

**COSTA MESA SANITARY DISTRICT
ANNUAL COMPLIANCE REPORT FOR REQUIREMENTS OF
GOVERNMENT CODE SECTION 66013
Fiscal Year Ended June 30, 2023**

Government Code Section 66013(d) requires that capacity charges collected be deposited in a separate fund, and that the District shall, within one hundred eighty (180) days of the close of the fiscal year, make available to the public the following information:

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

Capacity Charges – The purpose of these capacity charges, or fixture fees, is for the acquisition, construction, or reconstruction of local sewer facilities. These fees provide the facilities or infrastructure to accommodate the demands generated by future development within the District.

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

A summary of fund activity is as follows:

Beginning balance on July 1, 2022	<u>\$355,918</u>
Increases:	
Fixture fees collected	56,494
Investment earnings	<u>4,525</u>
Total increases	\$416,937
Decreases:	
Transfer to Wastewater Fund for reimbursement of project costs	(\$164,200)
Refunds	<u>(581)</u>
Total decreases	(164,781)
Ending balance on June 30, 2023	<u>\$252,157</u>

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

The Facilities Revolving Fund collected **\$55,914** in capacity charges (fixture fees) net of refunds for the year ended June 30, 2023.

- (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.**

The Capacity Charges (fixture fees) in the amount of **\$164,200** was transferred to the Wastewater Fund for the Drought Tolerant Landscape project at headquarters.

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

The Drought Tolerant Landscape project is ongoing as of June 30, 2023, and will be completed in phases. The project is expected to be undertaken during the year ending June 30, 2024

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

During the FY 2023-24 and FY 2024-25 Biennial Budget the Board of Director approved to transfer **\$200,000** from the Facilities Revolving Fund to the Wastewater Fund to demolish the old Hitch Crafter Building at the Costa Mesa Sanitary District's Robin Hamers Yard in FY 2023-24.

- (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.**

The Headquarters and Costa Mesa Sanitary District's Robin Hamers Yard have been identified as serving the needs of all residents; the amounts collected are related to a facility that is of benefit to the person who contributed the money. In the past, the District has used the Facilities Revolving Fund to support the purchase and installation of the Solar Panels, purchase of the 290 Paularino building and the Drought Tolerant Landscape project. On June 26, 2023, the Board of Directors approved to transfer \$200,000 from the Facilities Revolving Fund to the Wastewater Fund to demolish the old Hitch Crafter Building at the Costa Mesa Sanitary District's Robin Hamers Yard in FY 2023-24.