

**COUNTY SERVICE AREA No. 46  
(SUPERVISORIAL DISTRICT 4)**

**ENGINEER'S REPORT  
ON SERVICE CHARGE ADJUSTMENTS**



**December 23, 2011**

**PREPARED BY THE DEPARTMENT  
OF PUBLIC WORKS**

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## COUNTY SERVICE AREA No. 46

### 1. INTRODUCTION:

The preparation of this report on Special District Service Charges is required by San Joaquin County Ordinance Code Sections 5-3302 and 5-6812(a). These sections require that an annual report be prepared for each service area or special district for which special Service Charges will be imposed and collected on the tax roll. This report is also prepared in compliance with state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218) regarding the imposition of new or increased Service Charges. It will be presented to the San Joaquin County Board of Supervisors for adoption and serves as the basis for the proposed Service Charges. This report is on file with and is available for review at the Office of the Clerk of the Board of Supervisors at 44 N. San Joaquin St. Suite 627 and may also be viewed at the Department of Public Works at 1810 E. Hazelton Ave., Stockton, CA or on-line at [www.sjgov.org/pubworks](http://www.sjgov.org/pubworks).

The purpose of this report is to provide detailed information regarding the proposed Service Charge adjustments for COUNTY SERVICE AREA No. 46 (CSA 46). In compliance with Proposition 218, affected property owners within the District will be mailed a notice of the Public Hearing regarding the proposed increase in Service Charges for water, where public testimony will be heard by the Board of Supervisors. If a majority protest to the proposed charges does not exist at the conclusion of the Public Hearing, the Board will be asked to approve the proposed rates, which will become effective in Fiscal Year 2012-13.

### 2. COUNTY SERVICE AREA No. 46

CSA 46 is considered a special district pursuant to the definitions of the California Constitution Article 13D, Section 2(d). A District is an area determined by an agency to contain all parcels that will receive a special benefit from a proposed public improvement or property-related service.

On July 12, 1988, the County of San Joaquin Board of Supervisors established CSA 46. The Resolution (R-88-641) requires the District to establish sufficient Service Charges for operation and maintenance of the water and storm drainage improvements.

As directed by the Board of Supervisors (B-09-275), County Districts are to install water meters to promote water conservation. After a period of calibration and testing, the water meters in CSA 46 are ready to implement monthly water meter billings. The implementation of the proposed water meter rates will also coincide with an offsetting 44% decrease in annual service charges.

### 3. DESCRIPTION OF SERVICES AND EXPENDITURES

CSA 46 currently provides for the operation and maintenance of the public water and storm drainage system serving properties within the district. The costs for operating and maintaining the services are paid by Service Charges.

The proposed 2012-13 budget for CSA 46 is listed in Appendix B. The proposed budget is developed in general to include:

- a) Operations and Maintenance costs generally include routine services and care necessary to properly operate and maintain public improvements, including but not limited to: water distribution system, service laterals, domestic water well facilities; storm lines, catch basins, storm ponds and pumping facilities. Operations and Maintenance costs include reimbursement to various County departments and other agencies for services provided to CSA 46.
- b) Capital Replacement costs include major repairs and the amounts set aside periodically to pay for future replacement of the major components of the systems. Operations and Maintenance costs include reimbursement to various County departments and other agencies for services provided to CSA 46.

4. **SERVICE CHARGES**

The proposed water Service Charges include a reduced annual charge collected through the property tax roll and a periodic billing for metered water usage. These charges are utilized to generate the revenues needed to operate and to maintain CSA 46 facilities. The proposed Service Charges have been developed with the following considerations:

- a) Service Charges and interest revenues collected should equal operation costs once an appropriate reserve fund has been established.
- b) An adequate reserve fund should be established to cover future replacement of the major components.
- c) Major changes in Service Charges should be anticipated in advance and adjusted over a period of years, when feasible to do so.

The following tables show the current and proposed water Service Charges. All parcels benefiting from the CSA 46 services receive an annual service charge.

The metered water Service Charge is based upon measurement of water (via a meter) used by the customer multiplied by a specific charge rate reflecting the actual cost of providing water.

Water Service	CURRENT FY 2011-12	PROPOSED FY 2012-13
<b>Annual Service Charge (per SFE)</b>	\$1,517	\$848
<b>Metered Water Rate (per 1,000 gal)</b>	\$0	\$1.03

5. **SERVICE CHARGE ADJUSTMENT FACTOR**

An annual adjustment factor is proposed for future Service Charges for water, up to 3 percent annually, commencing in FY 2013-14. This will allow minor rate adjustments reflecting the costs of providing necessary services without incurring district costs associated with an election or protest hearings. Any increase in Service Charges which exceed the 3 percent limit will require property owners' approval pursuant to provisions of the "Right to Vote on Taxes Act" (Proposition 218, 1996). The Board of Supervisors holds a Public Hearing each year in June regarding adoption of the District's budgets and proposed Service Charges.

6. **OUT OF AREA CUSTOMERS**

If the County agrees to provide service to parcels outside of the District service boundary by the approval of an Out-of-Area service agreement, the affected parcel shall pay an amount equal to 150% of the service charges paid by the parcels within the Special District.

7. **DISCUSSION OF SPECIAL BENEFIT**

Benefit categories have been established to represent the type of "special benefit" received by each type of land use according to the service to be provided. The categories are residential, multi-residential units, commercial/industrial, commercial with consumption, and agricultural. The special benefits include use of public services, availability of public services, ability to develop property, and increased property values.

All proceeds derived from CSA 46 Service Charges will be utilized to fund the cost of providing a level of special benefit in the form of maintenance and improvements to the District's facilities. The facilities being maintained are a special benefit to those parcels within CSA 46 and are not enjoyed by parcels outside the District.

8. **METHOD OF COST APPORTIONMENT**

The annual service charges for CSA 46 residential and commercial/industrial areas are based upon a Single Family Equivalent (SFE) unit, which refers to the benefit a typical single-family dwelling unit would receive. The Service Charges are apportioned among all lots and parcels within the District as set forth in Appendix "D". All parcels within the District are charged based on the benefit received as compared to the benefit received by a single-family dwelling. The SFE method of apportionment of costs is commonly used to distribute Service Charges in proportion to estimated special benefit received. The SFE method is generally recognized by municipalities as the basis for a fair and appropriate distribution. In some cases, certain user types require special studies to establish Service Charges.

9. **PROPERTY OWNER LIST AND TAX ROLL**

Appendix C contains a list of the San Joaquin County's Assessor Parcel numbers for all the properties within the boundaries of CSA 46. The list further contains the Service Charge amounts for each benefitting parcel within the District. The list is keyed to the records of the San Joaquin County Assessor.

10. **APPEALS AND ADJUSTMENTS**

Any property owner who feels that the Service Charge levied on the subject property is in error as a result of incorrect information may contact the County of San Joaquin, Department of Public Works. The Department of Public Works will promptly review the appeal and respond to the appellant. Adjustments to the Service Charge may be made based on the site specific information. If any changes are warranted, the correction will be made to the next regular tax roll Service Charge amount.



12/23/11  
Date

# APPENDIX A

VICINITY MAP



# **APPENDIX B**

**PROPOSED BUDGET**

**APPENDIX B**  
**COUNTY SERVICE AREA No. 46 BUDGET**

ITEM	2010-11 ACTUAL	2011-12 APPROVED	2012-13 PROPOSED
Property Tax & Interest	\$283	\$300	\$392
Annual Service Charge	\$189,294	\$189,315	\$106,643
Metered Water	\$0	\$0	\$103,975
<b>TOTAL REVENUE</b>	<b>\$189,577</b>	<b>\$189,615</b>	<b>\$211,010</b>
Operations & Maintenance	\$190,044	\$196,000	\$188,244
Capital Expenses	\$5,000	\$13,200	\$22,766
<b>TOTAL EXPENDITURES</b>	<b>\$195,044</b>	<b>\$209,200</b>	<b>\$211,010</b>

The budget for CSA 46 includes revenues and expenditures associated with all services provided by the District.

# APPENDIX C

ANNUAL SERVICE CHARGES  
FOR INDIVIDUAL PROPERTIES

CSA 46  
EFFECTIVE FISCAL YEAR 2012-13

WATER SERVICES			ANNUAL WATER SERVICE CHARGE	
			CURRENT	PROPOSED*
APN	USE CODE	SFE	FY 11-12	FY 12-13
086-070-06	5	0	\$0.00	\$0.00
086-070-07	5	0	\$0.00	\$0.00
086-070-48	10	1	\$1,517.00	\$848.00
086-070-53	50	0.67	\$561.29	\$568.16
086-070-54	51	1	\$1,517.00	\$848.00
086-070-55	51	1	\$1,517.00	\$848.00
086-630-01	10	1	\$1,517.00	\$848.00
086-630-02	10	1	\$1,517.00	\$848.00
086-630-03	22	1.3	\$1,972.10	\$1,102.40
086-630-04	10	1	\$1,517.00	\$848.00
086-630-05	10	1	\$1,517.00	\$848.00
086-630-06	10	1	\$1,517.00	\$848.00
086-630-07	1	0.67	\$1,016.39	\$568.16
086-630-08	10	1	\$1,517.00	\$848.00
086-630-09	10	1	\$1,517.00	\$848.00
086-630-10	10	1	\$1,517.00	\$848.00
086-630-11	10	1	\$1,517.00	\$848.00
086-630-12	10	1	\$1,517.00	\$848.00
086-630-13	10	1	\$1,517.00	\$848.00
086-630-14	10	1	\$1,517.00	\$848.00
086-630-15	10	1	\$1,517.00	\$848.00
086-630-16	10	1	\$1,517.00	\$848.00
086-630-17	10	1	\$1,517.00	\$848.00
086-630-18	10	1	\$1,517.00	\$848.00
086-630-19	10	1	\$1,517.00	\$848.00
086-630-20	1	0.67	\$1,016.39	\$568.16
086-630-21	10	1	\$1,517.00	\$848.00
086-630-22	10	1	\$1,517.00	\$848.00
086-630-23	10	1	\$1,517.00	\$848.00
086-630-24	10	1	\$1,517.00	\$848.00
086-630-25	10	1	\$1,517.00	\$848.00
086-630-26	10	1	\$1,517.00	\$848.00
086-630-27	10	1	\$1,517.00	\$848.00
086-630-28	10	1	\$1,517.00	\$848.00
086-630-29	10	1	\$1,517.00	\$848.00
086-630-30	10	1	\$1,517.00	\$848.00
086-630-31	10	1	\$1,517.00	\$848.00
086-630-32	10	1	\$1,517.00	\$848.00
086-630-33	10	1	\$1,517.00	\$848.00
086-630-34	925	0	Storm Pond	
086-630-35	925	0	Well Site	
086-640-01	10	1	\$1,517.00	\$848.00
086-640-02	13	1.3	\$1,972.10	\$1,102.40
086-640-03	10	1	\$1,517.00	\$848.00
086-640-04	10	1	\$1,517.00	\$848.00
086-640-05	10	1	\$1,517.00	\$848.00
086-640-06	10	1	\$1,517.00	\$848.00

APPENDIX C

\* = Up to a maximum 3% annual adjustment factor beginning FY 13-14

CSA 46  
EFFECTIVE FISCAL YEAR 2012-13

WATER SERVICES			ANNUAL WATER SERVICE CHARGE	
			CURRENT	PROPOSED*
APN	USE CODE	SFE	FY 11-12	FY 12-13
086-640-07	10	1	\$1,517.00	\$848.00
086-640-08	10	1	\$1,517.00	\$848.00
086-640-09	10	1	\$1,517.00	\$848.00
086-640-10	10	1	\$1,517.00	\$848.00
086-640-11	10	1	\$1,517.00	\$848.00
086-640-12	10	1	\$1,517.00	\$848.00
086-640-13	10	1	\$1,517.00	\$848.00
086-640-14	10	1	\$1,517.00	\$848.00
086-640-15	10	1	\$1,517.00	\$848.00
086-640-16	10	1	\$1,517.00	\$848.00
086-640-17	10	1	\$1,517.00	\$848.00
086-640-18	10	1	\$1,517.00	\$848.00
086-640-19	10	1	\$1,517.00	\$848.00
086-640-20	10	1	\$1,517.00	\$848.00
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086-640-25	10	1	\$1,517.00	\$848.00
086-640-26	10	1	\$1,517.00	\$848.00
086-640-27	10	1	\$1,517.00	\$848.00
086-640-28	10	1	\$1,517.00	\$848.00
086-640-29	10	1	\$1,517.00	\$848.00
086-640-30	10	1	\$1,517.00	\$848.00
086-640-31	22	1.3	\$1,972.10	\$1,102.40
086-640-32	10	1	\$1,517.00	\$848.00
086-640-33	10	1	\$1,517.00	\$848.00
086-640-34	925	0	Well Site	
086-650-01	10	1	\$1,517.00	\$848.00
086-650-02	10	1	\$1,517.00	\$848.00
086-650-03	10	1	\$1,517.00	\$848.00
086-650-04	10	1	\$1,517.00	\$848.00
086-650-05	10	1	\$1,517.00	\$848.00
086-650-06	1	0.67	\$1,016.39	\$568.16
086-650-07	10	1	\$1,517.00	\$848.00
086-650-08	10	1	\$1,517.00	\$848.00
086-650-09	1	0.67	\$1,016.39	\$568.16
086-650-10	10	1	\$1,517.00	\$848.00
086-650-11	920	0	Future Well Site	
086-660-01	10	1	\$1,517.00	\$848.00
086-660-02	10	1	\$1,517.00	\$848.00
086-660-03	10	1	\$1,517.00	\$848.00
086-660-04	10	1	\$1,517.00	\$848.00
086-660-05	1	0.67	\$1,016.39	\$568.16
086-660-06	10	1	\$1,517.00	\$848.00
086-660-07	10	1	\$1,517.00	\$848.00
086-660-08	10	1	\$1,517.00	\$848.00

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CSA 46  
EFFECTIVE FISCAL YEAR 2012-13

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			CURRENT	PROPOSED*
APN	USE CODE	SFE	FY 11-12	FY 12-13
086-660-11	10	1	\$1,517.00	\$848.00
086-660-12	10	1	\$1,517.00	\$848.00
086-660-13	10	1	\$1,517.00	\$848.00
086-660-14	10	1	\$1,517.00	\$848.00
086-660-15	10	1	\$1,517.00	\$848.00
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086-660-19	10	1	\$1,517.00	\$848.00
086-660-20	10	1	\$1,517.00	\$848.00
086-660-24	925	0	Storm Pond	
086-660-25	925	0	Well Site	
086-660-26	10	1	\$1,517.00	\$848.00
086-660-27	1	0.67	\$1,016.39	\$568.16
086-660-28	22	1.3	\$1,972.10	\$1,102.40
086-660-29	10	1	\$1,517.00	\$848.00
086-660-30	10	1	\$1,517.00	\$848.00
086-660-31	10	1	\$1,517.00	\$848.00
086-660-32	22	1.3	\$1,972.10	\$1,102.40
086-670-01	10	1	\$1,517.00	\$848.00
086-670-02	13	1.3	\$1,972.10	\$1,102.40
086-670-03	10	1	\$1,517.00	\$848.00
086-670-04	10	1	\$1,517.00	\$848.00
086-670-05	10	1	\$1,517.00	\$848.00
086-670-06	10	1	\$1,517.00	\$848.00
086-670-07	10	1	\$1,517.00	\$848.00
086-700-01	10	1	\$1,517.00	\$848.00
086-700-02	13	1.3	\$1,972.10	\$1,102.40
086-700-03	1	0.67	\$1,016.39	\$568.16
086-700-04	10	1	\$1,517.00	\$848.00
086-700-05	10	1	\$1,517.00	\$848.00
086-700-06	22	1.3	\$1,972.10	\$1,102.40
086-700-07	10	1	\$1,517.00	\$848.00
086-700-08	10	1	\$1,517.00	\$848.00
086-700-09	10	1	\$1,517.00	\$848.00
086-700-10	1	0.67	\$1,016.39	\$568.16
086-700-11	10	1	\$1,517.00	\$848.00
086-700-12	1	0.67	\$1,016.39	\$568.16
086-700-13	1	0.67	\$1,016.39	\$568.16
086-700-14	1	0.67	\$1,016.39	\$568.16
086-700-15	1	0.67	\$1,016.39	\$568.16
086-700-16	10	1	\$1,517.00	\$848.00
086-700-17	10	1	\$1,517.00	\$848.00

APPENDIX C

\* = Up to a maximum 3% annual adjustment factor beginning FY 13-14

# APPENDIX D

SFEs BY USE CODE

USE CODE	DESCRIPTION	MINIMUM SFE FACTOR
		WATER
<b>RESIDENTIAL</b>		
1	VAC RES LOT - DEV W/UTIL.	0.67
5	VAC RES SUBDIVISION SITE	0
10	SINGLE FAMILY DWELLING (SFD)	1
13	SFD - WITH ONE IN-LAW UNIT	1.3
22	TWO SFDS ON SINGLE PARCEL	1.3
50	RURAL RESIDENTIAL - VACANT HOMESITE	0.2
51	RURAL RESIDENCE - 1 RES.	1
<b>UTILITIES &amp; GOVERNMENT</b>		
920	VACANT COUNTY LAND	0
925	MISC COUNTY PROPERTY	Special Study