

INTEROFFICE MEMO



DATE December 16, 2011 **PHONE** (909) 387-5940
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FROM James A. Oravets, Division Manager
Special Districts Department
TO Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission

SUBJECT: LAFCO – Service Reviews – Homestead Valley
- CSA 70 W-1 Landers
- CSA 70 R-15 Landers
- CSA 70 TV-5 Mesa
District Response

The following comments are responses to the LAFCO Service Reviews as noted above:

1. Homestead Valley:

- The Special Districts Department does not agree with Conclusion No. 2 and LAFCO staff's recommendation to overlay the CSA 70 W-1 service area with Big Horn Desert View Water Agency's Sphere of Influence. It is understood that a Sphere overlay does not change the service itself; however, this recommendation appears to be a redundancy that is not necessary.

2. CSA 70 W-1:

- The Special Districts Department would like to clarify the tax apportionment and other revenues that were all lumped together by an outside auditor and referenced under "Property Taxes and Special Assessments" in the LAFCO service review. CSA 70 W-1 does in fact receive a small amount of property taxes. The following is the breakdown of these "other" revenues for fiscal year 2009-10, for clarification:

i. Total apportioned property taxes received into the District	\$24,500.98
ii. Total standby charges received into the District	\$56,734.95
iii. Delinquent user charges (placed on tax role)	\$11,470.64
iv. Interest and penalties on delinquent user charges	\$ 4,853.60
v. Interest revenue	\$ 8,302.83
- The Special Districts Department is in the process of implementing a budgeting/fiscal process to deposit these other revenues directly into the operating account.

3. CSA 70 R-15:

- The Special Districts Department would like to clarify the reference to tax revenues, in the amount of \$3,427 that were identified in the FY 2009-10 audit report, performed by an outside auditor. CSA 70 R-15 does not receive an apportionment of the general tax levy. The reference to tax revenues received in the audit report actually refers to penalty fees, and interest on these fees, received from late payment of service charges.
- The current CSA 70 R-15 budget now identifies service charges as Fees/Rates.

4. CSA 70 R-20:

- The Special Districts Department would like to clarify the reference to tax revenues, in the amount of \$493, that were identified in the FY 2009-10 audit report, performed by an outside auditor. CSA 70 R-20 does not receive an apportionment of the general tax levy. The reference to tax revenues received in the audit report actually refers to penalty fees, and interest on these fees, received from late payment of service charges.
- The current CSA 70 R-20 budget now identifies service charges as Fees/Rates.

5. CSA 70 TV-5:

- The Special Districts Department would like to clarify the reference to tax revenues that were identified in the FY 2009-10 audit report, performed by an outside auditor. CSA 70 TV-5 does not receive an apportionment of the general tax levy. The reference to tax revenues received in the audit report actually refers to penalty fees, and interest on these fees, received from late payment of service charges.
- The current CSA 70 TV-5 budget now identifies service charges as Fees/Rates.

cc: Jeffrey O. Rigney, Director
Lora Emon, Executive Assistant
Pam Vandervoort, LAFCO Coordinator
Randy Booker, Division Manager – Fiscal/Budget