


Central Contra Costa Sanitary District

December 30, 2019

TO: KATIE YOUNG, SECRETARY OF THE DISTRICT

VIA: CHRIS THOMAS, FINANCE ADMINISTRATOR 

FROM: AMAL LYON, ACCOUNTANT 

SUBJECT: ANNUAL REPORT PERTAINING TO SB 1760
(GOVERNMENT CODE SECTION 66013)

Attached is a report prepared by staff of the Planning and Development Services Division and the Accounting Section, which is required to comply with the provisions of SB1760. The statute requires this report to be made available to the public.

Attachment

cc: Emily Barnett
Danea Gemmell

**Annual Report of
Central Contra Costa Sanitary District
For Fiscal Year 2018-2019
Pertaining to Compliance with Senate Bill 1760
(Government Code Section 66013)
*Approved by Governor of California September 20, 1998***

Senate Bill (S.B.) 1760 by Senator Haynes and coauthored by Senator Kopp became effective January 1, 1999. The statute requires sewer and water agencies to annually report the actual expenditure of connection fees and capacity charges for the reporting year and to project these expenditures for the following year. The law specifies that this reporting period begin on January 1, 1999.

In order to comply with S.B. 1760 (Government Code Section 66013), the District must do the following:

- Describe each connection fee and/or capacity charge fee;
 - The District's connection fees/capacity charges (Capacity Fees and Pumped Zone Fees) were revised effective July 1, 2018, for FY 2018-2019. The details pertaining to these fees were presented in a public hearing and report to the Board of Directors dated June 7, 2018, and are attached.
- Deposit capital facilities fund **interest** income in the capital facilities fund;
 - In FY 2018-2019, Capital Improvement Fees were completely expended on expansion and upgrade/replacement projects. When the monthly balance in a sub fund is negative, no interest is earned. When the monthly balance is positive, interest is earned. Exhibit 1 - Capital Facilities Fund, presents revenues and expenditures, beginning and ending balances, and interest earned for each sub fund broken out by month.
- Account for any capacity charges received by the District in a manner that allows them to be identified separately from other revenue sources;
 - Exhibit 2 - *Capital Improvement Revenue (Sewer Construction Fund)* shows all capital revenue broken out by month.
- List each public improvement and the amount expended during the reporting fiscal year as well as each public improvement and the amount anticipated to be expended for the following fiscal year;
 - Exhibit 3 - *Capital Improvement Expenditures* lists total spent each month for all capital projects active in the reporting year and estimated expenditures for the following fiscal year. (Further details of 2019-2020 budgeted expenditures can be obtained by requesting a copy of the Capital Budget.)
- Describe each interfund transfer or loan made from the "Capital Facilities Fund."
 - No interfund loans or transfers were made to/from the "Capital Facilities Fund" in FY 2018-2019.
- Make this report available to the public within 180 days after the close of the fiscal year.

**EXHIBIT 2
CAPITAL IMPROVEMENT REVENUE (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2018-2019**

Acct No.	Account Title	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FY 2018-2019 TOTAL
15-00	Mainline Inspection	33,647	35,351	67,942	9,511	30,744	-	-	1,147	2,673	1,458	1,458	-	183,931
16-00	Plan Review	845	2,597	6,004	7,377	5,169	7,908	4,144	8,298	3,167	10,292	9,194	7,504	72,499
18-00	Overtime Inspection	5,299	2,868	1,660	4,419	3,625	3,575	363	120	3,692	520	520	2,996	29,657
23-01	Sewer Service Charge	(34,809)	(6,400)	12,320	531,081	6,251	15,436,572	631,664	5,482	5,536	11,047,491	62,781	890,656	28,588,625
40-00	Facilities Capacity Fee	234,557	341,018	391,228	667,396	256,658	513,846	1,054,067	603,734	553,915	905,360	1,848,637	248,540	7,619,056
42-00	Pump Zone Fees	23,213	17,924	32,622	11,416	29,981	14,007	46,563	101,934	43,455	25,661	86,458	26,605	459,839
44-00	Capacity Use Charge	-	-	-	-	66,173	-	-	-	-	-	-	-	66,173
45-00	Interest Income	56,033	50,357	55,747	56,257	48,691	126,147	148,511	94,319	103,401	108,039	136,572	137,454	1,121,528
46-00	Tax Revenue	-	-	-	-	390,855	5,885,915	235,364	-	-	7,311,999	-	925,093	14,749,226
47-00	Other Govt Agency Rev-Misc	-	-	-	-	-	-	-	-	-	-	-	-	-
48-00	Other Govt Revenue - Cal Trans	-	-	-	-	-	-	-	-	-	-	-	-	-
54-00	Other Govt. Revenue-Concord	-	-	-	-	-	-	-	-	-	-	-	-	-
57-00	Dougherty Valley Reimb	-	-	-	-	-	-	-	-	-	-	-	7,973,516	7,973,516
60-00	Miscellaneous	-	-	-	3,113	-	-	-	848	-	848	-	-	4,809
61-28	CAD Reimbursement	-	-	52,792	54,193	12,203	-	15,000	(45,000)	-	-	7,500	(96,110)	578
65-07	Alhambra Vly Assessments	-	-	-	-	-	-	-	-	-	-	-	30,285	30,285
	Totals	318,785	443,715	620,315	1,344,763	850,350	21,988,070	2,135,676	770,882	715,839	19,411,668	2,153,120	10,146,539	60,899,723

**EXHIBIT 3
CAPITAL IMPROVEMENT EXPENDITURES (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2018-2019**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual FY 2018-2019 Total	Budgeted FY 2019-2020 Expenditures
	Treatment Plant	260,941	546,761	1,097,127	1,121,037	1,066,937	1,586,490	1,514,040	2,032,312	520,583	2,492,099	1,689,622	6,036,484	19,964,433
Collection Systems	1,202,978	1,048,939	3,769,334	1,755,500	1,444,119	1,844,166	758,184	768,925	1,047,655	576,099	846,374	4,795,127	19,857,390	27,529,000
General Improvements	105,770	162,288	142,769	122,572	201,799	99,050	231,292	125,626	229,971	360,725	272,716	309,022	2,363,600	5,444,000
Recycled Water	31,250	45,884	71,290	58,869	247,735	346,317	(146,700)	144,504	442,724	139,407	103,863	123,740	1,608,883	4,172,000
Totals	1,600,939	1,803,872	5,080,520	3,057,978	2,960,590	3,876,013	2,356,816	3,071,367	2,240,933	3,568,330	2,912,575	11,264,373	43,794,306	66,176,000



CENTRAL SAN BOARD OF DIRECTORS POSITION PAPER

MEETING DATE: JUNE 7, 2018

SUBJECT: CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT AND CONSIDER ADOPTING ORDINANCES AS FOLLOWS:

- UNCODIFIED ORDINANCE NO. 301 - AMENDING THE SCHEDULE OF CAPACITY FEES, RATES, AND CHARGES, REPLACING ORDINANCE NO. 296 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.12, EFFECTIVE JULY 1, 2018; AND
- UNCODIFIED ORDINANCE NO. 302 - AMENDING THE SCHEDULE OF ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES, REPLACING ORDINANCE NO. 297 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.30, EFFECTIVE JULY 1, 2018

DATA IS AVAILABLE, AS REQUIRED BY GOVERNMENT CODE TITLE 7, DIVISION 1, CHAPTER 8, SECTION 66016. IF YOU HAVE QUESTIONS, PLEASE CONTACT SENIOR ENGINEER THOMAS BRIGHTBILL AT (925) 229-7338.

SUBMITTED BY:

THOMAS BRIGHTBILL, SENIOR ENGINEER
IRINA KADANTSEVA, MANAGEMENT
ANALYST

INITIATING DEPARTMENT:

ENGINEERING AND TECHNICAL SERVICES-
PDS-RATES AND FEES

REVIEWED BY:

DANEA GEMMELL, PLANNING & DEVELOPMENT SERVICES DIVISION
MANAGER

JEAN-MARC PETIT, DIRECTOR OF ENGINEERING AND TECHNICAL
SERVICES

Roger S. Bailey
General Manager

ISSUE

State Law and District Code requires that a public hearing be held to receive public comment on ordinances which revise Capacity Fees and the Environmental and Development-Related Fees and Charges.

BACKGROUND**Capacity Fees**

Central San charges a Capacity Fee when properties first connect to the public sewer or when there is an expansion or change of use for non-residential properties. Each year, this fee is updated based on changes to the value of Central San assets and the number of Central San customers. California Senate Bill 1769, enacted in September 1993, defines Capacity Charges for water and sewer agencies in Section 66013 of the California Government Code. The equity buy-in method used by Central San conforms to the requirements contained in Section 66013.

A recommended ordinance to establish the following proposed Capacity Fees is attached:

<u>Fee Category</u>	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
Gravity Zone Fee	\$6,300	\$6,700	6.3%
Pumped Zone Fee	\$7,939	\$8,336	5.0%

Environmental and Development-Related Fees and Charges

Chapter 6.30 of the District Code includes provisions for the Board of Directors to adopt an uncodified schedule of fees and charges for environmental and development services provided to property owners, contractors, developers, septic and grease waste haulers, and permitted industrial users. These services include permit counter assistance; plan review; construction inspection for private side sewers and public main line extensions; addition of new sewers, parcels, and permit information to Central San maps; administration of source control permits and inspections; and septic and grease hauler permitting, sampling and treatment.

Following a review of the fees and charges by Central San staff, it is recommended that they be revised to reflect changes in the costs to provide the services, including updated labor costs. Information regarding the proposed changes is included in the attached report.

A comparison of current and staff-recommended fees and charges is presented in Exhibit A to the attached proposed ordinance. If the proposed revisions to the Environmental and Development-Related Fees and Charges are adopted by Central San's Board, 16 charges would remain unchanged, 72 charges would increase, and one fee would decrease.

ALTERNATIVES/CONSIDERATIONS

The Board may decline to adjust the schedule of Capacity Fees. In this event, the fees that went into effect on July 1, 2017 would continue. This is not recommended as capacity fees would not accurately reflect the value of each parcel's share of Central San assets.

The Board may decline to adjust some or all of the Environmental and Development-Related Fees and Charges. In this event, the fees that went into effect on July 1, 2017 would continue. This is not recommended as Central San would not fully-recover costs expended in providing the corresponding environmental and development-related services.

FINANCIAL IMPACTS

If the recommended Capacity Fees are adopted, staff estimates that approximately \$400,000 in additional capacity fee revenue would be generated by the fee increases in Fiscal Year (FY) 2018-19. This projection is based on the projected development of 1,000 residential unit equivalents (RUE).

The proposed Environmental and Development-Related Fees and Charges are designed to recover Central San's direct and indirect labor costs, other operating costs, and administrative overhead costs incurred in providing environmental and development-related services. If the recommended Environmental and Development-Related Fees and charges are adopted, staff estimates that between \$18,000 and \$68,000 in additional revenue will be generated in FY 2018-19. This projection is based on the range of increases shown in the attached staff report and assumes that the level of development would approximate that of the current fiscal year.

COMMUNITY OUTREACH

Staff conducted a coordinated outreach program to inform and solicit input from stakeholders and interested customers regarding the proposed Capacity Fees and the proposed Environmental and Development-related Fees and Charges. Notices of the public hearing were posted and published on May 24 and May 31, 2018, in the Contra Costa Times and San Ramon Valley Times. In addition, approximately 420 letter reports, including the proposed schedule of rates and charges, were distributed to developers, engineers, architects, contractors, waste haulers and representatives of the Building Industry Association of the Bay Area and others who have requested notice of fee increase proposals.

As of May 24, 2018, no stakeholders or members of the public had contacted Central San with comments. Any comments received after May 24, 2018 will be presented to the Board of Directors at the public hearing.

COMMITTEE RECOMMENDATION

The Finance Committee reviewed the proposals at its April 24, 2018 meeting and recommended approval.

RECOMMENDED BOARD ACTION

Hold the public hearing. -Once the public hearing has concluded:

1. Adopt the attached proposed uncodified ordinance revising the "Schedule of Capacity Fees, Rates, and Charges" effective July 1, 2018, which includes the following findings:
 - a. Central San has made a substantial investment in assets that will benefit new users.
 - b. The purpose of the capacity fee program is to equalize the investment in Central San's assets among current and new users, thus ensuring that new users pay their fair share for facilities and other assets.
 - c. There is a strong and reasonable relationship between the actual added burden imposed by new users and the proposed Capacity Fee.
 - d. The current Sewer Construction Fund balance and future Capacity Fee revenue will be allocated to:
 - Life-cycle replacement, renovation, upgrading and improvements to maintain existing

capacity in Central San's facilities;

- Addition to and expansion of facilities when needed or required to meet legal and regulatory requirements;
- Equitable adjustment of contributions among current, new and contractual users;
- New users' buy-in to all of Central San' s assets including facilities and the balances in the:
 - Sewer Construction Fund
 - Running Expense Fund
 - Debt Service Fund
 - Self Insurance Fund

e. For Central San to continue an adequate level of service to all users, maintenance of existing facilities capacity and construction of additional facilities capacity in the future is required.

f. The proposed fees, rates and charges are exempt from the California Environmental Quality Act (CEQA) per section 6.-12.020 of the District Code.

2. Adopt the proposed uncodified ordinance revising the Schedule of Environmental and Development-Related Fees and Charges effective July 1, 2018, including the following findings:

- a. Central San incurs substantial costs to provide environmental and development-related services.
- b. It is necessary to charge customers and other users to recover the reasonable cost of providing the services.
- c. The proposed fees and charges reasonably represent Central San' s actual costs to provide the services.
- d. The proposed fees and charges are exempt from the California Environmental Quality Act (CEQA).

(Four affirmative votes are required for adoption)

Strategic Plan Tie-In

GOAL THREE: Be a Fiscally Sound and Effective Water Sector Utility
 Strategy 2 - Manage Costs

GOAL FIVE: Maintain a Reliable Infrastructure
 Strategy 3 - Protect District Personnel and Assets from Threats and Emergencies

ATTACHMENTS:

1. Proposed Ordinance, Including Exhibit A: Schedule of Capacity Fees, Rates and Charges (Uncodified)
2. Report Regarding Capacity Fee Update
3. Proposed Ordinance, Including Exhibit A: Schedule of Environmental and Development-Related Fees and Charges
4. Report Regarding the Environmental and Development-Related Fees and Chages Update
5. PowerPoint Presentation

ORDINANCE NO. ____
 AN ORDINANCE OF THE
 CENTRAL CONTRA COSTA SANITARY DISTRICT
 ADOPTING AN UNCODIFIED
 SCHEDULE OF CAPACITY FEES, RATES AND CHARGES
 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.12

WHEREAS, the Board of Directors (Board) of the Central Contra Costa Sanitary District (Central San) finds that substantial study has been conducted regarding the impacts of planned future development within Central San's service area on existing Central San services and facilities, along with an analysis of new, improved, or expanded Central San facilities and services required or appropriate to serve new users and current users who change the use of their connected buildings and facilities, and said studies have set forth the relationship between the added burden imposed by such users, and the need for an estimated cost of Central San services and facilities occasioned by this added burden; and

WHEREAS, these studies were undertaken by Central San staff and culminated in documents that are part of the public record, to wit: the Capital Improvement Budget and Ten-year Capital Improvement Plan contained in the document titled, "Central Contra Costa Sanitary District FY 2017-18 Budget," and the Staff Report on Proposed Capacity Fee Program dated March 27, 2018; and

WHEREAS, these studies also included the Wastewater Capacity Fee Review Study dated May 28, 2018 by Black & Veatch which reviewed Central San's methodology and calculations; and

WHEREAS, it is reasonable and necessary that all users of Central San's wastewater and household hazardous waste collection, treatment, recycling, reuse and disposal services and facilities, including those temporary users served under Special Discharge Permits, contribute their appropriate portion of the funding for such Central San services and facilities; and

WHEREAS, a properly noticed public hearing regarding the proposed Capacity Fee Program revisions was held on June 7, 2018, and proper notice was also given of the availability of the documents noted above for public inspection and review prior to said public hearing; and

WHEREAS, Chapter 6.12 of the District Code provides the enabling authority for Central San to implement the proposed uncodified Schedule of Capacity Fees, Rates and Charges; and

WHEREAS, the Board finds as follows:

1. Central San has made a substantial investment in assets that will benefit new users.
2. For Central San to continue an adequate level of service to all users, maintenance of existing facilities capacity and construction of additional facilities capacity in the future is required.

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3. The purpose of the Capacity Fee Program is to equalize the investment in Central San's assets among current and new users, thus ensuring that new users pay their fair share for facilities capacity and services.
4. The current Sewer Construction Fund balance and future Capacity Fee revenue will be allocated to:
 - Life-cycle replacement, renovation, upgrading and improvements to maintain existing capacity in Central San's facilities;
 - Addition to and expansion of facilities where needed or required to meet legal and regulatory requirements;
 - Equitable adjustment of contributions among current, new and contractual users;
 - New users' buy-in-to-all-assets of Central San including facilities and the balances in the:
 - Sewer Construction Fund
 - Running Expense Fund
 - Debt Service Fund
 - Self Insurance Fund
5. There is a strong and reasonable relationship between the actual added burden imposed by new users and the proposed capacity fees, rates and charges.
6. The proposed fees, rates and charges are exempt from the California Environmental Quality Act (CEQA) per section 6.12.020 of the District Code.

NOW, THEREFORE, the Board of Directors of the Central Contra Costa Sanitary District does ordain as follows:

Section 1 (To be Uncodified)

The "Schedule of Capacity Fees, Rates and Charges" as set forth in full in Exhibit "A" to this Ordinance, which exhibit is incorporated in full herein by this reference, is hereby adopted in uncodified form pursuant to the provisions of District Code Section 6.12.020.

As of the effective date of this Ordinance, Capacity Fees shall be charged at such rates and for such categories of users as set forth in said Schedule, and shall remain in effect until amended or replaced by ordinance.

Section 2

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are repealed. The provisions of this Ordinance, insofar as they are substantially the same as existing provisions relating to the same subject matter shall be construed as restatements and continuations thereof and not as new enactments. To the extent this Ordinance or any portion or section of this Ordinance is determined invalid or unconstitutional, such portions of Ordinance No. 296 shall remain in effect and such rates and charges due thereunder for any categories of users shall remain due and payable as if those portions of Ordinance No. 296 had not been repealed.

With respect, however, to violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of this Ordinance, under any chapter, ordinance, or part of an

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ordinance, such chapter, ordinance or part of an ordinance shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability or appeal.

Section 3

This Ordinance shall be a general regulation of Central San and shall be published once in the *Contra Costa Times* and *San Ramon Valley Times*, newspapers of general circulation within Central San, and shall be effective on July 1, 2018.

PASSED AND ADOPTED this 7th day of June 2018, by the Board of Directors of the Central Contra Costa Sanitary District by the following vote:

AYES: Members:

NOES: Members:

ABSENT: Members:

James A. Nejedly
President of the Board of Directors
Central Contra Costa Sanitary District
County of Contra Costa, State of California

COUNTERSIGNED:

Katie Young
Secretary of the District
Central Contra Costa Sanitary District
County of Contra Costa, State of California

Approved as to form: _____
Kenton L. Alm, Esq.
Counsel for the District

EXHIBIT "A"

**SCHEDULE OF CAPACITY FEES, RATES, AND CHARGES
(Uncodified)**

The Capacity Fees, Rates, and Charges listed below were established by Central Contra Costa Sanitary District Ordinance No. ___ adopted June 1, 2018. These fees, rates, and charges shall be applied to all new connections or added burdens for which fees become due and payable on or after July 1, 2018 in accordance with the provisions of District Code Chapter 6.12.

Gravity Capacity Fee	\$6,700 / RUE*
Pumping Capacity Fee	\$1,636 / RUE

*A residential unit equivalent (RUE) is a measure of sewage volume and strength equivalent to a typical residential household.

Gravity Zone Fee (Zone 1)	=	Gravity Capacity Fee
Pumped Zone Fee (Zone 2)	=	Gravity Capacity Fee + Pumping Capacity Fee

Residential Unit Equivalence (RUE) Factors⁽¹⁾					
Number of RUE = Unit of Measure Count Multiplied by the RUE Factor					
Use Code	User Group	Unit of Measure ⁽²⁾	Gravity Capacity Fee RUE Factor	Pumping Capacity Fee RUE Factor	Eligible for Capacity Use Charge Program
LU	Single-family residences	Dwelling Unit	1.000	1.000	
LA	Multiple-family residences, apartments	Dwelling Unit	0.847	0.847	
LD	Duplex	Dwelling Unit	0.847	0.847	
LM	Mobile homes	Dwelling Unit	0.847	0.847	
LT	Condominium	Dwelling Unit	0.847	0.847	
LS	Accessory structure connected to sewer on same parcel with Single-family residence (not meeting Accessory Dwelling Unit ⁽³⁾ criteria)	Dwelling Unit	0.847	0.847	
LE	Accessory Dwelling Unit ⁽³⁾ – within existing space	Dwelling Unit	0	0	
LN	Accessory Dwelling Unit ⁽³⁾ – new structure	1,000 sq. ft.	0.425	0.425	
LC	Common areas	1,000 sq. ft.	0.200	0.200	

SCHEDULE OF CAPACITY FEES, RATES AND CHARGES - CONTINUED

Residential Unit Equivalence (RUE) Factors⁽¹⁾

Number of RUE = Unit of Measure Count Multiplied by the RUE Factor

Use Code	User Group	Unit of Measure ⁽²⁾	Gravity Capacity Fee RUE Factor	Pumping Capacity Fee RUE Factor	Eligible for Capacity Use Charge Program
AB	Auto body/painting	1,000 sq. ft.	0.484	0.467	
AD	Auto dealerships	1,000 sq. ft.	0.484	0.467	
AL	Aircraft services	1,000 sq. ft.	0.484	0.467	
AR	Auto repair/maintenance	1,000 sq. ft.	0.484	0.467	
AS	Service stations	1,000 sq. ft.	0.484	0.467	
BT	Transportation services	1,000 sq. ft.	0.432	0.467	
AC	Car washes	1,000 sq. ft.	21.127	22.829	yes
AW	Car washes with recycling	1,000 sq. ft.	3.522	3.805	yes
BB	Barbers / beauty salons / pet grooming	1,000 sq. ft.	0.725	0.783	
BC	Dry cleaners, no laundry	1,000 sq. ft.	0.259	0.279	
BR	Retail sales	1,000 sq. ft.	0.259	0.279	
BE	Equipment repair / repair services	1,000 sq. ft.	0.228	0.247	
BK	Contractors / business services	1,000 sq. ft.	0.228	0.247	
BN	Nurseries / lumberyards	1,000 sq. ft.	0.228	0.247	
IL	Light industrial	1,000 sq. ft.	0.228	0.247	
BH	Meeting halls / studios	1,000 sq. ft.	0.290	0.313	
EA	Auditoriums / theaters	1,000 sq. ft.	0.290	0.313	
EC	Cinemas	1,000 sq. ft.	0.290	0.313	
EM	Entertainment	1,000 sq. ft.	0.290	0.313	
EB	Bowling alleys	1,000 sq. ft.	0.311	0.336	
BZ	Miscellaneous commercial	1,000 sq. ft.	0.510	0.551	
EG	Golf courses / country clubs	1,000 sq. ft.	1.166	1.391	
EH	Health clubs / spas	1,000 sq. ft.	1.166	1.391	
ET	Tennis clubs	1,000 sq. ft.	1.166	1.391	
IW	Warehouses	1,000 sq. ft.	0.136	0.147	
BM	Markets	1,000 sq. ft.	0.556	0.601	
BS	Supermarkets	1,000 sq. ft.	0.880	0.601	
BX	Shopping centers	1,000 sq. ft.	1.057	1.142	
OB	Business offices	1,000 sq. ft.	0.295	0.319	
OF	Financial institutions / banks	1,000 sq. ft.	0.295	0.319	
OG	Government offices	1,000 sq. ft.	0.295	0.319	
OS	Fraternal / service offices	1,000 sq. ft.	0.295	0.319	
OM	Medical offices	1,000 sq. ft.	0.637	0.688	
OV	Veterinary clinics	1,000 sq. ft.	0.637	0.688	
RD	Delicatessens	1,000 sq. ft.	1.166	1.294	
RN	Bars	1,000 sq. ft.	1.166	1.294	

SCHEDULE OF CAPACITY FEES, RATES AND CHARGES - CONTINUED					
Residential Unit Equivalence (RUE) Factors⁽¹⁾					
Number of RUE = Unit of Measure Count Multiplied by the RUE Factor					
Use Code	User Group	Unit of Measure⁽²⁾	Gravity Capacity Fee RUE Factor	Pumping Capacity Fee RUE Factor	Eligible for Capacity Use Charge Program
RI	Ice cream parlors	1,000 sq. ft.	1.166	1.294	
RY	Yogurt shops	1,000 sq. ft.	1.166	1.294	
RS	Restaurants (dine-in)	1,000 sq. ft.	4.010	2.738	yes
RT	Restaurants (take-out)	1,000 sq. ft.	4.010	2.738	yes
RC	Patio seating in excess of 300 square feet ⁽⁴⁾ , banquet facilities	1,000 sq. ft.	1.166	0.825	
RB	Bakeries (retail)	1,000 sq. ft.	4.061	2.178	yes
BL	Laundromats	1,000 sq. ft.	13.506	14.594	yes
SF	Skilled nursing facilities	1,000 sq. ft.	2.216	2.347	yes
FE	Residential care facilities for the elderly	1,000 sq. ft.	0.932	0.987	
HP	Hospitals	1,000 sq. ft.	2.891	3.124	
LH	Hotels / motels	1,000 sq. ft.	1.926	1.272	
CH	Churches	1,000 sq. ft.	0.242	0.261	
Private and Public Schools (Use codes SD, SE, SH, SI, SU)					
	Schools with cafeteria and gym / showers	Classroom	0.860	1.000	
	Schools with gym / showers and no cafeteria	Classroom	0.774	0.900	
	Schools with cafeteria and no gym / showers	Classroom	0.516	0.600	
	Schools without cafeteria or gym / showers	Classroom	0.430	0.500	

(1) Fees for multi-use buildings shall be determined by considering each use separately.

(2) "Unit-of-measure" shall mean the basic unit that quantifies the degree of use of a particular parcel (e.g. dwelling unit, square footage). Square footage of an improvement shall be based upon the gross exterior dimensions of the structure.

(3) Accessory Dwelling Units are 1,200 sq. ft. maximum and meet criteria of Gov't Code Sect 65852.2.

(4) Patio seating capacity fees charged for patios at Dine-in Restaurants (RS) and Bars (RN).

SCHEDULE OF CAPACITY FEES, RATES AND CHARGES – CONTINUED

Special Studies

The fees for Special Studies shall be as established in the Schedule of Environmental and Development-Related Fees, Rates, and Charges pursuant to the provisions of Chapter 6.30 of the District Code.

The following user groups require a special study to determine the appropriate capacity fees. Administrative fees to conduct special studies for these user groups shall be waived.

Use Code	User Group
BP	Parking lots
CM	Cemeteries
MO	Mortuaries with embalming or cremation facilities
EP	Parks / playgrounds
ES	Swimming pools
EF	Large fitness / athletic clubs
LR	Residence hotels
IE	Electronic industries
IH	Heavy industries
IP	Permitted industries
IR	Laboratories / research facilities
--	Improvements with garbage disposals
--	Public facilities
--	Special billings
--	Utilities

Values for use in the RUE formula in Section 6.12.050(D)(2) shall be:

FLORU	=	200 gpd
BODRU	=	200 mg/l
TSSRU	=	215 mg/l
A	=	0.69
B	=	0.14
C	=	0.17

SCHEDULE OF CAPACITY FEES, RATES AND CHARGES – CONTINUED

Capacity Use Charge Program

The minimum "initial payment" threshold gravity capacity fee RUE factor shall be 1.166 RUE/per one thousand square feet.

Use Code	User Group	Capacity Charge "Initial Payment"		Capacity Use Charge Rates	
		Gravity Capacity Fee RUE Factor (RUE/1,000 Sq. Ft.)	Pumping Capacity Fee RUE Factor (RUE/1,000 Sq. Ft.)	Current Year (\$/Month 1,000 Sq. Ft.)	Annual (\$/HCF)
AC	Car washes	1.166	22.829	\$1,147.51	\$6.18
AW	Car washes with recycling	1.166	3.805	\$ 135.44	\$4.38
BL	Laundromats	1.166	14.594	\$ 709.40	\$5.98
HP	Hospitals	1.166	3.124	\$ 99.17	\$3.90
LH	Hotel/Motel	1.166	1.926	\$ 43.69	\$4.22
RB	Bakeries (retail)	1.166	2.178	\$ 166.43	\$9.39
RS	Restaurants (dine-in)	1.166	2.738	\$ 163.49	\$7.34
RT	Restaurants (paper service / no dishwashers)	1.166	2.738	\$ 163.49	\$7.34
SF	Skilled nursing facilities	1.166	2.347	\$ 60.36	\$3.10

The annual interest rate for calculation of capacity use charges shall be as established in the Schedule of Environmental and Development-Related Fees and Charges pursuant to the Provisions of Chapter 6.30 of the District Code.

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding the Capacity Fee Update March 27, 2018

INTRODUCTION

Central Contra Costa Sanitary District (Central San) charges a Capacity Fee when properties are first connected to our public sewer or when there is an expansion or change of use for non-residential properties. Each year this fee is updated based on changes to the value of our assets and the number of Central San's customers. This memo summarizes the basis for the Capacity Fee and presents the calculations for the updated fee.

BACKGROUND

The total value of Central San's existing assets (approximately \$1.9 billion) is much greater than the value of any future facilities expansion needed to accommodate future customers. While Central San's Fiscal Year (FY) 2017-18 proposed Capital Improvement Plan lists over \$800 million in projects over the next 10 years, most of these projects are for renovation, regulatory compliance, replacement or upgrading of facilities to maintain capacity for both current and prospective customers. Central San believes that our facilities generally have adequate capacity to serve both existing and future customers.

The Water Environment Federation's (WEF) *Manual of Practice 27, Financing and Charges for Wastewater Systems* defines several methods for calculating System Development Charges such as Central San's Capacity Fee. Central San uses the Equity Buy-in method and has used this methodology since 2001. Under this approach, new customers are charged at the same equity position as existing customers which is appropriate based on the level of assets, expansion, and capacity described above.

California Senate Bill 1760, enacted in September 1998, defines Capacity Charges for water and sewer agencies in Section 66013 of the California Government Code. The equity buy-in method defined by WEF and used by Central San conforms to the requirements contained in Section 66013.

Central San's Capacity Fee methodology and calculations were reviewed by Black & Veatch in the fall of 2017. Their March 2, 2018, report titled *Wastewater Capacity Fee Review Study* made the following findings:

- The equity-buy-in methodology used by Central San is appropriate.
- Central San's use of Replacement Cost Less Depreciation (RCLD) is appropriate.
- The exclusion of contributed assets from the calculation is appropriate to avoid double recovery of assets.
- The use of different service zones for gravity and pumped zones is appropriate.

Capacity Fee Update Report
Page 2
March 27, 2018

CALCULATION APPROACH

The Capacity Fee is adjusted each year to reflect the changes in the value of Central San's assets. It is calculated using the equity buy-in approach which divides the value of Central San's assets by the current number of Residential Unit Equivalents (RUEs) to determine the fee. The calculated value of Central San's assets is determined as follows:

- Land: The current value of investments in real property is estimated based on the opportunity value of like cash investments deposited in Central San's temporary investments at the time of each purchase and held at interest to the present, rather than by attempting to determine actual market value.
- Facilities: The current value of investments in physical facilities is estimated by escalating each year's facilities expenditures based on the change in the *Engineering News Record* Construction Cost Index for the San Francisco Bay Area (ENR CCI-SF) and then applying straight-line depreciation using the life cycles in Table 3 with no salvage value.

Note that a category for "Mains (Renovation Program)" is included in the current value of facilities for determination of Capacity Fees. This category accounts for Central San's significant investment since 1988 in life-cycle replacement and renovation of sewers 10-inches in diameter and smaller. This work renews capacity in these smaller sewers for the benefit of both existing and new connectors and reduces future maintenance costs.

- Fund Balances: Prior fiscal year ending balances for the Sewer Construction, Running Expense, Debt Service and Self Insurance Funds are used. The Sewer Construction Fund Balance is reduced by the principal value of Central San's outstanding debt.

Contributed assets are generally not included in the calculation in order to avoid double recovery of costs, as described in *Manual of Practice 27*.

After estimating the current value for an asset category, the component of the Capacity Fee attributable to that category is calculated by dividing current value by the current number of customers as shown below. The number of customers is determined by calculating the number of RUEs.

$$\text{Equity Buy-in Fee} = \frac{\text{Value of Assets}}{\text{Number of Customers (RUEs)}}$$

Capacity Fee Update Report
 Page 3
 March 27, 2018

RECOMMENDED CAPACITY FEE

Staff recommends that the Board adopt Capacity Fees for FY 2018-19 by applying the valuation approach and facilities life cycles described above. The updated fees are:

Fee Category	Current	Proposed	% Change
Gravity Service	\$6,300 per RUE	\$6,700 per RUE	6.3%
Pumping Service	\$7,939 per RUE	\$8,336 per RUE	5.0%

The recommended fee calculation approach is a rational, practical, equitable and defensible method to determine the financial burden of new connections. A breakdown of the proposed Capacity Fees by asset category is presented in Table 1. Table 2 shows a comparison of the proposed Capacity Fees to the fees charged by neighboring agencies. The service life assumptions for each asset category are included in Table 3.

Attached Supporting Documents:

1. *Table 1 – Capacity Fees Calculation*
2. *Table 2 – Comparison of Capacity Fees*
3. *Table 3 – Average Useful Service Life*

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding Capacity Fee Update

Table 1 - Capacity Fees Calculation - FY 2018-19
(Buy-in to all assets. Values through 06/30/2017)

Asset Category	Asset Value ¹	Value per RUE ² (\$/RUE)	FY 2017-18 Value per RUE	Change (\$)	Change (%)
Land	\$50,891,879	\$301	\$292	\$9	3.1%
Facilities					
Treatment Plant/Outfall (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$354,243,285	\$2,095	\$1,998	\$97	4.9%
Recycled Water Facilities (75% @ 50 yrs + 25% @ 30 yrs)	\$18,621,970	\$110	\$106	\$4	3.8%
Collection System					
Trunks and Interceptors (30% @ 150 yrs + 70% @ 100 yrs)	\$338,991,159	\$2,005	\$1,893	\$112	5.9%
Contributed Mains (100% @ 75 yrs)	\$658,442,000		<i>not included</i>		
District Renovated Mains (100% @ 100 yrs)	\$212,349,324	\$1,256	\$1,167	\$89	7.6%
Pumping Stations (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$81,061,594	\$1,636 ³	\$1,639	(\$3)	-0.2%
General Improvements (Buildings, Equipment, etc.) (50% @ 50 yrs + 35% @ 25 yrs + 15% @ 10 yrs)	\$66,786,528	\$395	\$383	\$12	3.1%
Major Repairs (100% @ 10 yrs)	\$11,586,433	\$69	\$64	\$5	7.8%
Sewer Construction Fund Balance (net of outstanding debt)	\$35,405,400	\$209	\$170	\$39	22.9%
Running Expense Fund & Debt Service Fund Balances	\$38,115,613	\$225	\$196	\$29	14.8%
Self Insurance Fund Balance	\$5,858,682	\$35	\$31	\$4	12.9%
TOTAL VALUE:	\$1,872,353,868				
Capacity Fee - Gravity Service	\$1,132,850,273	\$6,700	\$6,300	\$400	6.3%
Capacity Fee - Pumped Service	\$1,213,911,868	\$8,336 ⁴	\$7,939	\$397	5.0%

169,113 Total Residential Unit Equivalents (RUEs)
49,196 Pumped Zone RUEs

Notes:

1. Original cost escalated to current dollars less depreciation except land which is original cost escalated by opportunity cost
2. Asset value divided by total RUEs unless otherwise noted
3. Pumped component equals asset value divided by pumped zone RUEs
4. Gravity Service Capacity Fee plus pumped component

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding Capacity Fee Update

Table 2 – Comparison of Capacity Fees

AGENCY	CAPACITY FEE
Dublin San Ramon Services District	\$17,470
Mt View Sanitary District	\$9,371
Proposed CCCSD Pumped Zone	\$8,336
Current CCCSD Pumped Zone	\$7,939
Antioch (Delta Diablo Sanitation District for Treatment)	\$7,836
Proposed CCCSD Gravity Zone	\$6,700
Current CCCSD Gravity Zone	\$6,300
Concord	\$5,043
West County Wastewater District	\$5,744
Pittsburg (Delta Diablo Sanitation District for Treatment)	\$4,358
Bay Point (Delta Diablo Sanitation District for Treatment)	\$3,940

Based on publicly available data as of March 27, 2018

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding the Capacity Fee Update

Table 3 - Average Useful Service Life

Gravity Sewers

Interceptors	150 years
Trunks	100 years
Mains (Renovated by District)	100 years

Treatment Plant & Pumping Station Facilities

Tanks/Foundations	100 years
Buildings	75 years
Mechanical, Electrical & Control Equipment	30 years

Recycled Water Facilities

Pipelines	50 years
Mechanical, Electrical & Control Equipment	30 years

General Improvements

Buildings	50 years
Mechanical/Electrical Equipment and Furnishings	25 years
Vehicles and other Equipment	10 years

Major Repairs/Replacements	10 years
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ORDINANCE NO. ____

AN ORDINANCE OF THE CENTRAL CONTRA COSTA SANITARY DISTRICT
ADOPTING AN UNCODIFIED SCHEDULE OF
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES
IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.30

WHEREAS, the Board of Directors (Board) of the Central Contra Costa Sanitary District (Central San) finds that Central San incurs substantial costs to provide various environmental and development services, such as, but not limited to, administration and processing of annexations, customer assistance at the permit counter, plan review and inspection for sewer line installation, alteration, replacement and repair, the inclusion of new information on Central San's maps, administration and permit inspection related to the Source Control Program, permitting of septage and grease haulers, and treatment of grease and septage at the treatment plant; and

WHEREAS, the Board finds that it is necessary to charge customers and other users of Central San's services to recover the reasonable cost of providing said services; and

WHEREAS, Central San staff has comprehensively analyzed the actual cost of providing the various environmental and development services listed above based on direct costs, staff costs and overhead for time and effort incurred to provide listed services; and

WHEREAS, the Board finds that the Schedule of Environmental and Development-Related Fees and Charges, as reflected in Exhibit "A" to this Ordinance, reasonably represents the actual costs to provide the services delineated in said Schedule of Fees and Charges; and

WHEREAS, the Board finds that this action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a)(1) and (3) of the State CEQA Guidelines, in that the Fees and Charges are being charged merely to reimburse Central San for staff costs and expenses.

NOW, THEREFORE, the Board of Directors of the Central Contra Costa Sanitary District does hereby ordain as follows:

Section 1 (To be uncodified)

The Schedule of Environmental and Development-Related Fees and Charges as set forth in full in Exhibit "A" to this Ordinance, which exhibit is hereby incorporated in full herein by this reference, is hereby adopted in uncodified form pursuant to the provisions of District Code Chapter 6.30. As of the effective date of this Ordinance, the fees and charges for each environmental and development service shall be as set forth in said schedule, and shall remain in effect until amended or replaced by ordinance.

Ordinance No. ____
Page 2 of 2
Central Contra Costa Sanitary District

Section 2

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are repealed. The provisions of this Ordinance, insofar as they are substantially the same as existing provisions relating to the same subject matter shall be construed as restatements and continuations thereof and not as new enactments. To the extent this Ordinance or any portion or section of this Ordinance is determined invalid or unconstitutional, such portions of Ordinance No. 297 shall remain in effect and such Fees and Charges due thereunder for any categories of users shall remain due and payable as if those portions of Ordinance No. 297 have not been repealed.

With respect, however, to violations, rights accrued, liabilities accrued, or appeals taken, prior to the effective date of this Ordinance, under any chapter, ordinance, or part of an ordinance, such chapter, ordinance or part of an ordinance shall be deemed to remain in full force for the purpose of sustaining any proper suit, action, or other proceedings, with respect to any such violation, right, liability or appeal.

Section 3

This Ordinance shall be a general regulation of Central San and shall be published in the *Contra Costa Times* and *San Ramon Valley Times*, newspapers of general circulation, published and circulated within Central San and shall be effective as of July 1, 2018.

PASSED AND ADOPTED by the Board of Directors of the Central Contra Costa Sanitary District on the 7th day of June, 2018, by the following vote:

AYES: Members:
NOES: Members:
ABSENT: Members:

James A. Nejedly
President of the Board of Directors
Central Contra Costa Sanitary District
County of Contra Costa, State of California

COUNTERSIGNED:

Katie Young
Secretary of the District
Central Contra Costa Sanitary District
County of Contra Costa, State of California

Approved as to form: _____
Kenton L. Alm, Esq.
Counsel for the District

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2018-19
(uncodified)

This Schedule of Environmental and Development-Related Rates and Charges, to be effective July 1, 2018, was established by the Central Contra Costa Sanitary District Ordinance No. 302, adopted June 1, 2018.

Fee Category	Amount
(A) DEVELOPMENT AND PLAN REVIEW <i>Review of new sewer plans and related documents; review of plans for and processing of residential and commercial permit applications; installer reimbursement of sewer construction costs from subsequent connectors; identification of right-of-way conflicts.</i>	
(A-1) Development Review:	
Mainline Plan Review (actual cost):	
Base Fee (minimum charge - includes four hours of plan review)	\$3,764
Each additional hour in excess of base fee	\$190
Special Cut Sheet Review	\$378
Manhole only design & plan review	\$1,382
Right of Way Document Review - IOD / Sub Map (each):	\$835
Right of Way Document Review - No Changes Required	\$533
Right of Way document review - Appurtenance (initial):	\$740
Appurtenance (each additional)	\$285
(A-2) Application Fees	
Overflow Protection Device Installation (OPD only)	no charge
Side Sewer Cleanout installation (to facilitate installation of OPD only; permit not upgradable)	\$25
Basic Application (side sewer work, easement staking, permit renewal)	\$153
Existing parcel - new sewer service	\$248
New parcel - new sewer service	\$331
Commercial Application (includes up to one hour of plan review)	\$368
Commercial Application Plan Review - Add'l hours, covers review of plans for a change in use or expansion of a commercial facility, time in excess of one hour	\$174
Capacity Use Program	\$506
Capacity Fee Installment Program and Promissory Note Program	\$506
(A-3) Reimbursement Accounts:	
Set-up fee	\$1,464
Transaction fee	\$221
(A-4) Special Studies	
Base fee (4 hours plus misc. costs)	\$781
Each additional hour	\$171
Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,017
Source Control Business Review - each additional hour in excess of four hour base fee for plan review, site visit and inspection time	\$207
Grease Variance Review (includes site visit)	\$401
Site Collector Plan Check	\$473
Source Control Enforcement Review and Inspection	\$566
(A-5) Private pumping system plan check - Commercial (Outside Force Main)	\$809
Additional Review	\$367
Private pumping system plan check - Residential	\$424
(A-6) Annexation Fee	\$609
(A-7) Special Approvals	\$426

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2018-19
(uncodified)

(B) CONSTRUCTION INSPECTION

Inspection of new sewer main construction and new connections and other sewer work on private property (includes TV inspection when appropriate).

(B-1)	Mainline Inspection (contributed assets):	
	Base Fee	\$915
	Per Foot Charge (in street)	\$14.38
	Per Foot Charge (in undeveloped land)	\$9.77
	New Manhole, Rodding Inlet	\$972
(B-2)	Inspections by type:	
	Overflow Protection Device installation (OPD only)	no charge
	Side Sewer Cleanout installation (to facilitate installation of OPD only)	\$50
	Side Sewer Installation / Repair per 100 feet:	\$243
	Single Inspection Charge (e.g. sewer connection; encroachment verification; side sewer cap on property; tap and lateral (new or replacement); air test; reinspection; homeowner preconstruction inspection)	\$243
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$486
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$729
	Outside pump installation	\$972
	New Manhole or Rodding Inlet (private)	\$972
	Grease / Sand / Oil Interceptor	\$1,458
(B-3)	Overtime inspection:	
	First Hour (if responding from off-site)	\$123
	Every hour thereafter	\$80
	Weekend/Holiday (New Year's Day, Martin Luther King, President's Day, Memorial Day, July 4th, Labor Day, Veteran's Day, Thanksgiving, Christmas) - 4 hr. minimum	\$363
(B-4)	Inspection of non-permitted work (+ avoided charge)	\$1,147

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2018-19
(uncodified)

Fee Category	Application
<p>(B-5) INSPECTION CHARGES FOR NEW CONNECTIONS (Informational Only) <i>The following fees have been in effective since July 1, 2014. This information is to clarify how fees are applied and charged for new connections. This procedure coincides with the 2014 Update to the CCCSD Standard Specifications.</i></p> <p>Current procedure at the Permit Counter is to collect all connection and inspection fees for new construction when a structure's roof is on and the rough plumbing is installed ("Roof and Rough"). Under the new procedure, a developer can choose to:</p> <ol style="list-style-type: none"> 1. Connect at Roof and Rough, or 2. Connect at building foundation following the procedures outlined in the 2014 Edition of the Standard Specifications. <p>For either scenario, connection fees will be due and payable prior to permit issuance (<i>consistent with CCCSD Standard Specifications Ed. 2011; Section 3-07 Payment of Fees and Charges.</i>)</p> <p>The changes affect Category (B) Construction Inspection Section (B-2) and are shown below:</p>	
<p>Residential Connections (up to and including four units) at Roof and Rough: This fee is for inspection of new residential units connecting to CCCSD's mainline after the structure's roof is on and the rough plumbing has been installed. This fee includes: one building connection inspection and one side sewer inspection (up to 100 feet). Additional inspections and related fees may be required.</p>	<p>\$486 per unit</p>
<p>Residential Connections (up to and including four units) at building foundation: This fee is for inspection of new residential units connecting to CCCSD's mainline prior to structure being roofed and rough plumbing being installed. This fee includes: one building connection inspection, one side sewer inspection (up to 100 feet), and two additional inspections as required per CCCSD Standard Specifications. Additional inspections and related fees may be required.</p>	<p>\$972 per unit</p>
<p>Commercial/Multiple Residential Connections (more than four units) at Roof and Rough: This fee is for inspection of new commercial or multiple residential units connecting to CCCSD's mainline after structure's roof is on and the rough plumbing has been installed. This fee includes: one building connection inspection and one side sewer inspection (up to 100 feet). Additional inspections and related fees may be required.</p>	<p>\$486 per unit</p>
<p>Commercial/Multiple Residential Connections (more than four units) at building foundation: This fee is for inspection of new commercial or multiple residential units connecting to CCCSD's mainline prior to structure being roofed and rough plumbing being installed. This fee includes: one building connection inspection, one side sewer inspection (up to 100 feet), one pre-construction meeting, and two additional inspections as required per CCCSD Standard Specifications. Additional inspections and related fees may be required.</p>	<p>\$1,215 per unit</p>

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2018-19
(uncodified)

Fee Category	Amount
(C) COLLECTION SYSTEM SERVICES <i>TV inspection of sewers conducted separate from a construction inspection activity; verification of sewer location and sewer service connection.</i>	
(C-1) TV Inspection:	
Weekday, hourly rate	\$294
Minimum Charge (2 hour minimum)	\$588
Overtime - First Hour	\$180
Overtime - Each Additional Hour	\$140
Overtime - Weekend / Holiday (4 hour minimum)	\$600
(C-2) Dye test	\$363
(C-3) Collection system repair	Actual Expense
(C-4) Cancelled TV Inspection without prior notice	\$537
(C-5) Sewer locating and marking	\$333
(D) RIGHT-OF-WAY <i>Establishing right-of-way agreements and resolving conflicts.</i>	
(D-1) Process Quitclaim Deeds	\$1,417
Process Quitclaim Deed - plat and legal by others	\$848
(D-2) Process Real Property Agreement, License, or Easement	
Base Fee (minimum charge)	\$1,164
Each Additional Hour (after 2 hours)	\$183
(D-3) Right-of-way Research / Encroachment Resolution Fee	Actual Expense
(D-4) Right of Entry / Encroachment Permit Fee	\$261
(E) MISCELLANEOUS <i>District services provided for private sewer projects; interest rates for CCCSD programs; copying fees.</i>	
(E-1) Engineering - private sewer projects	Actual Expense
(E-2) Soil evaluation - private sewer projects	Actual Expense
(E-3) Surveying	Actual Expense
(E-4) Minimum annual interest rate for CADs and Capacity Use Program	6.00%
(E-5) Document / Plan Copying Fees	
8 1/2" x 11"; 8 1/2" x 14"; 11" x 17" (per sheet)	\$0.15
24" x 36" Plan (per sheet)	\$3.00
CCCSD Standard Specifications	\$20.00
(E-6) Multiplier to be applied to Alhambra Valley Assessment District (AVAD) 2010-11 Parcel Assessment Amount listed in Ordinance 262-Exhibit B to determine AVAD Reimbursement Fee amounts applicable to connections in 2018-19.	1.04592
(E-9) Multiplier to be applied to St. Mary's Road Contractual Assessment District (CAD) 2011-1 Reimbursement Fees listed in Ordinance 279-Exhibit B. Applicable to connections in 2018-19	0.95226

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2018-19
(uncodified)

Fee Category		Amount
(F) INDUSTRIAL PERMIT FEES <i>Permitting and inspection of industries and other commercial dischargers to ensure availability and use of pretreatment processes.</i>		
(F-1)	Class I Fees	Base permit fee of \$3,450 + cost of District's lab analysis
(F-2)	Class II Fees	Base permit fee of \$3,450 + cost of District's lab analysis
(F-3)	Class III Fees	\$0
(F-4)	Industrial user permit application fee	\$0
(F-5)	Special discharge permit application fee (*)	
	No on-site inspection, no Capacity Review	\$335
	On-site inspection	\$812
	Additional charge for Capacity Review (Required for discharges >50 gpm)	\$259
(G) SEPTAGE DISPOSAL (**) <i>Sampling and disposal of septic waste and grease.</i>		
(G-1)	Annual permit fee	\$1,404
(G-2)	Residential septic/toilet waste	
	< 2,000 gallons	\$40 + \$0.15/gal.
	> 2,000 gallons	\$80 + \$0.15/gal.
(G-3)	Restaurant grease waste	
	< 2,000 gallons	\$40 + \$0.03/gal.
	> 2,000 gallons	\$80 + \$0.03/gal.
(*) Additional charges to be billed separately if staff time incurred is above that included in the base fee.		
(**) Other approved waste will be charged at the residential septic and portable toilet waste rate unless actual strength characteristics are provided.		

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding Environmental and Development-Related Fees and Charges Update April 17, 2018

OVERVIEW

The Central Contra Costa Sanitary District (Central San) Board of Directors will soon consider adopting an ordinance to revise Chapter 6.30, Schedule of Fees and Charges, for various environmental and development services.

BACKGROUND

Chapter 6.30 of the District Code includes a schedule of fees and charges for environmental and development services provided to property owners, contractors, developers, septic and grease waste haulers, and permitted industrial users. These services include permitting; plan review; inspection of construction for side sewers and main line extensions; addition of new sewers, parcels, and permit information to Central San's maps; source control permits and inspections; and septic and grease hauler sampling and treatment.

These fees and charges are intended to recover Central San's direct and indirect labor costs, other operating expenses, and administrative overhead incurred in providing the services. The last update to these fees was on June 1, 2017. Central San staff reviews the fees and the costs to provide the corresponding services annually to assess whether changes are appropriate.

The State of California mandates that fees and charges not exceed the cost of providing the service for which a fee or charge is levied.

PROPOSED FEES AND CHARGES

For Fiscal Year (FY) 2018-19, staff is recommending changes to the Schedule of Fees and Charges based on recovering the cost for the service provided, taking into consideration relevant operating costs, including current labor costs and updated mileage costs. A comparison of the current and proposed fees and charges is shown in Attachment 1.

Fee Increases

The Alhambra Valley Contractual Assessment District (AVAD) multiplier and the St. Mary's Road Contract Assessment District (CAD) multiplier have a proposed increase of 0.754% which reflects the latest State of California Pooled Money Investment Account (PMIA) annual yield. The use of PMIA for the AVAD and St. Mary's Road CAD multipliers was specified at the time the fees were established.

Report Regarding Environmental and Development-Related Fees & Charges
Page 2
April 17, 2018

Fees charged for septage permits and disposal were reviewed to ensure the fees appropriately reflect Central San's time spent administering the service and treating the waste. The annual permit fee was reduced 24.7% to \$1,404 annually which better reflects actual time spent reviewing and processing the annual permits. The per-load septage disposal and treatment fees were increased by \$20 per load to better reflect the time spent by staff. The restaurant grease waste fee was increased by \$20 per load and \$0.01 per gallon.

The remaining fees with changes have proposed increases between 0.8% and 2.9% reflecting increases in Central San's labor costs and administrative overhead. The average increase of these fees (not including the changes to the septage and grease waste fees) is 1.5%. Variations in the number of labor hours, overtime hours, and mileage used as the basis for each fee are the source of the variability in the proposed increases.

SUMMARY

If the proposed revisions to the Schedule of Environmental and Development-Related Fees and Charges are adopted 16 charges will remain unchanged, 72 charges will increase, and one fee will decrease. Using the range of increases in attachment, staff estimates that increased revenue in the categories where increases to charges are recommended would be between \$18,000 and \$68,000. (Current year revenue for Environmental and Development-Related Fees and Charges is budgeted at just over \$2.3 million.)

Supporting Document:

Attachment 1 - Comparison of Current & Proposed Fees and Charges for FY 2018-19

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED FEES & CHARGES FOR FY 2018-19
D R A F T

	Fee Category	Current Fee	Proposed Fee	% Change
(A)	DEVELOPMENT AND PLAN REVIEW			
	<i>Review of new sewer plans and related documents; review of plans for and processing of residential and commercial permit applications; installer reimbursement of sewer construction costs from subsequent connectors; identification of right-of-way conflicts.</i>			
(A-1)	Development Review:			
	Mainline Plan Review (actual cost):			
	Base Fee (minimum charge - includes four hours of plan review)	\$3,717	\$3,764	1.3%
	Each additional hour in excess of base fee	\$188	\$190	1.1%
	Special Cut Sheet Review	\$373	\$378	1.3%
	Manhole only design & plan review	\$1,364	\$1,382	1.3%
	Right of Way Document Review - IOD / Sub Map (each):	\$824	\$835	1.3%
	Right of Way Document Review - No Changes Required	\$526	\$533	1.3%
	Right of Way document review - Appurtenance (initial):	\$730	\$740	1.4%
	Appurtenance (each additional)	\$281	\$285	1.4%
(A-2)	Application Fees:			
	Overflow Protection Device Installation (OPD only)	no charge	no charge	no change
	Side Sewer Cleanout installation (to facilitate installation of OPD only; permit not upgradable)	\$25	\$25	no change
	Basic Application (side sewer work, easement staking, permit renewal)	\$151	\$153	1.3%
	Existing parcel - new sewer service	\$245	\$248	1.2%
	New parcel - new sewer service	\$328	\$331	0.9%
	Commercial Application (includes up to one hour of plan review)	\$364	\$368	1.1%
	Commercial Application Plan Review - Additional hours, covers review of plans for a change in use or expansion of a commercial facility, time in excess of one hour	\$172	\$174	1.2%
	Capacity Use Charge Program	\$499	\$506	1.4%
	Capacity Fee Installment Program and Promissory Note Program	\$499	\$506	1.4%
(A-3)	Reimbursement Accounts:			
	Set-up fee	\$1,444	\$1,464	1.4%
	Transaction fee	\$218	\$221	1.4%
(A-4)	Special Studies:			
	Base fee (4 hours plus misc. costs)	\$770	\$781	1.4%
	Each additional hour	\$168	\$171	1.8%
	Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,002	\$1,017	1.5%
	Source Control Business Review - each additional hour in excess of four hour base fee for plan review, site visit and inspection time	\$204	\$207	1.5%
	Grease Variance Review (includes site visit)	\$396	\$401	1.3%
	Site Collector Plan Check	\$467	\$473	1.3%
	Source Control Enforcement Review and Inspection	\$559	\$566	1.3%
(A-5)	Private pumping system plan check - Commercial (Outside Force Main)	\$800	\$809	1.1%
	Additional Review	\$363	\$367	1.1%
	Private pumping system plan check - Residential	\$419	\$424	1.2%
(A-6)	Annexation Fee	\$600	\$609	1.5%
(A-7)	Special Approvals	\$421	\$426	1.2%

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED RATES & CHARGES FOR FY 2018-19
D R A F T

(B) CONSTRUCTION INSPECTION				
<i>Inspection of new sewer main construction and new connections and other sewer work on private property (includes TV inspection when appropriate).</i>				
(B-1)	Mainline Inspection (contributed assets):			
	Base Fee	\$905	\$915	1.1%
	Per Foot Charge (in street)	\$14.17	\$14.38	1.5%
	Per Foot Charge (in undeveloped land)	\$9.63	\$9.77	1.5%
	New Manhole, Rodding Inlet	\$960	\$972	1.3%
(B-2)	Inspections by type:			
	Overflow Protection Device installation (OPD only)	no charge	no charge	no change
	Side Sewer Cleanout installation (to facilitate installation of OPD only)	\$50	\$50	no change
	Side Sewer Installation / Repair per 100 feet:	\$240	\$243	1.3%
	Single Inspection Charge (e.g. sewer connection; encroachment verification; side sewer cap on property; tap and lateral (new or replacement); air test; reinspection; homeowner preconstruction inspection)	\$240	\$243	1.3%
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$480	\$486	1.3%
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$720	\$729	1.3%
	Outside pump installation	\$960	\$972	1.3%
	New Manhole or Rodding Inlet (private)	\$960	\$972	1.3%
	Grease / Sand / Oil Interceptor	\$1,440	\$1,458	1.3%
(B-3)	Overtime inspection:			
	First Hour (if responding from off-site)	\$120	\$123	2.5%
	Every hour thereafter	\$78	\$80	2.6%
	Weekend/Holiday (New Year's Day, Martin Luther King, President's Day, Memorial Day, July 4th, Labor Day, Veteran's Day, Thanksgiving, Christmas) - 4 hour minimum	\$354	\$363	2.5%
(B-4)	Inspection of non-permitted work (+ avoided charge)	\$1,133	\$1,147	1.2%

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED RATES & CHARGES FOR FY 2018-19
DRAFT

Fee Category	Application of Fee		
(B-5) INSPECTION CHARGES FOR NEW CONNECTIONS (Informational Only) <i>The following fees have been in effective since July 1, 2014. This information is to clarify how fees are applied and charged for new connections. This procedure coincides with the 2014 Update to the CCCSD Standard Specifications.</i> Current procedure at the Permit Counter is to collect all connection and inspection fees for new construction when a structure's roof is on and the rough plumbing is installed ("Roof and Rough"). Under the new procedure, a developer can choose to: 1. Connect at Roof and Rough, or 2. Connect at building foundation following the procedures outlined in the 2014 Edition of the Standard Specifications. For either scenario, connection fees will be due and payable prior to permit issuance (<i>consistent with CCCSD Standard Specifications Ed. 2011; Section 3-07 Payment of Fees and Charges.</i>) The changes affect Category (B) Construction Inspection Section (B-2) and are shown below:			
Residential Connections (up to and including four units) at Roof and Rough: This fee is for inspection of new residential units connecting to CCCSD's mainline after the structure's roof is on and the rough plumbing has been installed. This fee includes: one building connection inspection and one side sewer inspection (up to 100 feet). Additional inspections and related fees may be required.	\$480 per unit	\$486 per unit	1.3%
Residential Connections (up to and including four units) at building foundation: This fee is for inspection of new residential units connecting to CCCSD's mainline prior to structure being roofed and rough plumbing being installed. This fee includes: one building connection inspection, one side sewer inspection (up to 100 feet), and two additional inspections as required per CCCSD Standard Specifications. Additional inspections and related fees may be required.	\$960 per unit	\$972 per unit	1.3%
Commercial/Multiple Residential Connections (more than four units) at Roof and Rough: This fee is for inspection of new commercial or multiple residential units connecting to CCCSD's mainline after structure's roof is on and the rough plumbing has been installed. This fee includes: one building connection inspection and one side sewer inspection (up to 100 feet). Additional inspections and related fees may be required.	\$480 per unit	\$486 per unit	1.3%
Commercial/Multiple Residential Connections (more than four units) at building foundation: This fee is for inspection of new commercial or multiple residential units connecting to CCCSD's mainline prior to structure being roofed and rough plumbing being installed. This fee includes: one building connection inspection, one side sewer inspection (up to 100 feet), one pre-construction meeting, and two additional inspections as required per CCCSD Standard Specifications. Additional inspections and related fees may be required.	\$1200 per unit	\$1215 per unit	1.3%

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED RATES & CHARGES FOR FY 2018-19
DRAFT

Fee Category	Current Fee	Proposed Fee	% Change	
(C) COLLECTION SYSTEM SERVICES				
<i>TV inspection of sewers conducted separate from a construction inspection activity; verification of sewer location and sewer service connection.</i>				
(C-1)	TV Inspection:			
	Weekday, hourly rate	\$290	\$294	1.4%
	Minimum Charge (2 hour minimum)	\$580	\$588	1.4%
	Overtime - First Hour	\$175	\$180	2.9%
	Overtime - Each Additional Hour	\$136	\$140	2.9%
	Overtime - Weekend / Holiday (4 hour minimum)	\$583	\$600	2.9%
(C-2)	Dye test	\$359	\$363	1.1%
(C-3)	Collection system repair	Actual Expense	Actual Expense	no change
(C-4)	Cancelled TV Inspection without prior notice	\$530	\$537	1.3%
(C-5)	Sewer locating and marking	\$329	\$333	1.2%
(D) RIGHT-OF-WAY				
<i>Establishing right-of-way agreements and resolving conflicts.</i>				
(D-1)	Process Quitclaim Deeds	\$1,401	\$1,417	1.1%
	Process Quitclaim Deed - plat and legal by others	\$838	\$848	1.2%
(D-2)	Process Real Property Agreement, License, or Easement:			
	Base Fee (minimum charge)	\$1,150	\$1,164	1.2%
	Each Additional Hour (after 2 hours)	\$181	\$183	1.1%
(D-3)	Right-of-way Research / Encroachment Resolution Fee	Actual Expense	Actual Expense	no change
(D-4)	Right of Entry / Encroachment Permit Fee	\$257	\$261	1.6%
(E) MISCELLANEOUS				
<i>District services provided for private sewer projects; interest rates for CCCSD programs; copying fees.</i>				
(E-1)	Engineering - private sewer projects	Actual Expense	Actual Expense	no change
(E-2)	Soil evaluation - private sewer projects	Actual Expense	Actual Expense	no change
(E-3)	Surveying	Actual Expense	Actual Expense	no change
(E-4)	Minimum annual interest rate for CADs and Capacity Use Program	6.00%	6.00%	no change
(E-5)	Document / Plan Copying Fees:			
	8 1/2" x 11"; 8 1/2" x 14"; 11" x 17" (per sheet)	\$0.15	\$0.15	no change
	24" x 36" Plan (per sheet)	\$3.00	\$3.00	no change
	CCCSD Standard Specifications	\$20.00	\$20.00	no change
(E-6)	Multiplier to be applied to Alhambra Valley Assessment District (AVAD) 2010-11 Parcel Assessment Amount listed in Ordinance 262-Exhibit B to determine AVAD Reimbursement Fee amounts applicable to connections in FY 2018-19.	1.03810	1.04592	0.8%
(E-7)	Multiplier to be applied to St. Mary's Road Contractual Assessment District (CAD) 2011-1 Reimbursement Fees listed in Ordinance 279-Exhibit B. Applicable to connections in FY 2018-19.	0.94513	0.95226	0.8%

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED RATES & CHARGES FOR FY 2018-19
D R A F T

Fee Category		Current Fee	Proposed Fee	% Change
(F) INDUSTRIAL PERMIT FEES				
<i>Permitting and inspection of industries and other commercial dischargers to ensure availability and use of pretreatment processes.</i>				
(F-1)	Class I Fees	Base permit fee of \$3,450 + cost of District's lab analysis	Base permit fee of \$3,500 + cost of District's lab analysis	1.4%
(F-2)	Class II Fees	Base permit fee of \$3,450 + cost of District's lab analysis	Base permit fee of \$3,500 + cost of District's lab analysis	1.4%
(F-3)	Class III Fees	\$0	\$0	no change
(F-4)	Industrial user permit application fee	\$0	\$0	no change
(F-5)	Special discharge permit application fee (*):			
	No on-site inspection, no capacity review	\$330	\$335	1.5%
	On-site inspection	\$800	\$812	1.5%
	Additional charge for capacity review (Required for discharges >50 gpm)	\$255	\$259	1.6%
(G) SEPTAGE DISPOSAL (**)				
<i>Sampling and disposal of septic waste and grease.</i>				
(G-1)	Annual permit fee	\$1,865	\$1,404	-24.7%
(G-2)	Residential septic/toilet waste:			
	< 2,000 gallons	\$20 + \$0.15/gal	\$40 + \$0.15/gal.	6.3%
	> 2,000 gallons	\$60 + \$0.15/gal	\$80 + \$0.15/gal.	5.6%
(G-3)	Restaurant grease waste:			
	< 2,000 gallons	\$20 + \$0.02/gal	\$40 + \$0.03/gal.	66.7%
	> 2,000 gallons	\$60 + \$0.02/gal	\$80 + \$0.03/gal.	40.0%
(*) Additional charges to be billed separately if staff time incurred is above that included in the base fee.				
(**) Other approved waste will be charged at the residential septic and portable toilet waste rate unless actual strength characteristics are provided.				
Percent change in septage and restaurant grease fees based on an assumed volume of 2,000 gallons				



CAPACITY FEE AND ENVIRONMENTAL AND DEVELOPMENT-RELATED FEE UPDATES



Thomas Brightbill
Senior Engineer

June 7, 2018
Board of Directors Meeting



CONDUCT PUBLIC HEARING ON THE FOLLOWING MATTERS:

- Annual update of Capacity Fees
- Annual update of Environmental and Development-related Fees and Charges



CAPACITY FEE UPDATE

- One-time “buy-in” fee charged at time of connection or expansion

$$\text{Capacity Fee} = \frac{\text{Value of District Assets}}{\text{Number of Residential Unit Equivalents (RUE)}}$$

- Proposed adjustments
 - increase gravity zone fee to \$6,700/RUE (6.3%)
 - increase pumped zone fee to \$8,336/RUE (5.0%)
- Would result in approximately \$400,000 more revenue if approved



CAPACITY FEE REVIEW STUDY

- Capacity Fee methodology and practices reviewed by Black & Veatch.
- Findings confirmed appropriateness of:
 - Equity Buy-in method
 - Replacement Cost Less Depreciation method to determine asset value
 - Exclusion of contributed assets
 - Separate fee for the Pumped Zone



ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES

- Designed to cover Central San's costs for providing these services
- Annual adjustment for changes in salaries, benefits, overhead, and mileage
- Most increases between 0.8% and 2.9%
- Results in \$18,000 to \$68,000 in additional revenue if approved



PUBLIC OUTREACH

- Public Hearing notices posted and published
- Outreach packets with both fee reports mailed to over 400 stakeholders including the Building Industry Association, developers, engineers, contractors and waste haulers
- No comments received from stakeholders



