



# **Delta Diablo**

FY22/23 Capital Facilities Capacity Charges

Annual Report for Compliance with  
Assembly Bill 1600

November 28, 2023

## **Background**

Delta Diablo (District) collects Capital Facilities Capacity Charges (CFCCs) for new connections to its wastewater system. In 1987, the California State Legislature passed Assembly Bill 1600 (AB 1600), adding Section 66000, et seq., to the California Government Code (GC), collectively known as the Mitigation Fee Act. GC Section 66013 guides fees imposed for sewer connections to a public sewer system or capacity charges. In compliance with GC Section 66013(c), the District accounts for all CFCCs in a separate fund to avoid blending with other District funds.

## **Reporting Requirements**

GC Section 66013(d) requires a local agency to make available to the public, within 180 days after the last day of the 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 the investment amounts of money in the fund.
3. The amount of CFCC revenues charged in that fiscal year.
4. An identification 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.
5. The amount of each interfund transfer or loan made from the capital facilities fund. In case of an interfund transfer, the information provided shall identify the public improvements on which the transferred amounts of money are, or will be, expended. In the case of an interfund loan, the information shall include the date on which the loan will be repaid and the rate of interest the fund will receive.

## **Analysis**

CFCCs are a one-time, non-discriminatory charge imposed when a structure is connected to the District's system, directly or indirectly, or an existing structure or category of use is expanded or increased. The charge is to pay for District facilities in existence at the time the charge is imposed or new facilities to be constructed in the future that benefit the property being charged.

Revenues derived from CFCCs are used to fund costs associated with acquisition, construction, and reconstruction of the District's wastewater collection, conveyance, treatment, and disposal facilities; repay principal and interest on debt instruments; or repay federal or state loans for construction and reconstruction of sewerage facilities, including administration costs and provisions for necessary reserves.

Table 1 summarizes Wastewater Expansion Fund financial activity for FY22/23, while Table 2 highlights the planned Wastewater Expansion Fund budget expenditures for FY23/24.

**Table 1. Wastewater Expansion Fund: Annual Financial Report**

**Beginning Fund Balance - July 1, 2022** **\$ 8,405,291 \***

**Revenues**

CFCCs Collected, net refunds of \$26,185 \$ 3,967,796

Capacity Rental Fees Collected \$ 213,348

Property Taxes \$ 437,822

Interest Income \$ 3,129

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**Total Revenue** **\$ 4,622,095**

**Expenditures**

14116 Pittsburg Force Main Improvements (principal/interest payments) \$ 127,412 \*\*

22126 Secondary Process Improvements \$ 1,763

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**Total WW Expansion Fund Expenditures** **\$ 129,175**

**Ending Fund Balance - June 30, 2023** **\$ 12,898,210**

Notes

\* The beginning/ending fund balance is reported as the working capital available for capital expenditures.

\*\* The project was completed in FY17/18; current expenditures relate to loan debt service.

**Table 2. CFCC Budgeted Wastewater Expansion Fund for FY23/24**

<b>CIP Project #/Name</b>	<b>FY23/24 Budget</b>	<b>%Funded by WW Expansion Revenue</b>	<b>%Funded by Other Revenue</b>	<b>Total WW Expansion</b>	<b>Total Other Revenue</b>
20121 Antioch Pump Station and Conveyance System Improvements	\$300,000	20%	80%	\$60,000	\$240,000
22126 Secondary Process Improvements	600,000	16%	84%	96,000	504,000
	\$900,000			\$156,000	\$744,000