

TUOLUMNE UTILITIES DISTRICT

CAPACITY CHARGES REPORT FOR FISCAL YEAR 2020

Purpose of the Report

This report is prepared to comply with California Government Code 66013, detailing the amount of capacity charges that were received by the District and on what capital projects those charges were expended.

Capacity Charges Defined

Per § 66013 (b) (3) – Capacity charge means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

Reporting Requirements

Per § 66013 (d) – A local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

- 1) A description of the charges deposited in the fund.
- 2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.
- 3) The amount of charges collected in that fiscal year.
- 4) An identification of all of the following:
 - A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.
 - B) Each public improvement on which charges were expended that was completed during that fiscal year.
 - C) Each public improvement that is anticipated to be undertaken in the following fiscal year.
 - D) A description of each Interfund transfer or loan made from the capital facilities fund.

Description of charges deposited

Water Fund – the charges meeting the capacity charges definition on the previous page are listed below and are by reference to the Tuolumne Utilities District Water Rules & Regulations, as amended April 9, 2019, Exhibits B and C Water Service Charges and Rates:

B.9 Capital Reserve Charge – the Capital Reserve Charge shall be used to establish a capital reserve fund that shall be used to replace capacity and facilities used by new applicants for service upon connection to the water system and to provide for the continuous capability to serve new applicants for treated water service. The capital reserve fund would specifically be used to replace equipment and facilities that reach the end of their useful life and to construct improvements necessary to maintain service and capacity in water treatment, storage, transmission, distribution, pumping facilities, and controls systems as periodically needed in each of the service areas within the District’s jurisdiction.

B.14 Capacity Charges – Water Capacity Charges shall be collected and placed in a fund to construct improvements to any of the water systems for the purpose of increasing supply, treatment, storage, or transmission capacity used up by new connections to the water systems. The charges are uniform to all systems and are collected and used to construct improvements as needed in any individual water system.

C.2 – Christian Heights Supply and Storage Fee – there were no charges collected for this fee during fiscal year 2020.

Sewer Fund – the charges meeting the capacity charges definition on the previous page are listed below and are by reference to the Tuolumne Utilities District Wastewater Ordinance, as amended April 9, 2019, Exhibit B Sewer Service Charges, Connection and Capital Facilities Fees, and Other Rate Schedules:

B.10.1 Wastewater Connection and Capital Facilities Charge – The Wastewater Connection and Capital Facilities Fees are to provide funds for replacement and expansion of capital improvements necessary to provide and maintain service to all customers within the District’s sewer service areas. The Wastewater Capital Facilities Charge is collected to construct improvements to any of the sewer facilities for the purpose of increasing or replacing collection, treatment, or disposal system capacity used up by new connections to the sewer system. The components are:

- A) Collection & Transmission
- B) Treatment
- C) Disposal

Subscribers Wastewater Capital Facilities Charge – Subscribers consist of various entities that maintain their own sewer collection system (and treatment facilities in the case of Jamestown) but who otherwise discharge into TUD facilities for transmission through the interceptors, treatment, and disposal via reclamation. Those entities include Twain Harte Community Services District and Jamestown Sanitary District. The components and rates charged to subscribers for Twain Harte Community Services District and Jamestown Sanitary District are as separately stated and described under B.10.1.

Activity for Current Reporting Period (FY 2020)

	BEG ¹	COLLECTED	INTEREST	SPENT ²	END ¹
Water					
Capital reserve	\$ -	\$ 46,173	\$ -	\$ 46,173	\$ -
Supply	140,695	30,414	-	171,109	-
Treatment	30,168	38,180	1,408	-	69,756
Storage	406,926	75,851	-	482,777	-
Sewer					
Collection	33,265	47,144	-	80,409	-
Treatment	386,037	48,820	6,355	126,341	314,871
Reclamation	71,470	21,523	1,916	-	94,909
	<u>\$ 1,068,561</u>	<u>\$ 308,105</u>	<u>\$ 9,679</u>	<u>\$ 906,809</u>	<u>\$ 479,536</u>

BEG¹/END¹ - deficit balances are not carried forward.

SPENT² - completed improvements, does not include construction in progress.

Completed Capacity Charge Expenses for Current Reporting Period (FY 2020)

Expenditure / Capital Projects	FY 20	% Funded by Capacity Charges	% Funded by Other Revenue	Total Capacity Charges	Total Other Revenue ³
Water:					
Mono Vista Tank	\$ 891,544	59%	41%	\$ 528,950	\$ 362,594
Tuolumne Water Main	588,934	0%	100%	-	588,934
Oneil Tunnel Improvements	233,075	73%	27%	171,110	61,965
Tank Ventilation Improvements	388,382	0%	100%	-	388,382
Cinder Block Abandonment and Bypass	76,915	0%	100%	-	76,915
Jamestown Transmission Main	62,284	0%	100%	-	62,284
Wyckoff PRV and Main	57,784	0%	100%	-	57,784
Ditch Shoot Flume - Upper Columbia	51,405	0%	100%	-	51,405
Jamestown Tank	49,639	0%	100%	-	49,639
Sewer:					
Saratoga Lift Stations	207,659	100%	0%	207,659	-
Columbia Village Lift Station	204,768	100%	0%	204,768	-
FY20 Collection System Lining	195,596	100%	0%	195,596	-
RWWTP Improvements	126,341	100%	0%	126,341	-
Sewer Realignment - Hillcrest and Palemone	103,926	100%	0%	103,926	-
Total Capital Projects/Capacity Charge Expenses	<u>\$ 3,238,252</u>			<u>\$ 1,538,350</u>	<u>\$ 1,699,902</u>

Total Other Revenue³ - represents the amount not funded by capacity charges, which is made up of grants, user charges and/or district reserves.

Budgeted Capacity Charge Expenses for Next Reporting Period (FY 2021)

Description	Water	Sewer
Phoenix Lake Preservation/Restoration	\$ 996,333	
Crystal Falls - Techite Pipeline Replacement	571,550	
Cuesta Heights Water Storage Improvements	307,549	
New Sonora WTP	295,000	
Rawhide Bridge Utility Relocation	258,000	
Zelinsky Tank and Pump Station Consolidation	249,263	
Valley Vista Tank	240,000	
Upper Columbia Ditch - Spill 1	204,336	
Willow Springs Distribution Improvements	191,250	
Sierra Pines WTP	170,500	
Ridgewood Transmission Line to consolidate SV and PLP	152,138	
Riddle Tank and Pump Station Consolidation	125,738	
Cedar Ridge Springs Tank New Bolted .060 MG	108,100	
Eureka Ditch - Pipe Segments Return to Open Ditch	105,300	
Shaws Flat Ditch - Pedro Y Utility Relocation	92,000	
Ponderosa WTB - Generator	77,050	
Jamestown Distribution Improvements	75,000	
Algerine Ditch - Slum Dam Repair	71,153	
Ridgeline Rancheria Fire Flow Improvements	57,000	
TUD/TCSO Water Project Design	51,365	
Matelot Ditch - Pipeline and Turbidity Station	50,000	
Cedar Ridge Upper Tanks	40,000	
New RWWTF Design and Title 22 Permit		\$ 730,269
Study Feasibility of Eliminating THWWTP		342,500
Apple Valley Sewer Lift Station Rehabilitation		301,875
Columbia Interceptor Lining Project		237,500
Phoenix Lake Park Sewer Lift Station Rehabilitation		186,000
Crossroads Sewer Lift Station Rehab or Possible Consolidation		180,000
Nikki Court Sewer Lift Station Improvements		156,250
Columbia JC Upper Sewer Lift Station Rehabilitation		138,000
Mono Village Sewer Lift Station Consolidation		79,700
Reclamation System Irrigation Area Expansion		74,050
Dodge and Stewart Street Manhole Installation		53,300
Willow Springs Sewer Lift Station Improvements		17,400
MiWuk Leach Field Replacement		8,500
Total Capacity Charge Expenses Budgeted	<u>\$ 2,920,742</u>	<u>\$ 2,505,344</u>

Interfund transfer or loans

During fiscal year 2020, there were no interfund transfers or loans from capacity charge funds. Interfund transfers or loans, if ever necessary, are made from unrestricted funds.

GOVERNMENT CODE

SECTION 66013

66013. (a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

(b) As used in this section:

(1) "Sewer connection" means the connection of a structure or project to a public sewer system.

(2) "Water connection" means the connection of a structure or project to a public water system, as defined in subdivision (f) of Section 116275 of the Health and Safety Code.

(3) "Capacity charge" means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A "capacity charge" does not include a commodity charge.

(4) "Local agency" means a local agency as defined in Section 66000.

(5) "Fee" means a fee for the physical facilities necessary to make a water connection or sewer connection, including, but not limited to, meters, meter boxes, and pipelines from the structure or project to a water distribution line or sewer main, and that does not exceed the estimated reasonable cost of labor and materials for installation of those facilities.

(6) "Public facilities" means public facilities as defined in Section 66000.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected. Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

(d) For a fund established pursuant to subdivision (c), a local agency shall make available to the public, within 180 days after the last day of each fiscal year, the following information for that fiscal year:

(1) A description of the charges deposited in the fund.

(2) The beginning and ending balance of the fund and the interest earned from investment of moneys in the fund.

(3) The amount of charges collected in that fiscal year.

(4) An identification of all of the following:

(A) Each public improvement on which charges were expended and the amount of the expenditure for each improvement, including the percentage of the total cost of the public improvement that was funded with those charges if more than one source of funding was used.

GOVERNMENT CODE

SECTION 66013

(B) Each public improvement on which charges were expended that was completed during that fiscal year.

(C) Each public improvement that is anticipated to be undertaken in the following fiscal year.

(5) A description of each interfund transfer or loan made from the capital facilities fund. The information provided, in the case of an interfund transfer, shall identify the public improvements on which the transferred moneys are, or will be, expended. The information, in the case of an interfund loan, shall include the date on which the loan will be repaid, and the rate of interest that the fund will receive on the loan.

(e) The information required pursuant to subdivision (d) may be included in the local agency's annual financial report.

(f) The provisions of subdivisions (c) and (d) shall not apply to any of the following:

(1) Moneys received to construct public facilities pursuant to a contract between a local agency and a person or entity, including, but not limited to, a reimbursement agreement pursuant to Section 66003.

(2) Charges that are used to pay existing debt service or which are subject to a contract with a trustee for bondholders that requires a different accounting of the charges, or charges that are used to reimburse the local agency or to reimburse a person or entity who advanced funds under a reimbursement agreement or contract for facilities in existence at the time the charges are collected.

(3) Charges collected on or before December 31, 1998.

(g) Any judicial action or proceeding to attack, review, set aside, void, or annul the ordinance, resolution, or motion imposing a fee or capacity charge subject to this section shall be brought pursuant to Section 66022.

(h) Fees and charges subject to this section are not subject to the provisions of Chapter 5 (commencing with Section 66000), but are subject to the provisions of Sections 66016, 66022, and 66023.

(i) The provisions of subdivisions (c) and (d) shall only apply to capacity charges levied pursuant to this section.