Pomona & First Project C-1017	0%	9,500	9,500		
8 Unknown Wanda sewer V-14-02 spot repair	0%	3,600	3,600		
9 Alexander partial sewer replacement Project C-1008	0%	18,000	18,000		
10 CMS C-00-26 replacement project C-1015	0%	38,254	38,254		
Total Sewer System Collection System - Capital Projects	0%	635,834	635,834	-	
Sewer Pump Station - Capital Projects					
1 GRM Install at Loring PS	0%	5,491	5,491		
Total Sewer Pump Station - Capital Projects	0%	5,491	5,491	-	
Joint Treatment Plant - Capital Projects (C&H)					
1 Refridgerated Sampler	100%	1,164	-	1,164	
2 Metering Pump and related components	100%	7,655	-	7,655	
3 Chlorination System Metering Pump	100%	8,044	-	8,044	
Total Joint Treatment Plant - Capital Projects	100%	16,862	-	16,862	
Engineering & Prof. Services - Capital Projects					
1 L.R. Paulsell - Construction Management FY 19/20	0%	61,463	61,463		
2 L.R. Paulsell - Engineering Atherton C-1002	0%	4,390	4,390		
3 Cunha Engineering Pomona to Baldwin plans	0%	9,992	9,992		
4 V.W. Housen Atherton C-1002 engineering	0%	3,387	3,387		
5 V.W. Housen misc support and study FY 19/20	0%	1,673	1,673		
6 V.W. Housen Pump Station MCC Panel replacement	0%	1,536	1,536		
Total Engineering & Prof. Services - Capital Projects	0%	82,440	82,440	-	

**CROCKETT COMMUNITY SERVICES DISTRICT
CROCKETT SANITARY DEPARTMENT
REVENUE AND EXPENDITURES
YEAR ENDED 6/30/2020**

Capital Equipment - Capital Projects

1 District office Dell laptop #2	0%	1,128	1,128	
Total Capital Equipment - Capital Projects	0%	1,128	1,128	-

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
Admin & Finance - Capital Projects					
1 CCTV Inspection Program	0%	28,996	28,996		
2 Salary & Benefits for Capital Projects	0%	9,202	9,202		
Total Admin & Finance - Capital Projects	0%	38,198	38,198	-	
Grand Total Capital Expenditures	2%	779,952	763,090	16,862	
Grand Total Operating Expenditures	0%	1,161,170	1,161,092	70	8
Non-op Expenses (including Cap. Resrv and interfund transfer:	0%	266,167	266,167	-	-
Total Expenditures (Capital, Expense & Debt)	1%	2,207,289	2,190,349	16,932	8
Ending Cash Balance (Crockett San. Dept. Funds 3426, 2427, 3429)		4,036,503	3,011,090	954,343	71,071

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

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General Definitions

Sewer Capacity Charge (SCC)

The Sewer Capacity Charge applies to all new sewer connections and change of property use as defined by Dist. 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. 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 20/21 ADOPTED BUDGET - CAPITAL PROJECT**

Description	SCF %	YTD Total	General GF #3426	Construction SCF #3427	Cap. Resrv. CRF. #3429
Sewer Collection System - Capital Projects					
1 Pomona S-00-4 and S-00-08 Proj. C1019	0%	17,000	17,000	-	-
2 Marina Manhole Repair Proj. C1020	0%	10,000	10,000	-	-
3 Baldwin Emerson Hartwell Proj. C1021	0%	73,600	73,600	-	-
4 Winslow Edwards Alexander Project C1022	0%	77,900	77,900	-	-
5 Lillian Fifth Ave Project C1023	0%	142,000	142,000	-	-
6 Pomona Bishop Atherton C1024	0%	63,600	63,600	-	-
7 Grandview Project C1025	0%	24,000	24,000	-	-
8 Jackson Kendall Project C106	0%	107,960	107,960	-	-
9 Reserve for capital project overruns FY 20/21	0%	69,300	69,300	-	-
10 Emergency projects, unidentified	0%	95,000	95,000	-	-
Total Sewer System Collection System - Capital Projects	0%	680,360	680,360	-	-
Sewer Pump Station - Capital Projects					
1 MCC Phase 1 - Parts, Phase 2 install in Jul-Aug 2021	0%	150,000	150,000	-	-
2 Improve ventilation of wet well (additional. vent fans)	0%	3,300	3,300	-	-
3 Loring Power Generator Package	0%	9,500	9,500	-	-
4 Rebuild Air Compressor and motor 1 & 2	0%	12,000	12,000	-	-
5 Rebuild of Grit Pump No. 1	0%	13,000	13,000	-	-
6 Rebuild/replace/modify Pump No. 5 air vent system	0%	3,000	3,000	-	-
Total Sewer Pump Station - Capital Projects	0%	190,800	\$190,800.00	-	-
Joint Treatment Plant - Capital Projects (C&H)					
1 Replace DAF air compressor	0%	3,370	3,370	-	-
2 Install french drain south of reactors	0%	5,055	5,055	-	-
3 New wires from control room tp reactor pump	0%	940	940	-	-
4 Miscellaneous projects - cap replacement	0%	2,528	2,528	-	-
5 Replace influent pumps, impellers, etc.	100%	8,425	-	8,425	-
6 Replace sewer liner	100%	13,712	-	13,712	-
7 Overhaul DAF #1	100%	84,250	-	84,250	-
8 Trns to JTP Cap. Reserve - 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%	53,986	53,986	-	-
Total Engineering & Prof. Services - Capital Projects	0%	53,986	53,986	-	-
Equipment - Capital Projects					
1 Safety equipment and tools	0%	1,000	1,000	-	-
3 Office equipment	0%	1,000	1,000	-	-
Total Engineering & Prof. Services - Capital Projects	0%	2,000	2,000	-	-
Admin & Finance - Capital Projects					
1 Admin Build. Flat roof and gutter repair	0%	21,000	21,000	-	-
2 Admin Build. Moisture damage mitigation	0%	45,000	45,000	-	-
3 Admin Build. Apartment cosmetic - flooring, paint, misc.	0%	20,000	20,000	-	-
4 Admin Build. Garage Roof Replacement and rails	0%	30,000	30,000	-	-
5 Admin Build. Office preparation	0%	5,000	5,000	-	-
6 CCTV Inspection Program	0%	23,000	23,000	-	-
7 Flow metering equipment	0%	1,500	1,500	-	-
8 Salary & Benefits for Capital Projects	0%	12,939	12,939	-	-
Total Admin & Finance - Capital Projects	0%	158,439	158,439	-	-
Grand Total Capital Expenditures (Including reserve transfer)	8%	1,215,547	1,117,585	97,962	-