

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

June 25, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Various Actions Pertaining to Increased Property Related Service Charge for County Service Area 70, Zone R-22 Twin Peaks

RECOMMENDATION(S)

Acting as the governing body of County Service Area 70, Zone R-22 Twin Peaks:

1. Adopt the certified results of the mailed ballot property owner election held on April 30, 2024, regarding the proposed increase of an annual property related service charge from \$100 per parcel to \$268.42 per parcel, with an annual inflationary increase of up to 3%, effective 2024-25, for road maintenance and snow removal services.
2. Adopt **Resolution No. 2024-91** that:
 - a. Repeals Resolution Nos. 89-282, 95-159, and 2002-216, initially establishing an annual property related service charge of \$100 per parcel for road maintenance and snow removal services for County Service Area 70, Zone R-22 Twin Peaks.
 - b. Authorizes a new annual property related service charge of \$268.42 per parcel, with an annual inflationary increase of up to 3%, effective 2024-25, for road maintenance and snow removal services for County Service Area 70, Zone R-22 Twin Peaks.
3. Reaffirm that the Auditor-Controller/Treasurer/Tax Collector is directed to place the \$268.42 per parcel service charge on the property tax roll beginning in 2024-25, subject to California State Board of Equalization approval, to fund road maintenance and snow removal services for County Service Area 70, Zone R-22 Twin Peaks.

(Presenter: Noel Castillo, 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.**

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). All costs associated with the property related service charge increase of County Service Area 70, Zone R-22 Twin Peaks (Zone) will be funded with Zone revenue paid by the property owners within the Zone. The Zone currently generates annual revenue of \$18,800 (187 parcels at \$100 per parcel) through the existing property related service charge.

The new service charge will generate annual revenue of \$50,194.54 (187 parcels at \$268.42 per parcel, with an annual inflationary increase of up to 3%), effective 2024-25, to fund the ongoing costs for operations and maintenance. The inflationary factor is a key component to help offset the increased cost of service in future years.

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BACKGROUND INFORMATION

In 1989, the Zone was formed to provide road maintenance and snow removal services for 77 parcels in the Twin Peaks area. Through subsequent annexations and other actions, the Zone boundaries have increased to include 187 parcels.

When the Zone was formed, a \$100 per parcel annual service charge was established. However, there was no inflationary factor built into the service charge and therefore the \$100 annual charge has remained unchanged. With the annual cost of inflation over the past 33 years and the lack of a corresponding increase in revenue, services to the Zone have been increasingly reduced. This has resulted in a degrading of the road surface. Without immediate action to increase the annual service charge, the Zone's long-term sustainability and solvency is threatened. Had an inflationary factor of 3% been included since 1989, the per parcel service charge would now be approximately \$265 per year.

Property owners residing in the Zone contacted the Department of Public Works – Special Districts (Department) staff regarding the provision for enhanced ongoing maintenance and snow removal services. Following meetings, information letters, and public surveys, a written notice of public hearing, pursuant to Proposition 218 requirements, for the proposed increase to the property related service charge was mailed on November 21, 2023, to the record owner of each identified parcel upon which the service charge was proposed for imposition. The notice included the amount of the charge proposed to be imposed upon each parcel; basis upon which the amount of the proposed charge was calculated; reason for the charge; and notice of the January 23, 2024 public hearing date, time, and location on the proposed increase service charge.

On January 23, 2024 (Item No. 68), the Board of Supervisors (Board) conducted the public hearing for the proposed increased property related service charge to hear and consider all protests against the proposed increase. Six protests were received at the protest hearing. Therefore, at the conclusion of the public hearing, the Board determined that a majority protest of property owners did not exist and thus adopted Resolution No. 2024-05 authorizing a mailed ballot election of property owners, pursuant to the requirements of Proposition 218 and the California Constitution, Article XIII D, Section 6(c), to establish the service charge revision to \$268.42 per parcel effective 2023-24. The Resolution established March 8, 2024, as the mailed ballot election date to be voted on by property owners within the Zone.

The Department is returning to the Board to adopt the certified election results for the Zone's proposed service charge. The ballots were mailed by an independent election provider on March 8, 2024, and received by April 30, 2024 (the official election date). The proposed property related service charge was approved by a majority vote of the property owners in the Zone.

Approval of this item will adopt a Resolution repealing portions of Resolution Nos. 89-282, 95-159, and 2002-216, related to the annual service charge of \$100 per parcel, and establish a revised service charge of \$268.42 per parcel per year, effective 2024-25, for road maintenance and snow removal services. Pursuant to Board action dated January 23, 2024 (Item No. 68), the Auditor-Controller/Treasurer/Tax Collector is directed to place this service charge of \$268.42 per parcel on the property tax roll beginning in 2024-25, subject to approval from the California State Board of Equalization and this item reaffirms that action.

PROCUREMENT

Not applicable.

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Charge for County Service Area 70, Zone R-22 Twin Peaks
June 25, 2024**

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Aaron Gest, Deputy County Counsel, 387-5455) on May 16, 2024; Auditor-Controller/Treasurer/Tax Collector (Franciliza Zyss, Chief Deputy, 382-3176) on May 23, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on June 3, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on June 7, 2024.

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

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: June 25, 2024



cc: Assessor w/ resolution and map
California State Board of Equalization w/ resolution and map
Registrar of Voters w/ resolution and map
Surveyor w/ resolution and map
Auditor-Controller/Treasurer//Tax Collector w/ resolution and map
Recorder w/ resolution for recording
File - CSA 70 R-22 Twin Peaks w/ attachments
JLL 06/25/2024