

# POLICY MANUAL

Date Adopted: November 15, 2006

Classification: FEE

Date Last Amended:

Subject: General Fund/Developer Reimbursement  
From PPDA, Where State Revolving  
Loan Fund Exists

Approved By:

*Bob Van Dyke*

## **Background**

The District borrowed \$30,236,450 for purchase of land, improvements, and environmental program costs, from the State of California for the advancement of storm drainage pollutant removal. The loan agreement identifies the future drainage fee revenue as the primary source of repayment, and the General Fund as the second source. Developers often advance funds for the construction of drainage facilities in excess of their drainage fee obligation with the future drainage fee revenue also being the source of reimbursement. Without specific procedures to address the repayment of development agreements, developer payments in drainage areas with large loan amounts would be significantly delayed until full repayment of the State Revolving Fund Loan (SRFL) within a particular local drainage area. This delay may continue through much of the repayment eligibility period of the developer reimbursement as the repayment eligibility period is identified in the local drainage fee ordinance. Drainage areas with small loan balances, balance of equal to or less than \$50,000 do not materially affect developer reimbursements and, therefore, are not included in this Policy. These drainage areas are identified in Paragraph No. 12 hereto.

The purpose of this Policy is to; (i) identify the procedures used to comply with the repayment provisions of the SRFL and the local drainage fee ordinance and; (ii) to retain a procedure that will continue to provide incentives for developers to advance funds for construction of drainage facilities in excess of their drainage fee obligation. Drainage areas with loan balances sufficient to be included under this Policy are identified in Paragraph No. 14 hereto. With respect to these drainage areas, the Board of Directors finds this Policy in conformance with the Policy entitled "Drainage Fees: Administration of Master Plan Engineering Services Fee".

## **Policy**

1. Each year the District shall allocate from the General Fund budget, the full annual payment amount anticipated to be due for repayment of the SRFL to the Department of Water Resources during the forth coming fiscal year.
2. Each year the District shall transfer fees deposited in the Local Drainage Area Trust Accounts (PPDA Accounts) to the General Fund to repay the General Fund for advance made on behalf of the PPDA Account for the State Revolving Fund Loan as a priority before developer reimbursements.

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3. Only those development reimbursements for which the District has specifically made commitments for payment irrespective of the SRFL shall be paid from the PPDA Account prior to reserving funds within the PPDA Account for reimbursement of General Fund advances for the SRFL payments and payment anticipated in the current fiscal year as identified in Paragraph No. 2 herein.
4. To the extent that funds in PPDA Account were received after a Developer Agreement's eligibility date and were expended for the SRFL purposes and the developers were eligible for reimbursement from within the Local Drainage Area Trust Account irrespective of the SRFL, the General Fund shall loan funds to the PPDA Account for the developer reimbursement payment(s) up to a maximum of fifty-percent (50%) of the amount transferred to the General Fund.
5. As each local drainage area shall be reviewed twice a year for determination and payment of developer reimbursements. The drainage areas shall be spread into six (6) monthly groupings for continuity of administrative work flow. Loans shall be created and reimbursement payments made to developers quarterly (approximately January 1, April 1, July 1, and October 1) so that no payment is delayed more than three months following the month of scheduled review of the drainage area.
6. The five-percent (5%) Master Plan engineering portion of all fee revenue shall be abstracted before the cost share percentage is applied.
7. All developer reimbursements remain subject to the five-percent (5%) administrative fee, with five-percent (5%) of the reimbursement payment being deposited into the District General Fund and ninety-five percent (95%) paid to the developer.
8. All revenue received prior to a developer's reimbursement eligibility pursuant to the local drainage fee ordinance shall be used solely for repayment of the SRFL and/or General Fund advances in the drainage area and not available for developer payments unless the SRFL payments and General Fund advances have been fully repaid.

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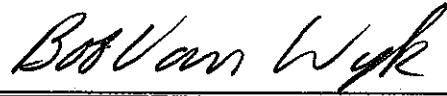
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9. Any developer payment not subject to the SRFL priority as identified herein, may be paid directly from the PPDA Account without a General Fund transfer.
10. The Board of Directors reserves the right to withdraw or suspend the fee revenue sharing identified in Paragraph No. 4 herein in all drainage areas or in individual drainage areas; (i) which in its sole judgment, to warrant use of the funds for drainage improvement within the local drainage area of any fee payment or; (ii) notwithstanding Paragraph No. 1 herein, in circumstances where the Board of Directors does not otherwise allocate sufficient funding from the General Fund to maintain all SRFL payments current.
11. The District is not obligated to make developer payments in amounts of less than \$1,000 other than to developers with total reimbursements due of less than \$1,000.
12. The General Manager may implement such other rules as necessary to implement the fee revenue repayment sharing in a uniform and equitable method and to minimize the accounting steps in an efficient manner.
13. This Policy applies only to drainage areas with cumulate SRFL amounts that exceed \$50,000. Drainage areas with loan amounts excluded from this Policy because loan amounts are less than \$50,000 are: "NN", "AS", "AV", "BG", "CG", "CQ", and "EN".
14. Drainage areas with loan amounts in excess of \$50,000 and included in the Policy are: "A", "G", "J", "R", "X", "AA", "EE", "HH", "II2", "II4A", "RR", "ZZ", "AI", "AQ", "AX", "AY", "BC", "BL", "BQ", "BS", "BT", "BX", "BZ", "CD", "CF", "CH", "CI", "CK", "CU", "CV", "DE", "DG", "DL", "DM", "DN", "DO", "DP", "EG", "EH", "EI", "EJ", "EO", "3G", "4D", "7D", and "7H".