

TUOLUMNE UTILITIES DISTRICT

CAPACITY CHARGES REPORT FOR FISCAL YEAR 2021

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 2021)

	BEG ¹	COLLECTED	INTEREST	SPENT ²	END ¹
Water					
Capital reserve	\$ -	\$ 64,547	\$ -	\$ 64,547	\$ -
Supply	-	60,968	341	-	61,309
Treatment	69,756	84,600	864	-	155,220
Storage	-	160,766	-	160,766	-
Sewer					
Collection	-	111,327	-	111,327	-
Treatment	314,871	115,910	2,413	-	433,194
Reclamation	94,909	53,712	833		149,454
	<u>\$ 479,536</u>	<u>\$ 651,830</u>	<u>\$ 4,451</u>	<u>\$ 336,640</u>	<u>\$ 799,177</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 2021)

Expenditure / Capital Projects	FY 21	% Funded by Capacity Charges	% Funded by Other Revenue	Total Capacity Charges	Total Other Revenue³
Water:					
Techite pipe replacement	\$ 639,444	0%	100%	\$ -	\$ 639,444
Willow Springs improvements	588,647	11%	89%	64,547	524,100
Zelinsky/Eden tank and pump station	286,056	56%	44%	160,766	125,290
Riddle tank and PRV	123,703	0%	100%	-	123,703
Cuesta Heights tank and pump station-TUD share	62,865	100%	0%	62,865	-
Mono Vista tank	48,336	100%	0%	48,336	-
Sewer:					
Apple Valley lift station	408,850	27%	73%	111,327	297,523
Columbia JC lift station	190,246	0%	100%	-	190,246
Nikki court lift station	104,277	0%	100%	-	104,277
Total Capital Projects/Capacity Charge Expenses	<u>\$2,452,424</u>			<u>\$ 447,841</u>	<u>\$2,004,583</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 2022)

Description	Water	Sewer
Ridgewood Transmission Line to Consolidate SV and PLP	\$ 787,720	
Sonora WTP Improvements	750,000	
Phoenix Dam and Spillway Improvements	698,536	
Crystal Falls - Techite Pipeline Replacement	668,000	
Sonora Distribution Improvements	561,592	
Matelot Ditch - Pipeline and Turbidity Station	424,801	
Valley Vista Tank	240,000	
Scenic View Distribution Improvements	213,400	
Phoenix Lake Preservation/Restoration	175,000	
New Sonora WTP	150,000	
New Zone 4 Tank	115,000	
Cedar Ridge Springs Tank	100,000	
Cuesta Heights Water Storage and Distribution Improvements	80,000	
Sierra Pines WTP	75,000	
Algerine Ditch - Slum Dam Repair	71,153	
Shaws Flat Ditch - Pedro Y Utility Relocation	60,375	
Upper Columbia Shoot Flume at Miner's Shack	32,100	
Lower Columbis Ditch - Bo Leonards Shoot Flume	12,700	
Section IV Siphone Hanging on RR Trestle	11,500	
Sonora Regional WWTP Constructon and Permitting		\$ 5,534,284
Teleli Golf Course Reclamation Main Extension		619,850
Mill Villa Sewer Lift Station Rehabilitation		400,000
Study Feasibility of Elimination THWWTP		342,500
Columbia Interceptor Lining Project		237,500
Crossroads Sewer Lift Station Consolidation		214,195
Parrotts Ferry Sewer Lift Station Rehabilitation		181,250
Apple Valley Sewer Lift Station Rehabilitation		48,000
Hillsdale Dr. Sewer Realignment		37,500
Total Capacity Charge Expenses Budgeted	<u>\$ 5,226,877</u>	<u>\$ 7,615,079</u>

Interfund transfer or loans

During fiscal year 2021, there were no interfund transfers or loans from capacity charge funds. Interfund transfers or loans, if ever necessary, are made from unrestricted funds.