



County of Fresno

County Service Area 34A - Brighton Crest



0 500 1,000 2,000 Feet



County Service Area 34A Parcels

1	300210195	29	300440135	57	300470025	85	300490045	113	300500095	141	300520025
2	300420025	30	300440145	58	300470035	86	300490055	114	300500105	142	300520035
3	300420035	31	300440155	59	300470045	87	300490065	115	300500115	143	300520045
4	300420045	32	300440165	60	300470055	88	300490075	116	300500125	144	300520055
5	300420055	33	300440175	61	300470065	89	300490085	117	300500135	145	300520065
6	300420065	34	300440185	62	300470075	90	300490095	118	300500145	146	300520075
7	300420075	35	300440195	63	300470085	91	300490105	119	300500155	147	300520085
8	300420085	36	300440205	64	300470095	92	300490115	120	300500165	148	300520095
9	300420095	37	300440215	65	300470105	93	300490125	121	300500175	149	300520105
10	300420105	38	300440225	66	300470115	94	300490135	122	300500185	150	300520115
11	300420115	39	300440235	67	300470125	95	300490145	123	300500195	151	300520125
12	300420125	40	300440245	68	300470135	96	300490155	124	300500205	152	300520135
13	300420135	41	300440255	69	300470145	97	300490165	125	300500215	153	300520145
14	300420145	42	300440265	70	300470155	98	300490175	126	300500225	154	300520155
15	300420155	43	300440275	71	300470165	99	300490185	127	300500235	155	300520165
16	300420165	44	300440285	72	300470175	100	300490195	128	300500245	156	300520175
17	300420175	45	300440295	73	300470185	101	300490205	129	300500255	157	300520185
18	300420185	46	300440305	74	300470195	102	300490215	130	300500265	158	300520195
19	300420195	47	300440315	75	300470205	103	300490225	131	300500275	159	300520205
20	300420205	48	300440325	76	300470215	104	300490235	132	300500285	160	300520215
21	300420215	49	300440335	77	300470225	105	300490245	133	300500295	161	300520225
22	300420225	50	300440345	78	300470235	106	300490255	134	300500305	162	300520235
23	300420235	51	300440355	79	300470245	107	300490265	135	300500315		
24	300420245	52	300440365	80	300470255	108	300490275	136	300500325		
25	300420255	53	300440375	81	300470265	109	300490285	137	300500335		
26	300420265	54	300440385	82	300470275	110	300490295	138	300500345		
27	300420275	55	300440395	83	300470285	111	300490305	139	300500355		
28	300420285	56	300440405	84	300470295	112	300490315	140	300500365		



EXHIBIT B

County of Fresno

DEPARTMENT OF PUBLIC WORKS AND PLANNING
STEVEN E. WHITE, DIRECTOR

April 20, 2017

IMPORTANT NOTICE

Dear Property Owner:

You are receiving this notice because you own property with County Service Area 34, Zone A (Brighton Crest) (CSA 34A).

Notice of Public Citizens Advisory Committee Meeting

You are notified that on **May 10, 2017 at 6:00 p.m.**, there will be a public meeting at **17200 Burrows Avenue, Friant, California 93626** to discuss a proposal for CSA 34A to borrow \$300,000, in the form of a disbursement from the County Service Area Revolving Fund, to be repaid over 10 years with interest. The meeting will be open to all members of the public. During the meeting, members of the public may provide feedback regarding the proposal. Staff from the County of Fresno (County) will be present to answer questions. There will be no official action regarding the proposal at this meeting. The County staff person who conducts the meeting may continue it to a later date without further notice, but in any case, the meeting must be completed not later than May 31, 2017.

Notice of Public Hearing

You are notified that on **June 20, 2017 at 9:00 a.m.** (or as soon after as practicable), the Board of Supervisors (Board) will conduct a public hearing on the proposal for CSA 34A to borrow \$300,000, in the form of a disbursement from the County Service Area Revolving Fund, to be repaid over 10 years with interest. The public hearing will be in the Board's regular meeting chambers at the **Hall of Records, 2281 Tulare Street, Third Floor, Fresno, California 93721**. The public hearing will be open to all members of the public. During the hearing, any person may present relevant oral or written testimony to the Board, and the Board will consider all objections or protests to the proposed disbursement request. During the hearing, the Board may decide to continue the hearing to a later date without further notice.

Reasons for the Proposal

CSA 34A has experienced financial instability for the past several years, primarily due to multiple equipment failures in the water infrastructure. On July 25, 2013 staff met with the CSA 34A Citizens Advisory Committee (CAC), Brighton Crest Home Owners Association, and the Fairways Home Owners Association to discuss the events that had occurred and affected CSA 34A's financial outlook. Those in attendance agreed that the

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existing fees and assessments were not sufficient to build a reserve for unexpected repairs and to cover all of the operations and maintenance costs of the system.

On September 24, 2013 CSA 34 retained an engineer to analyze the system and draft an assessment engineer's report. Due to the complexity of the systems and services provided in CSA 34, the Engineer's Report was not completed until August 28, 2015. The Proposition 218 majority protest hearings for the fees and assessments described in the engineer's report were completed on March 15, 2016 with no majority protest from the CSA 34A property owners for the fees and assessments in CSA 34A. The new fees and assessments went into effect on July 1, 2016 but there has not yet been sufficient time to build a reserve sufficient to meet the 50% reserve level, as required by the policy of the Board of Supervisors, adopted on November 10, 2009.

In addition, the cost to operate, maintain and administer the services provided to CSA 34A has increased. Since Fiscal Year 2013-14, expenditures have grown more than 10% each year. This is due to increased cost for septic tank effluent pumping (STEP) system parts and labor, increased electrical cost to run the lake pumps that provide surface water to the system, increased cost to operate and maintain the surface water treatment plant, and increased cost to operate and maintain the wastewater treatment plant.

If revenues and expenditures continue at the current pace, the projected cash balance for CSA 34A at the end of Fiscal Year 2016-17, will be in the negative by approximately \$300,000. The cash flow analysis and forecast (attached) shows the amount of the disbursement that will be required to stabilize CSA 34A's finances while building a reserve. It includes the projected cash balance at the end of Fiscal Year 2016-17, projected expenditures, estimated revenues, the amount of the loan, the annual loan balance, the annual principal loan payments, the annual interest payments, the total payments, and the year-end reserve percentage.

The recently adopted fees and assessments are projected to allow for the repayment of the proposed disbursement of \$300,000. CSA 34A is projected to repay the \$300,000 disbursement in 10 years, with the last payment in October of 2027. Five years after the repayment of the disbursement, CSA 34A is projected to have built the 50% reserve level that is required under the Board of Supervisors policy approved on November 10, 2009.

The proposed repayment schedule (attached) provides a tool for you to review the proposed amount of the disbursement, proposed interest rate and repayment schedule. The repayment schedule includes the proposed disbursement date, principal amount of disbursement (running total), quarterly interest payment, total payment, and the payment date.

About the County Service Area Revolving Fund

On February 7, 2017 the Board by Resolution No. 17-121, established the County Service Area Revolving Fund and adopted the "County of Fresno Policy for Use of the

County Service Area Revolving Fund” (Policy). This Policy was established to allow CSAs whose cash reserves are temporarily depleted to borrow, for short periods, from the County General Fund to timely pay charges for lawful expenses, provided that borrowing is only allowed in limited circumstances as determined by the Board of Supervisors.

The Policy states that a County Service Area (CSA) may borrow funds under certain eligibility rules as follows:

5. **Eligibility.** The funds of a CSA are eligible to receive disbursement from the revolving fund if the Board finds that all of the applicable requirements in this section are satisfied with respect to the CSA. Projections required by this section must be based on a cash flow analysis that is prepared by the Department and reviewed by the Auditor, in which the Auditor concurs in writing. Written approvals and concurrences of the Auditor as required by this section may be combined into one writing for each CSA for which a revolving fund disbursement is requested. For each revolving fund disbursement, all of the following requirements must be satisfied:
 - a. **Available funds.** The Auditor must certify in writing that the committed fund balance and the related cash are available in the revolving fund and are sufficient to make the requested disbursement.
 - b. **Depleted reserves.** The Department must certify in writing that the CSA’s cash reserves are completely depleted, or projected to be depleted before the next revenue will be received.
 - c. **Sufficient revenues.** In a proceeding compliant with Proposition 218 and all other applicable laws that was completed before the request for revolving fund disbursement, the CSA property owners must have approved revenues (such as fees, benefit assessments, special taxes, or a combination of any or all of those methods) that are projected to be sufficient to:
 - i. Repay the revolving fund disbursement within a reasonably short period given the particular circumstances of the CSA, in any case not exceeding 10 years;
 - ii. Fund ordinary operations, maintenance, and administration during the same period; and
 - iii. If the minimum cash reserve policy applies to the CSA, within five years after the disbursement is fully repaid, establish cash reserves in compliance with that policy.
 - d. **Service reductions.** Based on the particular circumstances of the CSA, the Board must find that service reductions to reduce costs (in addition to any such reductions that have already been made) are not feasible.
 - e. **Outstanding prior disbursements.** There must be no outstanding prior revolving fund disbursements to the funds of the CSA.
 - f. **Property owner notification.** Not less than 60 days before presenting its request to the Board for revolving fund disbursement, Department staff must notify the CSA’s property owners in writing by United States Mail that the revolving fund disbursement will be requested. The written notification must include:
 - i. An explanation of the reason for the revolving fund disbursement request, including a copy of the cash flow analysis required under section 5.b. and 6.c. above, or a simplified version of that analysis, in the discretion of Department staff based on the needs of the particular CSA community;

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- ii. A proposed repayment schedule;
 - iii. The date, time, and place of the Board meeting where the revolving fund disbursement will be requested;
 - iv. If the CSA has a Citizens Advisory Committee (CAC), a statement that the CAC may request a meeting with Department staff, or a public community meeting with Department staff, not less than 20 days before the Board meeting, to discuss the disbursement request.
 - v. **Property owner meeting.** Department staff must make reasonably diligent efforts to conduct a meeting if one is requested under section 5.f.iv. above. Despite such efforts, the failure to have such a meeting will not invalidate the County's authority to provide a disbursement to the affected CSA under this policy.
- 6. Disbursement.** Each disbursement from the revolving fund must be established by a separate Board resolution that includes the eligibility findings and repayment terms required by this policy.
- 7. Repayment.** Each disbursement from the revolving fund shall have repayment requirements that comply with this section. For each disbursement, the following repayment requirements shall apply:
- a. The Auditor shall inform the Department of the rate of return on the County's Treasury Pool promptly after it is determined quarterly.
 - b. The Department shall adhere as closely as practicable to the proposed repayment schedule, to minimize the interest payable by the CSA.
 - c. Before submitting each payment, the Department shall obtain from the Auditor a written confirmation of the payment amount with interest.
 - d. Immediately upon full repayment of each disbursement, the Auditor shall provide to the Department written confirmation of full repayment.
- 8. Waiver of repayment.** If not less than one year after a disbursement the Board finds that, due to extraordinary circumstances, repayment of a disbursement from the revolving fund will result in an economic or fiscal hardship to the property owners or residents of the CSA, the Board may, by a four-fifths vote, waive repayment in whole or in part.
- 9. Reporting.** When the Department presents the CSA budgets to the Board each fiscal year, usually in June, the Department's report to the Board shall include a section with the following information:
- a. A statement of the amount of each revolving fund disbursement that was made in the preceding fiscal year (or in the current fiscal year, if the CSA budgets are presented to the Board in June), identified by CSA, and the total amount of all such revolving fund disbursements;
 - b. A statement of the amount of principal paid on each revolving fund disbursement in the preceding fiscal year, identified by CSA, and the total amount of all such repayments;
 - c. A statement of the amount of interest paid on each revolving fund disbursement in the preceding fiscal year, identified by CSA, and the total amount of all such interest payments;
 - d. A statement of the amount of principal and interest remaining unpaid on each revolving fund disbursement that was made in the preceding fiscal year, identified by CSA, and the total amount of all such amounts remaining unpaid;

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- e. A brief description of the financial status of each CSA for which a revolving fund disbursement was outstanding in the preceding fiscal year; and
- f. A statement of amount that is undisbursed in the revolving fund, and available for disbursement to eligible CSAs as provided by this policy.

If you have any questions, comments, or concerns please contact the District's administrator, Julie Zimmer-Belle at (559) 600-4259 or via email at jzimmer@co.fresno.ca.us.

Sincerely,
Special Districts Administration

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