

**COSTA MESA SANITARY DISTRICT
ANNUAL COMPLIANCE REPORT FOR REQUIREMENTS OF
GOVERNMENT CODE SECTION 66013
Fiscal Year Ended June 30, 2018**

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 at July 1, 2017	<u>\$183,328</u>
Increases:	
Fixture fees collected	147,335
Investment earnings	<u>(34)</u>
Total increases	<u>147,301</u>
Decreases:	
Transfer to Liquid Waste Fund for reimbursement of project costs	(193,000)
Refunds	<u>(760)</u>
Total decreases	<u>(193,760)</u>
Ending balance at June 30, 2018	<u>\$136,869</u>

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

The Facilities Revolving Fund collected \$147,335 in capacity charges (fixture fees) for the year ended June 30, 2018.

(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.

Capacity charges (fixture fees) in the amount of \$193,000 were expended for the purchase of real property located at 2252 Fairview Road. The total cost of the property was \$1,689,239. Thus, capacity charges (fixture fees) funded 11.4% of the total cost of the property.

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

The acquisition of real property at 2252 Fairview Road was completed during the year ended June 30, 2018.

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

At present, there is no public improvement project anticipated to be undertaken during the year ending June 30, 2019 that would be funded in whole or part with capacity charges, fixture fees.

- (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 purchase of real property noted in item (4)(a) above was paid for from the District's Liquid Waste Fund. The portion funded by the Facility Revolving Fund in the amount of \$193,000 was made via a transfer from the Facility Revolving Fund to the Liquid Waste Fund.