

**County Department of Special
Districts Response to Application
submitted by Bighorn and
Questions of LAFCO Staff:**

- c. County Adoption of Fees for Fiscal
Year 2014-15 (Agenda Item of May 6,
2014)**

Attachment 4c

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION

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May 6, 2014

FROM: JEFFREY O. RIGNEY, Director
Special Districts Department

SUBJECT: INTRODUCTION OF VARIOUS ORDINANCES AND ADOPTION OF
RESOLUTIONS RELATING TO THE 2014-15 RECOMMENDED ANNUAL FEES
AND CHARGES FOR VARIOUS BOARD GOVERNED COUNTY SERVICE
AREAS AND ZONES

RECOMMENDATION(S)

Acting as the governing body of the Board Governed County Service Areas and their Zones, conduct a public hearing regarding resolutions and ordinances specified below:

1. Adopt Resolution repealing Resolution No. 2013-111 confirming the charges for detention basin maintenance, park and landscape maintenance, road maintenance and streetlight services for named County Service Areas and Zones and authorizing their collection on the 2014-15 tax roll.
2. Adopt Resolution, repealing Resolution No. 2013-112, confirming assessments for administrative costs for 2014-15 for collection and administration of 1915 Bond Act assessments on parcels within Special Assessment District 2001-1 (Lenwood).
3. Adopt Resolution, repealing Resolution No. 2013-113, confirming refuse collection charges for County Service Area 70, Zone HL (Havasu Lake) and authorizing their collection on the 2014-15 tax roll.
4. Adopt Resolution, repealing Resolution No. 2013-114, confirming water and sewer standby charges for County Service Areas and Zones, and authorizing their collection on the 2014-15 tax roll.
5. Adopt Resolution, repealing Resolution No. 2013-115, to establish and continue water and sewer fees for County Service Areas and Zones as shown on Attachment A and authorizing their collection on the 2014-15 tax roll.
6. Consider proposed Ordinance relating to repealing Ordinance No. SD 13-03 and establishing recreation and park activity fees for 2014-15 for County Service Areas and Zones as shown on Attachments B through I.
 - a. Make alterations, if necessary, to proposed ordinance.
 - b. Approve introduction of proposed ordinance.
 - c. Read title of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, MAY 20, 2014** on the Consent Calendar.
7. Consider proposed Ordinance relating to repealing Ordinance No. SD 13-04 and establishing cemetery charges for 2014-15 for County Service Area 29 (Lucerne Valley), as shown on Attachment J.

**INTRODUCTION OF VARIOUS ORDINANCES AND ADOPTION OF
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- a. Make alterations, if necessary, to proposed ordinance.
 - b. Approve introduction of proposed ordinance.
 - c. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, MAY 20, 2014** on the Consent Calendar.
8. Consider proposed ordinance relating to repealing Ordinance No. SD 13-05 and establishing the water and sewer connection fees for 2014-15 for named County Service Areas and Zones, as shown on Attachments K and L.
- a. Make alterations, if necessary, to proposed ordinance.
 - b. Approve introduction of proposed ordinance.
 - c. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, MAY 20, 2014** on the Consent Calendar.
9. Consider proposed ordinance relating to repealing Ordinance No. SD 13-06 and establishing fees and charges for 2014-15 for all County Service Areas and Zones, as shown on Attachment M.
- a. Make alterations, if necessary, to proposed ordinance.
 - b. Approve introduction of proposed ordinance.
 - c. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, MAY 20, 2014** on the Consent Calendar.
10. Consider proposed ordinance relating to repealing Ordinance No. SD 13-07 and establishing property mitigation fees for 2014-15 for named County Service Area 120 (North Etiwanda Preserve), as shown on Attachment N.
- a. Make alterations, if necessary, to proposed ordinance.
 - b. Approve introduction of proposed ordinance.
 - c. Read title only of proposed ordinance; waive reading of the entire text and **SCHEDULE FOR FINAL ADOPTION ON TUESDAY, MAY 20, 2014** on the Consent Calendar.

(Presenter: Jeffrey O. Rigney, Director, 387-5967)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

- Develop a long-term budget plan which brings the County into operational and programmatic balance.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The fees and charges established in the proposed ordinances and resolutions, along with property tax revenue received by individual County Service Areas (CSA) and Zones, will cover the cost of providing all associated services. The recommended fee adjustments will generate approximately \$581,385 in additional revenue to recover costs incurred to provide services, products, and certain benefits and privileges to members of the public and others. The primary reason for fee increases is due to the implementation of a more precise calculation methodology which captures all costs associated with services provided.

The financial impact of these recommendations will be included in the recommended 2014-15 budgets for each individual CSA and Zone.

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BACKGROUND INFORMATION

The Special Districts Department (Department) introduces various fee ordinances and resolutions to the Board of Supervisors (Board) annually which typically includes fee revisions, the deletion of fees, and the addition of new fees. The proposed ordinances and resolutions represent the Department's calculation of costs to provide various services in 2014-15. This item will authorize actions necessary to establish and adjust fees and service charges for refuse, water, sanitation, road maintenance, parks and recreation, detention basin maintenance, landscaping, streetlighting, and bond act administration in various CSAs and Zones, as set forth in various Resolutions and Ordinances as detailed above. If new programs are developed or revisions are required during the course of the fiscal year, the Department, as appropriate, will bring such action before the Board for approval.

Approval of this item will allow for operational and programmatic balance of a long term budget by ensuring that the costs for providing services, products, and certain benefits will be fully funded by the fees and charges included in this item.

As part of the Department's annual fee review, the proposed ordinances and resolutions include revised fees, the addition of new fees, and the deletion of fees to better provide a user-friendly fee schedule to customers. The effective date of the changes will be July 1, 2014. The revenue generated by the recommended fees, combined with property tax revenues received by the District, will fully fund all services provided by each CSA and Zone

In those CSAs and Zones providing water and sewer services, parcel owners were mailed a notice of proposed fee increases in accordance with the Proposition 218 requirements. Required notices have been published and the appropriate fee schedule and report has been filed with the Clerk of the Board.

Required notices have been published and the appropriate fee schedule has been filed with the Secretary of the Board. For 2014-15, the District ensures that the fee amounts comply with Proposition 26. Proposition 26 generally requires fees not to be higher than the cost of the activity and/or service provided, unless an exception applies as provided in Proposition 26.

The majority of fees in this fee program were calculated using the full cost recovery methodology. Some recommended fee amounts are not using the full cost recovery method where property tax revenue is collected in the CSA for the purpose of providing specified service or where fee increases are limited to fixed annual percent increases and full cost recovery would exceed the percent limit. The calculation includes all direct and indirect costs to determine the fees and charges for each service.

REVIEW BY OTHERS

**INTRODUCTION OF VARIOUS ORDINANCES AND ADOPTION OF
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This item has been reviewed by County Counsel (Dawn Messer, Deputy, 387-4322) on April 21, 2014; Finance (Jessica Brown, Administrative Analyst, 387-4919) on April 18, 2014; and County Finance and Administration (Mary Jane Olhasso, Assistant Executive Officer, 387-4599) on April 21, 2014.

RESOLUTION NO. 2014-_____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACTING IN ITS CAPACITY AS THE GOVERNING BODY OF THE NAMED COUNTY SERVICE AREAS AND ZONES, ESTABLISHING VARIOUS FEES FOR WATER AND SEWER SERVICES AND REPEALING RESOLUTION NO. 2013-115

County Service Area 42	(Oro Grande)
County Service Area 53	
Zone B	(Fawnskin)
County Service Area 64	(Spring Valley Lake)
County Service Area 70	
Zone CG	(Cedar Glen)
Zone F	(Morongo Valley)
Zone GH	(Glen Helen)
Zone J	(Oak Hills)
Zone S-3	(Lytle Creek)
Zone SP-2	(High Country)
Zone W-1	(Goat Mountain)
Zone W-3	(Hacienda)
Zone W-4	(Pioneertown)
County Service Area 79	(Green Valley Lake)
County Service Area 82	(Searles Valley)

On Tuesday _____, 2014, on motion of Supervisor _____, duly seconded by Supervisor _____ and carried, the following resolution is adopted by the Board of Supervisors of San Bernardino County, State of California, acting in its capacity as the governing body of the above-named County Service Areas and Zones.

SECTION 1. The Board of Supervisors of the County of San Bernardino, acting as the governing body of the above-named County Service Areas and Zones, hereby finds and determines:

(a) That, pursuant to Government Code Section 25215.5, the Board may establish fees and charges for services provided by a County Service Area and Zone.

(b) That the fees and charges set out in Attachment A, incorporated herein by this reference, are not in excess of the cost of providing such services, are required to fund the provision of such services, and reflect the costs of providing such services.

(c) That required notice was properly given and a public hearing was held this date and all interested persons desiring to make any comment or protest with respect to the imposition of such fees and charges were heard and that testimony and evidence for and against the proposed fees and charges, if any, were duly considered.

SECTION 2. The Board of Supervisors of the County of San Bernardino, acting in its capacity as the governing body of the above-named County Service Areas and Zones, therefore, hereby resolves and orders:

(a) That the specified fees and charges are hereby established and shall be collected, unless delinquent, by the Special Districts Department through billings submitted to the owners of each parcel subject to the fees and charges.

(b) That such fees shall take effect on July 1, 2014.

(c) That the Clerk of the Board of Supervisors is hereby directed to certify to the passage of this resolution and to forward a copy of same to the Auditor-Controller/Treasurer/Tax Collector of the County of San Bernardino.

(d) That Resolution No. 2013-115 is hereby repealed in its entirety upon the effective date of this resolution.

PASSED AND ADOPTED by the Board of Supervisors of San Bernardino County, State of California, by the following vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, LAURA H. WELCH, Clerk of the Board of Supervisors of San Bernardino County, California, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same appears in the Official Minutes of said Board at its meeting of _____, 2014.

LAURA H. WELCH
Clerk of the Board of Supervisors
of San Bernardino County

By _____
Deputy

**ATTACHMENT A
BOARD GOVERNED COUNTY SERVICE AREAS AND ZONES
WATER/SEWER FEES AND CHARGES
FY 2014-15**

WATER SERVICE

County Service Area 42 – Oro Grande

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$30.78	\$30.78
1" meter	\$51.30	\$51.30
1 ½" meter	\$102.60	\$102.60
2" meter	\$164.16	\$164.16
3" meter	\$328.32	\$328.32
4" meter	\$513.00	\$513.00
6" meter	\$1026.00	\$1,026.00
8" meter	\$1641.00	\$1,641.00
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$2.75	\$2.75
>14 – 80 hcf	\$3.16	\$3.16
>80 hcf and above	\$3.64	\$3.64

County Service Area 64 – Spring Valley Lake

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$13.26	\$14.10
1" meter	\$22.10	\$23.50
1 ½" meter	\$44.20	\$47.00
2" meter	\$70.72	\$75.20
3" meter	\$141.44	\$150.40
4" meter	\$221.00	\$235.00
6" meter	\$442.00	\$470.00
8" meter	\$707.20	\$752.00
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$.81	\$.85
>14 – 80 hcf	\$.93	\$.98
>80 hcf and above	\$1.07	\$1.12

County Service Area 70 CG – Cedar Glen

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
Flat Rate	\$151.06	\$151.06
5/8" meter	\$19.60	\$19.60
¾" meter	\$19.60	\$19.60
1" meter	\$32.67	\$32.67
1 ½" meter	\$65.33	\$65.33
2" meter	\$104.53	\$104.53
3" meter	\$209.07	\$209.07
4" meter	\$326.67	\$326.67
6" meter	\$653.33	\$653.33
8" meter	\$1045.33	\$1,045.33
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$10.15	\$10.15

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BOARD GOVERNED COUNTY SERVICE AREAS AND ZONES
WATER/SEWER FEES AND CHARGES
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>14 – 40 hcf	\$11.67	\$11.67
>40 – 80 hcf	\$13.42	\$13.42
>80 hcf and above	\$15.44	\$15.44

County Service Area 70 F – Morongo

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$58.78	\$58.78
1" meter	\$97.97	\$97.97
1 ½" meter	\$195.93	\$195.93
2" meter	\$313.49	\$313.49
3" meter	\$626.99	\$626.99
4" meter	\$979.67	\$979.67
6" meter	\$1,959.33	\$1,959.33
8" meter	\$3,134.93	\$3,134.93
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$6.58	\$6.58
>14 – 80 hcf	\$7.57	\$7.57
>80 hcf and above	\$8.70	\$8.70

County Service Area 70 W-3 – Hacienda

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$43.93	\$43.93
1" meter	\$73.22	\$73.22
1 ½" meter	\$146.43	\$146.43
2" meter	\$234.29	\$234.29
3" meter	\$468.59	\$468.59
4" meter	\$732.17	\$732.17
6" meter	\$1,464.33	\$1,464.33
8" meter	\$2,342.93	\$2,342.93
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$4.49	\$4.49
>14 – 80 hcf	\$5.16	\$5.16
>80 hcf and above	\$5.94	\$5.94

County Service Area 70 W-4 – Pioneertown

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$37.00	\$39.00
1" meter	\$61.67	\$65.00
1 ½" meter	\$123.33	\$130.00
2" meter	\$197.33	\$208.00
3" meter	\$394.67	\$3416.00
4" meter	\$616.67	\$650.00
6" meter	\$1233.33	\$1300.00
8" meter	\$1973.33	\$2080.00
Bi-Monthly Use	Existing Fee	Proposed Fee
First 10 hcf	\$6.28	\$6.62
>10 – 25 hcf	\$7.22	\$7.61

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WATER/SEWER FEES AND CHARGES
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>25 – 50 hcf	\$8.31	\$8.75
>50 hcf	\$9.55	\$10.07

County Service Area 70 W-1 – Goat Mtn., Landers

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$29.36	\$29.36
1" meter	\$48.93	\$48.93
1 ½" meter	\$97.87	\$97.87
2" meter	\$156.59	\$156.59
3" meter	\$313.17	\$313.17
4" meter	\$489.33	\$489.33
6" meter	\$978.67	\$978.67
8" meter	\$1,565.87	\$1,565.87
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$4.77	\$4.77
>14 – 80 hcf	\$5.49	\$5.49
>80 hcf and above	\$6.31	\$6.31

County Service Area 70 J – Oak Hills

Meter Size	Existing Monthly Fee	Proposed Monthly Fee
¾" meter	\$26.50	\$30.40
1" meter	\$30.44	\$30.40
1 ½" meter	\$52.23	\$60.80
2" meter	\$78.75	\$97.28
3" meter	\$146.20	\$194.56
4" meter	\$225.10	\$304.00
6" meter	\$496.86	\$608.00
8" meter	\$771.82	\$972.50
Bi-Monthly Use	Existing Fee	Proposed Fee
0 – 14 hcf	\$2.06	\$2.09
>14 – 72 hcf	\$2.37	\$2.40
>72 – 108 hcf	\$3.07	\$3.09
>108 – 144 hcf	\$3.25	\$3.27
>144 – 180 hcf	\$3.42	\$3.60
>180 hcf	\$3.59	\$3.77

SEWER USER CHARGE

The owner of each house, building or property connected to the Public Sewer shall pay a User Charge based upon assigned Equivalent Dwelling Units (EDU). The EDU for each property shall be established in accordance with the State

**ATTACHMENT A
BOARD GOVERNED COUNTY SERVICE AREAS AND ZONES
WATER/SEWER FEES AND CHARGES
FY 2014-15**

of California Uniform Plumbing Code. The User Charge per month per assigned EDU shall be:

DISTRICT	EXISTING USER FEE PER EDU (Equivalent Dwelling Unit)	PROPOSED CHARGE PER EDU (Equivalent Dwelling Unit)
County Service Area 42, Oro Grande	\$79.44	\$79.44
County Service Area 53 B, Fawnskin	\$61.96	\$61.96
County Service Area 64, Spring Valley Lake	\$38.90	\$45.90
County Service Area 70, Zone S-3, Lytle Creek	\$59.56	\$59.56
County Service Area 70, Zone SP-2, High Country	\$43.90	\$47.15
County Service Area 70, Zone GH, Glen Helen	\$36.67	\$36.67
County Service Area 79, Green Valley Lake	\$65.77	\$65.77
County Service Area 82, Searles Valley	\$40.59	\$43.58

WHOLESALE WATER CHARGES DURING WATER SHORTAGE CONDITIONS

To provide wholesale water during water shortage conditions, resulting from high demand and private well failures, to water haulers within the District.

COUNTY SERVICE AREA 29, LUCERNE VALLEY	EXISTING	PROPOSED CHARGE
Per 2,000 gallon load of water sold for 60 days or less of service	\$ 50.00	\$ 55.00
Per 2,000 gallon load of water sold for a period that extends beyond 60 days of service during a water shortage event	\$167.00	\$183.70

CSA 70 W1 Landers Water

ECS-345 Cost of Service

	FY12 Actual	FY13 Estimate	FY14 Projected	First run
Services/Supplies	75,876	91,643	94,392	
Transfers/Indirect Costs	353,411	316,594	326,092	
Mitigation	0	0	0	
Total Operating Costs	429,287	408,237	420,484	
Debt Service	0	0	0	

Depreciation 0 143,800 135,000 Target goal is \$135,000 - 40% of op costs
\$33,000 into replacement from taxes

Total Requirements 429,287 552,037 555,484

Contingencies 337,519 190,451 114,395 Target is \$105,121 - 25% of Op Costs

Revenues

Water Sales/Services	188,310	201,957	259,704	0.286 increase
Meter Revenue	139,592	142,487	259,704	0.823 increase
Interest	1,058	1,007	1,076	
Other(Other Serv/Grants/etc.)	170,487	34,309	35,000	

Total Revenue 499,447 379,760 555,484

	FY15
Beginning Fund Balance	
Operating Fund (ECS-345)	114,395
Replacement Reserve (EFQ-345)	734,454
Expansion Reserve (EDY-345)	316,515

*Current valuation of system = \$1,255,499

CSA 70 W-1 Landers WATER

Monthly Service Charge

Meter Size	Meters	Current	Proposed	Increase %	Increase \$\$	HCF/min	Base Capacity Factor	New calculated proposed charge
3/4"	409	\$24.59	\$43.63	77%	\$19.04	30	1	\$43.63
1"	49	\$35.66	\$72.72	104%	\$37.06	50	1.666667	\$72.72
1 1/2"	0	\$62.44	\$145.43	133%	\$82.99	100	3.333333	\$145.43
2"	1	\$91.42	\$232.69	155%	\$141.27	160	5.333333	\$232.69
3"	0	\$157.02	\$465.39	196%	\$308.37	320	10.66667	\$465.39
4"	0	\$241.32	\$727.17	201%	\$485.85	500	16.66667	\$727.17
6"	0	\$447.65	\$1,454.33	225%	\$1,006.68	1000	33.33333	\$1,454.33
8"	0	\$661.84	\$2,326.93	252%	\$1,665.09	1600	53.33333	\$2,326.93
	459					3760		
								\$214,136.04
								\$42,757.40
								\$0.00
								\$2,792.32
								\$0.00
								\$0.00
								\$0.00
								\$0.00
								\$0.00
								\$259,685.76

\$259,704 50%

CSA 70 W-1

From file CSA70W1 Tier Detail under usage folder

\$ 259,704.00

Tier 1	Tier 2	Tier 3	
18,032	13,349	2,463	2012 usage
\$ 7.08	\$ 8.14	\$ 9.36	Proposed
\$ 127,666.56	\$ 108,687.56	\$ 23,061.81	\$ 259,415.93 Revenue

Base 15% over base 15% over tier 2

\$ 3.98 **\$ 4.44** **\$ 5.71** **Current**
78% 83% 64% Increase

CSA 70 W1 Landers Water

ECS-345 Cost of Service

FY13 Actual **FY14 Estimate** **FY15 Projected** **1/6/2014**

Services/Supplies	67,095	93,520	96,326
Transfers/Indirect Costs	315,594	173,557	196,857
Mitigation	0	0	0
Total Operating Costs	382,689	267,077	293,183

Debt Service 8,141 8,141 8,142

Depreciation 0 180,000 117,273 Target goal is 40% of op costs

Total Requirements **382,689** **447,077** **418,598**

Contingencies 96,951 55,211 96,665 Target is 25% of Op Costs

Revenues

Water Sales/Services	155,446	127,437	166,077	Meter	0%
Meter Revenue	200,457	245,094	235,050	Usage	0%
Penalties	6,767	30,525	10,000		
Interest	918	562	563		
Use of fund balance		0			
Other(Other Serv/Grants/etc.)	9,020	7,419	7,419		

Total Revenue **372,608** **411,037** **419,109**

Beginning Fund Balance

Operating Fund (ECS-345)	327372	201,088	98,309
Replacement Reserve (EFQ-345)	446,454	540,279	458,506
Expansion Reserve (EDY-345)	315,715	316,744	318,294

*Current valuation of system = \$1,255,499

CSA 70 W-1

From file CSA70W1 Tier Detail under usage folder

\$ 195,309.00

Tier 1	Tier 2	Tier 3	
18,038	13,368	1,063	2012 usage

\$ 4.77 \$ 5.49 \$ 6.31 Proposed

\$ 86,041.26 \$ 73,330.16 \$ 6,705.75 \$ 166,077.17 Revenue

Base 15% over base 15% over tier 2

\$ 4.77 \$ 5.49 \$ 6.31 Current

0% 0% 0% Increase