



**SAN JOAQUIN**  
— COUNTY —  
*Greatness grows here.*



**Department of Public Works**

Kris Balaji, Director of Public Works

Fritz Buchman, Deputy Director/Development

Alex Chetley, Interim Deputy Director/Engineering

Jim Stone, Deputy Director/Operations

Kristi Rhea, Manager of Strategic Initiatives

October 4, 2019

Board of Supervisors  
44 North San Joaquin Street, Suite 627  
Stockton, California 95202

Dear Board Members:

**DECLARATION OF INTENT TO INCREASE SERVICE CHARGES FOR VARIOUS SPECIAL DISTRICTS AND SET A PUBLIC HEARING DATE OF DECEMBER 10, 2019, AT 9:00 A.M. (1ST, 3RD, 4TH AND 5TH DISTRICTS)**

**RECOMMENDATION:**

It is recommended that the Board of Supervisors, by Board Order:

1. Declare its intention to increase service charges, effective Fiscal Year 2020-2021, for County Service Areas (CSA) 18, 23, 36 and 37; and Acampo, Bear Creek Terrace, Maurland Manor, Morada Acres, Morada Estates, and Rancho San Joaquin Maintenance Districts; and,
2. Approve the Engineer's Reports dated September 20, 2019, on service charge adjustments; and,
3. Set a Public Hearing date of December 10, 2019, at 9:00 a.m., to receive testimony regarding the proposed service charges; and,
4. Direct Public Works staff to mail notices, and ballots as applicable, informing affected property owners about the proposed service charges and Public Hearing.

**REASONS FOR RECOMMENDATION:**

Under The Right to Vote on Taxes Act of 1996 (Proposition 218), new or increased service charges for water and storm drainage services are subject to consent through a majority protest process. Property owners must receive notices that will provide them the opportunity to protest the proposed service charge adjustments. If a majority of the affected properties do not protest the proposed service charges, the adjustments may be adopted.

New or increased service charges for street lighting services are subject to consent by affected property owners through a ballot procedure. Property owners must receive notices and ballots that will provide them the opportunity to approve or disapprove the proposed service charge adjustments. If a majority of the returned ballots approve the proposed service charges, the adjustments may be adopted.

Rate increases are being proposed for various services in 10 special districts. The proposed rates presented below are charged per Single Family Equivalent (SFE) unit, which is defined as the

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amount of special benefit or service level received by a typical single-family home. With the exception of Morada Acres, all of the proposed rate increases are inflationary adjustments of 3.5 to 4.0 percent, or have a first year increase of \$20 or less.

The rate adjustments proposed for eight of the districts will be effective for Fiscal Year 2020-2021, and may be subsequently adjusted for inflation. The adjustment for inflation, not to exceed five percent, will be based on the percent change in the Consumer Price Index - All Urban Consumers for the San Francisco-Oakland-San Jose areas. For storm drainage and water service charges, inflationary adjustments may be applied, effective Fiscal Years 2021-2022 through 2024-2025. Inflationary adjustments for the street lighting service charge in CSA 37 may continue indefinitely.

Table 1 below summarizes the proposed rates for these districts:

<b>District</b>	<b>Supv. Dist.</b>	<b>Rate Type</b>	<b>SFEs</b>	<b>Last Rate Increase</b>	<b>Current Rates 2019-20</b>	<b>Proposed Rates 2021</b>	<b>Percent Increase</b>
CSA 18	4	Water	49	2006	\$707	\$732	3.5%
CSA 36	4	Storm Drainage	12	1993	\$100	\$104	4%
CSA 37	1	Street Lighting	4	1989	\$200	\$220	10%
Acampo	4	Water	75	2006	\$446	\$462	3.6%
Bear Creek Terrace	4	Storm Drainage	320	1992	\$2	\$14	600%
Maurland Manor	5	Water	28	2007	\$935	\$968	3.5%
Morada Estates	4	Water	101	2007	\$993	\$1,028	3.5%
Rancho San Joaquin	3	Water	52	2006	\$1,329	\$1,376	3.5%

CSA 23 and Morada Acres have a five-year rate increase schedule proposed for storm drainage and water services, respectively. The increases will cover the annual operating costs and phase in an annual contribution for capital reserves. A public outreach meeting was held in Morada Acres on September 19, 2019, to communicate the district's financial situation and discuss solutions. The property owners who attended the meeting generally recognized the need to

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adjust rates and agreed to reach out to other district residents. The proposed rates for these districts are summarized below in Table 2:

Table 2 – Current and Proposed Rates (per SFE per year)										
District	Supv. Distr.	Rate Type	SFEs	Last Rate Incr.	Current Rate 2019-20	Proposed Rates				
						2020-21	2021-22	2022-23	2023-24	2024-25
CSA 23	4	Storm Drainage	98	1996	\$40	\$50	\$63	\$72	\$86	\$101
Morada Acres	4	Water	32	2007	\$730	\$1,067	\$1,178	\$1,291	\$1,484	\$1,532

FISCAL IMPACT:

Special districts generally are self-sustaining and costs are primarily offset through user service charges. There are no net County costs associated with the recommended actions. Anticipated costs consist of staff time, along with costs for printed materials and mailings, which will be charged to each district respectively.

ACTION TO BE TAKEN FOLLOWING APPROVAL:

Public Works staff will have the Notices of Public Hearing and ballots (as applicable) mailed to the affected property owners. The Notices invite constituents to request meetings with Public Works staff prior to the Public Hearing, and staff will endeavor to accommodate any such requests.

Sincerely,



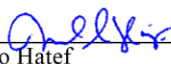
KRIS BALAJI, PMP, P.E.  
 Director of Public Works

KB:JR:me  
 CI-19I023-ME2

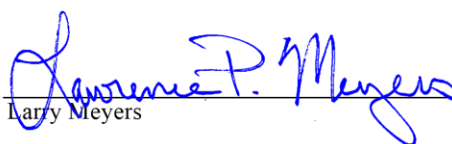
c: Board Clerk  
 October 22, 2019 Agenda

Reviewed by County Administrator’s Office:

Reviewed by County Counsel’s Office:

  
 Mo Hatef

10/7/2019

  
 Larry Meyers

10/8/2019

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