



**COUNTY SERVICE AREA 35
SANTOS RANCH – LOS RANCHOS
(SUPERVISORIAL DISTRICT 5)**

APRIL 22, 2025

(Administered by the Department of Public Works)

**ENGINEER'S REPORT
ON
SERVICE CHARGE ADJUSTMENTS
FOR
FISCAL YEAR 2025-26**



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

TABLE OF CONTENTS

| | | |
|----|--|---|
| 1. | INTRODUCTION | 3 |
| 2. | DISTRICT | 3 |
| 3. | DESCRIPTION OF SERVICES AND EXPENDITURES | 3 |
| 4. | SERVICE CHARGES | 4 |
| 5. | OUT OF AREA CUSTOMERS | 5 |
| 6. | METHOD OF COST APPORTIONMENT | 5 |
| 7. | ANNUAL SERVICE CHARGES FOR INDIVIDUAL PROPERTIES | 6 |
| 8. | APPEALS AND ADJUSTMENTS | 6 |

APPENDICES

APPENDIX A Vicinity Map

APPENDIX B Proposed Budget

APPENDIX C Annual Service Charges for Individual Properties

APPENDIX D Single Family Equivalent Unit by Use Code

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 service area or 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 XIII C and XIII D of the California Constitution (Proposition 218) regarding the imposition of new or increased service charges. It will be presented to the San Joaquin County Board of Supervisors for adoption and serves as the basis for 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 on-line at:

<https://www.sjgov.org/departments/pwk/special-districts-home/general-information>

The purpose of this report is to provide detailed information regarding the proposed service charge adjustments for County Service Area 35 Santos Ranch – Los Ranchos (District). In compliance with Proposition 218, affected property owners within the District will be mailed a notice of the Public Hearing regarding the proposed increase in service charges. If a majority protest does not exist at the conclusion of the Public Hearing, staff recommends that the Board adopt an Order to approve the proposed rates, which will become effective in Fiscal Year 2025-26.

2. **DISTRICT**

The District is considered a special district pursuant to the definitions of the Government Code Section 16271 (d) and the California Constitution Article 13D, Section 2(d). A special district is an area determined by an agency to contain parcels that will receive a special benefit or service from a proposed public improvement or property-related service. The District was established by the San Joaquin County Board of Supervisors through resolutions on file with the County Clerk of the Board. The Board authorizes the collection of Service Charges for the operation and maintenance of the authorized services.

3. **DESCRIPTION OF SERVICES AND EXPENDITURES**

The District currently provides for the operation and maintenance of the public systems serving properties within the District.

The proposed 2025-26 budget for the District is listed in Appendix B, and generally include:

- a) Operation and Maintenance costs to pay for routine service and care necessary to properly operate and maintain public improvements. Operation and Maintenance costs include reimbursement to various County departments and other agencies for service provided to the District.
- b) Capital Replacement costs include major repairs and the amounts set aside periodically to pay for future replacement of the major components of the system.

4. **SERVICE CHARGES**

The service charges are utilized to generate the revenues needed to operate and maintain the District's facilities. The proposed service charges have been developed with the following considerations:

- a) Service charges and other revenues collected should equal operation costs and provide for the future replacement of the system infrastructure. Service charges for future replacement projects are phased in over 10 years.
- b) An adequate reserve fund should be established 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 feasible to do so.

The following table shows the current and proposed service charges per fiscal year. All parcels benefiting from the District's services receive an annual water service charge, which are generally collected annually through the property tax roll of the customers. Metered charges if applicable are collected through periodic billings to the account holder.

Table A – Water Service Rate Adjustments

| Current and Proposed Annual Water Rates per SFE | | | | | | |
|---|---------------|----------------|-----------|-----------|-----------|-----------|
| District | Current Rates | Proposed Rates | | | | |
| | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 |
| CSA 35 | \$1,205 | \$1,371 | \$1,476 | \$1,582 | \$1,689 | \$1,797 |
| | \$2.12* | \$2.41 | \$2.60 | \$2.78 | \$2.97 | \$3.16 |

*Metered rates are charged per 1,000 gallons of water used

The rates shown in Table A, will have a five-year rate structure that, if approved, will be effective Fiscal Years 2025-26 through 2029-30. Service charges are phased in for repair and replacement costs based on the district's capital assets. The phase-in is structured over 10 years. If approved, this proposed rate structure is for 5 years, and under the Proposition 218 procedures, property owners will have to approve the remaining capital replacement contributions under a separate, future rate schedule. However, if no rate proposal is presented in five years, the charges will continue at the 2029-30 rate.

5. **OUT OF AREA CUSTOMERS**

If the County agrees to provide service to parcels outside of the District service boundary by the approval of an Out-of-Area service agreement, the affected parcel shall pay an amount equal to 150% of the service charges paid by the parcels within the special district.

6. METHOD OF COST APPORTIONMENT

The meter charges are applied to customers who have a metered water connection and a current application for water service on file. The annual service charges for the District's parcels are based upon a Single-Family Equivalent (SFE) unit, which refers to the service level a typical single-family dwelling unit would receive. The service charges are apportioned among all lots and parcels within the District by use type as set forth in Appendix D. All parcels within the District are charged based on the proportional cost of service as compared to a single-family dwelling. The SFE method is generally recognized by municipalities as the basis for a fair and appropriate distribution. In some cases, certain user types require special studies to establish service charges. SFE determinations are noted in Appendix C.

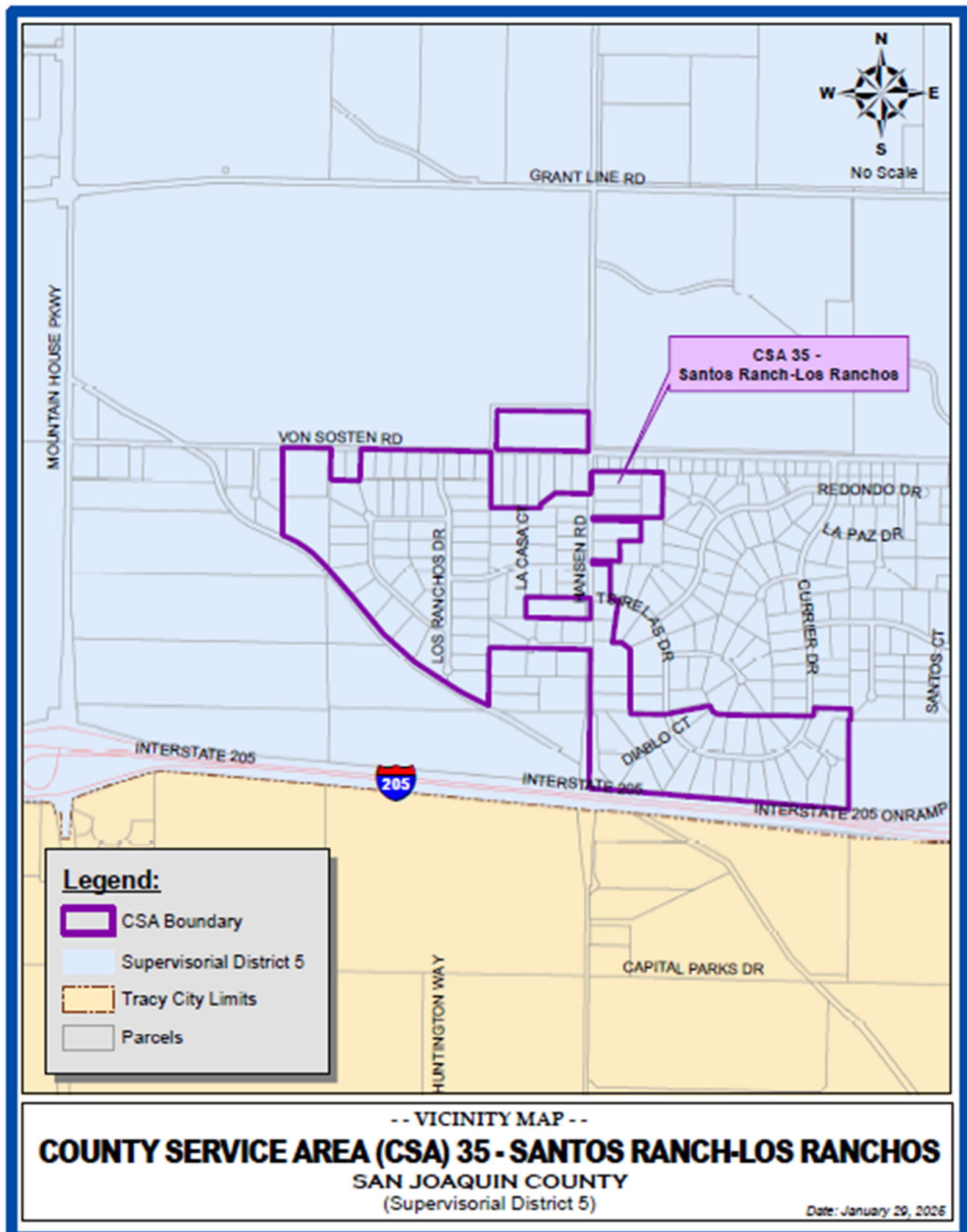
7. PROPERTY OWNER LIST AND TAX ROLL

Appendix C contains a list of the San Joaquin County's Assessor Parcel Numbers for the properties within the boundaries of the District. The list further contains the service charge amounts for each benefitting parcel within the District. The San Joaquin County Assessor's records are updated to reflect these service charge changes.

8. APPEALS AND ADJUSTMENTS

Any property owner who feels that the service charge levied on the subject property is in error because of incorrect information may contact the County of San Joaquin, Department of Public Works. The Department of Public Works will promptly review the appeal and respond to the appellant. Adjustments to the service charge may be made based on the site-specific information. If any changes are warranted, the correction will be made to the next regular tax roll service charge amount.

APPENDIX A DISTRICT MAP



APPENDIX B DISTRICT BUDGET

| CSA 35 - Los Ranchos | Current | Proposed | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
| Water SFEs | 97.8 | 97.8 | 97.8 | 97.8 | 97.8 | 97.8 |
| Annual Service Charge/SFE | \$1,205 | \$1,371 | \$1,476 | \$1,582 | \$1,689 | \$1,797 |
| Metered Rate (per 1,000 gal) | \$2.12 | \$2.41 | \$2.60 | \$2.78 | \$2.97 | \$3.16 |
| | | | | | | |
| Revenue: | | | | | | |
| Annual Service Charges | \$117,849 | \$134,072 | \$144,318 | \$154,680 | \$165,160 | \$175,761 |
| Meter Charges | \$500 | \$569 | \$612 | \$656 | \$701 | \$746 |
| Other Income | \$7,696 | \$7,696 | \$7,927 | \$8,164 | \$8,409 | \$8,662 |
| | | | | | | |
| Total Revenue | \$126,045 | \$142,336 | \$152,857 | \$163,500 | \$174,270 | \$185,169 |
| Expenses: | | | | | | |
| Labor (maintenance, engineering, admin) | \$69,732 | \$71,824 | \$73,979 | \$76,198 | \$78,484 | \$80,838 |
| Electricity | \$53,000 | \$54,590 | \$56,228 | \$57,915 | \$59,652 | \$61,442 |
| Equipment & Materials | \$7,972 | \$8,211 | \$8,458 | \$8,711 | \$8,973 | \$9,242 |
| License and Permit | \$704 | \$725 | \$747 | \$769 | \$792 | \$816 |
| Well Failure/Rehab Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | | | | | | |
| Total Expenses | \$131,408 | \$135,350 | \$139,411 | \$143,593 | \$147,901 | \$152,338 |
| | | | | | | |
| Capital Outlay | \$0 | \$6,417 | \$12,834 | \$19,251 | \$25,668 | \$32,085 |
| Expense + CO | \$131,408 | \$141,767 | \$152,245 | \$162,844 | \$173,569 | \$184,423 |
| | | | | | | |
| Annual Surplus (Shortfall) | (\$5,363) | \$569 | \$612 | \$656 | \$701 | \$746 |
| | | | | | | |
| Beginning Fund Balance | \$264,174 | \$258,810 | \$259,379 | \$259,991 | \$260,648 | \$261,348 |
| Ending Operating Fund Balance | \$258,810 | \$259,379 | \$259,991 | \$260,648 | \$261,348 | \$262,094 |
| | | | | | | |
| Capital Reserves | \$0 | \$6,417 | \$19,251 | \$38,502 | \$64,170 | \$96,255 |
| Total Fund Balance | \$258,810 | \$266,365 | \$279,855 | \$299,806 | \$326,219 | \$359,095 |

APPENDIX C
COUNTY SERVICE AREA 35
SANTOS RANCH – LOS RANCHOS
ANNUAL SERVICE CHARGES

| CSA 35 - Water | | | | | | | | | |
|--------------------------------|-------------|----------------|-----------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assessor's Parcel Number | Use Code | Current SFE | Proposed SFE | Current 2024-25 | Proposed 2025-26 | Proposed 2026-27 | Proposed 2027-28 | Proposed 2028-29 | Proposed 2029-30 |
| 209-140-09 | 940 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-320-18 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-330-10 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-330-11 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-360-01 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-360-02 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-360-03 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-360-04 | 10 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-370-01 | 925 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 209-370-02 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-03 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-04 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-05 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-06 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-07 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-08 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-09 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-10 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-11 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-12 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-13 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-14 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-15 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-16 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-17 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-18 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-19 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-20 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-21 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-22 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |
| 209-370-23 | 10 | 1 | 1 | \$1,205.00 | \$1,371.00 | \$1,476.00 | \$1,582.00 | \$1,689.00 | \$1,797.00 |

[illegible]

APPENDIX D
USE CODES

COUNTY SPECIAL DISTRICTS REPORT
SINGLE FAMILY EQUIVALENT (SFE)

| USE CODE | DESCRIPTION | MINIMUM SFE FACTOR | |
|-------------|--|----------------------------|-------------------|
| | | WATER / FIRE HYDRANT | STORM DRAINAGE |
| RESIDENTIAL | | | |
| 1A | VAC RES LOT - DEV W/ UTILITIES | 1 | 1 |
| 2A | VAC LOT W/PROB. WHICH PRECLUDES BLD. | 0 | 0 |
| 3A | VAC LOT - TOTALLY UNUS. (INCURABLE) | 0 | 0 |
| 6A | VAC RES LOT - UNDEV | 0 | 1 |
| 7A | POTENTIAL RESIDENTIAL SUBDIVISION | 0.2 | 1 |
| 010 | SINGLE FAMILY DWELLING(SFD) | 1 | 1 |
| 011 | CONDOMINIUM UNIT | 1 | 1 |
| 013 | SFD W/SECONDARY RES SQ FT | 1.3 | 1 |
| | SFD W/SECONDARY RES SQ FT (Elkhorn Maintenance District) | 1 | 1 |
| 014 | SFD W/SECONDARY USE (I.E. BARBER SHOP) | 1 | 1 |
| 016 | RES LOT W/MOBILE HOME | 1 | 1 |
| 021 | ONE DEPULEX - ONE BUILDING | 1.3 | 1 |
| | ONE DEPULEX - ONE BUILDING (Elkhorn Maintenance District) | 1 | 1 |
| 022 | TWO SFDS ON SINGLE PARCEL | 1.3 | 1 |
| | TWO SFDS ON SINGLE PARCEL (Elkhorn Maintenance District) | 1 | 1 |
| 032 | THREE UNITS - 2 OR MORE STRUCTURES | 1.6 | 1 |
| | THREE UNITS - 2 OR MORE STRUCTURES (Elkhorn Maintenance District) | 1 | 1 |
| 035 | FOUR UNITS, 2 OR MORE STRUCTURES | 1.9 | 1 |
| | FOUR UNITS, 2 OR MORE STRUCTURES (Elkhorn Maintenance District) | 1 | 1 |
| 050 | RURAL RESIDENTIAL - VACANT HOMESITE | 0.2 | 1 |
| 051 | RURAL RESIDENCE - 1 RESIDENCE | 1 | 1 |
| 052 | RURAL RES - 2 OR MORE RESIDENCES | 1+0.3/EA. ADD. DU | 1 |

| | | | |
|---------------------------|--|----------------------|---|
| 056 | RURAL RESIDENTIAL W/MOBILEHOME | 1 | 1 |
| COMMERCIAL | | | |
| 080 | COMMON AREAS - NO STRUCTURES | 0 | 1 |
| 090 | MOBILEHOME PARK | 1+0.3/EA. ADD. DU | 1 |
| 100 | VACANT COMMERCIAL LAND - UNDEV. | 0 | 1 |
| 101 | VACANT COMMERCIAL LAND DEV. W/UTIL. | 0.2 | 1 |
| COMMERCIAL (CONT.) | | | |
| 102 | VACANT COMMERCIAL LAND W/MISC. IMPRV. | 0 | 1 |
| 110 | SINGLE STORY STORE | 1 | 1 |
| 111 | MULTIPLE STORY STORES | 1 | 1 |
| 113 | STORE WITH RES. UNIT OR UNITS | 1+0.3/EA. ADD. DU | 1 |
| 120 | ONE STORE AND ONE OFFICE | 1 | 1 |
| 140 | GROCERY STORE | 1 | 1 |
| 142 | CONVENIENCE STORE | 1 | 1 |
| 152 | NEIGHBORHOOD SHOPPING CENTER | BY SPECIAL STUDY | 1 |
| 170 | 1 STORY OFFICE BUILDING | 1/OFFICE | 1 |
| 173 | OFFICE BLDG W/RES UNIT OR UNITS | BY SPECIAL STUDY | |
| 202 | COMMERCIAL USE-DOES NOT FIT ANY OTHER USE | 1 | 1 |
| 213 | COCKTAIL LOUNGE - BARS | 2 MIN. | 1 |
| 250 | FULL-SERVICE STATION | 1 | 1 |
| 251 | SELF SERVICE STATION (HAS NO FACILITIES) | 1 | 1 |
| 253 | TRUCK TERMINALS | 2 | 1 |
| 255 | SELF SERVICE STATION W/MINI-MART | 2 | 1 |
| 260 | AUTO SALES W/SERVICE CENTER | 1 | 1 |
| 270 | FARM OR CONST. MACH. SALES & SERVICE | 1 | 1 |
| 272 | FARM OR CONST. MACH. SERVICE | 1 | 1 |
| 280 | AUTO & TRUCK REPAIRS & ACCESSORIES | 1 | 1 |
| 285 | AUTO BODY SHOP | 1 | 1 |
| INDUSTRIAL | | | |
| 300 | VACANT INDUSTRIAL LAND UNDEVELOPED | 0 | 1 |
| 301 | VACANT INDUSTRIAL LAND DEV. W/UTILITIES | 0.2 | 1 |
| 302 | VACANT INDUSTRIAL LAND W/MISC. IMPS | 0 | 1 |
| 310 | LIGHT MANUFACTURING & LIGHT INDUSTRIAL | 1 | 1 |
| 311 | LIGHT INDUSTRIAL & WAREHOUSING | 1 | 1 |
| 312 | LIGHT INDUSTRIAL & WHSE - MULTIPLE | 1 EA. | 1 |
| 313 | INDUSTRIAL CONDOMINIUM | 1 EA. | 1 |

| | | | |
|-----------------------------------|-----------------------------------|------------------|---|
| 320 | WAREHOUSING - ACTIVE | 2 | 1 |
| 321 | WAREHOUSING - INACTIVE | 0.2 | 1 |
| 340 | PACKING PLANTS | 6 | 1 |
| 341 | COLD STORAGE OR REFRIGERATED WHSE | 6 | 1 |
| INDUSTRIAL (CONT.) | | | |
| 390 | INDUSTRIAL COMMON AREA | 0 | 1 |
| AGRICULTURAL | | | |
| 420 | IRRIGATED VINEYARD W/O RES. | 0 | 0 |
| 421 | IRRIGATED VINEYARD W/RESIDENCE | 1 | 1 |
| 450 | IRRIGATED FIELD CROPS ONLY | 0 | 0 |
| 451 | IRRIGATED FIELD CROPS W/RESIDENCE | 1 | 1 |
| 500 | DRY FARM W/O RES | 0 | 0 |
| RECREATIONAL | | | |
| 640 | CLUBS, LODGE HALLS | 1 MIN. | 1 |
| 660 | 18 HOLE PUBLIC GOLF COURSE | 1 MIN. | 1 |
| INSTITUTIONAL | | | |
| 710 | CHURCH, SYNAGOGUE OR TEMPLE | 2 MIN. | 1 |
| UTILITIES & GOVERNMENT | | | |
| 810 | SBE VALUED | BY SPECIAL STUDY | |
| 812 | MUTUAL WATER COMPANY (TAXABLE) | BY SPECIAL STUDY | |
| 850 | RIGHT-OF-WAY | 0 | 0 |
| 851 | PRIVATE ROAD | BY SPECIAL STUDY | |
| 891 | PARKING LOTS - NO FEE | 0 | 1 |
| 920 | VACANT COUNTY LAND | 0 | 0 |
| 925 | MISC COUNTY PROPERTY | BY SPECIAL STUDY | |
| 940 | SCHOOL DISTRICT PROPERTY | BY SPECIAL STUDY | |
| 943 | WATER DISTRICT PROPERTY | BY SPECIAL STUDY | |
| 944 | MISC. DISTRICT PROPERTY | BY SPECIAL STUDY | |

Notes: DU = Dwelling Unit