

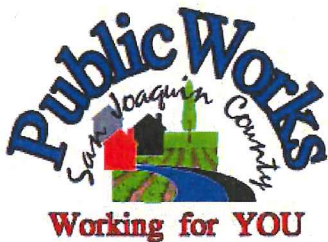


**CORRAL HOLLOW MAINTENANCE DISTRICT  
(SUPERVISORIAL DISTRICT 5)**

**March 20, 2018**

(Administered by the Department of Public Works)

**ENGINEER'S REPORT  
ON  
SERVICE CHARGE ADJUSTMENTS  
FOR  
FISCAL YEARS 2018-19 through 2022-2023**



Prepared by  
The Department of Public Works

Pursuant to SJC Ordinance Code Section 5-3302 and 5-6812  
and Articles XIII C and XIII D of the California Constitution

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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 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 CORRAL HOLLOW MAINTENANCE DISTRICT (District). 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. If a majority protest does not exist at the conclusion of the Hearing, the Board will be asked to approve the proposed rates, which will become effective in Fiscal Year 2018-19.

### **2. CORRAL HOLLOW MAINTENANCE DISTRICT**

The District is considered a special district pursuant to the definitions of the California Constitution Article 13D, Section 2(d). A special 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.

The County of the San Joaquin Board of Supervisors established the District in 1977. The Resolution, which is filed with the San Joaquin County Clerk of the Board, authorizes the District to establish sufficient Service Charges for operation and maintenance of the water system improvements. The District's water system serves 47 parcels via unmetered service connections.

### **3. DESCRIPTION OF SERVICES AND EXPENDITURES**

The District currently provides for the operation and maintenance of the public water system serving properties within the district.

The proposed 2018-19 through 2022-2023 budget for the District is listed in Appendix B. The proposed budget is developed in general to include:

- a) Operation and Maintenance costs to pay for routine service and care necessary to properly operate and maintain public improvements, including but not limited to: water distribution system, service laterals and domestic water well facilities. Operation and Maintenance costs include reimbursement to various County departments and other agencies for service provided to the District.
- b) Capital Replacement costs include major repairs and the amounts set aside periodically to pay for future replacement of the major components of the system. The necessary contribution for capital replacement reserves will be phased-in over 5 years in order to provide property owners a more gradual rate increase.

**4. SERVICE CHARGES**

The Service Charges are utilized to generate the revenues needed to operate and to maintain the District’s 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 table shows the current and proposed Service Charges per fiscal year. All parcels benefiting from the District’s services receive an annual Service Charge, which are collected annually through the property tax roll of all customers.

Corral Hollow Maintenance District	Current	Proposed				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Annual Water Service Charge/SFE	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383

The proposed rates, if approved, will be effective for Fiscal Years 2018-2019 through 2022-23. Effective Fiscal Year 2023-24 through 2027-28, an annual adjustment factor for inflation, not to exceed 5%, may be applied. The adjustment for inflation will be based on the percent change in the Consumer Price Index (CPI) – All Urban Consumers for the San Francisco-Oakland-San Jose areas.

**5. 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.

**6. METHOD OF COST APPORTIONMENT**

The annual service charges for the District's residential and non-residential parcels are based upon a Single Family Equivalent (SFE) unit, which refers to the service level a typical single-family dwelling unit would receive. The Service Charges are apportioned among all lots and parcels within the District by use type as set forth in Appendix D. All parcels within the District are charged based on the proportional cost of service as compared to a single-family dwelling. 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. A special study was conducted for three properties in this District. The properties do not receive water service from the District and were assigned 0 SFE.

**7. 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 the District. 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.

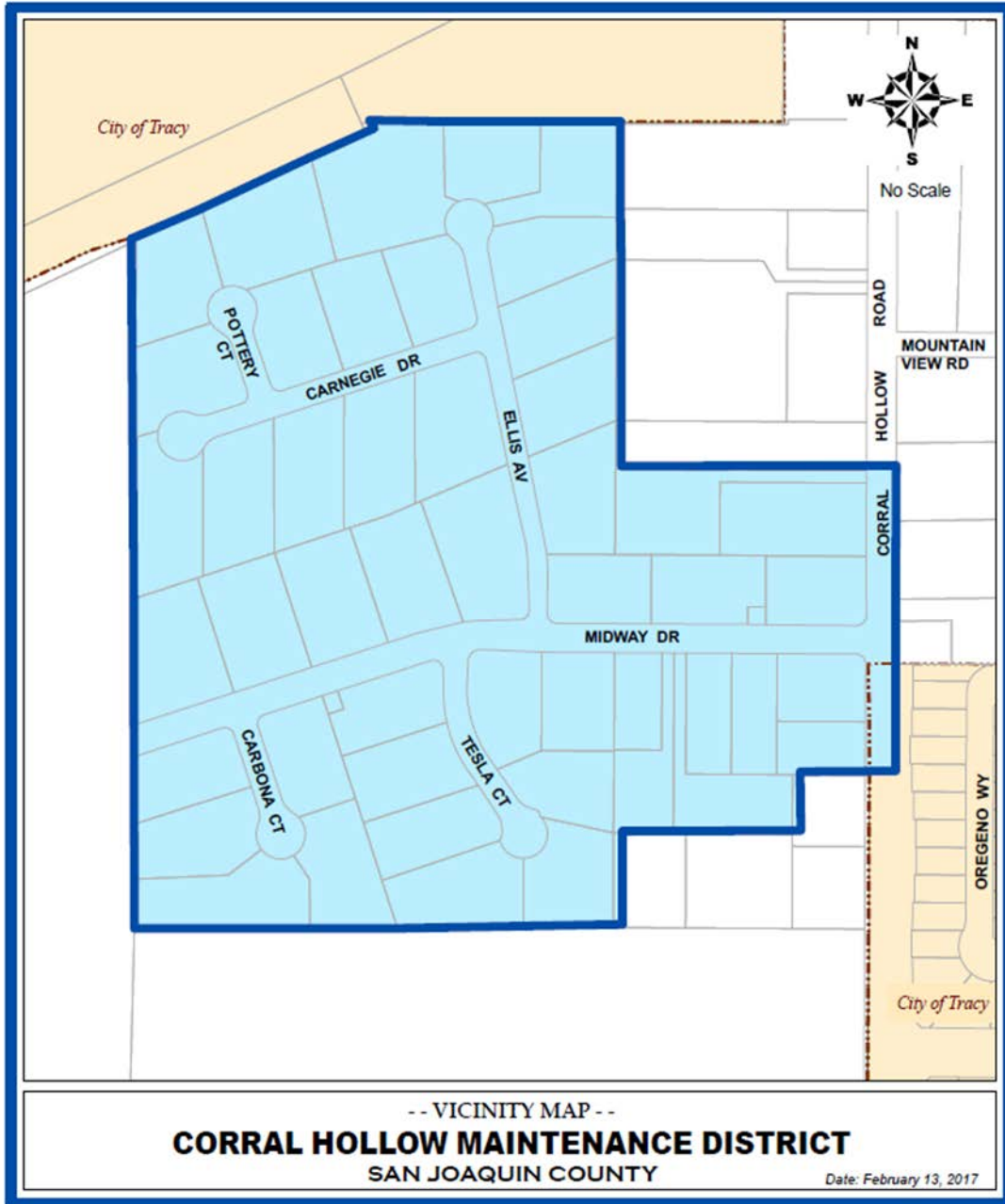
**8. APPEALS AND ADJUSTMENTS**

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.

# **APPENDIX A**

## **VICINITY MAP**

**APPENDIX A**  
**CORRAL HOLLOW MAINTENANCE DISTRICT MAP**



# **APPENDIX B**

## **PROPOSED BUDGET**



**APPENDIX B**  
**CORRAL HOLLOW MAINTENANCE DISTRICT BUDGET**

Corral Hollow Maintenance District	Current	Proposed				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Water SFEs	44.1	44.1	44.1	44.1	44.1	44.1
Annual Water Service Charge/SFE	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
Streetlight SFEs	48	48	48	48	48	48
Streetlight Service Charge / SFE	\$35	\$35	\$35	\$35	\$35	\$35
<b>Revenue:</b>						
Annual Service Charges	\$67,742	\$72,637	\$82,383	\$92,173	\$102,052	\$106,770
Property Tax and Interest Income	\$4,666	\$4,538	\$4,538	\$4,538	\$4,538	\$4,538
<b>Total Revenue</b>	<b>\$72,408</b>	<b>\$77,175</b>	<b>\$86,921</b>	<b>\$96,712</b>	<b>\$106,590</b>	<b>\$111,309</b>
<b>Expenses:</b>						
<b>Water:</b>						
Labor (maintenance, engineering, admin)	\$46,649	\$48,044	\$49,481	\$50,962	\$52,487	\$54,057
Electricity	\$10,484	\$10,798	\$11,122	\$11,456	\$11,800	\$12,154
Equipment & Materials	\$9,200	\$827	\$852	\$877	\$904	\$931
License and Permit	\$852	\$877	\$904	\$931	\$959	\$987
Capital Replacement Reserves	\$0	\$13,000	\$20,821	\$28,643	\$36,464	\$39,107
<b>Total Water Expenses</b>	<b>\$67,184</b>	<b>\$73,546</b>	<b>\$83,180</b>	<b>\$92,869</b>	<b>\$102,613</b>	<b>\$107,236</b>
<b>Storm Drainage:</b>						
Labor (maintenance, engineering, admin)	\$57	\$59	\$60	\$62	\$64	\$66
Equipment & Materials	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Storm Drainage Expenses</b>	<b>\$57</b>	<b>\$59</b>	<b>\$60</b>	<b>\$62</b>	<b>\$64</b>	<b>\$66</b>
<b>Streetlight:</b>						
Labor (maintenance, engineering, admin)	\$1,050	\$1,081	\$1,113	\$1,146	\$1,180	\$1,215
Electricity	\$2,411	\$2,484	\$2,558	\$2,635	\$2,714	\$2,795
Equipment & Materials	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Streetlighting Expenses</b>	<b>\$3,461</b>	<b>\$3,565</b>	<b>\$3,671</b>	<b>\$3,781</b>	<b>\$3,894</b>	<b>\$4,010</b>
<b>Total Expenses</b>	<b>\$70,703</b>	<b>\$77,169</b>	<b>\$86,912</b>	<b>\$96,712</b>	<b>\$106,571</b>	<b>\$111,312</b>
<b>Annual Surplus (Shortfall)</b>	<b>\$1,705</b>	<b>\$6</b>	<b>\$9</b>	<b>\$0</b>	<b>\$19</b>	<b>(\$3)</b>
Beginning Operating Fund Balance	(\$60,724)	(\$59,019)	(\$59,013)	(\$59,003)	(\$59,003)	(\$58,984)
<b>Ending Operating Fund Balance</b>	<b>(\$59,019)</b>	<b>(\$59,013)</b>	<b>(\$59,003)</b>	<b>(\$59,003)</b>	<b>(\$58,984)</b>	<b>(\$58,987)</b>
Capital Replacement Reserves	\$0	\$13,000	\$33,821	\$62,464	\$98,928	\$138,035
<b>Total Fund Balance</b>	<b>(\$59,019)</b>	<b>(\$46,013)</b>	<b>(\$25,182)</b>	<b>\$3,461</b>	<b>\$39,944</b>	<b>\$79,048</b>

# **APPENDIX C**

## **ANNUAL SERVICE CHARGES FOR INDIVIDUAL PROPERTIES**

**APPENDIX D**  
**CORRAL HOLLOW MAINTENANCE DISTRICT USE CODES**

Corral Hollow			Annual Water Service Charges					
Assessor's Parcel Number	Use Code	SFE	Current FY 2017-18	Proposed FY 2018-19	Proposed FY 2019-20	Proposed FY 2020-21	Proposed FY 2021-22	Proposed FY 2022-23
24010009	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010010	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010011	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010012	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010013	051	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010016	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010017	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010018	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010021	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24010022	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011001	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011002	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011003	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011004	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011005	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011006	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011007	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011008	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011009	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011010	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011011	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011012	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011013	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011014	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011015	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24011016	925	0	\$0	\$0	\$0	\$0	\$0	\$0
24012001	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24012002	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24012004	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24012005	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24012006	925	0	\$0	\$0	\$0	\$0	\$0	\$0
24012007	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013001	001	0.2	\$300	\$322	\$366	\$410	\$455	\$477
24013002	001	0.2	\$300	\$322	\$366	\$410	\$455	\$477
24013003	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013004	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013005	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013006	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013007	001	0.2	\$300	\$322	\$366	\$410	\$455	\$477
24013008	022	1.3	\$1,947	\$2,092	\$2,379	\$2,668	\$2,959	\$3,098
24013009	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383

Corral Hollow			Annual Water Service Charges					
Assessor's Parcel	Use Code	SFE	Current	Proposed	Proposed	Proposed	Proposed	Proposed
24013010	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013011	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013012	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013013	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013014	001	0.2	\$300	\$322	\$366	\$410	\$455	\$477
24013015	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013016	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013017	010	1	\$1,498	\$1,609	\$1,830	\$2,052	\$2,276	\$2,383
24013018	925	0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>		<b>44.1</b>	<b>\$66,062</b>	<b>\$70,957</b>	<b>\$80,703</b>	<b>\$90,493</b>	<b>\$100,372</b>	<b>\$105,090</b>

# **APPENDIX D**

## **SFEs BY USE CODE**

**APPENDIX D**  
**CORRAL HOLLOW MAINTENANCE DISTRICT USE CODES**

USE CODE	DESCRIPTION	MINIMUM SFE FACTOR
		WATER
	<b>RESIDENTIAL</b>	
001	VACANT RESIDENTIAL LOT - DEV W/UTIL.	0.2
010	SINGLE FAMILY DWELLING (SFD)	1
022	TWO SFDS ON SINGLE PARCEL	1.3
051	RURAL RESIDENTIAL - 1 RES.	1
	<b>UTILITIES &amp; GOVERNMENT</b>	
925	MISC COUNTY PROPERTY	SPECIAL STUDY