

**CORRAL HOLLOW MAINTENANCE DISTRICT
(SUPERVISORIAL DISTRICT 5)**

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



December 23, 2011

**PREPARED BY THE DEPARTMENT
OF PUBLIC WORKS**

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CORRAL HOLLOW MAINTENANCE DISTRICT

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 XIIC and XIID 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 Hazelton Ave., Stockton, CA or on-line at www.sjgov.org/pubworks

The purpose of this report is to provide detailed information regarding the proposed water service charge adjustments for Corral Hollow Maintenance District (CHMD). 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. CORRAL HOLLOW MAINTENANCE DISTRICT

CHMD 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 November 21, 1972, the County of San Joaquin Board of Supervisors established CHMD. The Resolution (R-72-2087) authorized the District to establish sufficient service charges and provide operation and maintenance of the water, storm drainage, and streetlight improvements.

3. DESCRIPTION OF SERVICES AND EXPENDITURES

CHMD currently provides for the operation and maintenance of the public water, street lights and storm drainage systems. The costs for operating and maintaining the services are paid by service charges.

The proposed 2012-13 budget for CHMD 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, and retention maintenance; and street-light bulb replacement, pole repair, pole replacement, power distribution. Operations and Maintenance costs include reimbursement to various County departments and other agencies for services provided to CHMD.
- 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 CHMD.

4. SERVICE CHARGES

Service charges are utilized to generate the revenues needed to operate and to maintain CHMD facilities. The proposed water service charge has 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 table shows the current and proposed service charges. All parcels that receive services are receiving special benefit and are apportioned appropriate Single Family Equivalent (SFE) unit, which is based on the water consumption of a typical single family dwelling. The annual service charge is collected through the property tax rolls.

Water Service	Current	Proposed				
Fiscal Year	11-12	12-13	13-14	14-15	15-16	16-17
Annual Service Charge (per SFE)	\$924	\$1,012	\$1,108	\$1,213	\$1,328	\$1,455

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 2017-18. 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 CHMD 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 CHMD and are not enjoyed by parcels outside the District.

8. METHOD OF COST APPORTIONMENT

The annual service charges for CHMD residential and commercial/industrial areas are based upon a Single Family Equivalent (SFE) unit, which refers to the benefit a single-family dwelling unit on one parcel 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 CHMD. 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 assessment 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 assessment 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.



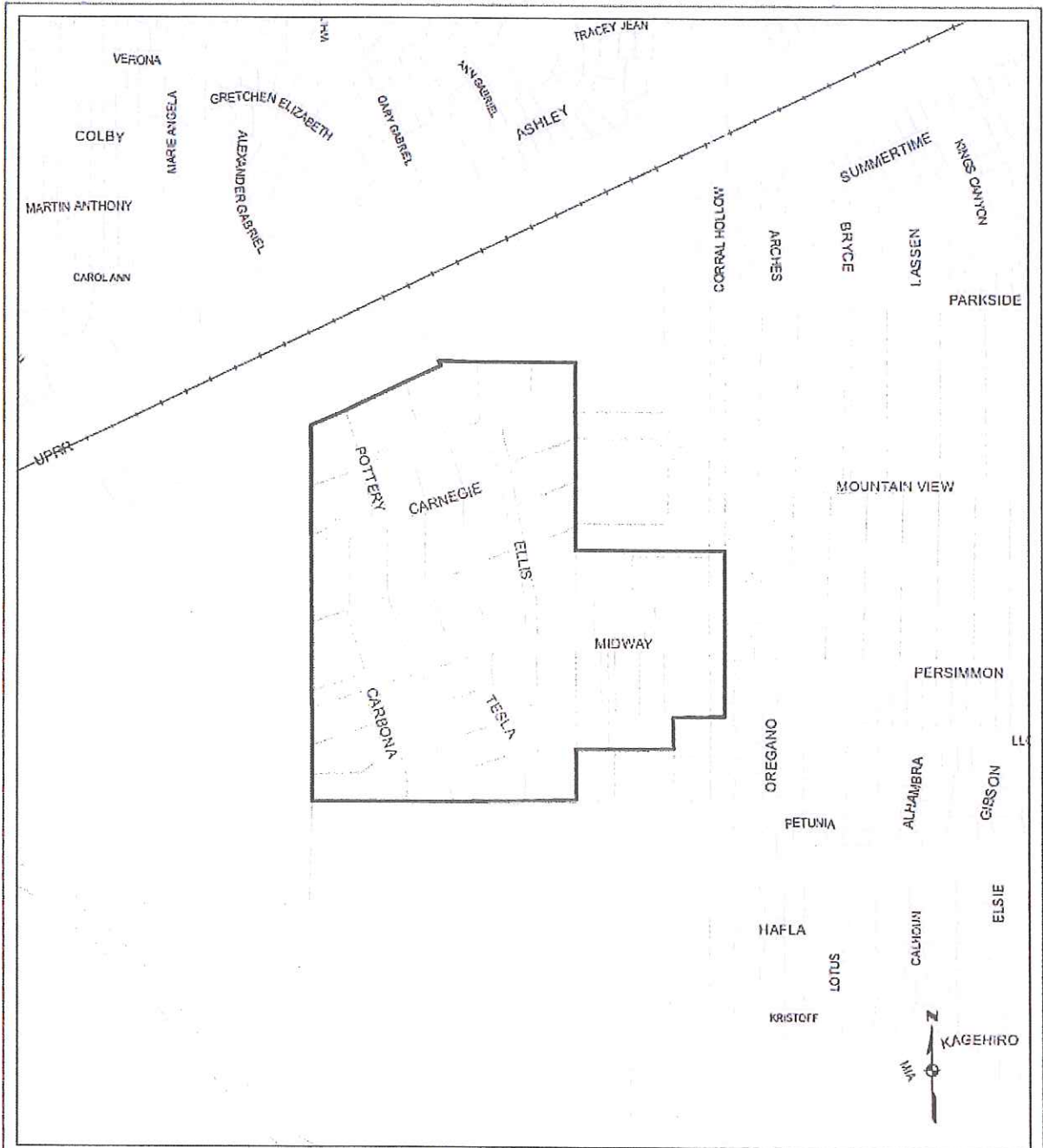
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Date



APPENDIX A

VICINITY MAP

APPENDIX A CORRAL HOLLOW MAINTENANCE DISTRICT MAP



 District Boundary	 City Limits	 Parcels	1" = 500'
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CORRAL HOLLOW
-- VICINITY MAP --

SAN JOAQUIN COUNTY
Department of Public Works, 1510 E. Hazelton Ave., Stockton, CA 95205
The County of San Joaquin does not warrant the accuracy, completeness, or suitability for any particular purpose. The information on this map is for informational purposes only and should not be used for legal or other purposes.



APPENDIX B

PROPOSED BUDGET

APPENDIX B
CORRAL HOLLOW MAINTENANCE DISTRICT BUDGET

ITEM	2010-11 ACTUAL	2011-12 APPROVED	2012-13 PROPOSED
Property Tax & Interest	\$3,570	\$7,200	\$4,242
Annual Service Charge	\$42,428	\$42,428	\$46,299
Transfers In	\$25,000	\$0	\$0
TOTAL REVENUE	\$70,998	\$49,628	\$50,541
Operations & Maintenance	\$56,206	\$64,200	\$50,185
Capital Expenses	\$0	\$10,000	\$356
TOTAL EXPENDITURES	\$56,206	\$74,200	\$50,541

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

APPENDIX C

**ANNUAL SERVICE CHARGES
FOR INDIVIDUAL PROPERTIES**

CORRAL HOLLOW
MAINTENANCE DISTRICT
EFFECTIVE FISCAL YEAR 2012-13

WATER SERVICES			ANNUAL WATER SERVICE CHARGE							
			CURRENT	PROPOSED *						
APN	USE CODE	SFE	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17		
240-100-09	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-10	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-11	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-12	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-13	51	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-16	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-17	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-18	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-21	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-100-22	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-01	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-02	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-03	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-04	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-05	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-06	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-07	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-08	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-09	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-10	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-11	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-12	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-13	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-14	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-15	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-110-16	925	0	Well Site							
240-120-01	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-120-02	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-120-04	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-120-05	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-120-06	925	0	Well Site							
240-120-07	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-01	1	0.2	\$184.80	\$202.40	\$221.60	\$242.60	\$265.60	\$291.00		
240-130-02	1	0.2	\$184.80	\$202.40	\$221.60	\$242.60	\$265.60	\$291.00		
240-130-03	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-04	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-05	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-06	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-07	1	0.2	\$184.80	\$202.40	\$221.60	\$242.60	\$265.60	\$291.00		
240-130-08	22	1.3	\$1,201.20	\$1,315.60	\$1,440.40	\$1,576.90	\$1,726.40	\$1,891.50		
240-130-09	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-10	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-11	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		
240-130-12	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00		

APPENDIX C

* = Up to a maximum 3% annual adjustment factor beginning FY 17-18

CORRAL HOLLOW
 MAINTENANCE DISTRICT
 EFFECTIVE FISCAL YEAR 2012-13

WATER SERVICES			ANNUAL WATER SERVICE CHARGE					
			CURRENT	PROPOSED *				
APN	USE CODE	SFE	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
240-130-13	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00
240-130-14	1	0.2	\$184.80	\$202.40	\$221.60	\$242.60	\$265.60	\$291.00
240-130-15	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00
240-130-16	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00
240-130-17	10	1	\$924.00	\$1,012.00	\$1,108.00	\$1,213.00	\$1,328.00	\$1,455.00
240-130-18	925	0	Storm Pond					

APPENDIX C

* = Up to a maximum 3% annual adjustment factor beginning FY 17-18

APPENDIX D

SFEs BY USE CODE

USE CODE	DESCRIPTION	MINIMUM SFE FACTOR
		WATER
	RESIDENTIAL	
1	VAC RES LOT - DEV W/UTIL.	0.2
10	SINGLE FAMILY DWELLING (SFD)	1
22	TWO SFDS ON SINGLE PARCEL	1.3
51	RURAL RESIDENCE - 1 RES.	1
	UTILITIES & GOVERNMENT	
925	MISC COUNTY PROPERTY	Special Study