



**COUNTY OF SAN JOAQUIN
SPECIAL DISTRICTS
May 23, 2023**

(Administered by the Department of Public Works)

**COUNTY SERVICE AREA 31 and 31 ZONES
ENGINEER'S REPORT
ON
SERVICE CHARGES
FOR
FISCAL YEAR 2023-24**



Prepared by
The Department of Public Works



Pursuant to SJC Ordinance Code Section 5-3302 and 5-6812
and Articles XIII C and XIII D of the California Constitution
SAN JOAQUIN COUNTY DEPARTMENT OF PUBLIC WORKS

**COUNTY SERVICE AREA (CSA) 31, CSA 31 SEWER ENTERPRISE,
AND CSA 31 ZONE W
REPORT ON SERVICE CHARGES FOR 2023-24**

A. GENERAL

1. INTRODUCTION

The preparation of this report on Special District Service Charges is required by San Joaquin County Ordinance Code Sections 5-3302 and 5-6812(a). These sections require that an annual report be prepared for each Special District for which special Service Charges will be imposed and collected on the tax roll. This report is also prepared in compliance with state law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218) regarding the imposition of Service Charges for County of San Joaquin Special Districts. It will be presented to the San Joaquin County Board of Supervisors for adoption at a public hearing regarding the proposed Service Charges. This report is on file with and is available for review at the Office of the Clerk of the Board of Supervisors at 44 N. San Joaquin St. Suite 627 and may also be viewed at the Department of Public Works at 1810 E. Hazelton Ave., Stockton, CA or at www.sjgov.org/ud/general-information.

2. SUMMARY OF SERVICES

The term "Special District," for purposes of this report, shall be used to refer to any or all of the following: CSA 31, CSA 31 Sewer Enterprise, and CSA 31 Zone W.

CSA 31 may provide the following services:

- a) Water service - domestic water supply and distribution.
- b) Storm drainage service - storm drainage collection and discharge.
- c) Street lighting service - street lighting.

CSA 31 Sewer Enterprise may provide the following services:

- a) Sewer service - sanitary sewer collection and treatment.

CSA 31 Zone W may provide the following services:

- a) Water service - domestic water nitrate treatment service to the well water for the properties north of State Route 12.

These Special Districts are administered by the San Joaquin County Department of Public Works (Department). Special District Service Charges related to other Special Districts are defined by a separate report.

3. SUMMARY OF SPECIAL DISTRICTS BUDGETS

The San Joaquin County Board of Supervisors annually adopts the budget for each Special District. The proposed budget for each Special District, as shown in Appendix D, is developed independently from this report. The proposed budget for each Special District is developed in general to include the following:

- a) Expenses necessary to properly operate and maintain permanent public improvements including but not limited to: water distribution system, service laterals and domestic water well facilities; sewer collection systems, service laterals, maintenance holes and sewer lift stations; storm lines, catch basins, and pumping facilities; and street-lighting systems and facilities.
- b) The District's administrative costs to reimburse various County departments for support services provided to each Special District.
- c) The capital replacement costs needed to pay for future replacement of the major components of the systems.
- d) Planned capital improvement projects for the Special Districts when appropriate.

B. SERVICE CHARGES

1. GENERAL BASIS FOR SERVICE CHARGES

The term "Service Charge" for the purposes of this report, shall be used to refer to annual Service Charges and/or monthly service fees. The Service Charges are utilized to generate the revenues needed to operate and to maintain each Special District's facilities. The Service Charges for each Special District have been developed with the following considerations:

- a) Service Charge revenues collected should equal operation cost once an appropriate reserve fund has been established.
- b) An adequate reserve fund should be available to cover future replacement of the major components.
- c) Major changes in Service Charges should be anticipated in advance and adjusted over a period of years, when it is feasible to do so.

2. OUT OF AREA SERVICE

Out-of-area service refers to any service(s) received outside of a Special District service boundary by the approval of an Out-Of-Area Service Agreement. Out-of-area service charge shall equal 150% of the Service Charges paid by parcels within the Special District.

3. ADJUSTMENTS AND APPEALS

Parcel owners may write to the Department of Public Works for a review of their Service Charges. The Department of Public Works will promptly review the appeal and respond to the appellant. The adjustment to the Service Charges may be made based on site-specific information. If any changes are approved, corrections will be made to the tax roll listing. If the taxpayer has paid the tax bill in excess, a refund will be remitted to the taxpayer.

An appeal process for metered water service fee has been established and provides for a method to appeal to the accuracy of the meter.

4. MAXIMUM ADJUSTMENT FACTORS

The adjustment factor is a factor to allow minor rate and Service Charge adjustments reflecting the increasing costs of providing necessary services without incurring the costs associated with a formal notice and hearing process. Any increase in Service Charges exceeding the adjustment factor will require property owners' approval pursuant to provisions of the "Right to Vote on Taxes Act" (Proposition 218, 1996). The CSA 31 Sewer Enterprise Service Charge rate includes a three percent (3%) maximum annual adjustment approved by the 2007 Proposition 218 results. The CSA 31 Zone W Service Charge rate includes a ten percent (10%) maximum annual adjustment approved by the 2009 Proposition 218 results.

5. 2023-24 SERVICE CHARGES

The San Joaquin County Board of Supervisors adopts the Service Charges for each Special District. The proposed 2023-24 Service Charges for the Special Districts are shown in Appendices A and B.

C. APPORTIONMENT BY SERVICES RECEIVED

The Service Charges are apportioned among all parcels within the Special District based on the service received as compared to one equivalent unit. Some parcels may be apportioned units based on an agreement, special condition, or site-specific special study. Services charges for metered water service consist of a monthly fixed rate, which covers fixed costs associated with meter reading and billing, and a usage-based rate.

Appendix C shows the equivalent unit factors for land uses for different types of service provided based on the apportionment method. For other land uses not listed, a special study will be prepared to assign the appropriate equivalent unit factor. The equivalent unit factor for each type of land use is considered the minimum equivalent unit and is subject to adjustment based on special study and special site conditions. A special study will be conducted to determine the appropriate equivalent units for all public agencies, school districts, and all other properties that are exempt from paying property taxes. The Service Charge will be collected by separate billing. The following are general considerations for determining the units for the CSA 31 Special Districts and zones by service.

CSA 31:

1. **WATER SERVICES AND WATER METERED RATES FOR CSA 31**

- a) Developed parcels = monthly meter billing.
- b) Parcels with service available but currently vacant = 0.2 equivalent unit.
- c) Vacant parcel with no service available = 0 equivalent unit.
- d) Monthly Meter Billing:

Monthly metered water service fee, as shown in Appendix B, for water service is based upon measurement of water (via a meter) used by the customer at a specific charge rate.

2. **STORM DRAINAGE SERVICES**

- a) Small commercial similar to a residential dwelling unit = 1 equivalent unit.
- b) Commercial and Industrial = by special study.
- c) Vacant Parcel = Minimum of 1 equivalent unit or by special study.

3. **STREET LIGHTING SERVICES**

- a) Commercial and Industrial = 1 equivalent unit for the first 75 feet of frontage, plus 1 equivalent unit for each additional 50 feet of frontage.
- b) Vacant Parcel = 1 equivalent unit.

CSA 31 Sewer Enterprise:

4. **SANITARY SEWER SERVICES:**

The Service Charge rate for one equivalent unit was approved in 2007. One equivalent unit is defined as 310,250 gallons of sewer effluent produced. A special study is conducted annually to assign the equivalent unit for each parcel within CSA 31 based on the water usage in the prior calendar year. Some parcels may qualify for Service Charge reductions based upon agreement, special conditions, landscaping-only meters, or site-specific study. The equivalent unit on any future development or annexed properties will rely on the determination of a special study prior to placement of the Service Charge on the tax roll. All parcels receiving sewer service are charged a minimum of 0.5 equivalent unit. All vacant parcels are charged a minimum of 0.3 equivalent unit.

CSA 31 Zone W – Nitrate Treatment:

5. **WATER SERVICES AND WATER METERED RATES FOR CSA 31 ZONE W**

The nitrate treatment Service Charge for properties in Zone W is in addition to the CSA 31 Service Charge for water. The nitrate treatment Service Charge per equivalent unit was approved by the 2009 Proposition 218 election results. One equivalent unit is defined as one million gallons of water consumed in the previous calendar year. All parcels within CSA 31 Zone W receive a Service Charge for nitrate treatment by special study. All parcels within CSA 31 Zone W are charged a minimum of 0.2 equivalent unit. In addition to the annual charge per EU, parcels are also charged a periodic metered billing.

D. PROPERTY OWNER LIST AND TAX ROLL

A list of names and addresses of the owners of all lots and parcels of land within the Special Districts was compiled from the last equalized secured property tax roll of the San Joaquin County Assessor's office. A list of the parcels for each Special District is on file with the Clerk of the Board.

The total proposed Service Charges for each Special District are summarized in the financial section of this report.

CSA 31 and CSA 31 ZONES

APPENDIX SECTION

APPENDIX A ANNUAL SERVICE CHARGE SUMMARY

APPENDIX B METERED AND FIXED WATER RATES BY DISTRICT

APPENDIX C SPECIAL DISTRICT EQUIVALENT UNIT FACTORS

APPENDIX D BUDGET AND SERVICE CHARGE SUMMARIES

PREPARED BY
THE DEPARTMENT OF PUBLIC WORKS
May 23, 2023

APPENDIX A

**2023-24 COUNTY SPECIAL DISTRICTS REPORT
SERVICE CHARGE SUMMARY**

SPECIAL DISTRICT	PROPOSED ANNUAL SERVICE CHARGE (\$) PER EQUIVALENT UNIT					
	Water	Storm Drainage	Street Lighting	Sewer	Nitrate Treatment	TOTAL
CSA 31 - Flag City ¹	\$ 2,074	\$ 492	\$ 175			\$ 2,741
CSA 31 - Sewer Enterprise				\$ 11,000		\$ 11,000
CSA 31 Zone W - Nitrate Treatment					\$ 2,615	\$ 2,615

Notes:

1. The annual water service charge is for vacant parcels only.

APPENDIX B

**2023-24 COUNTY SPECIAL DISTRICTS REPORT
MONTHLY METERED WATER SERVICE FEE**

Monthly Metered Water Service Fee = Fixed Fee + Metered Rate x Water Consumption

SPECIAL DISTRICT	FIXED FEE	METERED RATES
CSA 31 - Flag City	See Service Size Rate Below	\$3.05 per 1,000
CSA 31 Zone W Nitrate Treatment	None	\$1.62 per 1,000

MONTHLY FIXED RATES BY SERVICE SIZE:											
Pipe Size	PENDI	¾"	1"	1-¼"	1-½"	2"	3"	4"	6"	8"	10"
	\$15	\$15	\$22	\$23	\$23	\$24	\$32	\$55	\$77	\$110	\$136

APPENDIX C

**2023-24 COUNTY SPECIAL DISTRICTS REPORT FOR CSA 31 AND ZONES
EQUIVALENT UNIT FACTORS**

USE CODE	DESCRIPTION	EQUIVALENT UNIT FACTOR				
		WATER	NITRATE	SEWER	STORM DRAINAGE	STREET LIGHTING
061	MOTELS OVER 50 UNITS	Meter Billing		Special Study	1	FRONTAGE
070	HOTEL W/O RESTAURANT	Meter Billing		Special Study	1	FRONTAGE
093	RESORT TYPE TRAILER PARK	Meter Billing		Special Study	1	FRONTAGE
100	VACANT COMMERCIAL LAND - UNDEV.	0.2	0.2	0.3	1	1
101	VACANT COMMERCIAL LAND DEV. W/UTIL.	0.2		0.3	1	1
102	VACANT COMMERCIAL LAND W/MISC. IMPROVEMENTS	Special Study	0.2	0.3	1	1
112	MULTIPLE STORES IN ONE BUILDING	Meter Billing		Special Study	1	FRONTAGE
143	CONVENIENCE STORE W/GAS SALES	Meter Billing		Special Study	1	FRONTAGE
211	FAST FOOD RESTAURANTS	Meter Billing	Special Study	Special Study	1	FRONTAGE
253	TRUCK TERMINAL	Meter Billing	Special Study	Special Study	1	FRONTAGE
255	SELF SERVICE STATION W/MINI-MART	Meter Billing		Special Study	1	FRONTAGE
263	OTHER SALES CENTERS (TRAILERS, MOBILEHOMES, REC VEH)	Meter Billing		Special Study	1	FRONTAGE
280	AUTO & TRUCK REPAIRS & ACCESSORIES	Meter Billing	Special Study	Special Study	1	FRONTAGE
281	SPECIALTY SHOPS (TIRES, BRAKES, ETC.)	Meter Billing	Special Study	Special Study	1	FRONTAGE
300	VACANT INDUSTRIAL LAND UNDEVELOPED	Meter Billing	0.2	0.3	1	1
891	PARKING LOTS - NO FEE	Special Study		0	1	FRONTAGE
925	MISC COUNTY PROPERTY	Special Study	Special Study	Special Study	Special Study	Special Study
941	FIRE DISTRICT PROPERTY	Meter Billing		Special Study	Special Study	Special Study

CSA 31 and ZONES - BUDGET and SERVICE CHARGE

DISTRICT	BUDGET SUMMARY		SERVICE CHARGE SUMMARY			
	RECOMMENDED FY 2023-24		Service	2022-23		2023-24
	Rev (Total)	Exp (Total)		EU ¹	Approved Svc Chg	Proposed Svc Chg
CSA 31 FLAG CITY ²	\$194,402	\$317,869	Water	2.40	2,074	2,074
			SD	58.68	492	492
			LTG	151.00	175	175
			Water	Metered	3.05	3.05
CSA 31 SEWER ²	1,273,040	1,293,637	Sewer	112.86	11,000	11,000
CSA 31 ZONE W ² NITRATE TREATMENT	\$61,992	\$156,184	NT	14.70	2,615.00	2,615.00
			NT	Metered	1.62	1.62

LEGEND:

- SD = STORM DRAINAGE
- LTG = STREET LIGHTING
- NT = NITRATE TREATMENT
- EU = EQUIVALENT UNIT

1. Equivalent Units (EU) for sewer vary each year based on water usage and property development.
2. Annual service charge is temporarily reduced due to sufficient fund balance.
The district may increase the annual service charge back to the historical highs in future fiscal year(s) as needed.