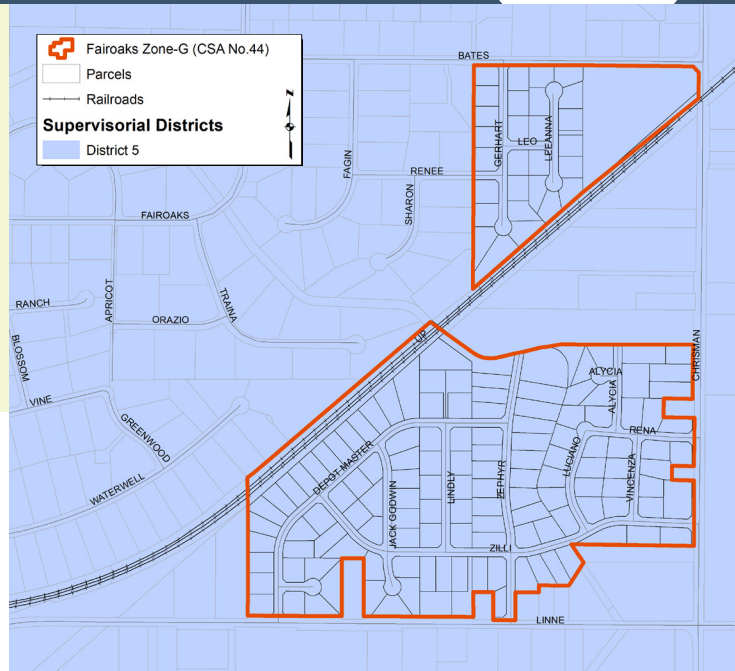


CSA No. 44 Zone G is a special district that provides water, sewer, storm drainage, and street lighting services to approximately 154 properties in the unincorporated area near Tracy.

The district was formed in 2004 during the development of Linne Estates. The wastewater treatment plant was constructed and operated by the developer until it was turned over to CSA No. 44 Zone G in 2005. In 2008, the County discovered significant system operations and permit compliance issues. In 2010, the Board of Supervisors approved an emergency \$1.65 million bridge loan (from County General Funds) for a project to repair critical system deficiencies. Later that year, property owners rejected rate increases proposed to repay that loan and address increased operating and maintenance (O&M) costs. As a result, the district began to lose money and accrued a negative fund balance of \$644,000 by 2020. After the community consented to a rate increase to fund O&M costs and repay the accrued operating deficit over time, the Board of Supervisors forgave the outstanding bridge loan in 2020.

What's Next?

The County is assessing how the maintenance cost reduction efforts are affecting the district's fiscal conditions. In late 2025, County staff will evaluate if current service charges meet the district's needs and, if rate adjustments are needed for fiscal year 2026-2027 to address any shortfalls. The estimated timeline for a community meeting is spring 2026. As in past years, the community will be informed of any proposed rate adjustments and provided the opportunity to comment on the rate proposal.



A special district is a form of government created to provide a specific service within a defined boundary. It is legally separate from the County, although it is managed by the County and governed by the County Board of Supervisors.

Special districts must be generally self-supporting. In other words, the cost for services must be covered by service charges to customers. By law, special district funds must be kept separate from other funds and cannot be spent outside of the district, or for anything other than providing authorized district services. If expenditures are greater than revenues, the district's reserves can be used to cover shortfalls. If there are no reserves, then service reductions may be required. Revenues can be adjusted through periodic rate increases to cover cost of service increases, restore reserve funds, and pay for capital improvements.



CSA No. 44 Zone G Revenues v. Expenditures – Fiscal Year 2023-24

The district must pay for services provided by the County and/or contracted professionals with revenues from utility service rates. For the 2023-24 fiscal year (July 1, 2023-June 30, 2024), the district's revenues from utility service rates and interest income was **\$468,031**. Expenditures for this same period totaled **\$500,129**.

Net revenues as of 6/30/24 **-\$32,098**

Fund balance as of 6/30/24 **-\$594,142**

SCADA Project Update

A remote monitoring system was proposed in 2017 as a cost-reduction measure, as it would provide advance warning of operational issues and reduce the frequency of needed staff visits to the treatment plant. However, changes to regulatory requirements for nitrogen management eliminated the opportunity to reduce staff visits and resulted in higher operating costs. A Supervisory Control and Data Acquisition (SCADA) system for CSA No. 44 Zone G is planned as part of a \$2.6 million grant-funded project to install SCADA in numerous County Public Works-managed utility facilities. When fully implemented, the SCADA system is expected to improve service levels.

Grant Funding and Status of Sewer Treatment System Improvements

The County is continuing to explore ways to improve your district, and has secured over \$600,000 of outside funding for water and wastewater treatment improvements. These resources are being used to rehabilitate two water wells, procure a dedicated backup generator, and replace the bar screen at the treatment plant. This larger bar screen will serve to reduce operational costs by reducing labor hours and improving system performance.

Efforts to reduce costs by connecting with the City of Tracy wastewater system have been unsuccessful. Without a city connection, the CSA 44 Zone E and Zone G treatment plants will continue to be needed, and the County will continue seeking funding to improve plant operations.

District Revenues (July 1, 2023 - June 30, 2024)	
Special Assessments (Rates)	\$466,923
Interest Income	1,108
Total Revenues	\$468,031
District Expenditures (July 1, 2023 - June 30, 2024)	
Communication - Telephone Charges	\$3,409
Equipment Maintenance	24,436
Structure & Grounds Maintenance	1,459
Auditors District Assessment Service Charge	2,040
Professional Services - Engineers	35,822
Professional Services - County	264,408
Professional Services - Water Analysis	3,663
Professional Services - Consultants	2,100
Chemicals	4,851
Permits & Fees	31,453
PG&E - General	52,400
PG&E - Street Lighting	2,619
PG&E - Water System	31,933
Small Tools & Instruments	1,421
Insurance - Casualty	13,854
Structures And Improvement Cost	6,920
Administrative Charges / Shop Overhead	16,334
Miscellaneous	1007
Total Expenditures	\$500,129



CSA 44 Zone G Wastewater Treatment Plant

San Joaquin County Public Works

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