

Central Contra Costa Sanitary District

December 10, 2020

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 2019-2020
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, 2019, for FY 2019-2020. The details pertaining to these fees were presented in a public hearing and report to the Board of Directors dated June 6, 2019, and are attached.
- Deposit capital facilities fund **interest** income in the capital facilities fund;
 - In FY 2019-2020, 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 2020-2021 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 2019-2020.
- Make this report available to the public within 180 days after the close of the fiscal year.

EXHIBIT 1
"CAPITAL FACILITIES FUND"
FISCAL YEAR ENDING JUNE 30, 2020

LAIF Interest Rate	2.379%	2.341%	2.280%	2.190%	2.103%	2.043%	1.967%	1.912%	1.787%	1.648%	1.363%	1.217%	
Days	31	31	30	31	30	31	31	28	31	30	31	30	
	July	August	September	October	November	December	January	February	March	April	May	June	Total
	2019	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2020	
REVENUE:													
Facilities Capacity Fee	548,398	280,058	1,081,164	1,028,505	1,615,925	269,480	161,951	224,824	204,432	75,800	442,512	805,046	6,738,095
Pump Zone Fee	51,339	8,175	27,714	6,186	44,506	668	14,342	17,391	26,325	10,049	69,407	10,084	286,186
Total	599,737	288,233	1,108,878	1,034,691	1,660,431	270,148	176,293	242,215	230,757	85,849	511,919	815,130	7,024,281
EXPENDITURES:	1,627,894	2,654,763	5,457,765	4,341,306	8,839,364	4,399,889	3,288,946	3,944,904	2,212,226	3,935,824	2,508,689	10,451,014	53,662,584
Beginning Balance	-	(1,028,157)	(3,394,687)	(7,743,574)	(11,050,189)	(18,229,122)	(22,358,863)	(25,471,516)	(29,174,205)	(31,155,674)	(35,005,649)	(37,002,419)	-
Revenue/Expense	(1,028,157)	(2,366,530)	(4,348,887)	(3,306,615)	(7,178,933)	(4,129,741)	(3,112,653)	(3,702,689)	(1,981,469)	(3,849,975)	(1,996,770)	(9,635,884)	(46,638,303)
Interest Earned **	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	(1,028,157)	(3,394,687)	(7,743,574)	(11,050,189)	(18,229,122)	(22,358,863)	(25,471,516)	(29,174,205)	(31,155,674)	(35,005,649)	(37,002,419)	(46,638,303)	(46,638,303)

**EXHIBIT 2
CAPITAL IMPROVEMENT REVENUE (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2019-2020**

Acct No.	Account Title													FY 2019-2020
		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
15-00	Mainline Inspection	46,342	17,223	44,912	23,348	4,140	3,674	13,387	-	9,509	-	2,649	4,808	169,992
16-00	Plan Review	5,789	8,058	13,490	10,622	10,184	6,862	9,829	10,581	8,998	396	896	6,761	92,466
19-00	Overtime Inspection	2,025	1,241	979	-	782	-	-	735	1,341	-	-	-	7,103
23-01	Sewer Service Charge	57,523	15,175	21,719	635,387	32,193	17,657,418	7,436	3,607	2,413	13,487,764	17,534	891,789	32,829,958
40-00	Facilities Capacity Fee	548,398	280,058	1,081,164	1,028,505	1,615,925	269,480	161,951	224,824	204,432	75,800	442,512	805,046	6,738,095
42-00	Pump Zone Fees	51,339	8,175	27,714	6,186	44,506	668	14,342	17,391	26,325	10,049	69,407	10,084	286,186
44-00	Capacity Use Charge	-	-	-	59,421	-	-	-	-	-	-	-	-	59,421
45-00	Interest Income	121,024	101,097	85,431	89,436	69,450	124,524	94,379	94,609	71,784	43,660	69,775	30,871	996,040
46-00	Tax Revenue	-	-	-	407,859	-	6,918,161	-	-	-	7,982,437	-	818,987	16,127,444
47-00	Other Govt Agency Rev-Misc	-	-	10,538	-	-	-	-	-	-	-	-	-	10,538
48-00	Other Govt Revenue - Cal Trans	-	-	-	-	-	-	-	-	-	-	-	-	-
54-00	Other Govt. Revenue-Concord	-	-	-	-	-	-	-	-	-	-	-	11,393,000	11,393,000
57-00	Dougherty Valley Reimb	-	-	-	-	-	-	-	-	-	-	-	-	-
60-00	Miscellaneous	-	960	-	-	-	-	-	-	-	-	-	-	960
61-28	CAD Reimbursement	-	-	-	25,000	-	-	-	-	-	-	-	-	25,000
65-07	Alhambra Vly Assessments	-	-	-	-	7,817	-	-	-	-	-	45,898	-	53,715
Totals		832,440	431,987	1,285,947	2,285,764	1,784,997	24,980,787	301,324	351,747	324,802	21,600,106	648,671	13,961,346	68,789,919

**EXHIBIT 3
CAPITAL IMPROVEMENT EXPENDITURES (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2019-2020**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual FY 2019-2020 Total	Budgeted FY 2020-2021 Expenditures
Collection Systems	455,064	1,403,773	2,558,145	1,678,040	1,914,513	1,346,006	617,774	1,218,951	495,960	1,175,966	745,536	2,944,582	16,554,310	41,147,000
Treatment Plant	578,999	953,154	1,667,716	1,559,312	6,079,827	2,297,176	2,282,399	1,868,650	1,297,216	1,535,857	1,006,611	5,791,491	26,918,408	33,124,000
General Improvements	519,320	83,957	870,796	580,288	661,873	472,492	302,129	679,418	163,129	578,615	315,690	999,694	6,227,401	4,021,000
Recycled Water	74,511	213,879	361,108	523,666	183,151	284,215	86,644	177,885	255,921	645,386	440,852	715,247	3,962,465	9,732,000
Totals	1,627,894	2,654,763	5,457,765	4,341,306	8,839,364	4,399,889	3,288,946	3,944,904	2,212,226	3,935,824	2,508,689	10,451,014	53,662,584	88,024,000



**BOARD OF DIRECTORS
POSITION PAPER**

MEETING DATE: JUNE 6, 2019

SUBJECT: CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT AND CONSIDER ADOPTING THE FOLLOWING ORDINANCES TO BECOME EFFECTIVE JULY 1, 2019:

- UNCODIFIED ORDINANCE NO. 306 AMENDING THE SCHEDULE OF CAPACITY FEES, RATES, AND CHARGES, REPLACING ORDINANCE NO. 301 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.12; AND
- UNCODIFIED ORDINANCE NO. 307 AMENDING THE SCHEDULE OF ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES, REPLACING ORDINANCE NO. 302 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.30

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:

INITIATING DEPARTMENT:

BRYAN MCGLOIN, MANAGMENT ANALYST
THOMAS BRIGHTBILL, SENIOR ENGINEER

ENGINEERING AND TECHNICAL SERVICES-
PDS-RATES AND FEES

REVIEWED BY:

DANEA GEMMELL, PLANNING AND DEVELOPMENT SERVICES DIVISION
MANAGER

JEAN-MARC PETIT, DIRECTOR OF ENGINEERING AND TECHNICAL
SERVICES

Roger S. Bailey
General Manager

Kenton L. Alm
District Counsel

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's 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	\$6,700	\$6,589	-1.7%
Pumped Zone Fee	\$8,336	\$8,175	-1.9%

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, 20 charges would remain unchanged, 45 charges would increase, and 16 charges would decrease with 4 new fees and 3 fees eliminated.

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, 2018 would continue. This is not recommended as capacity fees would not accurately reflect the value of each parcel's share of Central San's 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, 2018 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 \$110,000 less capacity fee revenue would be generated by the change in fiscal year (FY) 2019-20. 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 \$75,000 and \$85,000 in additional revenue will be generated in FY 2019-20. 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 will be posted and published on May 23 and May 30, 2019, 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, representatives of the Building Industry Association of the Bay Area, and others who have requested notice of fee increase proposals.

As of May 28, 2019, no stakeholders nor members of the public had contacted Central San with comments. Any comments received after May 28, 2019 will be presented to the Board of Directors at the public hearing.

COMMITTEE RECOMMENDATION

The Finance Committee reviewed the proposals at its April 23, 2019 meeting and recommended approval. A change to the Capacity Fee methodology was reviewed and approved by the Finance Committee at its May 21, 2019 meeting.

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, 2019, which includes the following findings:
 - Central San has made a substantial investment in assets that will benefit new users.
 - 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.
 - There is a strong and reasonable relationship between the actual added burden imposed by new users and the proposed Capacity Fee.
 - 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; and
 - New users' buy-in to all of Central San's assets including facilities and the balance in the

Sewer Construction Fund.

- 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.
 - 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, 2019, including the following findings:
- Central San incurs substantial costs to provide environmental and development-related services.
 - It is necessary to charge customers and other users to recover the reasonable cost of providing the services.
 - The proposed fees and charges reasonably represent Central San's actual costs to provide the services.
 - The proposed fees and charges are exempt from 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

ATTACHMENTS:

1. Proposed Capacity Fee Ordinance
2. Report regarding Capacity Capacity Fee Update
3. Proposed Environmental and Development Fee Ordinance
4. Report regarding Environmental and Development Fees and Charges
5. Presentation

Attachment 1

ORDINANCE NO. 306

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 2018-19 Budget," and the Staff Report on Proposed Capacity Fee Program dated April 15, 2019; 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 6, 2019, 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; and
 - New users' buy-in-to-all-assets of Central San including facilities and the balance in the Sewer Construction 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 the Central San 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. 301 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. 301 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 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.

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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, 2019.

PASSED AND ADOPTED this 6th day of June, 2019, by the Board of Directors of the Central Contra Costa Sanitary District by the following vote:

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

David R. Williams
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 6, 2019. 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, 2019 in accordance with the provisions of District Code Chapter 6.12.

Gravity Capacity Fee	\$6,589 / RUE*
Pumping Capacity Fee	\$1,586 / 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.	1.562	1.294	
RN	Bars	1,000 sq. ft.	1.562	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.	1.562	1.294	
RY	Yogurt shops	1,000 sq. ft.	1.562	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 1.562 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	1.562	22.829	\$1,106.11	\$5.96
AW	Car washes with recycling	1.562	3.805	\$ 110.81	\$3.58
BL	Laundromats	1.562	14.594	\$ 675.26	\$5.69
HP	Hospitals	1.562	3.124	\$ 75.14	\$2.96
LH	Hotel/Motel	1.562	1.926	\$ 20.58	\$1.99
RB	Bakeries (retail)	1.562	2.178	\$ 141.28	\$7.98
RS	Restaurants (dine-in)	1.562	2.738	\$ 138.40	\$6.22
RT	Restaurants (paper service / no dishwashers)	1.562	2.738	\$ 138.40	\$6.22
SF	Skilled nursing facilities	1.562	2.347	\$ 36.97	\$1.90

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
May 1, 2019

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 *FY 2018-19 Budget* 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
May 1, 2019

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 Balance: Prior fiscal year ending balance for the Sewer Construction Fund, less the principal value of Central San's outstanding debt, is used. The inclusion of the Running Expense and Self Insurance Funds was reviewed by staff and District Counsel who determined that it was no longer appropriate to include those two items in the fee calculation.

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
 May 1, 2019

RECOMMENDED CAPACITY FEE

Staff recommends that the Board adopt Capacity Fees for FY 2019-20 by applying the valuation approach and facilities life cycles described above. The updated fees are:

Fee Category	Current	Proposed	% Change
Gravity Service	\$6,700 per RUE	\$6,589 per RUE	-1.7%
Pumping Service	\$8,336 per RUE	\$8,175 per RUE	-1.9%

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 2019-20
(Buy-in to all assets. Values through 06/30/2018)

Asset Category	Asset Value¹	Value per RUE² (\$/RUE)	FY 2018-19 Value per RUE	Change (\$)	Change (%)
Land	\$52,137,295	\$307	\$301	\$6	2.0%
Facilities					
Treatment Plant/Outfall (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$361,745,206	\$2,133	\$2,095	\$38	1.8%
Recycled Water Facilities (75% @ 50 yrs + 25% @ 30 yrs)	\$19,401,020	\$114	\$110	\$4	3.6%
Collection System					
Trunks and Interceptors (30% @ 150 yrs + 70% @ 100 yrs)	\$337,298,965	\$1,989	\$2,005	(\$16)	-0.8%
Contributed Mains (100% @ 75 yrs)	\$658,442,000		<i>not included</i>		
District Renovated Mains (100% @ 100 yrs)	\$228,168,726	\$1,345	\$1,256	\$89	7.1%
Pumping Stations (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$79,846,047	\$1,586 ³	\$1,636	(\$50)	-3.1%
General Improvements (Buildings, Equipment, etc.) (50% @ 50 yrs + 35% @ 25 yrs + 15% @ 10 yrs)	\$65,874,643	\$388	\$395	(\$7)	-1.8%
Major Repairs (100% @ 10 yrs)	\$12,092,555	\$71	\$69	\$2	2.9%
Sewer Construction Fund Balance (net of outstanding debt)	\$41,006,302	\$242	\$209	\$33	15.8%
Running Expense Fund & Debt Service Fund Balances	\$25,461,157	<i>not included</i>	\$225	(\$225)	-100.0%
Self Insurance Fund Balance	\$6,280,047	<i>not included</i>	\$35	(\$35)	-100.0%
TOTAL VALUE:	\$1,887,753,964				
Capacity Fee - Gravity Service	\$1,149,465,916	\$6,589	\$6,700	(\$111)	-1.7%
Capacity Fee - Pumped Service	\$1,229,311,964	\$8,175⁴	\$8,336	(\$161)	-1.9%

169,595 Total Residential Unit Equivalentents (RUEs)

50,356 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

5/1/2019

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding Capacity Fee Update

Table 2 – Comparison of Capacity Fees

AGENCY	CAPACITY FEE
Dublin San Ramon Services District	\$15,533
Mt View Sanitary District	\$9,330
Current CCCSD Pumped Zone	\$8,336
Proposed CCCSD Pumped Zone	\$8,175
Antioch (Delta Diablo Sanitation District for Treatment)	\$7,704
West County Wastewater District	\$7,082
Current CCCSD Gravity Zone	\$6,700
Proposed CCCSD Gravity Zone	\$6,589
Concord	\$5,043
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 April 15, 2019

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. 307

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. 307
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. 302 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. 302 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, 2019.

PASSED AND ADOPTED by the Board of Directors of the Central Contra Costa Sanitary District on the 6th day of June, 2019, by the following vote:

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

David R. Williams
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 2019-20		
(uncodified)		
Fee Category	Amount	
(A) DEVELOPMENT AND PLAN REVIEW		
<i>Review of new sewer and recycled water 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:	
	Base Fee for Sewer Service Review (minimum charge - includes up to 4 hours of plan review)	\$4,169
	Base Fee for Recycled Water Review (minimum charge - includes up to 4 hours of plan review)	\$2,975
	Manhole / Recycled Water Connection only design & plan review	\$1,450
	Each additional hour in excess of base fee	\$198
	Right of Way Document Review:	
	Right of Way Document Review - Appurtenant Easements (Base fee - 3 hours)	\$733
	Right of Way Document Review - Subdivision Map (each)	\$897
	Right of Way Document Review - Separate Instrument (Base Fee)	\$844
	Each additional hour in excess of base fee	\$264
(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)	\$177
	Existing parcel - new sewer service	\$253
	New parcel - new sewer service	\$362
	Commercial Application (includes up to one hour of plan review)	\$379
	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	\$173
	Capacity Use Charge Program	\$521
	Capacity Fee Installment Program and Promissory Note Program	\$521
(A-3)	Reimbursement Accounts:	
	Set-up fee	\$1,444
	Transaction fee	\$200
(A-4)	Special Studies:	
	Base fee (4 hours plus misc. costs)	\$775
	Each additional hour	\$169
	Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,010
	Source Control Business Review - each additional hour in excess of four hour base fee for plan review, site visit and inspection time	\$205
	Grease Variance Review (includes site visit)	\$411
	Source Control Enforcement Review and Inspection	\$562
(A-5)	Private pumping system plan check - Commercial (Outside Force Main)	\$843
	Additional Review	\$371
	Private pumping system plan check - Residential	\$460
(A-6)	Annexation Fee (per District Code 6.08.030):	
	New Annexations	Actual Expenses
	Annexation Recovery Fee	\$667
(A-7)	Special Approvals	\$391

EXHIBIT A		
CENTRAL CONTRA COSTA SANITARY DISTRICT		
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2019-20		
(uncodified)		
Fee Category		Amount
(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	\$929
	Per Foot Charge (in street)	\$14.60
	Per Foot Charge (in undeveloped land)	\$9.92
	New Manhole, Rodding Inlet	\$1,050
(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	\$255
	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)	\$255
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$510
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$765
	Outside pump installation	\$1,020
	New Manhole or Rodding Inlet (private)	\$1,020
	Grease / Sand / Oil Interceptor	\$1,530
(B-3)	Overtime inspection:	
	First Hour (if responding from off-site)	\$127
	Every hour thereafter	\$84
	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	\$379
(B-4)	Inspection of non-permitted work (+ any avoided charges)	\$1,140

EXHIBIT A CENTRAL CONTRA COSTA SANITARY DISTRICT ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2019-20 (uncodified)	
Fee Category	Application
<p>(B-5) INSPECTION CHARGES FOR NEW CONNECTIONS (Informational Only)</p> <p><i>The following fees have been in effect since July 1, 2014. This information is to clarify how fees are applied and charged for new connections.</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 (consistent with CCCSD Standard Specifications Ed. 2014; Section 3-07 Payment of Fees and Charges.)</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>	\$510 per unit
<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>	\$1,020 per unit
<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>	\$510 per unit
<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>	\$1,275 per unit

EXHIBIT A		
CENTRAL CONTRA COSTA SANITARY DISTRICT		
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2019-20		
(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	\$292
	Minimum Charge (2 hour minimum)	\$584
	Overtime - First Hour	\$186
	Overtime - Each Additional Hour	\$142
	Overtime - Weekend / Holiday (4 hour minimum)	\$612
(C-2)	Dye test	\$368
(C-3)	Collection system repair	Actual Expense
(C-4)	Cancelled TV Inspection without prior notice	\$547
(C-5)	Sewer locating and marking	\$331
(D) RIGHT-OF-WAY		
<i>Establishing right-of-way agreements and resolving conflicts.</i>		
(D-1)	Process Quitclaim Deeds	\$1,434
	Process Quitclaim Deed - plat and legal by others	\$960
(D-2)	Process Real Property Agreement, License, or Easement:	
	Base Fee (minimum charge; includes sewer locating and marking)	\$1,545
	Each Additional Hour (after 2 hours)	\$182
(D-3)	Right-of-way Research / Encroachment Resolution Fee	Actual Expense
(D-4)	Right of Entry / Encroachment Permit Fee:	
	Base Fee (minimum charge)	\$273
	Each Additional Hour (after 2 hours)	\$182
(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 FY 2019-20.	1.06032
(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 2019-20.	0.96536

EXHIBIT A	
CENTRAL CONTRA COSTA SANITARY DISTRICT	
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR 2019-20	
(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
(F-2)	Class II Fees
(F-3)	Class III Fees
(F-4)	Industrial user permit application fee
(F-5)	Special discharge permit application fee (*):
	No on-site inspection, no capacity review
	On-site inspection
	Additional charge for capacity review (Required for discharges >50 gpm)
(G) SEPTAGE DISPOSAL (**)	
<i>Sampling and disposal of septic waste and grease.</i>	
(G-1)	Annual permit fee
(G-2)	Residential septic/toilet waste:
	< 2,000 gallons
	> 2,000 gallons
(G-3)	Restaurant grease waste:
	< 2,000 gallons
	> 2,000 gallons
(*) 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	

CENTRAL CONTRA COSTA SANITARY DISTRICT**Report Regarding Environmental and Development-Related
Fees and Charges Update
June 6, 2019****INTRODUCTION**

The Central Contra Costa Sanitary District (Central San) maintains a Schedule of Environmental and Development-Related Fees and Charges that are assessed for the various services provided by the District. This schedule is updated annually in order to reflect changes in the costs associated with providing these services. This memo summarizes the proposed fee schedule changes resulting from the most recent review.

BACKGROUND

In accordance with Chapter 6.30 of the District Code, Central San maintains a schedule of fees and charges for environmental and development-related 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 sewer, parcel, and permit information to Central San's maps; source control permits and inspections; and septic and grease hauler sampling and treatment.

California State Law generally requires that fees and charges not exceed the cost of providing the service for which a fee or charge is levied. The fees and charges on this schedule are intended to recover Central San's labor costs, other operating expenses, and administrative overhead incurred in providing the related services. Central San staff annually reviews the fees and the costs to provide the corresponding services in order to assess whether changes may be appropriate. The last update to these fees was effective on July 1, 2018.

PROPOSED FEES AND CHARGES

For Fiscal Year (FY) 2019-20, staff is recommending various changes to the fee schedule, taking into consideration the relevant operating costs noted above as well as other costs incurred by Central San (recording fees, survey fees, etc.).

A comparison of the current and proposed fees and charges is included as Attachment 1. In summary, for the 84 items included on the 2018-19 fee schedule, staff recommends increases to 45 items, decreases to 16, elimination of 3, and no change to the remaining 20. Staff also recommends adding 4 items covering activities already being conducted but whose inclusion as separate items on the fee schedule will clarify amounts due and better enable Central San to appropriately recover the related costs from the activities

generating them.

Increases

Staff recommends increases to 45 of the 84 items on the current fee schedule. These increases range from +0.4% to +32.7%, averaging +4.9%.

Central San's overhead rate will decrease from 219% to 203% in FY 2019-20. However, despite this decrease, some salary increases (i.e. overtime and other premium salary rates) have a greater effect on base salaries than the decrease in overhead, resulting in an overall increase for fees that include premium labor costs. Additionally, as a part of the current fee review process, program managers reviewed the cost elements involved in calculating these fees and determined that in some cases the necessary staffing, levels of effort, or other cost factors required adjustment in order to more accurately reflect the costs incurred for certain activities listed on the current fee schedule.

For the most significant increases:

- Process Real Property Agreement, License, or Easement (D-2) (+32.7%): Changes to effort in direct labor result in a 4.3% overall increase to this item. The remainder of the increase is due to the inclusion of Inspection costs for Sewer Locating and Marking. Sewer Locating and Marking is currently listed as a separate charge on the fee schedule (Item C-5), but since it is an inherent component of this process it is also being incorporated directly into this charge in order to increase transparency regarding fees due for this activity.
- Process Quitclaim Deed – Plat and Legal by Others (D-1) (+13.2%): Due to changes in staffing and levels of effort, direct labor for this item increases from \$265.70 in FY 2018-19 to \$308.98 in FY 2019-20 and overall cost increases from \$848 to \$960.

Decreases

Staff recommends decreases to 16 of the 84 items on the current fee schedule. These decreases range from -0.5% to -9.5%, averaging -2.2%.

The proposed decreases are primarily driven by the decrease in Central San's overhead rate for FY 2019-20 from 219% to 203%, which in many cases is significant enough to result in a line item decrease even after accounting for regular salary increases. Additionally, as a part of the current fee review process, program managers reviewed the cost elements involved in calculating these fees and determined that required staffing, levels of effort or other cost factors required adjustment, resulting in decreases for some items.

Eliminations

Another result of the management review described above is the staff recommendation that 3 of the 84 fees on the current fee schedule should be eliminated:

- Special Cut Sheet Review (A-1);
- Right of Way Document Review – No Changes Required (A-1); and
- Site Collector Plan Check (A-4).

These fees represent activities that are no longer conducted or that have been incorporated into other activities for which fees are already included on the current fee schedule.

Additions

Staff recommends the addition of four fees intended to supplement existing fees on the current fee schedule. These additions will allow for more accurate cost recovery and enhance transparency related to existing items.

- Base Fee for Recycled Water Review (A-1): Due to the expansion of interest in recycled water, plan review requirements were considered and determined to result in lower fee requirements than those for sewer service. As a result, it is appropriate to include these reviews as a separate charge on the fee schedule at a lower cost than other mainline plan reviews.
- Right of Way Document Review (Subdivision Map) (A-1): Right of Way reviews including subdivision maps do not require as much effort as those involving separate legal instruments, and it is appropriate to include these reviews as a separate charge on the fee schedule. Additionally, separate instruments may require multiple reviews, so it is appropriate to charge each of these separately from subdivision document reviews.
- Right of Entry (Each Additional Hour) (D-4): The current fee schedule has no existing item for Right of Entry reviews that exceed the base fee (2 hours), so the proposed fee schedule adds a new item to represent “Each Additional Hour”, if required.
- New Annexations (A-6): Prior fee schedules did not reflect new annexations and recovery of costs for existing annexations as described in District Code. The proposed fee schedule clearly lists both types of annexation fees.

Unchanged

Staff also recommends leaving 20 of the 84 items on the current schedule unchanged. Seven of these are indicated on the schedule as fees where “Actual Expenses” are charged. The remainder either have no charge (e.g. Class III permits for industrial users), are nominal amounts normally associated with other billed activities (e.g. \$25/\$50 for side sewer cleanout), or are fees that are not associated with labor and overhead costs (e.g. per-page printing costs).

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June 6, 2019

SUMMARY

If the proposed revisions to the fee schedule are adopted, 20 items will remain unchanged, 45 will increase, and 16 will decrease while 3 charges will be eliminated. Additionally, 4 new items will be added related to existing activities which will allow for more appropriate fee assessments and accurate cost recovery.

FY 2018-19 revenue for Environmental and Development-Related Fees and Charges is budgeted at \$2.4 million. Staff estimates that approving the recommended fee and charge adjustments will result in a revenue increase of between \$75,000 and \$85,000 for FY 2019-20.

Supporting Document:

Attachment 1 - Comparison of Current & Proposed Fees and Charges for FY 2019-20

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED FEES & CHARGES FOR FY 2019-20
D R A F T

Fee Category	Current Fee	Proposed Fee	% Change	
(A) DEVELOPMENT AND PLAN REVIEW				
<i>Review of new sewer and recycled water 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:			
	Base Fee for Sewer Service Review (minimum charge - includes up to 4 hours of plan review)	\$3,764	\$4,169	10.8%
	Base Fee for Recycled Water Review (minimum charge - includes up to 4 hours of plan review)	N/A	\$2,975	N/A
	Manhole / Recycled Water Connection only design & plan review	\$1,382	\$1,450	4.9%
	Each additional hour in excess of base fee	\$190	\$198	4.2%
	Special Cut Sheet Review	\$378	ELIMINATE	N/A
	Right of Way Document Review:			
	Right of Way Document Review - Appurtenant Easements (Base fee - 3 hours)	\$740	\$733	-0.9%
	Right of Way Document Review - Subdivision Map (each)	N/A	\$897	N/A
	Right of Way Document Review - Separate Instrument (Base Fee)	\$835	\$844	1.1%
	Right of Way Document Review - No Changes Required	\$533	ELIMINATE	N/A
	Each additional hour in excess of base fee	\$285	\$264	-7.4%
(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)	\$153	\$177	15.7%
	Existing parcel - new sewer service	\$248	\$253	2.0%
	New parcel - new sewer service	\$331	\$362	9.4%
	Commercial Application (includes up to one hour of plan review)	\$368	\$379	3.0%
	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	\$174	\$173	-0.6%
	Capacity Use Charge Program	\$506	\$521	3.0%
	Capacity Fee Installment Program and Promissory Note Program	\$506	\$521	3.0%

(A-3)	Reimbursement Accounts:			
	Set-up fee	\$1,464	\$1,444	-1.4%
	Transaction fee	\$221	\$200	-9.5%
(A-4)	Special Studies:			
	Base fee (4 hours plus misc. costs)	\$781	\$775	-0.8%
	Each additional hour	\$171	\$169	-1.2%
	Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,017	\$1,010	-0.7%
	Source Control Business Review - each additional hour in excess of four hour base fee for plan review, site visit and inspection time	\$207	\$205	-1.0%
	Grease Variance Review (includes site visit)	\$401	\$411	2.5%
	Site Collector Plan Check	\$473	ELIMINATE	N/A
	Source Control Enforcement Review and Inspection	\$566	\$562	-0.7%
(A-5)	Private pumping system plan check - Commercial (Outside Force Main)	\$809	\$843	4.2%
	Additional Review	\$367	\$371	1.1%
	Private pumping system plan check - Residential	\$424	\$460	8.5%
(A-6)	Annexation Fee (per District Code 6.08.030):			
	New Annexations	Actual Expenses	Actual Expenses	no change
	Annexation Recovery Fee	\$609	\$667	9.5%
(A-7)	Special Approvals	\$426	\$391	-8.2%

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D R A F T

Fee Category		Current Fee	Proposed Fee	% Change
(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	\$915	\$929	1.5%
	Per Foot Charge (in street)	\$14.38	\$14.60	1.5%
	Per Foot Charge (in undeveloped land)	\$9.77	\$9.92	1.5%
	New Manhole, Rodding Inlet	\$972	\$1,050	8.0%
(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	\$243	\$255	4.9%
	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	\$255	4.9%
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$486	\$510	4.9%
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$729	\$765	4.9%
	Outside pump installation	\$972	\$1,020	4.9%
	New Manhole or Rodding Inlet (private)	\$972	\$1,020	4.9%
	Grease / Sand / Oil Interceptor	\$1,458	\$1,530	4.9%
(B-3)	Overtime inspection:			
	First Hour (if responding from off-site)	\$123	\$127	3.3%
	Every hour thereafter	\$80	\$84	5.0%
	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	\$363	\$379	4.4%
(B-4)	Inspection of non-permitted work (+ any avoided charges)	\$1,147	\$1,140	-0.6%

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Fee Category	Application of Fee			
(B-5)	<p>INSPECTION CHARGES FOR NEW CONNECTIONS (Informational Only)</p> <p><i>The following fees have been in effect since July 1, 2014. This information is to clarify how fees are applied and charged for new connections.</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. 2014; 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>	\$486 per unit	\$510 per unit	4.9%
	<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>	\$972 per unit	\$1,020 per unit	4.9%
	<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>	\$486 per unit	\$510 per unit	4.9%

<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>	<p>\$1,275 per unit</p>	<p>4.9%</p>
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D R A F T

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	\$294	\$292	-0.7%
	Minimum Charge (2 hour minimum)	\$588	\$584	-0.7%
	Overtime - First Hour	\$180	\$186	3.3%
	Overtime - Each Additional Hour	\$140	\$142	1.4%
	Overtime - Weekend / Holiday (4 hour minimum)	\$600	\$612	2.0%
(C-2)	Dye test	\$363	\$368	1.4%
(C-3)	Collection system repair	Actual Expense	Actual Expense	no change
(C-4)	Cancelled TV Inspection without prior notice	\$537	\$547	1.9%
(C-5)	Sewer locating and marking	\$333	\$331	-0.6%
(D) RIGHT-OF-WAY				
<i>Establishing right-of-way agreements and resolving conflicts.</i>				
(D-1)	Process Quitclaim Deeds	\$1,417	\$1,434	1.2%
	Process Quitclaim Deed - plat and legal by others	\$848	\$960	13.2%
(D-2)	Process Real Property Agreement, License, or Easement:			
	Base Fee (minimum charge; includes sewer locating and marking)	\$1,164	\$1,545	32.7%
	Each Additional Hour (after 2 hours)	\$183	\$182	-0.5%
(D-3)	Right-of-way Research / Encroachment Resolution Fee	Actual Expense	Actual Expense	no change
(D-4)	Right of Entry / Encroachment Permit Fee:			
	Base Fee (minimum charge)	\$261	\$273	4.6%
	Each Additional Hour (after 2 hours)	N/A	\$182	N/A
(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 2019-20.	1.04592	1.06032	1.4%
(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 2019-20.	0.95226	0.96536	1.4%

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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	Actual Expense	N/A
(F-2)	Class II Fees	Base permit fee of \$3,450 + cost of District's lab analysis	Base permit fee of \$3,580 + cost of District's lab analysis	3.8%
(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	\$335	\$344	2.7%
	On-site inspection	\$812	\$838	3.2%
	Additional charge for capacity review (Required for discharges >50 gpm)	\$259	\$266	2.7%
(G) SEPTAGE DISPOSAL (**)				
<i>Sampling and disposal of septic waste and grease.</i>				
(G-1)	Annual permit fee	\$1,404	\$1,410	0.4%
(G-2)	Residential septic/toilet waste:			
	< 2,000 gallons	\$40 + \$0.15/gal	\$40 + \$0.15/gal.	0.0%
	> 2,000 gallons	\$80 + \$0.15/gal	\$80 + \$0.15/gal.	0.0%
(G-3)	Restaurant grease waste:			
	< 2,000 gallons	\$40 + \$0.03/gal	\$40 + \$0.03/gal.	0.0%
	> 2,000 gallons	\$80 + \$0.03/gal	\$80 + \$0.03/gal.	0.0%
(*) 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				



Attachment 5

CAPACITY FEE AND ENVIRONMENTAL AND DEVELOPMENT- RELATED FEE UPDATES

Thomas Brightbill, Senior Engineer
Bryan McGloin, Management Analyst



June 6, 2019
Board Meeting



CENTRAL SAN

CONDUCT PUBLIC HEARING ON THE FOLLOWING MATTERS:

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



CENTRAL SAN

CAPACITY FEE UPDATE

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

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

- Remove Running Expense Fund and Self-Insurance Fund balances from District asset valuation
- Proposed adjustments
 - decrease gravity zone fee to \$6,589/RUE (-1.7%)
 - decrease pumped zone fee to \$8,175/RUE (-1.9%)
- Would result in approximately \$110,000 less revenue if approved



ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES

- Designed to recover Central San’s costs for providing these services
- Annual adjustment for changes in salaries, benefits, overhead, and mileage
- Additional adjustments reflecting “time-in-motion” and other work requirement analyses
- Average total change of +0.4%
- Results in \$75,000 to \$85,000 in estimated 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 as of May 28, 2019



QUESTIONS, COMMENTS, AND DISCUSSION

