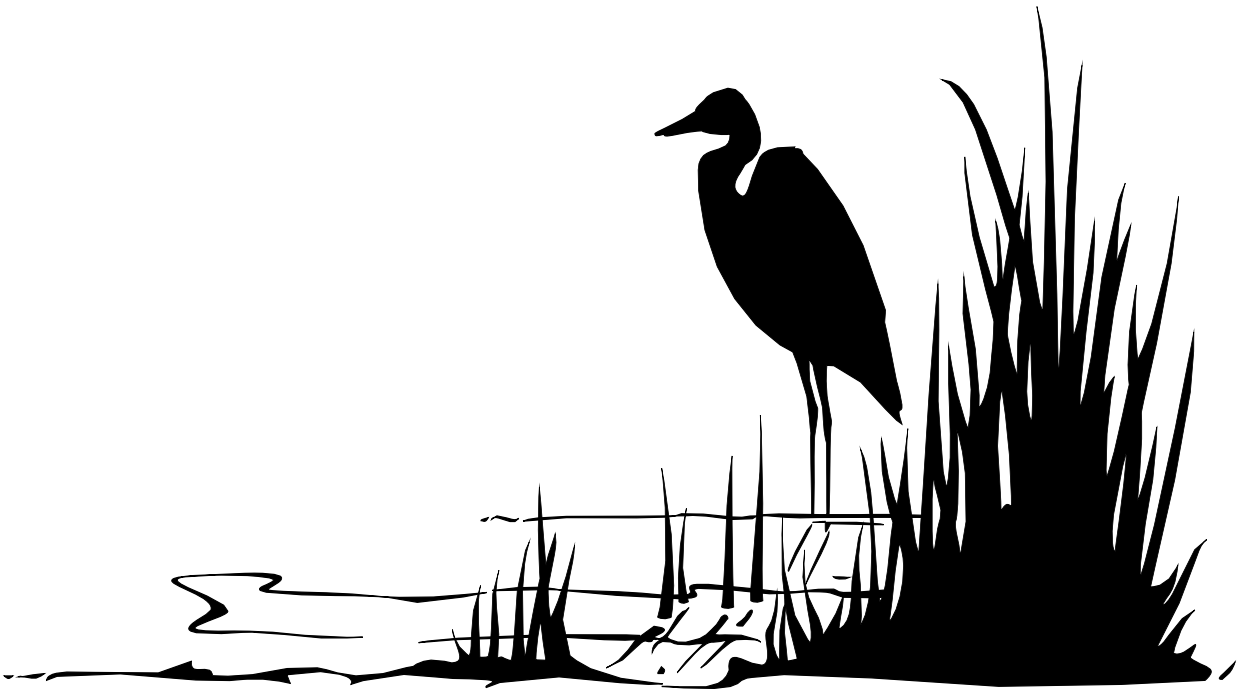


**TENTATIVE ANNUAL REPORT
FISCAL YEAR 2015-2016**

**CONTRA COSTA COUNTY SERVICE AREA M-28
(Willow Mobile Home Park Water District)**

June 9, 2015



Board of Supervisors

John Gioia, District 1
Candace Andersen, District 2
Mary Piepho, District 3
Karen Mitchoff, District 4
Federal Glover, District 5

Prepared by
**Contra Costa County
Public Works Department**

BACKGROUND INFORMATION

The Willow Mobile Home Park is located on Bethel Island and consists of 1 parcel (23 acres) that includes 172 mobile homes. In order for safe water services to be provided, it was recommended a CSA be formed.

On December 10, 1991 the Contra Costa Board of Supervisors approved County Resolution 91/807 which formed County Service Area (CSA) M-28 (Willow Mobile Home Park Water District). CSA M-28 was formed pursuant to the County Service Area Law to ensure the proper flow of funds for the ongoing operation, maintenance and servicing of extended community water system services within the Bethel Island Area.

CSA M-28 has been given the power to acquire, construct, operate, replace, maintain and repair a water supply and distribution system as authorized by California Government Code Section 25210.4(d) and 25120.4a(1). The funding for CSA M-28 comes from service charges which are obtained from the users of the water system, in accordance with former Government Code Section 25210.77a, Government Code Section 25210.9 and County Ordinance Section 1012-2.6.

A map of the general location of CSA M-28 is shown below:



CURRENT ANNUAL ADMINISTRATION

Pursuant to County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report has been filed with the Clerk of the Board of Supervisors, public notice has been completed as required, and the Board will conduct a Public Hearing and then make a determination on each estimated service charge in the tentative report. Contra Costa Board of Supervisors will review the Tentative Annual Report in accordance with Resolution No. 2015/****, on June 9, 2015, and conduct a Public Hearing in connection with the proceedings for CSA M-28.

Upon adoption of the Final Annual Report by the Board of Supervisors, the charges contained herein will be collected on the property tax roll of Contra Costa County in the same manner, by the same persons, at the same time as, and together with the County's property taxes.

Legal Authority

As required by County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report includes the following minimum information as shown in the Service Charge Roll:

1. a description of each parcel of real property receiving the miscellaneous extended service;
2. the basic service charge;
3. the estimated amount of the service charge for each parcel for such year; and
4. a parcel list identifying each parcel receiving services that allows parcel owners to find their property on the list and determine the proposed charge.

This annual report also includes the following additional information to allow the reader to better understand what services are being paid for, what is the total annual cost for the services provided, and how the cost of services are spread to each individual parcel:

1. Estimate of Annual Cost; and
2. Method of Apportionment.

CSA M-28 Willow Mobile Home Park Water District Tentative Annual Report
Fiscal Year 2015-16

ESTIMATE OF ANNUAL COST

A special fund has been set up for the collection of revenues and expenditures for CSA M-28. The total cost of construction, operation, and maintenance and servicing of the water system can be recovered from the collection of charges. Incidental expenses including administration, engineering fees, legal fees and all other costs associated with the construction, operation and maintenance and servicing of the water system may also be included.

When CSA M-28 was formed, a financial analysis was performed to provide the framework for an operating budget for the proposed operation, maintenance and servicing of extended community water system services. Revenues collected from the charge shall be used only for the expenditures represented in this report. Any balance remaining on July 1 at the end of the fiscal year must be carried over to the next fiscal year.

CSA M-28 Bethel Island Willow Park	FY 2014-15	FY 2015-16
Fund 247300 Org 7473	Projected	Proposed
Beginning Fund Balance	\$ (0.07)	\$ -
Revenue:		
Taxes and Assessment	91,937.40	94,265.28
Transfers - Gov/Gov	47,596.61	76,837.00
TOTAL CURRENT REVENUE	\$ 139,534.01	\$ 171,102.28
Total Revenue + Carryover:	\$ 139,533.94	\$ 171,102.28
Expenditures:		
Postage and Communications	220.00	230.00
Utilities (Water & Electricity)	12,000.00	13,000.00
Publications & Legal Notices	-	200.00
Memberships	152.94	155.00
Professional/Specialized Svcs (Non-County)	40,300.00	72,627.28
Lab Services (Cerco Analytical)	3,300.00	2,500.00
Chemicals & Parts	9,000.00	9,000.00
Tax & Assessment Fees	251.00	275.00
CCC Environmental Health Water Permit	1,740.00	1,740.00
County Counsel	11,250.00	10,000.00
DoIT Phone Exchange	320.00	375.00
Public Works Labor	61,000.00	61,000.00
Total Expenditures	\$ 139,533.94	\$ 171,102.28
FUND BALANCE AVAILABLE	\$ -	\$ -

METHOD OF APPORTIONMENT

Special vs. General Benefit

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote On Taxes Act" which added Articles XIIC and XIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for fees, charges and benefit assessments.

These new procedures stipulate that even if charges or benefit assessments are initially exempt from Proposition 218, future increases in the charges or benefit assessments must comply with the provisions of Proposition 218. However, if the increase in the charge or benefit assessment were anticipated in the charge or benefit assessment formula (e.g., consumer price index increase or a predetermined cap) then the increase in the charge or benefit assessment would be in compliance with the intent and provisions of Proposition 218.

Proposition 218 provides that "only special benefits are assessable" and defines a special benefit as a particular and distinct benefit conferred on real property and not a general benefit received by the public at large. The extended public services provided within CSA M-28 are deemed a special benefit and only serve the parcels located within the boundaries of the District. Without the services, the parcel located in the unincorporated area would not receive water services. Therefore the services in CSA M-28 are 100% special benefit to the parcel within the CSA.

Methodology

The total operation and maintenance costs for the extended public services are apportioned in accordance with the methodology that is consistent with standard practices.

The maximum charge rate was previously set at \$75,300 per parcel (1991 dollars). Since 1991 the Consumer Price Index (CPI) for the San Francisco Bay Area All Urban Consumers and the costs to operate and maintain the improvements increased, however the charge rate remained constant until Fiscal Year 2007-2008. In Fiscal Year 2007-2008 the charge rate was increased to \$79,818 per parcel with an allowance for an increase each subsequent year based upon the San Francisco Bay Area – All Urban Consumers as of April 2007 (215.842).

Due to an aging system, the cost of operating and maintaining water facilities continues to increase. It was proposed in Fiscal Year 2010-11 that the charge rate be increased to \$95,500 per parcel (8.5% increase). However, this increase was not supported by the property owners, and therefore the 8.5% increase was not imposed.

The cost of operating and maintaining water facilities continues to increase, due to an aging system. It was proposed in Fiscal Year 2014-15 that the charge rate be increased from \$91,937 to \$335,939 per parcel. However, this increase was not supported by the property owners, and therefore the increase was not imposed.

Rate

The February 2015 CPI Index is 254.910, therefore the maximum rate for Fiscal Year 2015-2016 can be increased 2.53% to \$94,265.28 per parcel. It is proposed to levy charges at the maximum rate for Fiscal Year 2015-2016.

***CSA M-28 Willow Mobile Home Park Water District Tentative Annual Report
Fiscal Year 2015-16***

In Fiscal Year 2015-16, it is recommended based upon projected expenditures, that the maximum rate of \$94,265.28 per parcel be collected. It is estimated \$94,265.28 in revenue will be needed to provide the services referenced above in Fiscal Year 2015-16. There is 1 parcel that is included in the CSA. If you divide \$94,265.28 by 1 parcel, the service charge per parcel is \$94,265.28.

SERVICE CHARGE ROLL

A list, which shows those parcels to be charged for Fiscal Year 2015-16, including a description of each parcel to be charged is shown below.

<u>Parcel Number</u>	<u>Proposed FY 2015-2016 Amount</u>
029-020-004-7	\$94,265.28