

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

March 15, 2022

**FROM**

**BRENDON BIGGS, Director, Department of Public Works – Special Districts**

**SUBJECT**

Conduct a public hearing to Initiate Proceedings for the Formation of County Service Area 70, Zone R-50 (Mercury Way) and the Establishment of Proposed Property Related Service Charge to Finance the New Zone's Purposes

**RECOMMENDATION(S)**

Acting as the governing body of County Service Area 70, conduct a public hearing to adopt **Resolution No. 2022-44** that:

1. Declares the intention to form a new zone, County Service Area 70, Zone R-50 (Mercury Way) in Crestline, pursuant to Government Code section 25217 et seq., for road paving, maintenance, and snow removal services with a proposed service charge of \$632.65 per parcel, which includes debt service of \$422.68 for ten years and ongoing operation and maintenance cost of \$209.97 (with an annual inflationary increase of up to 3%), effective Fiscal Year 2023-24.
2. Establishes a public hearing date of May 10, 2022 for:
  - a. Formation of the new zone, County Service Area 70, Zone R-50 (Mercury Way) in Crestline, pursuant to Government Code section 25217(d).
  - b. Proposed property related service charge to finance the new zone, County Service Area 70, Zone R-50 (Mercury Way) in Crestline, pursuant to Proposition 218.
3. Directs the Clerk of the Board of Supervisors to:
  - a. Publish notice of the May 10, 2022 public hearing, pursuant to Government Code section 6061, on the intention to form a new zone, County Service Area 70, Zone R-50 (Mercury Way) in Crestline.
  - b. Mail notice of the public hearing at least 20 days prior to the hearing date to all owners of property within the proposed zone.
  - c. Mail notice of the public hearing at least 20 days prior to the hearing date to each city and special district that contains, or whose sphere of influence contains, the proposed zone.
  - d. Post notice of the public hearing in at least three public places within the territory of the proposed zone.

(Presenter: Brendon Biggs, Director, 387-7906)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Ensure Development of a Well-Planned, Balanced, and Sustainable County.  
Provide for the Safety, Health and Social Service Needs of County Residents.**

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**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). All costs associated with the formation of County Service Area 70, Zone R-50 (Mercury Way) (Zone) will be paid by the property owners within the proposed new Zone. If the Zone is formed and the related service charge is approved by the property owners, annual revenue of \$26,571.30 (42 parcels at \$632.65 per parcel) would be generated for road paving, maintenance, and snow removal services.

The \$632.65 per parcel service charge would consist of the following:

- \$422.68 per year for 10 years to fund repayment of a loan, with interest, needed for a road paving project.
- \$209.97, with an annual inflationary increase of up to 3.0%, for annual operational/maintenance costs. The inflationary factor is a key component to help offset increased cost of service in later years.

**BACKGROUND INFORMATION**

The Department of Public Works – Special Districts (Department) was contacted by residents along Mercury Way, Crestline, regarding the possibility of forming a new road district, Zone R-50 (Mercury Way). The proposed Zone is comprised of approximately 1,800 linear feet of paved road and would provide road services that include pulverizing of existing road surface and repaving, maintenance, and snow removal on Mercury Way between the intersections of Skyland Drive to the North and South in Crestline.

Whenever the Board of Supervisors (Board) determines that it is in the public interest to provide different authorized services, provide different levels of service, provide different authorized facilities, or raise additional revenues within specific areas of a county service area, it may form one or more zones pursuant to Government Code section 25217 et seq. An informational letter, proposed boundary map, and property owner survey card were sent to all property owners within the proposed Zone. Of the 42 surveys mailed, 15 were returned with 14 in favor of formation.

Notice of public hearing on the intent to form Zone R-50 (Mercury Way) was initially published on March 3, 2022, and set for public hearing on March 15, 2022. Approval of Recommendation No. 1 shall declare the intent and initiate proceedings for the formation of the proposed Zone. Upon the adoption of the resolution, the Board shall fix the date, time, and place for the public hearing on the formation of the Zone for May 10, 2022. Pursuant to the requirements of Government Code section 25217(d), notice of public hearing on the formation of the Zone will be published, pursuant to Government Code section 6061, as well as posted in at least three public places within the territory of the proposed Zone. Written notice will also be mailed to all owners of property within the proposed Zone and to each city and special district that contains, or whose sphere of influence contains, the Proposed Zone at least 20 days prior to the public hearing.

Pursuant to Proposition 218 requirements for newly proposed property related service charges, written notice shall also be mailed to the record owner of each identified parcel upon which the charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the

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reason for the fee or charge, together with notice of the May 10, 2022 public hearing date, time, and location on the proposed property related service charge.

At the public hearing on May 10, 2022, the Board shall hear and consider any protests to the formation of the Zone pursuant to Government Code section 25217.1(a). If, at the conclusion of the public hearing, the Board determines that more than 50% of the total number of voters residing within the proposed Zone have filed written objections to the formation, then the Board shall determine that a majority protest exists and terminate the proceedings. If the Board determines that a majority protest does not exist, then the Board may proceed to form the Zone, contingent upon approval of the property related service charge funding method, as specified in Government Code sections 25217(c) and (d).

At the public hearing on May 10, 2022, the Board shall also hear and consider all protests against the proposed property related service charge. If written protests against the proposed property related service charge are presented by a majority of owners of the identified parcels, the charge shall not be imposed. No property related service charge shall be imposed unless and until that charge is then submitted and approved by a majority vote of the property owners of the property subject to the charge. Pursuant to Proposition 218, the election shall be conducted not less than 45 days after the May 10, 2022 public hearing. If the property owners do not approve the proposed property related service charge funding methods, the Zone shall not be formed.

The Department will return to the Board to confirm the certified election results. If a simple majority (50%, plus one) of the ballots returned from the property owners are in favor of the proposed property related service charge, the Department will recommend that the Board approve formation of the new Zone, authorize placement of the property related service charge on the annual tax roll beginning in 2023-24, upon approval from the California State Board of Equalization, and approve a \$151,434.40 loan from the County Service Area Revolving Loan Fund for a road construction project.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on March 3, 2022; Finance (Tom Forster, Administrative Analyst, 387-4635) on March 4, 2022; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on March 8, 2022.

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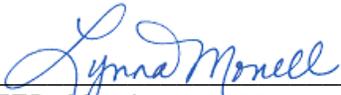
Record of Action of the Board of Supervisors  
Board Governed County Service Areas

Hearing Opened  
Public Comment: None  
Hearing Closed

**APPROVED**

Moved: Joe Baca, Jr. Seconded: Janice Rutherford  
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: March 15, 2022



cc: File - BGCSA/General w/ resolution  
JLL 03/17/2022