



Board Agenda Item 81

DATE: June 20, 2023
TO: Board of Supervisors
SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning
SUBJECT: FY 2023-24 Special Districts Budgets

RECOMMENDED ACTION(S):

Adopt Resolution approving FY 2023-24 Special Districts budgets based on previously approved fees, assessments, charges, State or Federal grants, and recovered costs for County Service Areas, a Highway Lighting District, Maintenance Districts, and Waterworks Districts; and direct the Department of Public Works and Planning staff to include the rates on the Master Schedule of Fees, Charges, and Recovered Costs for administrative purposes.

Sitting as the Board of Directors for Waterworks District Nos. 37, 38, 40, 41, and 42:

Adopt Resolution approving FY 2023-24 Special Districts budgets based on previously approved fees, assessments, charges, State or Federal grants, and recovered costs for County Service Areas, a Highway Lighting District, Maintenance Districts, and Waterworks Districts; and direct the Department of Public Works and Planning staff to include the rates on the Master Schedule of Fees, Charges, and Recovered Costs for administrative purposes.

Approval of the recommended action will adopt the FY 2023-24 budgets for County Service Areas (CSAs), a Highway Lighting District (HLD), Maintenance Districts (MDs), and Waterworks Districts (WWDs), which are based on previously approved rates in engineer's reports and Proposition 218 hearings. This item pertains to locations in Districts 1, 2, 4 and 5.

ALTERNATIVE ACTION(S):

There are no viable alternative actions.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. All costs associated with each district are paid by the benefitting properties. The carryover funds, interest, annual assessments, fees, State or Federal grants, and charges to each district provide the necessary funding for each district. Sufficient appropriations and estimated revenues for administrative costs (salaries and benefits, services and supplies, etc.) will be included in the Department of Public Works and Planning - Special Districts Administration Org 9140 FY 2023-24 Recommended Budget. These costs are then reimbursed to the County by each Special District.

DISCUSSION:

The recommended action seeks the adoption of budgets for 41 CSAs, 1 HLD, 5 MDs, 6 WWDs, and 78 road zones in CSA 35 based on previously approved fees, assessments, and engineer's reports. The 131 special district budgets serve an excess of 30,000 residents throughout the unincorporated area of Fresno County. Services provided include one or more of the following: community water, community sewer, street lighting, snow removal, storm drainage, structural fire protection, first responder medical services, landscaping, refuse collection, park maintenance, wetlands monitoring, open space maintenance, and road maintenance.

The proposed budgets are based on the revenues from fees and assessments for services, interest, and in some cases a portion of property taxes. All budgets are projected using existing fee structures, historic expenditures, and anticipated capital expenditures. If additional appropriations are required for unanticipated circumstances, such as increased project costs, additional State required monitoring, equipment replacement, major emergencies, or future projects recommended by the property owners, then some of these budgets may return to your Board for an adjustment during FY 2023-24.

Various proposed Special Districts budgets also include capital projects, which are expected to be commenced or continued in FY 2023-24. These capital projects are funded through district reserves, donations accepted by the County on a district's behalf, State Revolving Fund loans which have been previously approved by the property owners and will be repaid through assessments adopted by your Board through the Proposition 218 process, or through State or Federal grants awarded to the districts and accepted on their behalf by the County. The districts with planned capital projects in FY 2023-24 include: CSA 1 - Tamarack Estates, CSA 2 - Tenaya Estates, CSA 10A - Mansionette Estates, CSA 30 - El Porvenir, CSA 32 - Cantua Creek, CSA 34 - Millerton New Town, CSA 43 - Raisin City Park and Lighting District, CSA 43W - Raisin City Community Water, CSA 44A - Millerton Lake Home Village Sewer District, CSA 44C - Riverview Ranch, CSA 49 - Community of J.E. O'Neill, and WWD 41 - Shaver Lake.

Department staff anticipates fifteen Proposition 218 proceedings in FY 2023-24. Exhibit A contains a list of the districts that may require a Proposition 218 hearing and a description of the services provided. These districts have experienced increases in operation and maintenance expenses, require buildup of reserves for capital replacement projects, or need rate increases to adjust for inflation.

On September 27, 2016, the Board adopted Resolution No. 16-389 that established a policy for cash-flow loans to CSAs and WWDs. At this time, there are no active cash-flow loans to report on.

On February 7, 2017, the Board adopted Resolution No. 17-121 that established a policy for a CSA Revolving Fund Loan. On June 20, 2017, CSA 34A received a Revolving Fund Loan from the General Fund in the amount of \$300,000. The repayment was structured for CSA 34A to make 40 quarterly payments of \$7,500 plus the current pooled interest rate with the first payment made in October 2017. As of April 30, 2023, the outstanding loan balance is \$127,500.

A copy of all Special Districts budgets are on file with the Clerk of the Board and posted on the Department's website. Upon approval of the recommended action, each District's budget will be posted on the Department's website.

It is recommended that your Board adopt the resolution approving the Special Districts budgets for FY 2023-24 based on the fees, charges, assessments, and recovered costs, and direct Department staff to include the rates in the Master Schedule of Fees, Charges and Recovered Costs, with the charges in the budget effective July 1, 2023.

REFERENCE MATERIAL:

BAI #80, June 20, 2017
BAI #7, February 7, 2017

BAI #9, September 27, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A

On file with Clerk - Resolution

On file with Clerk - FY 2023-24 Special Districts Budgets

CAO ANALYST:

Salvador Espino