


Central Contra Costa Sanitary District

December 13, 2022

TO: KATIE YOUNG, SECRETARY OF THE DISTRICT

VIA: CHRIS THOMAS, ACCOUNTING SUPERVISOR 

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 Division, 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
Thomas Brightbill

**Annual Report of
Central Contra Costa Sanitary District
For Fiscal Year 2021-2022
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, 2020. The details pertaining to these fees were presented in a report to the Board of Directors dated April 8, 2020, and at a public hearing held on June 4, 2020, and are attached.
- Deposit capital facilities fund **interest** income in the capital facilities fund.
 - In FY 2021-2022, 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 2022-2023 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 2021-2022.
- 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, 2022

LAIF Interest Rate	0.221%	0.221%	0.206%	0.203%	0.203%	0.212%	0.234%	0.278%	0.365%	0.523%	0.684%	0.861%	
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
REVENUE:	2021	2021	2021	2021	2021	2021	2022	2022	2022	2022	2022	2022	
Facilities Capacity Fee	275,122	232,764	299,708	213,691	668,708	779,067	126,223	396,078	666,127	284,894	167,102	308,760	4,418,244
Pump Zone Fee	25,276	16,635	3,426	3,563	1,636	19,375	8,292	27,278	7,998	10,400	6,152	3,909	133,940
Total	300,398	249,399	303,134	217,254	670,344	798,442	134,515	423,356	674,125	295,294	173,254	312,669	4,552,184
EXPENDITURES:	445,879	5,184,617	7,008,612	8,850,063	5,484,338	6,962,761	5,293,064	3,598,183	4,996,183	8,143,936	3,774,734	13,893,723	73,636,093
Beginning Balance	-	(145,481)	(5,080,699)	(11,786,177)	(20,418,986)	(25,232,980)	(31,397,299)	(36,555,848)	(39,730,675)	(44,052,733)	(51,901,375)	(55,502,855)	-
Revenue/Expense	(145,481)	(4,935,218)	(6,705,478)	(8,632,809)	(4,813,994)	(6,164,319)	(5,158,549)	(3,174,827)	(4,322,058)	(7,848,642)	(3,601,480)	(13,581,054)	(69,083,909)
Interest Earned **	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance	(145,481)	(5,080,699)	(11,786,177)	(20,418,986)	(25,232,980)	(31,397,299)	(36,555,848)	(39,730,675)	(44,052,733)	(51,901,375)	(55,502,855)	(69,083,909)	(69,083,909)

**EXHIBIT 2
CAPITAL IMPROVEMENT REVENUE (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2021-2022**

Acct No.	Account Title													FY 2021-2022
		JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
40110	Sewer Service Charge	-	-	9,829	1,693	183,277	5,465,704	973	1,975	648	4,253,770	5,020	344,876	10,267,765
41110	State Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
41210	Facilities Capacity Fee	275,122	232,764	299,708	213,691	668,708	779,067	126,223	396,078	666,127	284,894	167,102	308,760	4,418,244
41220	Pump Zone Fees	25,276	16,635	3,426	3,563	1,636	19,375	8,292	27,278	7,998	10,400	6,152	3,909	133,940
41230	Capacity Use Charge	-	-	-	-	-	32,791	-	-	-	-	-	-	32,791
41310	Secured Property Tax	-	-	453,922	-	-	3,797,122	(24,759)	-	-	5,274,199	-	(727,280)	8,773,204
41320	Unsecured Property Tax	-	-	-	-	-	-	-	-	-	(1,299)	-	84,152	82,853
41440	Overtime Inspection	1,815	273	1,671	413	-	137	504	-	553	455	-	949	6,770
41430	Plan Review	6,022	2,068	-	16,590	20,409	6,357	-	4,187	6,153	8,578	-	4,187	74,551
41420	Mainline Inspection	3,502	12,045	-	-	117,874	11,894	-	-	30,807	-	2,867	-	178,989
41509	Miscellaneous	814	-	67,322	-	-	-	-	-	-	-	-	-	68,136
41550	Alhambra Vly Assessments	-	-	-	-	-	-	-	-	-	-	-	132,837	132,837
41560	Contractual Assessment District Reimb.	-	414	-	24,996	-	(32,827)	27,973	16,646	54,408	(4,736)	-	(80,001)	6,873
41505	Other Agency Rev-Misc	-	-	-	-	11,050	-	-	-	-	-	-	-	11,050
41504	Rebates to District	-	-	-	-	-	-	-	-	-	-	-	13,986	13,986
41610	Interest Income	265	230	(240)	1,003	3,157	39,494	37,583	13,046	(4,962)	23,907	104,599	123,921	342,003
42110	Other Govt. Revenue-Concord	-	-	-	-	-	-	-	-	-	-	-	7,799,702	7,799,702
Totals		312,816	264,429	835,638	261,949	1,006,111	10,119,114	176,789	459,210	761,732	9,850,168	285,740	8,009,998	32,343,695

**EXHIBIT 3
CAPITAL IMPROVEMENT EXPENDITURES (SEWER CONSTRUCTION FUND)
FISCAL YEAR 2021-2022**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Actual FY 2021-2022 Total	Budgeted FY 2022-2023 Expenditures
Collection Systems	490,748	3,259,401	3,521,519	5,228,649	3,051,153	3,031,000	1,877,584	1,347,472	1,314,321	2,665,757	1,303,577	4,284,373	31,375,554	37,524,000
Treatment Plant	8,122	1,009,419	2,558,623	2,050,467	1,601,015	2,795,420	1,401,807	1,548,451	1,471,139	2,013,069	1,719,064	6,183,728	24,360,324	40,714,000
General Improvements	34,121	15,136	663,121	56,195	172,275	48,417	27,989	103,790	121,057	185,067	600,839	163,225	2,191,232	3,864,000
Recycled Water	(87,112)	900,661	265,349	1,514,752	659,895	1,087,924	1,985,684	598,470	2,089,666	3,280,043	151,254	3,262,397	15,708,983	8,874,000
Totals	445,879	5,184,617	7,008,612	8,850,063	5,484,338	6,962,761	5,293,064	3,598,183	4,996,183	8,143,936	3,774,734	13,893,723	73,636,093	90,976,000

ORDINANCE NO. 309
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 2019-20 Budget," and the Staff Report on Proposed Capacity Fee Program dated April 8, 2020; 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 4, 2020, 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.

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 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 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. 306 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. 306 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.

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, 2020.

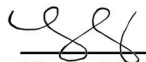
PASSED AND ADOPTED this 4th day of June, 2020, by the Board of Directors of the Central Contra Costa Sanitary District by the following vote:

AYES: Members: Nejedly, Pilecki, Williams, McGill
NOES: Members: Causey
ABSENT: Members: None



Michael R. McGill, P.E.
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*

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. 309 adopted June 4, 2020. 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, 2020, in accordance with the provisions of District Code Chapter 6.12.

Gravity Capacity Fee	\$6,803 / RUE*
Pumping Capacity Fee	\$1,585 / 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	21.829	\$1,142.03	\$6.15
AW	Car washes with recycling	1.562	3.805	\$ 114.41	\$3.70
BL	Laundromats	1.562	14.594	\$ 697.19	\$5.87
HP	Hospitals	1.562	3.124	\$ 77.58	\$3.05
LH	Hotel/Motel	1.562	1.926	\$ 21.25	\$2.05
RB	Bakeries (retail)	1.562	2.178	\$ 145.87	\$8.23
RS	Restaurants (dine-in)	1.562	2.738	\$ 142.89	\$6.42
RT	Restaurants (paper service / no dishwashers)	1.562	2.738	\$ 142.89	\$6.42
SF	Skilled nursing facilities	1.562	2.347	\$ 38.17	\$1.96

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.



**BOARD OF DIRECTORS
POSITION PAPER**

MEETING DATE: JUNE 4, 2020

SUBJECT: CONDUCT A PUBLIC HEARING TO RECEIVE PUBLIC COMMENT AND CONSIDER ADOPTING THE FOLLOWING ORDINANCES TO BECOME EFFECTIVE JULY 1, 2020:

- UNCODIFIED ORDINANCE NO. 309 AMENDING THE SCHEDULE OF CAPACITY FEES, RATES, AND CHARGES, REPLACING ORDINANCE NO. 306 IN ACCORDANCE WITH DISTRICT CODE CHAPTER 6.12; AND
- UNCODIFIED ORDINANCE NO. 310 AMENDING THE SCHEDULE OF ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES AND CHARGES, REPLACING ORDINANCE NO. 307 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 BY E-MAIL AT TBRIGHTBILL@CENTRALSAN.ORG

SUBMITTED BY:

BRYAN MCGLOIN, MANAGEMENT ANALYST
THOMAS BRIGHTBILL, SENIOR ENGINEER

INITIATING DEPARTMENT:

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:

Fee Category	Current	Proposed	% Change
Gravity Service	\$6,589 per RUE*	\$6,803 per RUE	3.2%
Pumping Service	\$8,175 per RUE	\$8,388 per RUE	2.6%

*RUE = Residential Unit Equivalent

Environmental and Development-Related Fees and Charges

Chapter 6.30 of the District Code includes provisions for the Board of Directors (Board) 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, 21 charges would remain unchanged, 54 charges would increase, and 10 charges would decrease with 2 new fees and no 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, 2019 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, 2019 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 \$160,000 more capacity fee revenue would be generated by the change in fiscal year (FY) 2020-21. This projection is based on the projected development of 750 RUEs.

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 \$56,000 in additional revenue will be generated in FY 2020-21. This projection is based on the range of increases shown in the attached staff report and assumes that the level of development would be approximately 10% lower than 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 21 and 28, 2020, 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 14, 2020, no stakeholders nor members of the public had contacted Central San with comments. Any comments received after May 14, 2020 will be presented to the Board of Directors at the public hearing."

COMMITTEE RECOMMENDATION

The Finance Committee reviewed the proposals at its April 21, 2020 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, 2020, which includes the following findings:
 - o Central San has made a substantial investment in assets that will benefit new users.
 - o 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.
 - o There is a strong and reasonable relationship between the actual added burden imposed by new users and the proposed Capacity Fee.
 - o 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, 2020, 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
 - 1.a. Exhibit A to Capacity Fee Ordinance
2. Report regarding Capacity Fee Update
3. Proposed Environmental and Development Fee Ordinance
 - 3.a. Exhibit A to Environmental and Development Fee Ordinance
4. Report regarding Environmental and Development Fees and Charges

ORDINANCE NO. 309
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 2019-20 Budget," and the Staff Report on Proposed Capacity Fee Program dated April 8, 2020; 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 4, 2020, 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.

Central Contra Costa Sanitary District
 Ordinance No. 309
 Page 2 of 3

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 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 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. 306 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. 306 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.

Central Contra Costa Sanitary District
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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, 2020.

PASSED AND ADOPTED this 4th day of June, 2020, by the Board of Directors of the Central Contra Costa Sanitary District by the following vote:

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

Michael R. McGill, P.E.
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. 309 adopted June 4, 2020. 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, 2020, in accordance with the provisions of District Code Chapter 6.12.

Gravity Capacity Fee	\$6,803 / RUE*
Pumping Capacity Fee	\$1,585 / 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	21.829	\$1,142.03	\$6.15
AW	Car washes with recycling	1.562	3.805	\$ 114.41	\$3.70
BL	Laundromats	1.562	14.594	\$ 697.19	\$5.87
HP	Hospitals	1.562	3.124	\$ 77.58	\$3.05
LH	Hotel/Motel	1.562	1.926	\$ 21.25	\$2.05
RB	Bakeries (retail)	1.562	2.178	\$ 145.87	\$8.23
RS	Restaurants (dine-in)	1.562	2.738	\$ 142.89	\$6.42
RT	Restaurants (paper service / no dishwashers)	1.562	2.738	\$ 142.89	\$6.42
SF	Skilled nursing facilities	1.562	2.347	\$ 38.17	\$1.96

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 April 8, 2020

INTRODUCTION

The Central Contra Costa Sanitary District (Central San) charges a Capacity Fee when properties are first connected to the public sewer or when an increase, expansion, or change of use on a non-residential parcel which creates an added burden on the wastewater collection and treatment system. Each year this fee is updated based on changes to the value of Central San's assets and the number of Central San's customers. This memo summarizes the basis for the Capacity Fee and describes the calculation used for the fee update.

BACKGROUND

The total value of Central San's existing assets (approximately \$1.9 billion) is much greater than the value of future facilities expansion needed to accommodate future customers. While Central San's *FY 2019-20 Budget* lists over \$800 million in capital projects over the next 10 years, most of these projects are driven by renovation, regulatory compliance, replacement or upgrading of facilities to maintain capacity for both current and prospective customers. Central San believes that its 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 consultants 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 in order to avoid double recovery of asset values.
- The use of different service zones for gravity and pumped zones is appropriate.

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CALCULATION APPROACH

The Capacity Fee is adjusted each year to reflect annual 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: Rather than attempting to determine actual market value, 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 property purchase and held at interest to the present.
- 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. The depreciation schedule assumes no salvage value remaining at the end of the asset's useful life.

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 WEF's *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
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April 8, 2020

RECOMMENDED CAPACITY FEE

Staff recommends that the Board adopt Capacity Fees for Fiscal Year (FY) 2020-21 by applying the valuation approach and facilities life cycles described above, resulting in updated fees as follows:

Fee Category	Current	Proposed	% Change
Gravity Service	\$6,589 per RUE	\$6,803 per RUE	3.2%
Pumping Service	\$8,175 per RUE	\$8,388 per RUE	2.6%

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 those fees charged by neighboring agencies. The useful service life assumptions for each asset category are included in Table 3.

CENTRAL CONTRA COSTA SANITARY DISTRICT

Report Regarding Capacity Fee Update

Table 1 - Capacity Fees Calculation - FY 2020-21

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

Asset Category	Asset Value¹	Value per RUE² (\$/RUE)	FY 2019-20 Value per RUE	Change (\$)	Change (%)
Land	\$53,655,999	\$313	\$307	\$6	2.0%
Facilities					
Treatment Plant/Outfall (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$375,302,676	\$2,188	\$2,133	\$55	2.6%
Recycled Water Facilities (75% @ 50 yrs + 25% @ 30 yrs)	\$20,509,335	\$120	\$114	\$6	5.3%
Collection System					
Trunks and Interceptors (30% @ 150 yrs + 70% @ 100 yrs)	\$335,903,103	\$1,959	\$1,989	(\$30)	-1.5%
Contributed Mains (100% @ 75 yrs)	\$658,442,000		<i>not included</i>		
District Renovated Mains (100% @ 100 yrs)	\$245,025,412	\$1,429	\$1,345	\$84	6.2%
Pumping Stations (45% @ 100 yrs + 20% @ 75 yrs + 35% @ 30 yrs)	\$80,353,548	\$1,585 ³	\$1,586	(\$1)	-0.1%
General Improvements (Buildings, Equipment, etc.) (50% @ 50 yrs + 35% @ 25 yrs + 15% @ 10 yrs)	\$65,138,021	\$380	\$388	(\$8)	-2.1%
Major Repairs (100% @ 10 yrs)	\$12,482,536	\$73	\$71	\$2	2.8%
Sewer Construction Fund Balance (net of outstanding debt)	\$58,414,908	\$341	\$242	\$99	40.9%
TOTAL VALUE:	\$1,905,227,539				
Capacity Fee - Gravity Service	\$1,166,431,991	\$6,803	\$6,589	\$214	3.2%
Capacity Fee - Pumped Service	\$1,246,785,539	\$8,388⁴	\$8,175	\$213	2.6%

171,509 Total Residential Unit Equivalents (RUEs)

50,682 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	\$15,533
Mt View Sanitary District	\$9,691
Proposed CCCSD Pumped Zone	\$8,388
Current CCCSD Pumped Zone	\$8,175
West County Wastewater District	\$8,419
Antioch (Delta Diablo Sanitation District for Treatment)	\$7,784
Proposed CCCSD Gravity Zone	\$6,803
Current 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 March 27, 2020

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. 310

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,
 EFFECTIVE JULY 1, 2020

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 Central San 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.

Central Contra Costa Sanitary District
Ordinance No. 310
Page 2 of 2

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. 307 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. 307 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, 2020.

PASSED AND ADOPTED by the Board of Directors of Central San on the 4th day of June, 2020, by the following vote:

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

Michael R. McGill, P.E.
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
FISCAL YEAR (FY) 2020-21 (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)	Application Fees:	
	Basic Application (side sewer work, easement staking, permit renewal)	\$187
	Application for new sewer service - new parcel	\$355
	Application for new sewer service - existing parcel	\$265
	Commercial Application (for review of plans for a change in use or expansion of a commercial facility; includes up to one hour of plan review)	\$370
	Commercial Application - Each additional hour	\$177
	Overflow Protection Device Installation (OPD only)	no charge
	Side Sewer Cleanout installation (to facilitate installation of OPD only; permit not upgradable)	\$25
	Capacity Use Charge Program Application Fee	\$534
	Capacity Fee Installment Program and Promissory Note Program Application Fee	\$534
(A-2)	Mainline Extensions:	
	Plan Review:	
	Sewer Service Review (Base fee - up to 12 hours)	\$4,341
	Recycled Water Review (Base fee - up to 8 hours)	\$3,231
	Each additional hour in excess of Base Fee	\$211
	Manhole / Recycled Water Connection only (design & plan review)	\$1,382
	Right of Way Document Review:	
	Appurtenant Easements (Base fee - 3 hours)	\$666
	Subdivision Map (each)	\$835
	Separate Instrument (Base Fee)	\$817
	Each additional hour	\$222
(A-3)	Private Pumping System Plan Check:	
	Multi-Family/Commercial (outside force main) (Base fee - up to 4 hours)	\$1,011
	Single Family Residential/ADU (Base fee - up to 2 hours)	\$444
	Each additional hour	\$222
(A-4)	Special Approvals	\$400
(A-5)	Annexation Fee (per District Code 6.08.030):	
	New Annexations	Actual Expense
	Annexation Recovery Fee	\$676
(A-6)	Reimbursement Accounts:	
	Set-up fee	\$1,472
	Transaction fee	\$204
(A-7)	Special Studies:	
	Base fee (up to 4 hours plus misc. costs)	\$790
	Each additional hour	\$172
	Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,036
	Source Control Business Review - each additional hour in excess of base fee	\$211
	Grease Variance Review (includes site visit)	\$420
	Source Control Enforcement Review and Inspection	\$575

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR FY 2020-21
(uncodified)

	Fee Category	Amount
(B)	CONSTRUCTION INSPECTION	
	<i>Inspection of new sewer main construction and new sewer and recycled water connections and other related work on private property (includes TV inspection when appropriate).</i>	
	<i>Hours of operation, including premium and holiday schedules, are available at: www.centrcsan.org/pod/hours-directions</i>	
(B-1)	Mainline Inspection (contributed assets):	
	Base Fee	\$943
	Per Foot Charge (in street)	\$14.82
	Per Foot Charge (in undeveloped land)	\$10.07
	New Manhole, Rodding Inlet	\$1,148
(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:	\$260
	Single Inspection Charge (e.g. sewer or recycled water connection; encroachment verification; side sewer cap on property; tap and lateral (new or replacement); air test; reinspection; homeowner preconstruction inspection)	\$260
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$520
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$780
	Outside pump installation	\$1,040
	New Manhole or Rodding Inlet (private)	\$1,040
	Grease / Sand / Oil Interceptor	\$1,560
(B-3)	Overtime inspection:	
	First Hour (if responding from off-site)	\$139
	Every hour thereafter	\$89
	Weekend/Holiday - 4 hour minimum	\$406
(B-4)	Inspection of non-permitted work (+ avoided charge)	\$1,170

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT Page 23 of 35
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR FY 2020-21
(uncodified)

	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. 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 (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>	\$520 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>	\$1,040 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>	\$520 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>	\$1,300 per unit

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR FY 2020-21
(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	\$301
	Minimum Charge (2 hour minimum)	\$602
	Overtime - First Hour	\$198
	Overtime - Each Additional Hour	\$153
	Overtime - Weekend / Holiday (4 hour minimum)	\$657
(C-2)	Dye test	\$340
(C-3)	Collection system repair	Actual Expense
(C-4)	Cancelled TV Inspection without prior notice	\$561
(C-5)	Sewer locating and marking	\$340
(D) RIGHT-OF-WAY		
<i>Establishing right-of-way agreements and resolving conflicts.</i>		
(D-1)	Process Quitclaim Deeds	\$1,467
	Process Quitclaim Deed - plat and legal by others	\$979
(D-2)	Process Real Property Agreement, License, or Easement:	
	Base Fee (minimum charge)	\$1,581
	Each Additional Hour (after 2 hours)	\$187
(D-3)	Right-of-way Research / Encroachment Resolution Fee	Actual Expense
(D-4)	Right of Entry / Encroachment Permit Fee	
	Base Fee (minimum charge)	\$285
	Each Additional Hour (after 2 hours)	\$187
(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 2020-21.	1.08434
(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 2020-21.	0.98724
(E-8)	Returned Check / Insufficient Funds Fee	\$40 plus bank fees
(E-9)	Delinquent / Late Payment Fee	Up to 10% of unpaid amount due plus 1.5% per month on unpaid balance

EXHIBIT A
CENTRAL CONTRA COSTA SANITARY DISTRICT
ENVIRONMENTAL AND DEVELOPMENT-RELATED FEES & CHARGES FOR FY 2020-21
(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 fee plus cost of District's lab analysis)	Actual Expense
(F-2)	Class II Fees (Base fee plus cost of District's lab analysis)	\$3,745
(F-3)	Class III Fees (Base fee plus cost of District's lab analysis)	\$0
(F-4)	Industrial user permit application fee	\$0
(F-5)	Special discharge permit application fee (*):	
	No on-site inspection, no capacity review	\$361
	On-site inspection	\$888
	Additional charge for capacity review (Required for discharges >50 gpm)	\$269

(G) SEPTAGE DISPOSAL (**)		
<i>Sampling and disposal of septic waste and grease.</i>		
(G-1)	Annual permit fee	\$1,488
(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.

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 April 7, 2020

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 Environmental and Development-Related Fees and Charges (Schedule), 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-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.

These fees and charges 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 most recent update to these fees was on July 1, 2019.

California State Law generally requires that fees and charges do not exceed the "reasonable costs" incurred in providing the services for which those fees or charges are levied. For example, following the passage of Proposition 26 in November 2010, language was included in the state Constitution (Article XIII.A, Section 3) requiring that that the cost for any fee or charge "is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity".

FEE COMPONENTS / CALCULATION METHODOLOGY

The majority of fees and charges included on the schedule are based on salary and benefit/related overhead costs for staff time & effort. In some cases, additional costs for mileage and other service costs are also included. In a few cases, the fee or charge amount on the schedule represents costs unrelated to labor (e.g. reproduction charges).

Report Regarding Environmental and Development-Related Fees & Charges
 Page 2
 April 7, 2020

In all cases, fees are designed to recover the costs that Central San incurs in providing the related service. As a result, fees are based on averages of projected labor, overhead, mileage, and other costs that are reasonably expected to be incurred. These component costs were primarily determined based on the following methodology:

- Direct Labor: Applicable labor rates are determined using current salary rates for each employee classification (grade/step) escalated in conjunction with the terms of existing labor agreements. Where the efforts of multiple staff are required in a transaction, this process is followed for each employee grade level involved. The estimated hourly salary rates are applied to the hourly staff effort required for each transaction type in order to determine the related direct labor cost. (Note that this is a different methodology than that used in prior years, where Step D for each classification was used as the average hourly rate.)
- Benefits & Related/Overhead Costs: Employee benefit and related/overhead costs are calculated by applying Central San's Board-approved overhead rate to the total Direct Labor cost as determined above. The Board-approved overhead rate for Fiscal Year (FY) 2020-21 is 189.7%¹.
- Vehicle & Equipment Costs: The Internal Revenue Service (IRS) periodically issues guidance on standard mileage rates applicable to transportation or travel-related expenses. The applicable rate for calendar year 2020 is \$0.575 per mile. Since vehicle depreciation costs are already captured in the overhead rate noted above, this same IRS guidance sets a "Basis Reduction Amount" to reduce this rate by \$0.27 per mile in order to avoid over-recovery of these costs. Applying this reduction amount decreases the applicable mileage rate to \$0.305 per mile².
 - The IRS rates above are applicable to calendar year 2020. For the purpose of calculating the fees in this Schedule, Central San assumes no change for future years (dates after January 1, 2021) for which the IRS has yet to publish guidance. Based on notice publication history, the estimated publication date for 2021 guidance is late 2020.
- Other Costs:
 - *Outside Recording/Processing Fees*: Certain fees (for example, quitclaim, annexation, property agreements) include a direct pass-through of those fees the District is charged in order to record various documents with related county and other outside offices and agencies.

¹ Central San March 5, 2020 Regular Board Meeting Agenda Packet, page 26 of 106.

² IRS Notice 2020-05, "2020 Standard Mileage Rates", available at <https://www.irs.gov/pub/irs-drop/n-20-05.pdf>, page 3 of 5.

Report Regarding Environmental and Development-Related Fees & Charges
 Page 3
 April 7, 2020

- *Engineering Support:* Some transactions on the Schedule require additional effort to create related entries in the District's GIS or other information systems (e.g. establishing new parcels, revising existing parcel information, etc.) Costs for Engineering Support are applied to applications or other transactions requiring this effort using the methodologies for direct labor and overhead described previously.

FEES WITH ALTERNATE COST METHODOLOGIES

The rates for some fees do not follow the calculation methodology described above. These rates are:

- 'No Charge' Fees – Some services are approved at no charge, including:
 - Application Fee for Installation of an Overflow Protection Device
 - Inspection of an Overflow Protection Device installation
 - Industrial User Permit application fee
 - Industrial User Permit Class III Permit Fee
- "Actual Expense" – Some activities are so variable or unique that the cost to complete them cannot be reasonably estimated in advance. Therefore, these fees are stated as based on the "Actual Expense" and are charged based on actual costs incurred after the activity is completed.

PROPOSED FEES AND CHARGES

For FY 2020-21, staff is recommending various changes to the Schedule, taking into consideration relevant operating costs as described above.

A comparison of the current and proposed fees and charges is included as Attachment 1. In summary, for the 85 items included on the FY 2019-20 Schedule, staff recommends increases to 54 items, decreases to 10, and no change to the remaining 21. Staff also recommends adding 2 items, one of which is a new fee and the other is currently referenced in District Code but its inclusion as an item on the Schedule is intended to increase transparency into the application of the fee.

Increases

Staff recommends increases to 54 of the 85 items on the current Schedule. These increases range from +1.1% to +19.9%, averaging +3.8%.

Central San's overhead rate will be decreasing from 203.4% to 189.7% in FY 2020-21. 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 are heavily driven by premium labor costs.

Report Regarding Environmental and Development-Related Fees & Charges

Page 4

April 7, 2020

Additionally, as a part of the current fee review process, program managers reviewed the cost elements involved in calculating these fees and determined that necessary staffing, levels of effort, or other cost factors required adjustment in order to more accurately recover the costs for certain fees listed on the current Schedule.

The most significant increases when compared to the current fee are:

- Private Pumping System Plan Check (A-5) (+19.9%): A net increase in effort required for plan review increased Direct Labor costs and associated overhead for this service.
- Overtime Inspection (Responding from Off-Site) (+9.4%): Additional travel time was allocated to this item due to distance and local traffic conditions, increasing Direct Labor and Overhead costs.
- New Manhole, Rodding Inlet (B-1) (+9.3%): Engineering Support costs were updated to reflect appropriate levels of support for this item, resulting in an increase in Direct Labor and associated overhead costs.

Decreases

Staff recommends decreases to 10 of the 85 items on the current Schedule. These decreases range from -40.2% to -1.9%, averaging -9.5%.

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. In other cases, it was determined that some costs were more appropriately recovered by including them in other fees. These adjustments resulted in the following decreases:

- “Additional Review” hours under Private Pumping System Plan Check, (A-5) (-40.2%)
- Right of Way Document Review, Each Additional Hour (A-1) (-15.9%)
- Appurtenant Easement, Base Fee (A-1) (-9.1%)

Additions

Staff recommends the addition of two fees to the Schedule:

- Returned Check/Insufficient Funds Fee (E-8): Checks which are received as payments and then returned by the issuer’s bank due to insufficient funds or other reasons require additional staff effort to identify, reconcile, adjust records, contact the issuer, and reprocess the transaction. The proposed fee (\$40) is intended to

Report Regarding Environmental and Development-Related Fees & Charges
 Page 5
 April 7, 2020

account for this effort. Staff estimates this fee would be applied approximately 5-10 times per year.

- Delinquent/Late Payment Fee (E-9): This fee is already detailed in District Code (Section 1.08.080), but including it in the Schedule is intended to increase transparency into the application of the fee.

Eliminations

Staff does not recommend eliminating any fees from the Schedule.

Unchanged

Staff also recommends leaving 21 of the 85 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).

FINANCIAL IMPACT

Staff estimates the proposed rates would result in approximately \$56,000 in additional revenue for FY 2020-21. This estimate assumes a decrease of 10% in the level of permits, inspections, and related activities. It should be noted that the fees are set to recover Central San’s costs for providing the services. Therefore, the additional estimated revenue will be offset by approximately the same amount of expenses.

SUMMARY

If the proposed revisions to the Schedule are adopted, 21 items will remain unchanged, 54 will increase, and 10 will decrease. Additionally, 2 new items will be added to allow for more appropriate fee assessments and cost recovery.

Attached Supporting Documents:

1. *Comparison of Current & Proposed Fees and Charges for FY 2020-21*

ATTACHMENT 1
CENTRAL CONTRA COSTA SANITARY DISTRICT
COMPARISON OF CURRENT & PROPOSED FEES & CHARGES FOR FY 2020-21
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)	\$4,169	\$4,341	4.1%	
	Base Fee for Recycled Water Review (minimum charge - includes up to 4 hours of plan review)	\$2,975	\$3,231	8.6%	
	Each additional hour in excess of Base Fee	\$198	\$211	6.6%	
	Manhole / Recycled Water Connection only (design & plan review)	\$1,450	\$1,382	-4.7%	
	Right of Way Document Review:				
	Appurtenant Easements (Base fee - 3 hours)	\$733	\$666	-9.1%	
	Subdivision Map (each)	\$897	\$835	-6.9%	
	Separate Instrument (Base Fee)	\$844	\$817	-3.2%	
	Each additional hour	\$264	\$222	-15.9%	
	(A-2)	Application Fees:			
		Basic Application (side sewer work, easement staking, permit renewal)	\$177	\$187	5.6%
		New parcel - new sewer service	\$362	\$355	-1.9%
Existing parcel - new sewer service		\$253	\$265	4.7%	
Commercial Application (includes up to one hour of plan review)		\$379	\$370	-2.4%	
Commercial Application - Additional hours: covers review of plans for a change in use or expansion of a commercial facility, time in excess of one hour		\$173	\$177	2.3%	
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	
Capacity Use Charge Program Application Fee		\$521	\$534	2.5%	
Capacity Fee Installment Program and Promissory Note Program Application Fee		\$521	\$534	2.5%	
(A-3)	Reimbursement Accounts:				
	Set-up fee	\$1,444	\$1,472	1.9%	
	Transaction fee	\$200	\$204	2.0%	
(A-4)	Special Studies:				
	Base fee (up to 4 hours plus misc. costs)	\$775	\$790	1.9%	
	Each additional hour	\$169	\$172	1.8%	
	Source Control Business Review - base fee, includes plan review, site visit and inspection time up to four hours	\$1,010	\$1,036	2.6%	
	Source Control Business Review - each additional hour in excess of four hour base fee	\$205	\$211	2.9%	
	Grease Variance Review (includes site visit)	\$411	\$420	2.2%	
	Source Control Enforcement Review and Inspection	\$562	\$575	2.3%	
(A-5)	Private pumping system plan check - Commercial (Outside Force Main)	\$843	\$1,011	19.9%	
	Additional Review	\$371	\$222	-40.2%	
	Private pumping system plan check - Residential	\$460	\$444	-3.5%	
(A-6)	Annexation Fee (per District Code 6.08.030):				
	New Annexations	Actual Expense	Actual Expense	new	
	Annexation Recovery Fee	\$667	\$676	1.3%	
(A-7)	Special Approvals	\$391	\$400	2.3%	

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(B) CONSTRUCTION INSPECTION

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

(B-1)	Mainline Inspection (contributed assets):			
	Base Fee	\$929	\$943	1.5%
	Per Foot Charge (in street)	\$14.60	\$14.82	1.5%
	Per Foot Charge (in undeveloped land)	\$9.92	\$10.07	1.5%
	New Manhole, Rodding Inlet	\$1,050	\$1,148	9.3%
(B-2)	Inspections by type: Page 32 of 35			
	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:	\$255	\$260	2.0%
	Single Inspection Charge (e.g. sewer or recycled water connection; encroachment verification; side sewer cap on property; tap and lateral (new or replacement); air test; reinspection; homeowner preconstruction inspection)	\$255	\$260	2.0%
	Manhole tap; lateral abandonment at main; pipe bursting; trash enclosure w/o trap; side sewer CIPP repair; outdoor grease trap only	\$510	\$520	2.0%
	Manhole Alteration; trash enclosure with trap; grease interceptor abandonment	\$765	\$780	2.0%
	Outside pump installation	\$1,020	\$1,040	2.0%
	New Manhole or Rodding Inlet (private)	\$1,020	\$1,040	2.0%
	Grease / Sand / Oil Interceptor	\$1,530	\$1,560	2.0%
(B-3)	Overtime inspection:			
	First Hour (if responding from off-site)	\$127	\$139	9.4%
	Every hour thereafter	\$84	\$89	6.0%
	Weekend/Holiday (per observed holidays posted at https://www.centrsan.org/pod/hours-directions) - 4 hour minimum	\$379	\$406	7.1%
(B-4)	Inspection of non-permitted work (+ avoided charge)	\$1,140	\$1,170	2.6%

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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. 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. 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>	\$510 per unit	\$520 per unit	2.0%
	<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	\$1,040 per unit	2.0%
	<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	\$520 per unit	2.0%
	<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	\$1,300 per unit	2.0%

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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	\$292	\$301	3.1%
	Minimum Charge (2 hour minimum)	\$584	\$602	3.1%
	Overtime - First Hour	\$186	\$198	6.5%
	Overtime - Each Additional Hour	\$142	\$153	7.7%
	Overtime - Weekend / Holiday (4 hour minimum)	\$612	\$657	7.4%
(C-2)	Dye test	\$368	\$340	-7.6%
(C-3)	Collection system repair	Actual Expense	Actual Expense	no change
(C-4)	Cancelled TV Inspection without prior notice	\$547	\$561	2.6%
(C-5)	Sewer locating and marking	\$331	\$340	2.7%
(D) RIGHT-OF-WAY				
<i>Establishing right-of-way agreements and resolving conflicts.</i>				
(D-1)	Process Quitclaim Deeds	\$1,434	\$1,467	2.3%
	Process Quitclaim Deed - plat and legal by others	\$960	\$979	2.0%
(D-2)	Process Real Property Agreement, License, or Easement:			
	Base Fee (minimum charge)	\$1,545	\$1,581	2.3%
	Each Additional Hour (after 2 hours)	\$182	\$187	2.7%
(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)	\$273	\$285	4.4%
	Each Additional Hour (after 2 hours)	\$182	\$187	2.7%
(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 2020-21.	1.06032	1.08434	2.3%
(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 2020-21.	0.96536	0.98724	2.3%
(E-8)	Returned Check / Insufficient Funds Fee	N/A	\$40 plus bank fees	new
(E-9)	Delinquent / Late Payment Fee	N/A	Up to 10% of unpaid amount due plus 1.5% per month on unpaid balance	new

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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 fee plus cost of District's lab analysis)	Actual Expense	Actual Expense	no change
(F-2)	Class II Fees (Base fee plus cost of District's lab analysis)	\$3,580	\$3,745	4.6%
(F-3)	Class III Fees (Base fee plus cost of District's lab analysis)	\$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	\$344	\$361	4.9%
	On-site inspection	\$838	\$888	6.0%
	Additional charge for capacity review (Required for discharges >50 gpm)	\$266	\$269	1.1%
(G) SEPTAGE DISPOSAL (**)				
<i>Sampling and disposal of septic waste and grease.</i>				
(G-1)	Annual permit fee	\$1,410	\$1,488	5.5%
(G-2)	Residential septic/toilet waste:			
	< 2,000 gallons	\$40 + \$0.15/gal	\$40 + \$0.15/gal.	no change
	> 2,000 gallons	\$80 + \$0.15/gal	\$80 + \$0.15/gal.	no change
(G-3)	Restaurant grease waste:			
	< 2,000 gallons	\$40 + \$0.03/gal	\$40 + \$0.03/gal.	no change
	> 2,000 gallons	\$80 + \$0.03/gal	\$80 + \$0.03/gal.	no change
(*) 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				