



Helendale Community Services District

BOARD OF DIRECTORS MEETING
January 18, 2018 at 6:30 PM
26540 Vista Road, Suite C, Helendale, CA 92342

Call to Order - Pledge of Allegiance

1. Approval of Agenda

2. **Public Participation** - *Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member may speak on any agenda item at the time the agenda item is discussed by the Board of Directors.*

3. Consent Items

- Approval of Minutes: December 21, 2017 Regular Board Meeting
- Bills Paid and Presented for Approval

4. Reports

- Directors' Reports
- General Manager's Report

Discussion Items

- Discussion Only Regarding First Reading of Ordinance 2018-01: An Ordinance of the Board of Directors of the Helendale Community Services District Establishing a Park Development Impact Fee Applicable to New Development.
- Discussion Only Regarding First Reading of Ordinance 2018-02: An ordinance of the Board of Directors of the Helendale Community Services District Establishing Regulations for Enforcement of Exclusive Franchise for Solid Waste Handling and Recycling Services
- Discussion Only Regarding Mid-Year Budget Review for FY 2017-18.
- Discussion and Possibility Action Regarding Adoption of Resolution 2018-01: A Resolution of the Board of Directors of the Helendale Community Services District Transferring an Asset and Associated Liability from the Parks Department to Wastewater and Establishing a Pay-Back Agreement

Other Business

- Requested items for next or future agendas (Directors and Staff only)
- Adjournment

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agenda public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.

Providing:

- Water
- Wastewater
- Park & Recreation
- Solid Waste Management
- Street lighting
- Graffiti Abatement for the Helendale Community

OFFICE HOURS:
Monday-Friday
8:00 – 5:30 p.m.

PHONE:
760-951-0006

FAX:
760-951-0046

ADDRESS:
26540 Vista Road
Suite B
Helendale, CA
92342

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PO BOX 359
Helendale, CA
92342

Visit us on the Web
at:
www.helendalecsd.org





Minutes of the Helendale Community Services District Board of
Directors Meeting for December 21, 2017 at 6:30 PM
26540 Vista Road, Suite C, Helendale, CA 92342

Board Members Present:

President Ron Clark; Vice President Tim Smith; Secretary Sandy Haas; Director Craig Schneider; Director Henry Spiller

Staff:

General Manager Kimberly Cox
Program Coordinator Cheryl Vermette
Water Operations Manager Craig Carlson

Consultants

Legal Counsel Steve Kennedy

Audience:

There were four (4) members of the public present.

Call to Order and Pledge of Allegiance – The meeting was called to order at 6:30 pm by President Clark after which the Pledge of Allegiance was recited.

1. Approval of Agenda

Action: Director Schneider made the motion to approve the Agenda as amended. Director Haas seconded the motion.

Vote: Motion carried. 5 Yes; 0 No

2. Public Participation

Wally Linn, Field Representative for Congressman Cook, reported that the new tax plan was approved, Congressman Cook voted in favor of the new plan. Congressman Cook also voted to publicize and combat Iranian government corruption.

Deputy Chris Haas gave an update on the fire on Wagon Wheel. He was able to report that the bomb/arson team was called out. There was also a call the day before the fire related to a marijuana grow in the area.

3. Consent Items

a. Approval of Minutes: December 7, 2017 Regular Board Meeting

b. Bills Paid and Presented for Approval

Action: Vice President Smith made the motion to approve the Consent Items as presented. Director Spiller seconded the motion.

Vote: Motion carried. 5 Yes; 0 No

4. Reports

a. Directors' Reports

- Director Spiller reported that thanks to donations from the community over 4200 toys were distributed through the CHiP's for Kids program.
- Director Smith reported that there is now better Verizon service in Helendale due to the retrofit that was completed.
- Director Haas wished everyone a Merry Christmas.

- President Clark attended an active shooter training in Hesperia.
- b. General Manager's Report
 - Met with EEC regarding damage at the wastewater treatment plant. EEC will pay for parts. The current estimate of labor and parts is \$21,756.53.
 - Thrift Store Update
 - Store will be closed for Christmas and New Year's.
 - Nominated for business of the year
 - Thrift Store Supervisor will be retiring as of Feb. 1. Recruitment will begin soon.
 - A graph of the Thrift Stores sales was presented.
 - Water Operations Manager Carlson gave the water report
 - Staff has completed monthly coliform report and ladder and harness inspections.
 - Staff has turned approximately 150 valves for the month.
 - Staff repaired a hydrant on Mountain Springs Road
 - Picked up the new service truck
 - Completed annual San Bernardino County EHS inspection of the Community Center.
 - Program Coordinator Vermette reported on upcoming activities
 - Senior Center held their Christmas Party in the Community Room on December 19th with about 80 people in attendance.
 - Public Safety Meeting will be held on January 8th.
 - Youth Basketball will begin on January 6th.
 - Vermette gave the Solid Waste report including bulky item pick-ups, trash and recycling information.
 - General Manager Cox gave the Administrative Update
 - Account Activity – 32 account transfers for November
 - A chart showing account transfers by month was presented.
 - A chart showing percentage of accounts paid on time was presented – 81% of customers paid on-time in November
 - A chart showing the average monthly bill was presented. The average monthly bill in November was \$105.45

Discussion Items

5. Discussion and Possible Action Regarding Approval of a Revised Fee Schedule and Review of Senate Bill 2 Recently Signed into Law

Action: Director Schneider made the motion to approve the fee package with proposed changes effective January 1, 2018. Vice President Smith seconded the motion.

Vote: Motion carried. 5 Yes; 0 No; 0 absent

Yes: Director Schneider; Director Haas; President Clark; Vice President Smith; Director Spiller

6. Discussion Only regarding Update on Land and Water Conservation Grand Expenditure for Helendale Community Park.

Discussion: Program Coordinator Vermette discussed the cost incurred to date for the grant and the expected reimbursement.

Action: There was no action on this item.

Other Business

7. Requested items for next or future agendas (Directors and Staff only)
- Update on new home construction and associated revenue

8. Adjournment

President Clark adjourned the meeting at 7:37 pm

Submitted by:

Attest:

Ron Clark, President

Sandy Haas, Secretary

The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.



Helendale Community Services District

Date: January 18, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop, Senior Account Specialist
SUBJECT: Agenda item # 3 b.
Consent Item: Bills Paid and Presented for Approval

STAFF RECOMMENDATION:
Report Only. Receive and File

STAFF REPORT:

Staff issued 88 checks for the period of December 19, 2017 through January 11, 2018 totaling \$115,303.71.

Total cash available:	<u>1/11/18</u>	<u>12/18/17</u>
Cash	\$ 4,647,913.89	\$ 4,520,676.89
Checks Issued	\$ 115,303.71	\$ 166,664.42

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 1.35% for CalTRUST Short-Term and 1.62% for Medium-Term Investments, 1.239% for LAIF, and 0.25% for the CBB Sweep Account for December 2017. Interest earned in December 2017 on the CalTRUST investments and the CBB Sweep Account is \$3,941.64.



Helendale CSD

Bills Paid and Presented for Approval Transaction Detail

Issued Date Range: 12/18/2017 - 01/11/2018

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
Bank Account: 251229590 - CBB Checking					
12/19/2017	<u>20057</u>	West Coast Sand & Gravel	-2,655.50	Check	Accounts Payable
12/20/2017	<u>20063</u>	Burrtec Waste Industries	-11,160.32	Check	Accounts Payable
12/20/2017	<u>20064</u>	Burrtec Waste Industries, Inc.	-39,223.05	Check	Accounts Payable
12/20/2017	<u>20065</u>	Capital One Commercial	-644.26	Check	Accounts Payable
12/20/2017	<u>20066</u>	Chris Pattison	-175.50	Check	Accounts Payable
12/20/2017	<u>20067</u>	Chris Zuber	-169.00	Check	Accounts Payable
12/20/2017	<u>20068</u>	County of San Bernardino, Solid Waste Mgmt. Div.	-685.06	Check	Accounts Payable
12/20/2017	<u>20069</u>	Frontier Communications	-58.08	Check	Accounts Payable
12/20/2017	<u>20070</u>	Graham Equipment	-484.88	Check	Accounts Payable
12/20/2017	<u>20071</u>	Harbor Freight Tools	-98.00	Check	Accounts Payable
12/20/2017	<u>20072</u>	Jonathan A. Escobar	-175.50	Check	Accounts Payable
12/20/2017	<u>20073</u>	Joseph Grant	-250.00	Check	Accounts Payable
12/20/2017	<u>20074</u>	Mojave Water Agency	-58.18	Check	Accounts Payable
12/20/2017	<u>20075</u>	Official Payments Corp	-58.60	Check	Accounts Payable
12/20/2017	<u>20076</u>	Pres-Tech Manufacturers' Representatives, Inc	-1,094.62	Check	Accounts Payable
12/20/2017	<u>20077</u>	Rogers, Anderson, Malody & Scott	-5,495.50	Check	Accounts Payable
12/20/2017	<u>20078</u>	San Bernardino County Fire Protection District	-515.00	Check	Accounts Payable
12/20/2017	<u>20079</u>	Sandy Haas	-762.68	Check	Accounts Payable
12/20/2017	<u>20080</u>	Sierra Analytical	-700.00	Check	Accounts Payable
12/20/2017	<u>20081</u>	Silver Lakes Community Service Foundation	-35.00	Check	Accounts Payable
12/20/2017	<u>20082</u>	Silver Lakes Market	-266.85	Check	Accounts Payable
12/20/2017	<u>20083</u>	Southern California Edison	-1,508.91	Check	Accounts Payable
12/20/2017	<u>20084</u>	SWRCB FEES	-2,088.00	Check	Accounts Payable
12/20/2017	<u>20085</u>	SWRCB FEES	-14,929.00	Check	Accounts Payable
12/20/2017	<u>20086</u>	Top Notch Networking, LLC	-797.35	Check	Accounts Payable
12/20/2017	<u>20087</u>	United Site Services	-300.29	Check	Accounts Payable
12/20/2017	<u>20088</u>	USA Blue Book	-888.88	Check	Accounts Payable
12/20/2017	<u>20089</u>	Verizon Wireless	-96.90	Check	Accounts Payable
12/21/2017	<u>20090</u>	Desert Community Bank	-243.20	Check	Accounts Payable
12/21/2017	<u>20091</u>	Frontier Communications	-53.88	Check	Accounts Payable
12/21/2017	<u>20092</u>	Jayco Industries	-175.00	Check	Accounts Payable
12/26/2017	<u>20093</u>	CAROL EASLY	-188.00	Check	Utility Billing
12/26/2017	<u>20094</u>	CRAIG CAMPBELL	-21.04	Check	Utility Billing
12/26/2017	<u>20095</u>	HOWARD RAYBURN	-141.96	Check	Utility Billing
12/26/2017	<u>20096</u>	JEFFERY HELMINIAK	-157.27	Check	Utility Billing
12/26/2017	<u>20097</u>	MARIAH WOODY	-12.73	Check	Utility Billing
12/26/2017	<u>20098</u>	ERIC LINNENKAMP	-6.16	Check	Utility Billing
12/28/2017	<u>20099</u>	Aqua-Metric Sales Co.	-9,391.38	Check	Accounts Payable
12/28/2017	<u>20100</u>	Chris Zuber	-265.00	Check	Accounts Payable
12/28/2017	<u>20101</u>	C-Me Promotions & Embroidery	-934.98	Check	Accounts Payable
12/28/2017	<u>20102</u>	Craig Schneider	-796.60	Check	Accounts Payable
12/28/2017	<u>20103</u>	FAST SIGNS	-37.72	Check	Accounts Payable
12/28/2017	<u>20104</u>	Fedak & Brown LLP	-828.00	Check	Accounts Payable
12/28/2017	<u>20105</u>	Flying Colors	-120.00	Check	Accounts Payable
12/28/2017	<u>20106</u>	Frontier Communications	-86.75	Check	Accounts Payable
12/28/2017	<u>20107</u>	Henry Spiller	-625.00	Check	Accounts Payable
12/28/2017	<u>20108</u>	Rebecca Gonzalez	-390.00	Check	Accounts Payable
12/28/2017	<u>20109</u>	SB Cnty Dept of Public Works	-230.00	Check	Accounts Payable
12/28/2017	<u>20110</u>	Shred-it USA LLC	-60.29	Check	Accounts Payable
12/28/2017	<u>20111</u>	Southwest Gas Company	-1,204.55	Check	Accounts Payable
12/28/2017	<u>20112</u>	Staples Office Supplies	-142.57	Check	Accounts Payable
12/28/2017	<u>20113</u>	Sullivan Uniform	-273.89	Check	Accounts Payable

Bank Transaction Report

Issued Date Range: -

Issued Date	Number	Description	Amount	Type	Module
12/28/2017	20114	SWRCB, DWOCP	-60.00	Check	Accounts Payable
12/28/2017	20115	Tim Smith	-500.00	Check	Accounts Payable
12/28/2017	20116	Verizon Wireless	-735.87	Check	Accounts Payable
01/04/2018	20117	Industrial Rubber & Supply, LLC	-3,265.46	Check	Accounts Payable
01/05/2018	20126	Hartford Life	-553.23	Check	Accounts Payable
01/05/2018	20127	Ron Clark	-750.00	Check	Accounts Payable
01/05/2018	20128	Silver Lakes Hardware	-49.35	Check	Accounts Payable
01/05/2018	20129	Tyler Technologies, Inc.	-312.50	Check	Accounts Payable
01/09/2018	20130	Apple Valley Communications	-130.00	Check	Accounts Payable
01/09/2018	20131	AVCOM Services Inc.	-92.50	Check	Accounts Payable
01/09/2018	20132	Babcock Laboratories, Inc	-190.00	Check	Accounts Payable
01/09/2018	20133	Burrtec Waste Industries	-112.91	Check	Accounts Payable
01/09/2018	20134	Cazcom, Inc.	-175.00	Check	Accounts Payable
01/09/2018	20135	Daily Press	-111.66	Check	Accounts Payable
01/09/2018	20136	Employee Relations	-362.60	Check	Accounts Payable
01/09/2018	20137	Frontier Communications	-139.25	Check	Accounts Payable
01/09/2018	20138	G.A. Osborne Pipe & Supply Inc.	-383.91	Check	Accounts Payable
01/09/2018	20139	Geo-Monitor, Inc.	-1,287.50	Check	Accounts Payable
01/09/2018	20140	H. James Keoshkerian, Inc	-450.00	Check	Accounts Payable
01/09/2018	20141	I Candy Website & Graphic Design	-33.75	Check	Accounts Payable
01/09/2018	20142	Inland Water Works Supply Co.	-32.33	Check	Accounts Payable
01/09/2018	20143	Jayco Industries	-175.00	Check	Accounts Payable
01/09/2018	20144	Larry Walker Associates	-375.00	Check	Accounts Payable
01/09/2018	20145	Liberty Composting, Inc.	-311.50	Check	Accounts Payable
01/09/2018	20146	Mobile Occupational Services, Inc.	-70.00	Check	Accounts Payable
01/09/2018	20147	Naomi Andrson	-14.38	Check	Accounts Payable
01/09/2018	20148	O'Reilly Auto Parts	-204.05	Check	Accounts Payable
01/09/2018	20149	Print Mart	-75.41	Check	Accounts Payable
01/09/2018	20150	Southern California Edison	-108.77	Check	Accounts Payable
01/09/2018	20151	Stotz Equipment	-786.91	Check	Accounts Payable
01/09/2018	20152	Top Notch Networking, LLC	-813.98	Check	Accounts Payable
01/09/2018	20153	Tyler Technologies, Inc.	-137.00	Check	Accounts Payable
01/09/2018	20154	Uline	-393.87	Check	Accounts Payable
01/09/2018	20155	United Site Services	-173.13	Check	Accounts Payable
01/09/2018	20156	USA of So. California	-72.70	Check	Accounts Payable
01/09/2018	20157	Weno Office Solutions	-103.31	Check	Accounts Payable
Bank Account 251229590 Total: (88)			-115,303.71		
Report Total: (88)			-115,303.71		

Bank Transaction Report

Bank Account

251229590 CBB Checking

	Count	Amount
	88	-115,303.71
Report Total:	88	-115,303.71

Cash Account

99 99-111000 Cash in CBB - Checking

Report Total:

Count	Amount
88	-115,303.71
88	-115,303.71

Transaction Type

Check

	Count	Amount
	88	-115,303.71
Report Total:	88	-115,303.71



Helendale Community Services District

Date: January 18, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #5
Discussion Only Regarding First Reading of Ordinance 2018-01: An Ordinance of the Board of Directors of the Helendale Community Services District Establishing a Park Development Impact Fee Applicable to New Development

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding this matter.

STAFF REPORT:

The purpose of the first reading of Ordinance 2018-01 is to provide an opportunity for members of the public or other interested parties to provide input on the proposed development impact fee. In addition, Staff seeks input from the Board regarding the matter. This item has been noticed for the first reading and will be noticed again for the meeting of February 1 when the Board will consider adoption of the fee.

This item was originally discussed as early as 2008 when the Board first contemplated the purchase of the park property. There was awareness that funding would be needed to help construct the park facilities and support existed from the numerous housing developments under discussion at the time. However, the economy took a turn for the worse, the development projects were put on hold with minimal construction occurring today. Over this protracted time period, Staff discussed a Park Development Impact Fee with the development community who were supportive of the proposal and expressed the need to provide their residents with recreational amenities.

Attachments for the Board's review include a memo drafted by District Legal Counsel dated May 6, 2015, the Park Development Impact Fee Study and Ordinance 2018-01.

Staff retained the services of Stan Hoffman Associates to evaluate the options available to the District and provide a report for the recommended fee. Meetings occurred with County Land Use and County Special Districts staff to ensure concurrence and receive input regarding the proposed fee and process.

The fee contemplated for park development is \$1,720 per single family unit and \$1,274 per multi-family unit. The method of collection of the fee will be at the time other District fees are paid including water and wastewater connection fees. Table 4 on page 13 of the document outlines the

anticipated facilities to be funded at the park. Based upon the projected growth, new construction will cover less than 1/3 of the cost of park construction (Section 6) estimated to be over \$6.3 million (Table 4). The total estimated amount of DIF fees based upon 2040 forecasted development is \$1.8 million (Table 9).

FISCAL IMPACT: Estimated \$1.8 million by 2040 based upon projected development



ORDINANCE NO. 2018-01

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE HELENDALE COMMUNITY SERVICES DISTRICT
ESTABLISHING A PARK DEVELOPMENT IMPACT FEE
APPLICABLE TO NEW DEVELOPMENT**

WHEREAS, the Helendale Community Services District (“District”) is a Community Services District located within the County of San Bernardino and is organized and operates pursuant to California Government Code Section 61000 et seq.; and

WHEREAS, pursuant to Resolution No. 2951 of the Local Agency Formation Commission of the County of San Bernardino (“LAFCO”) adopted on December 4, 2006, the District is the successor agency to San Bernardino County Service Area 70, Improvement Zones B and C; and

WHEREAS, pursuant to Condition No. 8 of LAFCO Resolution No. 2951 and Section 61100(e) of the California Government Code, the District is authorized to acquire, construct, improve, maintain, and operate recreation facilities, including but not limited to parks and open space, in the same manner as a recreation and park district formed pursuant to California Public Resources Code Section 5780 et seq.; and

WHEREAS, pursuant to Condition No. 8 of LAFCO Resolution No. 2951 and Section 61100(a) of the California Government Code, the District is authorized to supply water for any beneficial uses in the same manner as a municipal water district formed pursuant to California Water Code Section 71000 et seq.; and

WHEREAS, under California Water Code Sections 71613-71617, a municipal water district is authorized to fix rates and charges for the water it delivers; and

WHEREAS, under California Water Code Section 61115(a), the District is authorized to establish rates or other charges for services and facilities that the District supplies and to provide for the collection and enforcement of those rates or other charges; and

WHEREAS, under California Government Code Section 66000 et seq. (“the Mitigation Fee Act”), the District is deemed a local agency that is authorized to establish development impact fees on residential, commercial, and industrial development project to fund the public improvements made necessary by such development projects; and

WHEREAS, as a condition to exacting such development impact fees, the District must establish the nexus and make certain statutory findings regarding the relationships between the types and amounts of the development impact fees, the types of development projects, and the need for public facilities and infrastructure improvements pursuant to the Mitigation Fee Act in order to ensure that the development impact fees paid by developers are proportional to the impacts caused by their development; and

WHEREAS, the District retained an experienced and reputable expert consultant, Stanley R. Hoffman Associates, Inc. (“Hoffman”), to prepare a nexus study to analyze the impacts of development and calculate the appropriate level of development impact fees; and

WHEREAS, Hoffman’s report, the “Helendale CSD Park Development Impact Fee (DIF) Study” dated April 4, 2017 (“DIF Study”), establishes the required nexus and relationships for imposing development impact fees on development projects of various types, and documents the need for facilities created by new development and the estimated cost of the new park and recreation facilities which will be required; and

WHEREAS, the DIF Study concludes that development impact fees for public park and recreation facilities are necessary to offset the impact of new development on the District’s services; and

WHEREAS, the proposed development impact fees are described in detail in the DIF Study and are subject to approval by the District’s Board of Directors (“Board”) after a public hearing in accordance with the Mitigation Fee Act; and

WHEREAS, the purpose of this Ordinance is to establish the development impact fee described in the DIF Study, while the actual amount of the development impact fee will be set and adjusted from time to time by separate Resolution in accordance with the procedures contained in the Mitigation Fee Act; and

WHEREAS, the establishment, modification, structuring, restructuring, and approval of rates and fees is exempt from the requirements of the California Environmental Quality Act as provided by California Public Resources Code Section 21080(b)(8); and

WHEREAS, the amount of the fees and charges hereby adopted do not exceed the reasonable anticipated costs for the corresponding services provided by the District, and therefore the fees imposed hereby to not qualify as “special taxes” under Government Code Section 50076, and the actions taken herein are exempt from the additional notice and public meeting requirements of the Brown Act pursuant to Government Code Section 54954.6(a)(1)(A) and (B); and

WHEREAS, the fees and charges set forth herein are not levied upon any person as an incident of property ownership, and thus are not subject to the substantive and procedural prerequisites of Article XIID of the California Constitution.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Helendale Community Services District, after conducting a public hearing duly noticed pursuant to the Mitigation Fee Act, as follows:

SECTION 1. RECITALS INCORPORATED. The foregoing Recitals are incorporated herein by this reference as if set forth in full.

SECTION 2. DEVELOPMENT IMPACT FEES. The public interest and necessity as described in the oral and written testimony and evidence presented during the public hearing on this matter, all of which are incorporated herein by this reference, requires the Board to establish the District's Development Impact Fee as follows:

a. Purpose and Intent.

1. It is the purpose and intent of this Ordinance to establish a Development Impact Fee to fund the acquisition, design, and construction of certain public park and recreation facilities necessary to serve new development within the District. The public park and recreation facilities to be funded by the Development Impact Fee are described in detail in the DIF Study approved by the Board and incorporated herein by this reference.

2. The Development Impact Fee established under this Ordinance are in addition to any other rates, fees, charges, or assessments imposed as a condition of water service from the District, or under the provisions of any state or federal law, or other provisions of the District's ordinances, resolution, policies, or procedures.

b. Imposition and Accounting.

1. No developer, property owner, or other person or entity shall be eligible to receive water service for any development project unless the provisions of this Ordinance have first been complied with for that project. The requirements herein after hereby imposed as a condition of approval for each development project in addition to being a requirement of this Ordinance.

2. The Development Impact Fee amount shall be established and adjusted by separate Resolution of the Board adopted from time to time in accordance with the procedures set forth in state law.

3. Development Impact Fees paid pursuant to this Ordinance shall be segregated and deposited into a separate fund and used only for the purpose of acquiring, designing, constructing, and improving public park and recreation facilities to the extent permitted by law.

4. The District may impose such additional conditions of approval for water service to the development project as are necessary and appropriate to implement the purposes of this Ordinance.

c. Credit and Reimbursement. For qualifying public park facilities constructed as part of a development project, the Board may establish policies and procedures for granting credit against the Development Impact Fee or providing for reimbursement from a Development Impact Fee paid by other developers. Such policies and procedures shall be established by separate Resolution.

SECTION 3. APPLICATION. This Ordinance shall apply to all development projects for which Development Impact Fees have not been paid as of the date specified in the Resolution establishing the amount of said Development Impact Fee, excepting only those development projects that are subject to an existing development agreement where such agreement expressly provides for the amount and timing of development impact fees.

SECTION 4. ENFORCEMENT OFFICER. The District's General Manager is hereby declared and appointed as the enforcement officer of this Ordinance, and shall be empowered to take such other actions as authorized herein, or as may otherwise be authorized by the Board or be reasonably necessary, for enforcement of the Ordinance.

SECTION 5. RESERVATION OF RIGHTS. All remedies set forth in this Ordinance are herein declared to be cumulative and non-exclusive, and shall not preclude the District from enforcing any other rights or remedies available under the law or any other rules and regulations of the District.

SECTION 6. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decisions shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7. PUBLICATION AND POSTING. The District's General Manager is hereby directed to cause a summary of this Ordinance to be published at least five (5) days prior to the date of adoption hereof in a newspaper of general circulation within the District boundaries and a copy of the full text of this Ordinance must be posted at the District office at least five (5) days prior to the meeting. Within fifteen (15) days after adoption, the District's General Manager is hereby directed to cause said summary of this Ordinance to be published in a newspaper of general circulation within the District boundaries and a copy of the full text of this Ordinance must be posted at the District office.

SECTION 8. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after adoption.

APPROVED AND ADOPTED this ____ day of _____, 2018.

President, Board of Directors

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO)

I, _____, Secretary of the Board of Directors of the Helendale Community Services District, do hereby certify that the foregoing Ordinance, being Ordinance No. _____, was duly adopted by the Board of Directors of said District at a regular meeting of said Board held on _____, and that it was so adopted by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST:

Secretary of the Helendale Community Services District and of the Board of Directors thereof

SEAL



Helendale CSD Park Development Impact Fee (DIF) Study

Prepared for:

Helendale Community Services District
26540 Vista Road, P.O. Box 359
Helendale, CA 92342
760.951.0006
Kimberly Cox, General Manager

Prepared by:

Stanley R. Hoffman Associates, Inc.
11661 San Vicente Boulevard, Suite 306
Los Angeles, California 90049-5111
310.820.2680
Stan Hoffman, President

Adopted: January 18, 2018

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EXECUTIVE SUMMARY

This study presents an analysis of a community park development impact fee (DIF) per new housing unit for the Helendale Community Services District (Helendale CSD). Helendale, which includes the community of Silver Lakes, is an unincorporated community and Census-Designated Place located in San Bernardino County, California, on historic Route 66 west of the Mojave Freeway, between Barstow and Victorville, in the Victor Valley. The current boundary of the district is shown in Figure 1 along with the boundary of its sphere of influence (SOI). The SOI constitutes areas that may be annexed into the district's boundary in the future. This report presents an analysis of a potential community park DIF for the current Helendale CSD boundaries.

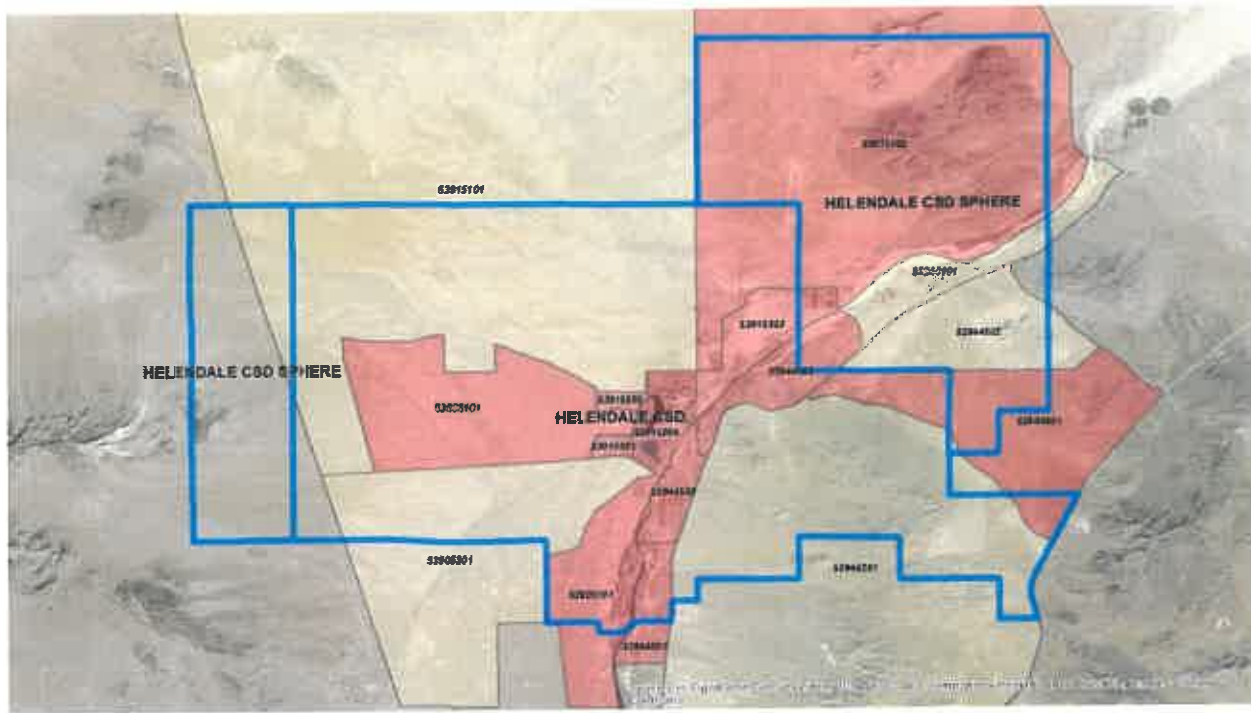
Parks and recreation is one of the services that the Helendale CSD is authorized to provide. Toward this end, the Helendale CSD has acquired acreage that is suitable for community park facilities and is in the process of developing 20.5 acres as part of the Long-Range Community Park Plan that will serve the entire community. The Silver Lakes community provides a number of local park and recreation facilities and amenities. This analysis only considers the potential impact fee for community parks and does not analyze a DIF for smaller, in-tract park facilities which may be considered in the future or may continue to be provided by each developer as a requirement for their project.

This analysis is based on an AB 1600 development impact fee analysis where the community park needs for the existing and future population is considered and a fair share pro rata cost allocation is developed. This is in contrast to a Quimby Act fee analysis where the Quimby Act allows for a standard of 3 acres per 1,000 persons at a minimum for residential subdivisions up to a maximum of 5 acres per 1,000 persons if a community can show that it has provided park facilities at that level. However, the AB 1600 approach was taken as there are restrictions that are considered limiting when using the Quimby Act standard, as discussed in the study.

In 2017 constant dollars, the estimated DIF per new housing unit for the current Helendale CSD boundary is \$1,720 per single family unit and \$1,274 per multi-family unit. This amount is calculated by allocating the total estimated community park costs of \$6,605,353 between single family and multi-family units on the basis of population and then dividing by the 2040 forecast of single family and multi-family housing units for the Helendale CSD. Single family units are defined as single family attached and single family detached; multi-family units are defined as apartments, townhomes and condominiums of two (2) or more units in a structure.

The development impact fee per housing unit by type is then multiplied times the forecasted growth from 2012 to 2040 of 874 new single family housing units and 246 new multi-family units for the Helendale CSD; this results in projected development impact fee revenues of \$1,816,684 in 2017 constant dollars. Thus, by 2040 the new growth is forecasted to cover about 27 percent of the estimated community park construction costs for the Helendale CSD in constant 2017 dollars.

Figure 1
Community Services District and Sphere of Influence Boundaries
Helendale Community Services District



SECTION 1 Introduction

To plan effectively for new residential development and to identify the public park and recreation facilities and costs associated with mitigating the direct and cumulative impacts of new residential development, Stanley R. Hoffman Associates, Inc. (SRHA) and David Taussig & Associates, Inc. (DTA) were retained by the Helendale Community Services District (Helendale CSD) to prepare a new AB 1600 Fee Justification Study (Park Development Impact Fee Study).

The decision was made to establish a development impact fee (DIF) for park land and facilities pursuant to AB 1600, or Section 66000 *et seq.* of the Government Code, rather than the Quimby Act, or Section 66477 of the Government Code, for the following reasons:

- AB 1600 authorizes the establishment of a fee in an amount equal to the cost of land and improvements, while fees established pursuant to the Quimby Act may be only based on the cost of land;
- AB 1600 authorizes the imposition of fees on all new development, while the Quimby Act prohibits the imposition of fees on residential development that will not require any subdivision of land;
- Also, the Quimby Act prohibits the imposition of fees on: (i) subdivisions containing less than five (5) parcels and not used for residential purposes, (ii) commercial or industrial projects, or (iii) condominium projects that consist of a subdivision of airspace in an existing apartment building that is more than five (5) years old when no new dwelling units are added.

The need for this Park Fee Study is driven by anticipated residential development and complies with AB 1600, which was enacted by the State of California in 1987, by identifying public park and recreation facilities required by new residential development and determining the level of fees that may be imposed to pay the costs of such facilities. Fee amounts have been determined that will finance park and recreation facilities based on the Helendale CSD's Long-Range Community Park Plan. The park and recreation facilities and estimated land acquisition and associated construction costs are identified in Section 4. All new residential development may be required to pay its "fair share" of the cost of the park and recreation facilities through the park and recreation facilities DIF program.

Based upon the San Bernardino County Transportation Authority's 2012-2040 Tier 3 Forecast, new residential development is expected to result in 1,119 new housing units and 2,107 new residents within the Helendale CSD by 2040. This represents about a 38% increase in housing units compared to the 2012 estimated 2,977 housing units, and an approximate 39% increase in population compared with the estimated 2012 population of 5,363, according to the preliminary forecasts. The Helendale CSD will need to expand its public park and recreation facilities to accommodate the impacts of this growth. AB1600 fees will help finance park and recreation facilities which are needed to mitigate these impacts. The following steps were:

1. **Demographic Assumptions:** Identify future housing growth that will generate an increased demand for park and recreation facilities.
2. **Facility Needs and Costs:** Identify the type and cost of park and recreation facilities required to meet the demands of new residential development.
3. **Cost Allocation:** Allocate these costs per new residential dwelling unit.
4. **Fee Schedule:** Calculate the development impact fee per new residential dwelling unit.

SECTION 2 Legal Requirements to Justify Development Impact Fees

Prior to World War II, development in California was held responsible for very little of the cost of public infrastructure. Public improvements were financed primarily through jurisdictional general funds and utility charges. It was not uncommon during this period for speculators to subdivide tracts of land without providing any public improvements, expecting the closest city to eventually annex a project and provide public improvements and services.

However, starting in the late 1940s, the use of impact fees grew with the increased planning and regulation of new development. During the 1960s and 1970s, the California Courts broadened the right of local government to impose fees on developers for public improvements that were not located on-site. More recently, with the passage of Proposition 13, the limits on general revenues for new infrastructure have resulted in new development being held responsible for a greater share of public improvements, and both the use and levels of impact fees have grown substantially.

The levy of impact fees is one authorized method of financing the public facilities necessary to mitigate the impacts of new development. A fee is "a monetary exaction, other than a tax or special assessment, which is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project..." (California Government Code, Section 66000). A fee may be levied for each type of capital improvement required for new development, with the payment of the fee typically occurring prior to the beginning of construction of a dwelling unit. Fees are often levied at final map recordation, issuance of a certificate of occupancy, or more commonly, at building permit issuance. However, Assembly Bill ("AB") 2604 (Torrico) which was signed into law in August 2008, encourages public agencies to defer the collection of fees until close of escrow to an end user in an attempt to assist California's troubled building industry.

The authority of local governments to impose impact fees on development is derived from their police power to protect the health and welfare of citizens under the California Constitution (Article 11, Section 7). Furthermore, the California Mitigation Fee Act provides a prescriptive guide to establishing and administering impact fees based on "constitutional and decisional law." Development impact fees ("DIFs") were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et seq.* also referred to as "AB 1600."

AB 1600 defines local governments to include cities, counties, school districts, special districts, authorities, agencies, and other municipal corporations. Fees governed by the Act include development fees of general applicability, and fees negotiated for individual projects. AB 1600 does not apply to user-fees for processing development applications or permits, fees governed by other statutes (e.g., the Quimby Act), developer agreements, or penalties, or fees specifically excluded by AB 1600 (e.g., fees collected pursuant to agreements with former redevelopment agencies or various reimbursement agreements).

Public facilities that can be funded with impact fees are defined by AB 1600 as "public improvements, public services, and community amenities." Government Code, §65913.8 precludes the use of DIFs to fund maintenance or services, with limited exceptions for very small improvements and certain temporary measures needed by certain special districts. In combination, these provisions effectively restrict the use of most impact fees to public capital improvements.¹

The Helendale CSD has identified the need to levy development impact fees to pay for public park and recreation facilities. The development impact fees presented in this study will finance public park and recreation facilities for new development at the level established by Helendale CSD in its Long-Range Community Park Plan. Upon the adoption of the Park Fee Study and required legal documents by the Helendale CSD Board, all new residential development will be required to pay its "fair share" of the cost of public park and recreation facilities through these development impact fees.

In 2006, Government Code Section 66001 was amended to clarify that a development impact fee cannot include costs attributable to existing deficiencies, but can fund costs used to maintain the existing level of service or meet an adopted level of service that is consistent with the general plan. This Park Fee Study for the Helendale CSD is intended to meet the nexus or benefit requirements of AB 1600, which mandates that there is a nexus between fees imposed, the use of the fees, and the development projects on which the fees are imposed.

Section 66000 et seq. of the Government Code requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of new development:

1. Identify the purpose of the fee. (Government Code Section 66001(a)(1))
2. Identify the use to which the fee will be put. (Government Code Section 66001(a)(2))
3. Determine that there is a reasonable relationship between the fee's use and the type of development on which the fee is to be imposed. (Government Code Section 66001(a)(3))
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is to be imposed. (Government Code Section 66001(a)(4))
5. Discuss how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

Identifying these items will enable a development impact fee to meet the nexus and rough proportionality requirements established by previous court cases. This section presents each of these items as they relate to the imposition within the Helendale CSD of the proposed development impact fees for public park and recreation facilities. Current state financing and fee

¹For general information, please see: "Exactions and Impact Fees in California: A Comprehensive Guide to Policy, Practice, and the Law," edited by William Abbott, et al., Solano Press Books, 2012 Third Edition.

assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal development impact fees is to determine what share of the benefit or cost of the new facilities can be equitably assigned to existing development, even if the facilities have not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable development impact fees assigned.

1. Purpose of the Fee (Government Code Section 66001(a) (1)). Based upon projections from the San Bernardino Associated Governments, new residential development is expected to result in approximately 2,107 new residents within the Helendale CSD by 2040. These future residents will create an additional demand for public park and recreation facilities that existing public park and recreation facilities cannot accommodate. In order to accommodate new residential development in an orderly manner, without adversely impacting the current quality of life in the Helendale CSD, additional Public Park and recreation facilities will need to be constructed.

It is the projected direct and cumulative effect of future residential development that has required the preparation of this Park Fee Study. Each new residential dwelling unit will contribute to the need for new public park and recreation facilities, and as such, the proposed impact fee will be charged to all future residential development, irrespective of location, in the Helendale CSD. The development impact fees, when collected, will be placed into a dedicated fund that will be used solely for the design, acquisition, installation, and construction of public park and recreation facilities and other appropriate costs to mitigate the direct and cumulative impacts of new residential development in the Helendale CSD.

The discussion in this subsection of the Study sets forth the purpose of the development impact fee as required by Section 66001(a) (1) of the California Government Code.

2. The Use to Which the Fee is to be put (Government Code Section 66001(a) (2)). The development impact fee will be used specifically for the design, acquisition, installation, and construction of the public park and recreation facilities discussed in Section 4 of this Park Development Impact Fee Study and related costs necessary to mitigate the direct and cumulative impacts of new residential development in the Helendale CSD. By directly funding these costs, the development impact fees will both enhance the quality of life for future residents and protect their health, safety, and welfare.

The discussion presented in this subsection of the Park DIF Study identifies the use to which the development impact fee is to be put as required by Section 66001(a) (2) of the California Government Code.

3. Determine That There is a Reasonable Relationship Between the Fee's Use and the Type of Development Project Upon Which the Fee is Imposed (Benefit Relationship) (Government Code Section 66001(a) (3)). As discussed, it is the projected direct and cumulative effect of future residential development that has prompted the preparation of this Park Development Impact Fee Study. Each residential dwelling unit will contribute to the need for new public park and recreation facilities. Park and recreation facilities costs have been allocated to both existing and new development, based on their level of benefit.

The fees will be expended for the design, acquisition, installation, and construction of public park and recreation facilities identified in the Helendale CSD's Long-Range Community Park

Plan, as that is the purpose for which the DIF is collected. For the foregoing reasons, there is a reasonable relationship between the design, acquisition, construction, and installation of the public park and recreation facilities and new residential development as required under Section 66001(a)(3) of the Mitigation Fee Act.

4. Determine How There is a Reasonable Relationship Between the Need for the Public Facility and the Type of Development Project Upon Which the Fee is Imposed (Impact Relationship) (Government Code Section 66001(a)(4)). As set forth in No. 1 above, all new residential development contributes to the direct and cumulative impacts on public park and recreation facilities and creates the need for new facilities to accommodate growth. Moreover, park and recreation facilities costs have been allocated to both existing and new development based on their level of benefit, and therefore the allocation of cost to new development does not reflect any unmet needs of existing development.

For the reasons presented herein, there is a reasonable relationship between the need for the public park and recreation facilities and all new residential development within the Helendale CSD as required under Section 66001(a)(4) of the Mitigation Fee Act.

5. The Relationship Between the Amount of the Fee and the Cost of the Public Facilities Attributable to the Development Upon Which the Fee is Imposed ("Rough Proportionality" Relationship) (Government Code 66001(a)). As set forth above, all new residential development in the Helendale CSD impacts public park and recreation facilities. New development impacts the need for public park and recreation facilities directly and cumulatively. Thus, imposition of the development impact fee to finance new public park and recreation facilities is an efficient, practical, and equitable method of permitting development to proceed in a responsible manner. Again, park and recreation facilities costs have been allocated to both existing and new development based on their level of benefit, and therefore the cost allocated to new residential development does not reflect any unmet needs of existing development.

The proposed development impact fee amounts are roughly proportional to the impacts resulting from new residential development. Thus, there is a reasonable relationship between the amount of the development impact fee and the cost of the public park and recreation facilities.

6. AB 1600 Nexus Test and Apportionment of Facilities Costs. Section 66000 of the Government Code requires that a reasonable relationship exist between the need for public facilities and the type of development on which a development impact fee is imposed. The need for public park and recreation facilities is related to the park and recreation facilities or level of service established in the Helendale CSD's Long-Range Community Park Plan. The nexus relationship is calculated on a per dwelling unit basis.

SECTION 3 Park and Recreation Facilities Impact Fee Methodology

Government Code Section 66000, which codifies California's Mitigation Fee Act, requires that if impact fees are going to be used to finance public facilities, those facilities must be identified prior to the adoption of the fee. There are three basic methodologies that can be employed to determine the facilities to be financed. Each methodology is described below.

The first methodology, which is called a "Plan-Based Approach," is based on the existence of a "Facilities Plan" that lists the specific facilities necessary to serve future growth. The Facilities

Plan utilized under this approach is usually prepared by an agency's staff and/or consultants, often with community input, and is then adopted by the agency's legislative body either prior to or at the same time the fee program is approved. The Facilities Plan also identifies the costs of the facilities listed, and these costs are in turn allocated based on the level of benefit to be received by projected future land uses anticipated to be developed within the time period being analyzed.

A second methodology to identify facilities needs is the "Capacity-Based Approach," and is based on the magnitude of existing capacity or expanded capacity needed for a type of public facility in order to handle projected growth during the selected time period. This approach works best for facilities such as an existing water storage facility or sewer treatment plant where existing costs or facilities expansion costs necessary to serve future development are already known (and in the case of existing capacity, may have already been expended). A fee based on this methodology is not necessarily dependent on a particular land use plan for future development, but is instead based on the cost per unit of constructing the remaining existing capacity in a facility, or the cost to expand such capacity, which can then be applied to any type of future development.

A third approach is to utilize a facilities "standard" established for future development, against which facilities costs are determined based on units of demand from this development. This approach, which is often applied to park and recreation facilities when there is no existing Facilities Plan, establishes a generic unit cost for capacity, which is then applied to each land use type per unit of demand. This standard is not based on the cost of a specific existing or future facility, but rather on the cost of providing a certain standard of service, such as the 3.00 acres of park and recreation facilities per 1,000 residents established pursuant to the Quimby Act or Government Code Section 66477. This method has several advantages, including not requiring an agency to know (i) the cost of a specific facility, (ii) how much capacity or service is provided currently (as the new standard does not necessarily need to reflect the existing standard), or (iii) the size, site, or characteristics of specific future facilities.

In the case of the Helendale CSD, a Plan-Based Approach using the Long-Range Community Park Plan was determined by SRHA to be the most appropriate methodology for purposes of calculating impact fees for the Park Fee Study. Pursuant to the nexus requirements of Government Code 66000, the Helendale CSD is required to "determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed." The California Legislature drafted AB 1600 to specifically require that a "reasonable" relationship be determined, not a direct cause and effect relationship, as shown in Table 1.

**Table1
AB 1600 Nexus Test
Public Park and Recreation Facilities**

Identify Purpose of Fee	Community park and recreation facilities
Identify Use of Fee	The design, acquisition, installation, and construction of public park and recreation facilities, including parkland
Demonstrate how there is a reasonable relationship between the need for the public facility, the use of the fee, and the type of development project on which the fee is imposed	The park and recreation facilities will serve the residents of the Helendale CSD by providing facilities for recreation while enhancing the community's appeal and quality of life. New residential development will generate additional residents who, along with existing residents, create the demand for the park and recreation facilities identified in Helendale CSD's Long-Range Community Park Plan. Land must be acquired and improved to meet this demand, thus a reasonable relationship exists between the need for park and recreation facilities and the impact of residential development. Fees collected from new development will be used exclusively for community park and recreation facilities.

SECTION 4 Park Facility Needs Analysis

The community park facility needs have been estimated at about \$6.61 million dollars, in 2017 constant dollars, as shown in Table 2. For the community park planned for both existing and future population growth, this includes the estimated existing facilities that have already been completed as well as future planned facilities.

The future park facility needs estimated at about \$6.61 million includes improvements such as: playground and splash pad equipment, shelters, restrooms, dogpark, trails, skatepark, lighting, parking lot and related grounds improvements including turf and watering system. For the long-term plan, this includes additional ground preparation, ball diamonds and a community recreation building with a gym and estimated construction costs that have already been completed. While land costs are not included in the park fee calculation, an estimate of \$217,813 in 2016 dollars is presented in Table 3. The detailed future components of the estimated park construction costs are presented in Table 4.

Table 2
Estimated Community Park Expenditures
Helendale Community Service District

Estimated Expenditures ¹	Value (in 2017 dollars)
Future Expenditures	\$6,333,600
Existing Expenditures	\$271,753
Total Estimated Construction Cost	\$6,605,353

1. Future Expenditures shown in detail in Table 4; the existing park expenditures were provided by the Helendale CSD

Sources: Stanley R. Hoffman Associates
Helendale CSD

Table 3
Estimated Park Land Value
Helendale Community Service District

Estimated Land Value for New Park Development ¹	
Acres of Parkland Purchased (2008)	80
Existing Residential Sq. Ft.	12,000
Estimated Const. Cost per Sq. Ft.	\$100.00
Estimated Residential Value	\$1,200,000
Estimated Values: Barns, Corrals, etc.	<u>\$250,000</u>
Estimated Value of Improvements	\$1,450,000
Estimated Total Property Value (2016)	<u>\$2,300,000</u>
Estimated Net Land Value for 80 Acres	\$850,000
Total Estimated Land Value (2016 \$)²	\$10,625
Acres of New Parkland	20.5
Estimated Total Land Value (2016 \$)³	\$217,813

1. Estimated by Dennis Bradley, the HCSD's local land broker.
2. Estimated net land value is divided by 80 acres.
3. Rounded to the nearest dollar.

Sources: Stanley R. Hoffman Associates, Inc.
Helendale CSD
Dennis Bradley, local land broker

**Table 4
Future Expenditures for Park Development
Helendale Community Service District**

Facility ¹	Estimated Cost (in 2017 dollars)
Playground	
Equipment	\$150,000
Installation	\$75,000
Splash Pad	
Features	\$50,000
Water Recirculation System:	\$200,000
Installation	\$100,000
Shelters	
Shade Structures (1) 40' x 70' (2) 20' x 40'	\$127,000
Installation	\$89,000
Restroom	
Facility	\$200,000
Installation	\$100,000
Septic	\$27,500
Dog Park	
Irrigation System	\$10,000
Grading and Seeding	\$7,000
Fencing 200' x 200' (with two gate systems)	\$24,000
Demonstration Garden	
Plants	\$15,000
Installation	\$10,000
Fitness Trail	
Equipment	\$26,000
Installation	\$20,000
DG Path	
Material: 3,000' x 36"	\$6,000
Installation	\$10,000
Basketball Court	
94' x 50' (Approximately \$15/Sq. Ft.)	\$141,000
Volleyball Court	
59' x 30' court	\$5,100
Installation	\$10,000
Skate Park	
Design, engineering, concrete, etc	\$500,000
Block Wall	
Material: 550' x 3' course high	\$25,000
Asphalt for Parking Lot	
100,000 sq. ft. parking lot	\$167,000
Lighting	
Fixtures	\$105,000
Installation	\$13,000
Additional Ground Preparation (10.5 acres)	
@ \$2,000 per acre	\$21,000
Ball Diamonds	
Design, engineering, construction	\$100,000
Community/Recreation Center	
10,000 sf building with Gym @ \$400/sf	\$4,000,000
Estimated Future Expenditures:	\$6,333,600

1. Facility types and cost estimates provided by the Helendale CSD.

Source: Stanley R. Hoffman Associates, Inc.
Helendale CSD

SECTION 5 Demographic Forecasts: 2012 - 2040

Helendale Community Services District Boundary. The forecasts used in this study are based on the San Bernardino County Transportation 2012-2040 Tier 3 Forecast for the current Helendale Community Services District boundary. As shown in Table 5, the total households are forecasted to grow within the current Helendale CSD boundary from 2,420 in 2012 to 3,330 in 2040, for an increase of 910 households by 2040. The households, representing occupied housing units, are converted into total housing units by using the estimated vacancy rate of 18.7 percent from the 2010 Census, as shown in Table 5. The household growth corresponds to a population increase of 2,107 from 5,363 in 2012 to 7,470 in 2040, as shown in Table 6.

**Table 5
Forecasted Growth in Households and Housing Units: 2012-2040
Helendale Community Service District**

Households and Housing Units Forecast	2012	2040	Growth: 2012-2040
A. Households			
Single Family	1,819	2,529	710
Muti-Family	601	801	200
Total	2,420	3,330	910
B. Housing Units			
Estimated Vacancy Rate ¹	0	0	0
Single Family Housing Units	2,237	3,111	874
Muti-Family Housing Units	739	985	246
Total Housing Units	2,976	4,096	1,120

1. The estimated vacancy rate from the 2010 U.S. Census for the Silver Lakes Census Defined Place (CDP) is used to convert households (occupied housing units) into total housing units.

Source: Stanley R. Hoffman Associates, Inc.
San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecast

**Table 6
Forecasted Growth in Population: 2012-2040
Helendale Community Service District**

Boundary	Population		Growth: 2012-2040
	2012	2040	
Helendale CSD	5,363	7,470	2,107

Source: Stanley R. Hoffman Associates, Inc.
San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecast

SECTION 6 Estimated DIF per Housing Unit and Revenue Generated from New Growth

Table 7 shows the estimated persons per household (PPH) for single family and multi-family for the Helendale CSD. The estimated PPH for single family households is about 2.37 and the estimated PPH for multi-family households is about 1.75. The estimated PPH for all households in Helendale is 2.22.

Table 8 shows the estimated development impact fees (DIFs) for single family and multi-family housing units in Helendale. The estimated DIF for single family units is estimated at \$1,720 and the estimated DIF for multi-family units is estimated at \$1,274. These amounts were calculated by dividing the forecasted 2040 community park costs, allocated to single family and multi-family units on the basis of population as shown in Table 8, by the 2040 forecast of single family and multi-family housing units for the Helendale CSD, as shown earlier in Table 5. This represents the allocated share of costs across both existing and future housing units by 2040, although only new development can be charged a development impact fee.

The development impact fee per single family unit and per multi-family unit is then multiplied times the corresponding forecasted growth from 2012 to 2040 of 874 new single family housing units and 246 new multi-family units, as shown in Table 9. This results in estimated DIF revenue generation from new growth of \$1,816,684, as shown in Table 9. This consists of an estimated \$1,503,280 from single family units and an estimated \$313,404 from multi-family units. Thus, by 2040 the new growth is forecasted to cover about 28 percent of the community park costs for the Helendale CSD, in 2017 constant dollars.

**Table 7
Estimated Community Park DIF per Household
Helendale CSD
(In 2017 dollars)**

Type of Unit	Single Family	Multi-Family	Total
Helendale Households: 2012 ¹	1,819	601	2,420
Helendale Population: 2012 ¹	4,311	1,052	5,363
Estimated Helendale PPH: 2012 ²	2.37	1.75	2.22

1. The 2012 households and population growth are forecasted for the Helendale CSD based on the San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecasts.
2. The estimated Helendale persons per household (PPH) is based on U.S. Census data for owner- and renter-occupied units for the Helendale zip code 92342 and adjusted to single and multi-family units using the U.S. Census' Public Use Microdata Areas (PUMAs) for the local High Desert area.

Sources: Stanley R. Hoffman Associates, Inc.
 2010 Demographic Profile Data, U.S. Census Bureau
 Public Use Microdata Areas (PUMAs) - U.S. Census Bureau
 San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecasts

Table 8
Estimated Park Development Impacts Fees (DIFs)
Helendale CSD
(In 2017 dollars)

Category	Single Family	Multi Family	Total
Forecasted Helendale Units: 2040	3,111	985	4,096
Forecasted Helendale Population: 2040	6,054	1,415	7,469
Population Percent Distribution ¹	81%	19%	100%
Estimated Total DIF Costs ²	\$5,350,336	\$1,255,017	\$6,605,353
Estimated DIF Costs per Unit Type ³	\$1,720	\$1,274	N/A

1. The forecasted population distribution is based on information from the San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecasts and 2012 persons per household estimates.
2. Estimated DIF costs per unit type are allocated based on the population distribution between single family and multi-family units.
3. Estimated DIF Costs per unit type are divided by forecasted single and multi-family units for 2040.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecasts

Table 9
Estimated DIF Revenue Growth: 2012 - 2040
Helendale CSD
(In 2017 dollars)

Category	Single Family	Multi-Family	Total
2012 Housing Units	2,237	739	2,976
2040 Housing Units (Forecasted)	3,111	985	4,096
Increase in Housing Units: 2012 - 2040	874	246	1,120
Estimated DIF per Housing Unit	\$1,720	\$1,274	N/A
Estimated DIF Revenue Growth (in 2017 Dollars)¹	1,503,280	313,404	1,816,684

1. The estimated revenue growth in 2017 dollars is calculated by multiplying the number of single family units and multi-family units by their estimated DIF amounts.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Transportation Authority, 2012-2040 Tier 3 Forecast

SECTION 7 DIF Program Administration and Implementation

DIF PROGRAM ADMINISTRATION

As recently confirmed by the State of California's Fourth Appellate District in *Daniel Walker vs. City of San Clemente*, the Helendale CSD may add a reasonable administrative charge for the collection and administration of the TIF Program. However, at this time, the Helendale CSD is not planning to add any administrative charges.

The DIF listed in Table 8 represents the maximum DIF that legally may be imposed on future development. The Helendale CSD may impose a lower fee for one or more land use categories, or phase-in the maximum DIF over time. Under no circumstances, however, may the Helendale CSD charge a DIF higher than that listed in Table 8 to one land use category to absorb a shortfall created by not charging the maximum DIF to another land use category.

Also, as the DIF developed in this Park Development Impact Fee Study is based on costs in 2017 dollars, it is appropriate for the Helendale CSD to apply an annual escalator to the DIF to account for inflation in acquisition and construction costs. Therefore, beginning on January 1, 2018 and every year thereafter, an escalator equal to the change in the Engineering News Record Construction Cost Index for Los Angeles during the twelve months of the prior fiscal year may be added to the maximum DIF at the Helendale CSD's discretion.

DIF PROGRAM MONITORING

AB 1600 requires public agencies levying fees to complete both an annual public report and a five-year public report summarizing the status of their fee programs.

(a) Annual Report

An annual report is required to be prepared between July 1 and January 1 each year and submitted to the Board of the Helendale CSD as an informational item. The annual report must include:

- (1) A brief description of the impact fees;
- (2) The amount of the impact fees;
- (3) The impact fee account balance at the beginning and end of the fiscal year;
- (4) The amount of fees collected and interest earned over the previous year;
- (5) An identification of each expenditure from the account, including a brief description of the expenditure and the percentage of the total cost of the expenditure funded by the fees;
- (6) An approximate date when construction will begin if the municipality determines it has sufficient funds to complete a public improvement;
- (7) A description of any interfund transfer or loan made from the impact fee accounts;
- (8) The amount of any refunds made from the accounts.

(b) Five-Year Report

The submittal of a five-year report (the "Five-Year Report") to the Board of the Helendale CSD (the "Board") must occur every five years following the first deposit of impact fees into an account. The Board is required to make specific legislative findings to continue its collection of the fees if any unexpended funds remain in the account, or must return any fees to the property owners who paid them. The Board must approve the Five-Year Report, which does the following:

- (1) Identify the purpose of imposing the fee;
- (2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- (3) Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements that were identified when enacting the fee; and
- (4) Identify the approximate dates when the anticipated funds are expected to be received.

Projected DIF Program Cashflows

The success of the Helendale CSD's DIF program depends on the timely adoption of the fees by the Board in early 2017. The Board has the option of imposing the DIF at building permit issuance, or at the issuance of the certificate of occupancy of each structure. In either case, the total revenue that could be generated by the DIF program through 2040 is \$1,816,684, in 2017 dollars, which does not include any administration charges. Of course, with variations occurring in the economy on a year-to-year basis, both nationally and locally, as well as political and other issues that may arise, the actual revenue generated each year will vary depending on factors that are very difficult to predict. In addition, it is anticipated that the Helendale CSD will revise its DIF from time-to-time as park facilities are constructed and new facilities needs arise.

SECTION 8 Estimated Community Park Acres per 1,000 Population

The Helendale CSD has chosen to develop a park facilities development impact fee at the community park level and not include local park and recreation facilities in this calculation. As shown in Table 10, the estimated community park acres per 1,000 population by 2040 is estimated at 2.74.

Table 10
Estimated Community Park Acres per 1,000 Population
Helendale CSD

Calculation Factors	Amount
A. CSD Boundaries	
Forecasted CSD Population: 2040 ¹	7,470
Community Park Acres Planned	20.5
Acres per 1,000 Population	2.74

1. Based on San Bernardino County Transportation Authority,
2012-2040 Tier 3 Forecast

Source: Stanley R. Hoffman Associates, Inc.

Project References

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SAN BERNARDINO, CALIFORNIA 92423-3130

May 6, 2015

TO: Kimberly Cox, General Manager
HELENDALE COMMUNITY SERVICES DISTRICT

FROM: Steven M. Kennedy, General Counsel

RE: Development Impact Fees

Pursuant to your request, the purpose of this memorandum is to provide you with general information concerning the above-referenced matter.

I. DEFINITION

A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project. (Gov. Code § 66000(b).) The legal requirements for enactment of development impact fee program are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act"), the bulk of which were adopted as 1987's AB 1600 and thus are commonly referred to as "AB 1600 requirements." A development impact fee is not a tax or special assessment; by its definition, a fee is voluntary and must be reasonably related to the cost of the service provided by the local agency. If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing the public service, then the fee may be declared a special tax and must then be subject to a two-thirds voter approval. (Cal. Const., Art. XIII A, § 4.)

II. LEGAL AUTHORITY

AB 1600 applies to all local agencies in the state. (Gov. Code § 66000(c).) However, AB 1600 does not apply to every fee or exaction collected by a local agency. AB 1600 only applies when a local agency imposes a fee on an applicant in connection with approval of a development project to defray all or a portion of the cost of public facilities related to the project. (Gov. Code § 66001.) "Public facilities" are defined to include public improvements, public services and community amenities. (Gov. Code § 66000(d).)

Kimberly Cox, HCSD General Manager
May 6, 2015
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AB 1600 does not apply to Quimby Fees (Gov. Code § 66477). Some non-AB 1600 exactions interrelate with AB 1600 fees. For example, Quimby Fees can be collected from residential subdivisions for park or recreational purposes. However, Quimby fees cannot be collected from commercial developments, apartment projects, or subdivisions of fewer than five (5) parcels. To ensure that such development mitigates its parks impacts, an equivalent AB 1600 fee could be collected. Also, there is authority for the proposition that Quimby fees can only be based on the value of unimproved land. (*Norsco Enterprises v. City of Fremont* (1976) 54 Cal.App.3d 488.) Fees, once collected, may be used for the development of park facilities. (81 Ops. Ag. 293 (1998).) Cities and counties will often adopt an AB 1600 impact fee to "fill in the gap" left by Quimby. Also, Quimby fees cannot be used to maintain parks or recreation facilities, only for the initial development. Therefore, under this approach, cities and counties could have three separate fees that relate to park and recreation facilities: (1) a Quimby fee applicable to residential subdivisions for the purchase of park or recreation acreage, (2) an AB 1600 fee applicable to commercial, condominium and residential developments of fewer than five parcels for the same purpose, and (3) an AB 1600 fee applicable to all new development for the construction of park improvements. Some jurisdictions in California have not adopted a Quimby Fee and instead impose AB 1600 fees on residential subdivisions.

Water and sewer connection fees are treated differently than are other fees under AB 1600. Fees collected for these services are not subject to the findings and accounting requirements contained in Chapter 5 (§§ 66000-66009), but are subject to the provisions of Sections 66016 (notice), 66022 (legal challenge), and 66023 (audits). As with other development impact fees, water and sewer charges cannot exceed the reasonable cost of providing service unless approved as a special tax by two-thirds of the electorate. Capacity charges collected pursuant to this section must meet similar accounting and public notice requirements as fees adopted pursuant to §66001. (See Gov. Code § 66013(c).) Any legal challenge to a water or sewer connection fee or capacity charge must be brought pursuant to §§ 66022 and 66023.

III. PROCEDURE

A. Preparing the Fee Study

Once an agency decides what public services and infrastructure will require funding through impact fees, it should prepare a fee study. A fee study provides the quantified basis for the imposition of fees. The goal of the fee study is two-fold. First, the fee study provides the agency with the legal support to impose the fee. A fee study demonstrates the required nexus between the impact created by new development and the amount of the fee. Second, the fee study quantifies the projected burden that new development will create on the agency's infrastructure. The agency may review the fee study and decide that the level of service it would like to provide cannot be met simply through the imposition of impact fee.

B. Preparing a Capital Improvement Plan in Conjunction with the Fee Study

Many jurisdictions prepare a capital improvements plan ("CIP") in conjunction with a fee program. AB 1600 encourages the use of a CIP to assist in scheduling and implementing the services and improvements funded through impact fees. (Gov. Code § 66002.) A CIP establishes a schedule of improvements necessary to accommodate the projected growth. The CIP must indicate the approximate size, location, time of availability, and estimated costs of all improvements to be financed through fees. (Gov. Code § 66002(a).) In order to create a usable CIP, an agency must have an accurate understanding of its current service baseline and its projected growth. This requires an understanding of when, where, and how growth may occur within the agency. The more information the agency can collect about future growth, the more comprehensive and accurate will be the CIP. A CIP can also help an agency determine when new public improvements or expansion of existing public improvements need to be constructed in relation to the timing of new development.

C. Required Findings for AB 1600 Fee Program

Government Code § 66001 (a) requires that any action establishing, increasing or imposing a fee as a condition of approval of a development project must do all of the following:

- Identify the purpose of the fee;
- Identify how the fee is to be used;
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed;
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.

In addition, when an agency imposes a project-specific fee, the agency must also demonstrate a reasonable relationship between the amount of the fee and the cost of the public facility or the portion of the public facility attributable to the development on which the fee is imposed. (Gov. Code § 66001 (b); see *Garrick Dev. Co., et al. v. Hayward Unified Sch. Dist.*, 3 Cal.App.4th 320, 336 (1992).) Typically, the fee study and CIP provide the basis of the required findings.

D. Public Hearings; Procedure for Adoption of Fees

AB 1600 governs both the establishment of new fees and the increase of an existing fee, and requires that specified procedural requirements be satisfied. The procedural requirements for impact fees are fairly general. (Gov. Code § 66018.)

Government Code § 66018 contains the public hearing requirements for the adoption or increase of impact fees. Under § 66018, the local agency must conduct at least one regularly scheduled

meeting with notice given pursuant to § 6062a, which requires publication of notice twice, at least five days apart, with the first ten days prior to the hearing. Any costs incurred in conducting the required public hearing may be recovered from the proceeds of the enacted fee. Upon adoption of the required ordinance and resolution, the development impact fees become effective sixty (60) days thereafter. (Gov. Code § 66017.)

E. Staff Report

In addition to the fee study and CIP, the staff report for adoption of a development impact fee provides the agency one more opportunity to support its fee. The staff report is also part of the administrative record and can be used by the agency (or a disgruntled developer) in any later legal challenge. The staff report serves as an opportunity to explain the need for public improvements and steps the agency has taken to reach the fee it is recommending. A well-drafted staff report can be the crux of the legal defense of the fee. The staff report should refer to any improvement or infrastructure standards set forth in the CIP and explain how the fee will help the agency meet these standards. Finally, staff should conclude that the fee bears a reasonable relationship to the projected impacts of new development and is necessary to mitigate these impacts.

F. Ordinance and Fee Resolution

The ordinance establishing the fee program provides the legal basis for the imposition of the fee and all required procedures; the resolution contains the actual amount of the fee. Do not include the amount of the fee in the ordinance; otherwise, any change to the fee itself will require a formal ordinance amendment.

The ordinance should include the following elements:

- Legislative findings regarding the reasons why the fees are being imposed;
- A section formally establishing distinct fund categories for each of the fees;
- Provision for an automatic annual adjustment for inflation;
- A statement as to when the fees shall be paid;
- A provision providing an appeal procedure, which allows a developer to contend that, for his particular project, the required legal nexus for imposition of the fee does not exist. Failure to include such a provision may make it difficult for the agency to defend a facial challenge to the fee program or an as-applied challenge to a fee condition on a particular project; including such a provision creates an administrative procedure which arguably must be exhausted prior to an as applied challenge or a refund claim (the exhaustion issue is discussed further below); and
- Provisions for exemptions or credits.

IV. PROCEDURES FOLLOWING FEE PASSAGE

A. *Annual Accounting.*

Once the fee ordinance has been passed, the agency will start collecting fees. AB 1600 requires that agencies account for every fee that they collect under its terms. Funds collected for each capital facility or service shall be deposited in separate accounts and not commingled with any other funds for other impact fees. (Gov. Code § 66006(a).) While funds are accruing for individual capital facilities, the agency must keep track of each fund and provide an annual report. (Gov. Code § 66006(b).) If the agency fails to accurately account for the collected fees, the agency can be required to refund the fees. (Gov. Code § 66001(d).)

Within 180 days after the last day of the fiscal year, the agency must make available the following information:

- A brief description of the type of fee in each account or fund;
- The amount of the fee;
- The beginning and ending balance of the account or fund;
- The amount of the fees collected and the interest earned;
- An identification of each public improvement on which fees were expended and the amount of each expenditure;
- An identification of the approximate date by which the construction of the public improvement will commence;
- A description of any inter-fund transfer or loan and the public improvement on which the transferred funds will be expended;
- The amount of refunds made and any allocations of unexpended fees that are not refunded. (Gov. Code § 66006(b)(1).)

At the next regularly scheduled public meeting not less than 15 days after making the above information available to the public, the agency must review the information provided. (Gov. Code § 66006(b)(2).)

Section 66001 contains some extremely important, additional, accounting requirements to which scrupulous compliance is required. Section 66001(d) provides that, for the fifth fiscal year following the first deposit into each public improvement account or fund, and every 5 years thereafter, the agency must make the following findings for funds remaining in each development impact fee account:

- (1) Identify the purpose to which the fee is to be put.
- (2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- (3) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a).
- (4) Designate the approximate dates on which the funding referred to in paragraph (3) is expected to be deposited into the appropriate account or fund.

If the agency fails to make the findings, it must refund any undisbursed monies to the owner of record of the project sites originally contributing to the funds. (Gov. Code § 66001(d).)

Similarly, when sufficient funds have been collected to complete financing of the public improvements contained in the CIP, the public agency within 180 days of collection of the required funds shall identify "an approximate date by which the construction of the public improvement will be commenced." (Gov. Code § 66001(e).) Failure to comply with this requirement also mandates return of the collected funds, as stated above.

B. Annual Review of CIP.

If the public agency adopts a CIP, the CIP must be updated annually. (Gov. Code § 66002(b).) Ten days' published notice is provided pursuant to Government Code § 65090, and is also provided to any city or county that may be significantly affected by the capital improvement plan.

C. Audits

Anyone can request an audit of a local agency's fee in order to determine whether the fee exceeds the amount reasonably necessary to cover the cost of the product or service provided. (Gov. Code § 66006(d); § 66023(a).) The local agency or an independent auditor may conduct the audit. All costs incurred by the local agency in preparing the audit may be recovered from the person requesting the audit. (Gov. Code § 66023(b).)

D. When Fees Can Be Collected

Development impact fees for the construction of public improvements or facilities are typically collected at the date of final inspection or upon issuance of a certificate of occupancy, whichever is earlier. (Gov. Code § 66007(a).) However, the following exceptions apply:

- Utility service fees may be collected at the time an application for utility service is received. (*Id.*)
- Fees can be received earlier if the local agency determines that (1) the fee will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy or (2) the fees are to reimburse the local agency for expenditures previously made. (Gov. Code § 66007(b).)

Different rules govern the collection of fees from residential projects. Residential developments that include more than one dwelling may be required to pay fees (1) on a pro rata basis for each dwelling when it receives its final inspection or certificate of occupancy, (2) on a pro rata basis when a certain percentage of dwellings have received their final inspection or certificate of occupancy, or (3) on a lump sum basis when the first dwelling in the development receives its final inspection or certificate of occupancy, whichever occurs first. It is up to the local agency to decide which of these three payment options it requires. (Gov. Code §66007(a).) If a different payment schedule is critical for the local agency, execution of a development agreement may provide the only alternative approach.

For residential developments, the local agency may require a contract from the developer to pay the applicable fee at the time required by the local agency consistent with Government Code § 66007(a). This contract may be imposed as a condition of issuing a building permit for the project. (Gov. Code § 66007(c)(1).) The contract may also require that the developer provide appropriate notification of the opening of any escrow for the sale of the property for which a building permit was issued and fees have yet to be paid. In addition, the local agency can also require that any proceeds from the sale of the property be used to pay the outstanding fees. (Gov. Code § 66007(c)(3).)

V. FEE CHALLENGES AND REFUNDS

E. Fee Challenges.

AB 1600 provides a very specific procedure for challenging development impact fees. Failure to follow the requisite procedures can preclude challenge.

1. Challenge to Imposition of Fee on a Development Project.

In order to protest a condition imposing a specific fee on a development project, a party must: (i) tender any required payment in full or provide satisfactory evidence of arrangements to pay the fee when due or to ensure performance of the conditions necessary to meet the requirements of imposition, and (ii) serve written notice to the local agency that the required payment has been tendered. The notice must inform the local agency of the factual elements of the dispute and the legal theory forming the basis of the protest. (Gov. Code § 66020(a).) The protest must be filed at the time of approval or conditional approval of the development or within 90 days after the imposition of the fee. Failure to file a timely protest will preclude a subsequent lawsuit.

The local agency must provide the developer with written notice at the time of project approval or at the time the fees are imposed stating the amount of the fee and providing notice that the 90-day protest period has begun. (Gov. Code § 66020(d)(1).)

A developer has 180 days after receiving notice from the local agency as to the imposition of a project specific fee within which to file a legal challenge regarding the project-specific fee. (Gov. Code § 66020(d)(2).) Failure to file challenge within this time bars any challenge to the fee.

If the developer claims that the impact fee constitutes a special tax, thirty (30) days prior to filing suit, the developer must request a copy of the agency's documents that demonstrates how the fee was calculated. If the fee is claimed to be a special tax, the agency bears the burden of producing evidence that the fee does not exceed the cost of providing the required service, facility, or regulatory activity.

2. Challenge to Legislative Approval of Fee Program.

A party has 120 days from the date on which an ordinance or resolution to establish or modify certain fees is enacted to challenge such ordinance or resolution. These fees are restricted to water and sewer connection charges, capacity charges, and processing fees. Any such challenge must be brought pursuant to the validation statute contained in CCP § 860 et seq. (Gov. Code § 66022(b).) For challenges to legislative enactments of other types of fees, Government Code § 65009 does not apply, and the applicable statute appears to be the four-year statute of limitations contained in Code of Civil Procedure § 343. (See *Balch Enterprises v. New Haven Unified School District*, 219 Cal.App.3d 783 (1990).) If a party challenges both the imposition of a fee on a specific development and the ordinance that created the fee, the 180-day statute of limitation applies, as it is the more specific provision. (*Western/California, Ltd. v. Dry Creek Joint Elementary School Dist.*, 50 Cal.App.4th 1461 (1996).)

Kimberly Cox, HCSD General Manager
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B. Refunds

If a project-specific challenge is successful, the local agency may be required to refund the collected fee with interest. If the court finds in favor of the developer in a challenge to the imposition of a fee on a specific project, the court shall direct the local agency to refund the unlawful portion of the payment, with interest at an annual rate of 8 percent. (Gov. Code § 66020(e).)

Similarly, if in a challenge to the enactment of the fee ordinance the court finds that a fee ordinance or resolution is invalid as enacted, the court shall direct that any local agency refund the unlawful portion of the fee, plus interest. The refund will go to any person who has complied with the protest provisions of the Mitigation Fee Act.

As is evident from the above discussion of the general requirements applicable to development impact fees, the potential establishment of any such exactions by the District will require a more detailed technical and legal analysis. If the District wishes to consider this mechanism as a possible funding source for its parks program, I suggest that staff arrange further meetings with the District's consultants to more fully address this matter.

If you have any questions or comments regarding this information, please feel free to contact me at your earliest convenience.



Helendale Community Services District

Date: January 18, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #6
Discussion Only Regarding First Reading of Ordinance 2018-02: An Ordinance of the Board of Directors of the Helendale Community Services District Establishing Regulations for Enforcement of Exclusive Franchise for Solid Waste Handling and Recycling Services

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding this matter.

STAFF REPORT:

The purpose of the first reading of Ordinance 2018-02 is to provide an opportunity for members of the public or other interested parties to provide input on the proposed regulations for enforcement of the exclusive franchise agreement with Burrtec Waste Industries. In addition, Staff seeks input from the Board regarding the matter. This item has been noticed for the first reading and will be noticed again for the meeting of February 1 when the Board will consider adoption of the draft ordinance.

In December, the Board of Directors approved a new exclusive franchise agreement with Burrtec Waste Industries for solid waste handling and recycling services. Article 3 of the contract discusses the exclusive franchise to Burrtec for the outlined services. This presented ordinance provides the franchisee with assurance from the District that no other haulers will be allowed to provide service within the District's boundaries except as otherwise outlined in the contract. Further, the proposed ordinance contemplates the ability of the District to issue citations for violations that are enforceable within the District lawful authority (Section 6).

The proposed draft ordinance provides certain assurances to the existing franchise waste hauler that the District will support the exclusive franchise agreement within the terms of the contract and its power to do so through exacting fines and citations from those operating in conflict with the contract.

FISCAL IMPACT:

Unknown



ORDINANCE NO. 2018-02

**ORDINANCE OF THE BOARD OF DIRECTORS
OF THE HELENDALE COMMUNITY SERVICES DISTRICT
ESTABLISHING REGULATIONS FOR ENFORCEMENT OF
EXCLUSIVE FRANCHISE FOR SOLID WASTE HANDLING
AND RECYCLING SERVICES**

WHEREAS, the Helendale Community Services District (“District”) is a Community Services District located within the County of San Bernardino (“County”) and is organized and operates pursuant to the California Government Code Section 61000 et seq.

WHEREAS, on or about June 21, 2006, the Local Agency Formation Commission of the County of San Bernardino (“LAFCO”) adopted Resolution No. 2927 which made determinations on, and approved the incorporation of, the District, which was subsequently approved by the electorate pursuant to an election held on November 7, 2006, and thereafter confirmed by LAFCO pursuant to its adoption of Resolution No. 2951 on December 4, 2006, all of which operated to authorize the formation of the District as the successor agency for the performance of water, sewer, streetlighting, refuse collection, parks and recreation, and graffiti abatement functions and services within the prior County Service Area 70, Improvement Zones B and C (the “District Boundaries”).

WHEREAS, LAFCO Resolution Nos. 2927 and 2951 authorize the District to collect, transfer, and dispose of solid waste and to provide solid waste handling services, including but not limited to source reduction, recycling, and composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code (“Solid Waste Services”), within the District Boundaries.

WHEREAS, on or about July 21, 2010, LAFCO adopted Resolution No. 3099 affirming the District’s authorization to collect, transfer, and dispose of solid waste and provide Solid Waste Services within the District Boundaries pursuant to LAFCO Resolution Nos. 2927 and 2951.

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste Services within their jurisdictions to meet the goals and requirements of Assembly Bill 939.

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the District has determined that the public health, safety, and well-being require that an exclusive franchise be awarded to a qualified company for the collection, transportation, recycling, processing, and disposal of solid waste and other services to meet the goals and requirements of Assembly Bill 939.

WHEREAS, pursuant to the authority expressly set forth in LAFCO Resolution No. 2951, the District entered into an Exclusive Franchise Agreement with Burrtec Waste Industries, Inc. (“Burrtec”), effective _____, 201_ (the “Franchise Agreement”), which granted to Burrtec the exclusive right, privilege, and franchise to provide certain Solid Waste Services (as described in the Franchise Agreement) within the District Boundaries, subject to the terms and conditions of said Franchise Agreement.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Helendale Community Services District as follows:

SECTION 1. PURPOSE, INTENT, AND FINDINGS.

1.1 The purposes of this Ordinance are as follows:

a. To allow for the establishment of solid waste handling franchises within the District Boundaries, pursuant to the authorities cited above and as set forth in Government Code Section 25827, in Public Resources Code Sections 40057-40059 or 49200-49205, in California Code of Regulations Sections 17332 and 17333, and any other applicable State or local law;

b. To assist the District in meeting its obligation to provide Solid Waste Services within the District Boundaries as required in Public Resources Code Section 40057, and in satisfying its obligations under Assembly Bill 939, as amended, by providing its residents with source reduction, recycling, and composing programs and opportunities, by implementation of franchises through entering into franchise agreements with grantees;

c. To help ensure that residents of the District receive the similar quality of waste collection and recycling services as do those residents in the incorporated cities and towns, and unincorporated areas, of the County;

d. To ensure that programs and service levels for Solid Waste Services within the District Boundaries will replicate to the extent possible, programs and service levels of adjacent cities and towns and unincorporated areas of the County;

e. To minimize, to the extent possible, disruption of programs and services to the District’s residents; and

f. To help quantify the waste stream from the District in order to comply with diversion requirements of Assembly Bill 939, as amended.

1.2 Based on the foregoing, the District's Board of Directors ("the Board") has determined that there is no possibility that the Ordinance have any potential to cause significant effects on the environment, and that, pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"), the Ordinance does not constitute a "project" under Sections 15061 and 15378 of the State CEQA Guidelines, and is therefore exempt from environmental review.

SECTION 2. DEFINITIONS.

2.1 "General Manager" shall mean that person appointed by the Board pursuant to California Government Code Sections 61050-61051 to manage the activities of the District or his or her designee.

2.2 "May" shall mean an action which is discretionary.

2.3 "Shall" or "Must" shall mean an action which is mandatory.

SECTION 3. REQUIRED AUTHORIZATION.

3.1 Except as otherwise provided in Section 3.2 of this Ordinance, no person shall engage in, solicit, contract for, or provide, in the District Boundaries, Solid Waste Services without such person having and maintaining a franchise agreement with the District authorizing the person to provide the specified Solid Waste Services being provided.

3.2 Notwithstanding Section 3.1 above, any person may engage in or provide, in the District Boundaries, those Solid Waste Services which are related solely to one of the types of solid waste set forth below, without such person being required to have or maintain a franchise agreement with the District:

- a. Abandoned vehicles and parts thereof;
- b. Ashes;
- c. Dewater, treated, or chemically fixed sewage sludge;
- d. Self-generated waste or waste generated and hauled by the property owner;
- e. Greenwaste or yard trimmings generated as an incidental part of providing gardening, landscaping, or landscape maintenance as a professional gardener or landscaper;
- f. Inert materials or demolition of waste from remodeling jobs which are generated as an incidental part of providing such remodeling services, provided that the construction contractor is not a hauling service or solid waste enterprise, does not separately or

additionally charge for the incidental service of removing, transporting, or disposing (except for the tipping fee), and transportation is accomplished using the contractor's own equipment; and

g. Recyclable materials that are sold or donated by the generator of such materials to a party or other than the grantee of a franchise. A mere discount or reduction in price of the hauler's chargers for the handling of such materials is not a sale or donation within the meaning of this Ordinance.

SECTION 4. ENFORCEMENT OFFICER. The General Manager is hereby declared and appointed as the enforcement officer of this Ordinance, and shall be empowered to take such other actions as authorized herein, or as may otherwise be authorized by the Board or be reasonably necessary, for enforcement of the Ordinance.

SECTION 5. LIABILITY FOR VIOLATION. Any person violating any of the provisions of this Ordinance, or permitting or maintaining any property in violation of any of this Ordinance, shall be liable to the District for any expense, loss or damage, occasioned by the District by reason of such violation. Such liability shall be in addition to any other civil or criminal penalties imposed under this Ordinance or under any other provision of law.

SECTION 6. PENALTIES AND FINES.

6.1 Pursuant to Government Code Section 61064(c), the General Manager is hereby authorized to issue citations for violations of this Ordinance. Any person violating any provision of this Ordinance, as determined by the Board, may be prosecuted, by the applicable law enforcement agency or the General Manager in the name of the people of the State of California, as committing either a misdemeanor or an infraction, or may be the subject of redress by civil action.

6.2 Pursuant to Government Code Section 61064(a), a person violating any provision of this Ordinance shall be guilty of a misdemeanor, and shall be punishable by imprisonment in the County jail for not more than thirty (30) days, or by a fine of not more than one thousand dollars (\$1,000), or by both such fine and imprisonment as may be allowed by law. Each and every violation of this Ordinance and each day during which such violation is committed or continued shall constitute a separate offense.

6.3 Pursuant to Government Code Section 61064(b), any citation issued by the General Manager for a violation of this Ordinance may be processed as an infraction, and shall be punishable by (a) a fine not exceeding one hundred dollars (\$100) for a first violation of this Ordinance, (b) a fine not exceeding five hundred dollars (\$500) for a second violation of this Ordinance within one year, and (c) a fine not exceeding one thousand dollars (\$1,000) for each additional violation of this Ordinance within one year.

SECTION 7. INJUNCTION. In addition to the remedies set forth in this Ordinance, the District may file a civil action to compel compliance with this Ordinance, including but expressly not

limited to, an action to enjoin any pending or future violations of the Ordinance, or for the issuance of an order stopping or disconnecting a service if the charges for that service are delinquent or unpaid.

SECTION 8. RESERVATION OF RIGHTS. All remedies set forth in this Ordinance are herein declared to be cumulative and non-exclusive, and shall not preclude the District from enforcing any other rights or remedies available under the law or any other rules and regulations of the District.

SECTION 9. SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decisions shall not affect the validity of the remaining portions of this Ordinance.

SECTION 10. PUBLICATION AND POSTING. The General Manager is hereby directed to cause a summary of this Ordinance to be published at least five (5) days prior to the date of adoption hereof in a newspaper of general circulation within the District Boundaries and a copy of the full text of this Ordinance must be posted at the District office at least five (5) days prior to the meeting. Within fifteen (15) days after adoption, the General Manager is hereby directed to cause said summary of this Ordinance to be published in a newspaper of general circulation within the District Boundaries and a copy of the full text of this Ordinance must be posted at the District office.

SECTION 11. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after adoption.

APPROVED AND ADOPTED this ____ day of _____, 2017.

President, Board of Directors

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO)

I, _____, Secretary of the Board of Directors of the Helendale Community Services District, do hereby certify that the foregoing Ordinance, being Ordinance No. _____, was duly adopted by the Board of Directors of said District at a regular meeting of said Board held on _____, and that it was so adopted by the following roll call vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

Secretary of the Helendale Community Services District and of the Board of Directors thereof

SEAL



Helendale Community Services District

Date: January 18, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #7
Discussion Only Regarding Mid-Year Budget Review for FY 2017-18

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding this matter.

STAFF REPORT:

The Board requested quarterly budget reviews as follows:

October 19, 2017
January 18, 2018
April 19, 2018

Attached for the Board's review and consideration is the mid-year budget summary. Staff will provide a detailed presentation at the Board meeting of each of the funds.

At mid-year the anticipated level of revenues and expenditure is 50%. The water fund revenues are tracking significantly higher due to the water rate increase, the first phase of which was implemented on July 1, 2017. Of note, some expenses in all categories are at 100% which typically represents expenses that occur in full during the first part of the fiscal year. As of 12/31 sewer revenue is tracking slightly under the 50% mark with expenditures right on track. Park fund revenue is less than anticipated because Board discretionary revenue has not yet been allocated to the fund. Sales in the recycling center are at 57% and are anticipated to continue at that level through the remainder of the fiscal year. Expenses are approximately \$29,000 more than the 50% mark but are anticipated to even out in the third and fourth quarter. Solid waste is on track for revenue and slightly under in the expenses. The administrative fund will be fully allocated at years end.

FISCAL IMPACT:

Unknown

Budget vs Actual Report

FY 2017-2018 Period Ending 12/31/2017

Account Summary

Fund: 01 - Water Operations		Current	Period	YTD	Percent
		Total Budget	Activity	Activity	Used
Revenue					
01-410011-00-0	Water Sales - Single Family-Meter	856,209.84	84,989.28	496,097.62	57.94
01-410012-00-0	Water Sales - Single Family-Consumption	401,000.00	50,050.50	415,865.90	103.71
01-410111-00-0	Water Sales - Multi-Family-Meter	8,114.04	653.59	3,897.84	48.04
01-410112-00-0	Water Sales - Multi-Family-Consumption	1,500.00	343.50	2,089.29	139.29
01-410311-00-0	Water Sales - Water Only-Meter	7,939.80	781.25	4,569.00	57.55
01-410312-00-0	Water Sales - Water Only-Consumption	11,000.00	798.00	7,719.90	70.18
01-411021-00-0	Water Sales - Commercial-Meter	17,411.40	2,207.19	12,947.68	74.36
01-411022-00-0	Water Sales - Commercial-Consumption	13,000.00	1,302.00	10,820.37	83.23
01-411421-00-0	Water Sales - Park-Meter	2,559.84	415.78	2,456.76	95.97
01-411422-00-0	Water Sales - Park-Consumption	13,500.00	1,231.50	15,686.03	116.19
01-411521-00-0	Water Sales - School-Meter	4,989.16	559.38	3,213.35	64.41
01-411522-00-0	Water Sales - School-Consumption	18,000.00	1,986.00	20,126.58	111.81
01-413041-00-0	Water Sales - Irrigation-Meter	12,093.24	1,161.79	6,932.82	57.33
01-413042-00-0	Water Sales - Irrigation-Consumption	32,000.00	3,360.00	35,233.69	110.11
01-415000-00-0	Permits & Inspections	500.00	0.00	60.00	12.00
01-416000-00-0	Connection Fees	0.00	0.00	7,251.65	0.00
01-417000-00-0	Meter Installation	0.00	0.00	700.00	0.00
01-419000-00-0	Fees & Charges	27,000.00	3,910.00	14,655.00	54.28
01-419500-00-0	Delinquent Fees & Penalties	42,000.00	2,849.08	21,083.73	50.20
01-419700-00-0	Mechanic Service Reimbursement	13,910.00	0.00	0.00	0.00
01-705000-00-0	Special Assmts - Water Standby	18,000.00	5,630.85	10,228.05	56.82
01-705500-00-0	Special Assmts - PY Water Standby	4,800.00	15.15	2,237.40	46.61
01-706000-00-0	Penalties On Delinquent Taxes	1,610.00	2.88	1,139.41	70.77
01-712200-00-0	Enemoc Capacity Payments	5,000.00	0.00	0.00	0.00
01-740000-00-0	Grant Revenue	0.00	0.00	23,747.57	0.00
01-741006-00-0	SCADA Grant - Enemoc	0.00	0.00	1,499.78	0.00
Revenue Total		1,512,137.32	162,247.72	1,120,259.42	
Expense					
01-500001-00-0	Salaries - Full Time	232440	18901.69	128971.32	55.49
01-500002-00-0	Salaries - Overtime	14000	1080.8	8392.68	59.95
01-500003-00-0	On-Call Pay	11525	1160	6360	55.18
01-500004-00-0	Salaries - Part-Time	27820	2969.78	7733.48	27.80
01-510000-00-0	PERS Retirement	28302.24	2146.5	17499.04	61.83
01-510001-00-0	Employee Group Insurance	41775.72	3577.1	21243.39	50.85
01-510002-00-0	Workers Compensation	24997.97	0	29742.23	118.98
01-510003-00-0	Payroll Taxes - FICA/Medicare	5498.61	520.42	3372.66	61.34
01-521000-00-0	Laboratory Analysis	10500	242.5	2170.5	20.67
01-521500-00-0	Contractual Services	11000	236.4	1717.3	15.61
01-521501-00-0	Engineering Services	4000	0	0	0.00
01-521600-00-0	GIS Support	5280	0	5400	102.27
01-523000-00-0	Permits and Fees	14500	230	4561.79	31.46
01-524500-00-0	Education and Training	6560	1653.87	5644.07	86.04
01-527500-00-0	Rents and Leases - Water Shop	9600	800	4975	51.82
01-527501-00-0	Rent - BLM Tank Sites	1260	0	1260	100.00
01-531000-00-0	Utilities - Electric	111204	6799.8	65398.96	58.81
01-531001-00-0	Utilities - Gas	480	75.43	180.11	37.52
01-532500-00-0	Telephone	5167.92	367.31	2718	52.59
01-541000-00-0	Operations and Maintenance	90000	9629.18	28083.64	31.20
01-545000-00-0	Vehicle Maintenance	15500	369.05	3492.2	22.53
01-545001-00-0	Vehicle Fuel	13000	0	7115.47	54.73
01-552700-00-0	Mileage and Travel Reimbursement	0	0	217.84	0.00
01-553000-00-0	Operating Supplies	30750	955.36	10605.57	34.49
01-553500-00-0	Office Supplies	0	33.92	187.95	0.00
01-553555-00-0	Water Conservation Program	1495	58.18	511.53	34.22
01-553600-00-0	Uniforms	3022	262.8	678.69	22.46
01-554600-00-0	Small Tools	5500	0	862.82	15.69
01-556500-00-0	Dues & Subscriptions	1160	187	207	17.84
01-561000-00-0	Watermaster Fees	8000	0	1937.84	24.22
01-590100-00-0	Bad Debt Expense	0	0	1027.01	0.00
01-595001-00-0	Interest Expense	192752.22	0	97416.38	50.54
01-999100-00-0	Admin Allocation	431109.13	35925.76	215554.56	50.00
Expense Total		1,358,199.81	88,182.85	685,239.03	
Fund 01 - Water Operations Surplus		153,937.51	74,064.87	435,020.39	

Fund: 02 - Sewer Operations

Revenue

	Current Total Budget	Period Activity	YTD Activity	Percent Used
02-410010-00-0 Sewer Charges - Single Family	1189334.4	99294.52	594580.6	49.99
02-410110-00-0 Sewer Charges - Multi-Family	22423.68	1722.08	10777.05	48.06
02-411020-00-0 Sewer Charges - Commercial	47045.76	3920.48	23522.88	50.00
02-411420-00-0 Sewer Charges - Park	2198.4	183.2	1099.2	50.00
02-411520-00-0 Sewer Charges - School	16268.16	1355.68	8134.08	50.00
02-413040-00-0 Sewer Charges - Irrigation	1758.72	146.56	879.36	50.00
02-415000-00-0 Permits & Inspection	0	0	219	0.00
02-416000-00-0 Connection Fees	0	0	3360.95	0.00
02-419000-00-0 Fees & Services	0	0	675	0.00
02-419500-00-0 Delinquent Fees & Penalties	18000	1222.64	7567.75	42.04
02-705000-00-0 Special Assmts - Sewer Standby	15000	4609.5	8530.65	56.87
02-705500-00-0 Special Assmts - PY Sewer Standby	4800	15.15	2176.8	45.35
02-706000-00-0 Penalties on Delinquent Taxes	1550	2.88	1074.24	69.31
02-711900-00-0 Gain or Loss on Sale of Assets	0	0	6293	0.00
Revenue Total	1,318,379.12	112,472.69	668,890.56	

Expense

02-500001-00-0 Salaries - Full Time	215872.8	15528	102435.24	47.45
02-500002-00-0 Salaries - Overtime	5500	566.9	3869.36	70.35
02-500003-00-0 On-Call Pay	9125	1080	6280	68.82
02-510000-00-0 PERS Retirement	27012.64	1833.52	16189.98	59.93
02-510001-00-0 Employee Group Insurance	29033.28	2832	16958.28	58.41
02-510002-00-0 Workers Compensation	25468.67	0	23852.92	93.66
02-510003-00-0 Payroll Taxes - FICA/Medicare	3130.16	245.35	1610.34	51.45
02-521000-00-0 Laboratory Analysis	19000	1935	12183.5	64.12
02-521500-00-0 Contractual Services	26375	860	26245.34	99.51
02-521501-00-0 Engineering Services	10,000.00	0.00	0.00	0.00
02-521600-00-0 GIS Support	1,760.00	0.00	1,800.00	102.27
02-523000-00-0 Permits and Fees	27,329.00	17,017.00	20,862.33	76.34
02-524500-00-0 Education and Training	5,501.00	0.00	770.02	14.00
02-531000-00-0 Utilities - Electric	64,164.00	5,027.08	34,325.81	53.50
02-531001-00-0 Utilities - Gas	780.00	88.81	215.79	27.67
02-531006-00-0 Sludge/Compost Disposal	9,800.00	311.50	958.50	9.78
02-532500-00-0 Telephone	3,972.00	298.35	1,934.32	48.70
02-541000-00-0 Operations and Maintenance	45,000.00	383.91	7,372.86	16.38
02-545000-00-0 Vehicle Maintenance	17,628.00	1,094.62	2,489.39	14.12
02-545001-00-0 Vehicle Fuel	11,700.00	0.00	2,133.37	18.23
02-553000-00-0 Operating Supplies	16,000.00	434.50	2,807.34	17.55
02-553500-00-0 Office Supplies	0.00	0.00	216.31	0.00
02-553555-00-0 Public Outreach	547.50	0.00	0.00	0.00
02-553600-00-0 Uniforms	3,255.00	386.71	531.27	16.32
02-554600-00-0 Small Tools	4,000.00	0.00	1,435.28	35.88
02-556500-00-0 Dues & Subscriptions	1,106.00	0.00	0.00	0.00
02-595001-00-0 Interest Expense	25,319.29	0.00	9,116.95	36.01
02-999100-00-0 Admin Allocation	422,486.95	35,207.24	211,243.44	50.00
Expense Total	1,030,866.29	85,130.49	507,837.94	
Fund 02- Sewer Operations Surplus	287,512.83	27,342.20	161,052.62	

Fund: 05 - Parks & Recreation

	Current Total Budget	Period Activity	YTD Activity	Percent Used
Revenue				
05-419500-00-0 Delinquent Fees & Penalties	-	100.00	567.96	0.00
05-430000-00-0 Recreation Program Fees	1,083.00	200.00	255.50	23.59
05-430001-00-0 Fee for Flag Football League	3,000.00	-	90.00	3.00
05-430002-00-0 Fee for Basketball League Program	6,000.00	2,210.00	3,615.00	60.25
05-460000-50-2 Water Shop Lease Income	9,600.00	800.00	4,800.00	50.00
05-461000-A0-2 Storage at Park - \$500/m from Thrift Store	6,000.00	500.00	3,000.00	50.00
05-461000-C1-2 Unit#C \$500/m - Church	6,000.00	500.00	3,000.00	50.00
05-461000-D0-2 Unit #D \$1000/m - Gymnastics	12,000.00	1,000.00	6,000.00	50.00
05-461000-R0-2 Room Rental - Unit #C	1,000.00	(250.00)	823.00	82.30
05-462000-21-2 15302 Smithson Rental	98,280.00	6,590.00	44,640.00	45.42
05-463000-22-2 15425 Wild Road Rental	28,608.00	2,419.00	13,746.45	48.05
05-700000-00-0 Property Taxes - Current	17,292.00	-	-	0.00
05-704000-00-0 Property Taxes - Prior Unsecured	-	150.94	251.17	0.00
05-706000-00-0 Penalties - Delinquent Taxes	-	46.39	67.24	0.00
05-707000-00-0 Property Taxes - Homeowner's Exempt	-	152.10	152.10	0.00
05-712000-00-0 Event Sponsorship	6,000.00	-	5,000.00	83.33
05-714300-30-2 Electricity Reimbursement - Unit D Rent	-	-	493.19	0.00
05-730002-00-0 Misc Donations	6,000.00	-	145.00	2.42
05-730005-00-0 Sponsorship Revenue	-	-	748.00	0.00
05-740000-00-0 Grant Revenue	-	1,000.00	24,211.00	0.00
05-750000-00-1 Retail Sales - Thrift Store	275,000.00	27,395.77	157,062.31	57.11
05-999700-00-0 Board Discretionary Revenue	239,665.93	-	-	0.00
Revenue Total	715,528.93	42,814.20	268,667.92	
Expense				
05-500001-00-0 Salaries - Full Time (0.75 FTE)	22,932.00	1,760.40	5,629.45	24.55
05-500002-00-0 Salaries - Overtime	4,000.00	0.00	622.52	15.56
05-500004-00-0 Salaries - Part-Time	4,740.00	90.00	90.00	1.90
05-500004-10-1 Salaries - Part Time - Thrift Store	98,779.00	8,461.21	59,205.54	59.94
05-510000-00-0 PERS Retirement	1,503.19	116.40	1,667.18	110.91
05-510001-00-0 Employee Group Insurance	6,732.72	572.30	3,007.47	44.67
05-510002-00-0 Workers Compensation	4,299.68	0.00	0.00	0.00
05-510002-10-1 Workers Compensation - Thrift Store	15,348.28	0.00	9,146.61	59.59
05-510003-00-0 Payroll Taxes - FICA/Medicare	695.12	32.41	-379.87	-54.65
05-510003-10-1 Payroll Taxes - FICA/Medicare - Thrift Store	7,556.59	647.28	4,538.84	60.06
05-510004-00-0 Unemployment Expense	0.00	0.00	6,208.00	0.00
05-521500-00-0 Contractual Services	18,920.00	706.55	9,060.38	47.88
05-521500-10-1 Contractual Services - Thrift Store	4,300.00	0.00	0.00	0.00
05-523000-00-0 Permits and Inspection Fees	4,800.00	0.00	0.00	0.00
05-523500-00-0 San Bernardino County Fees	0.00	199.97	199.97	0.00
05-524500-00-0 Education and Training	3,400.00	120.00	461.00	13.56
05-524500-10-1 Education and Training - Thrift Store	500.00	0.00	0.00	0.00
05-526600-00-0 Public Relations	200.00	0.00	0.00	0.00
05-526601-10-1 Advertising - Thrift Store	2,000.00	150.00	150.00	7.50
05-531000-00-0 Utilities - Electric	4,620.00	341.05	2,064.17	44.68
05-531000-10-1 Utilities - Electric - Thrift Store	11,796.00	534.98	5,995.42	50.83
05-531000-20-2 Utilities - Electric - Community Ctr	8,040.00	899.32	8,838.76	109.93
05-531000-21-2 Utilities - Electric - Smithson	0.00	147.55	147.55	0.00
05-531000-22-2 Utilities - Electric - Wild Rd	3,048.00	209.57	1,802.11	59.12
05-531001-20-2 Utilities - Gas - Community Center	5,244.00	804.83	959.64	18.30
05-531001-21-2 Utility - Gas - Smithson	0.00	16.61	30.34	0.00
05-531001-22-2 Utilities - Gas - Wild Rd	1,800.00	218.87	451.55	25.09
05-531003-00-0 Utilities - Street Lighting Electric	17,292.00	1,365.25	8,192.46	47.38
05-531008-00-2 Utilities - Comm Ctr Unit D	0.00	0.00	492.41	0.00
05-532500-00-0 Telephone	648.00	85.37	1,140.67	176.03
05-541000-00-0 Operations and Maintenance	2,000.00	13.88	1,812.07	90.60
05-541000-10-1 Operations & Maintenance - Thrift Store	1,000.00	67.89	2,266.53	226.65
05-541000-20-2 Operation & Maintenance - Community Center	10,000.00	486.75	9,976.86	99.77
05-541000-21-2 Operation & Maintenance - Smithson	0.00	163.36	3,149.09	0.00
05-541000-22-2 Operation & Maintenance - Wild Road	0.00	0.00	2,156.74	0.00
05-542001-00-0 Landscape Maintenance	0.00	9.01	122.07	0.00
05-545000-00-0 Vehicle Maintenance	7,225.60	786.91	1,241.57	17.18
05-545001-00-0 Vehicle Fuel	520.00	0.00	1,847.58	355.30
05-550000-00-0 Supplies -Basketball	4,290.00	0.00	0.00	0.00
05-550001-00-0 Supplies-Flag Football	2,995.00	0.00	1,092.56	36.48
05-553000-00-0 Operating Supplies	15,000.00	2,979.78	6,150.04	41.00
05-553000-10-1 Operating Supplies - Thrift Store	10,000.00	1,022.85	6,073.84	60.74
05-553300-00-0 Event Expense	3,000.00	154.61	190.85	6.36
05-553400-00-0 Program Expenses	5,000.00	144.48	2,339.54	46.79
05-553600-00-0 Uniforms	780.00	559.36	696.37	89.28
05-553700-00-0 Printing Costs	200.00	0.00	75.41	37.71
05-554600-00-0 Small Tools	500.00	0.00	531.47	106.29
05-556500-00-0 Dues & Subscriptions	475.00	0.00	0.00	0.00
05-556800-10-1 EE Incentive Program-Thrift Store	3,900.00	505.00	2,035.00	52.18
05-595001-00-2 Interest Expense	21,239.50	0.00	30,486.46	143.54
05-595001-21-2 Interest Expense - Rental Property	31,389.99	0.00	0.00	0.00
Expense Total	372,709.67	24,373.80	201,966.22	
Fund 05- Parks & Recreation Surplus	342,819.26	18,440.40	66,701.70	

Fund: 06 - Solid Waste Disposal

Revenue

	Current Total Budget	Period Activity	YTD Activity	Percent Used
06-410000-00-0 Charges for Services - Solid Waste	464,792.52	39,284.53	232,133.36	49.94
06-419500-00-0 Delinquent Fees & Penalties	7,300.00	507.74	3,123.32	42.79
06-705000-00-0 Special Assmts - Refuse Land Use Fee	235,278.00	86,890.83	120,552.39	51.24
06-705500-00-0 Special Assmts - Pr Yr Refuse Land Use Fee	6,500.00	85.44	3,593.88	55.29
06-706000-00-0 Penalties on Delinquent Taxes	2,500.00	15.58	932.88	37.32
06-999700-00-0 Board Discretionary Revenue	11,047.90	0.00	0.00	0.00
Revenue Total	727,418.42	126,784.12	360,335.83	

Expense

06-500001-00-0 Salaries - Full Time (2.25 FTE)	72,976.80	5,702.00	35,219.93	48.26
06-510000-00-0 PERS Retirement	7,416.92	583.80	4,749.26	64.03
06-510001-00-0 Employee Group Insurance	22,977.24	1,894.57	11,066.60	48.16
06-510002-00-0 Workers Compensation	3,375.72	0.00	4,720.37	139.83
06-510003-00-0 Payroll Taxes - FICA/Medicare	1,058.16	76.27	-597.24	-56.44
06-521500-00-0 Contractual Services	2,500.00	0.00	0.00	0.00
06-521510-00-0 Contract Service - Burrtec Fees	458,714.52	39,223.05	231,954.32	50.57
06-521600-00-0 GIS Support	1,760.00	0.00	0.00	0.00
06-523500-00-0 SB County Disposal Fees	122,400.00	11,845.38	62,971.18	51.45
06-523550-00-0 Green Waste Disposal	12,750.00	0.00	927.59	7.28
06-524500-00-0 Education and Training	500.00	0.00	0.00	0.00
06-527500-00-0 Rents - Thrift Store	6,000.00	500.00	3,000.00	50.00
06-532500-00-0 Telephone	312.00	25.62	128.10	41.06
06-545000-00-0 Vehicle Maintenance	2,000.00	0.00	0.00	0.00
06-545001-00-0 Vehicle Fuel	520.00	0.00	0.00	0.00
06-553000-00-0 Operating Supplies	100.00	0.00	189.69	189.69
06-553555-00-0 Public Outreach	1,900.00	0.00	37.72	1.99
06-553600-00-0 Uniforms	400.00	0.00	33.67	8.42
06-554600-00-0 Small Tools	100.00	0.00	0.00	0.00
06-999100-00-0 Admin Allocation	8,622.18	718.51	4,311.06	50.00
Expense Total	726,383.54	60,569.20	358,712.25	
Fund 06- Solid Waste Disposal Surplus	1,034.88	66,214.92	1,623.58	

Fund: 10 - Administration

	Current Total Budget	Period Activity	YTD Activity	Percent Used
Revenue				
10-419100-00-0 Credit Card Processing Fees	7,000.00	990.00	5,863.75	83.77
10-464000-00-0 Site Rent - Radio Tower	94,660.00	8,419.62	55,535.73	58.67
10-700000-00-0 Property Taxes - Current	83,708.00	39,136.75	55,199.38	65.94
10-704000-00-0 Property Taxes - Prior	2,500.00	0.00	1,520.38	60.82
10-706000-00-0 Penalties on Delinquent Taxes	500.00	0.00	301.07	60.21
10-707000-00-0 Property Taxes - Homeowner Exemption	1,200.00	0.00	0.00	0.00
10-710000-00-0 Investment Income	16,500.00	234.80	9,419.51	57.09
10-712000-00-0 Other Income	200.00	0.00	575.20	287.60
10-712100-00-0 Recycling Revenue - EE Morale	5,000.00	1,157.97	4,051.14	81.02
10-713100-00-0 Franchise Fees - Solid Waste	72,345.84	6,272.20	37,342.70	51.62
10-713500-00-0 Solid Waste Billing Fees	60,397.80	5,094.69	30,113.20	49.86
10-999700-00-0 Board Discretionary Revenue	-250,713.83	0.00	0.00	0.00
Revenue Total	93,297.81	61,306.03	199,922.06	

Expense

10-500001-00-0 Salaries - Full Time	368,582.40	28,920.50	199,270.13	54.06
10-500002-00-0 Salaries - Overtime	1,600.00	0.00	32.40	2.03
10-500004-00-0 Salaries - Part-Time	12,495.00	735.42	6,375.38	51.02
10-510000-00-0 PERS Retirement	50,176.91	4,421.54	34,804.71	69.36
10-510001-00-0 Employee Group Insurance	44,159.76	3,005.45	17,639.69	39.95
10-510002-00-0 Workers Compensation	3,692.64	0.00	3,383.10	91.62
10-510003-00-0 Payroll Taxes - FICA/Medicare	6,300.31	460.05	3,262.59	51.78
10-521500-00-0 Contractual Services	47,244.00	1,919.84	36,877.98	78.06
10-521600-00-0 Software Support	35,200.00	984.73	37,252.75	105.83
10-522000-00-0 Legal Services	65,000.00	0.00	11,143.75	17.14
10-522001-00-0 Auditing & Accounting Services	75,880.00	828.00	82,812.50	109.14
10-522500-00-0 Directors' Fees	45,000.00	3,750.00	19,375.00	43.06
10-522505-00-0 Directors' Training & Seminars	5,000.00	59.28	3,209.93	64.20
10-522510-00-0 Board Meeting Supplies	4,500.00	43.95	620.39	13.79
10-523000-00-0 Permits and Fees	3,400.85	0.00	0.00	0.00
10-523500-00-0 San Bernardino County Fees	6,000.00	101.50	1,583.29	26.39
10-524300-00-0 Employment Expense	1,500.00	125.83	1,352.52	90.17
10-524500-00-0 Education and Training	5,000.00	772.63	1,370.90	27.42
10-525000-00-0 Insurance	56,000.00	0.00	34,381.71	61.40
10-525001-00-0 Insurance - Vehicle	18,000.00	0.00	19,957.43	110.87
10-526600-00-0 Public Relations	0.00	0.00	300.00	0.00
10-526601-00-0 Public Notices	2,500.00	0.00	1,876.80	75.07
10-526650-00-0 Community Promotion	6,000.00	656.16	1,006.16	16.77
10-529900-00-0 Bank Charges	21,800.00	2,349.89	13,152.00	60.33
10-531000-00-0 Utilities - Electric	8,040.00	0.00	0.00	0.00
10-532500-00-0 Telephone	13,200.00	810.67	4,608.88	34.92
10-545000-00-0 Vehicle Maintenance	4,000.00	0.00	36.18	0.90
10-545001-00-0 Vehicle Fuel	260.00	0.00	357.40	137.46
10-552700-00-0 Mileage and Travel Reimbursement	1,000.00	0.00	408.55	40.86
10-553000-00-0 Operating Supplies - Office	5,000.00	1,013.21	5,920.76	118.42
10-553200-00-0 Postage & Delivery	700.00	196.00	837.92	119.70
10-553600-00-0 Uniforms	300.00	0.00	24.00	8.00
10-553700-00-0 Printing Costs	500.00	0.00	0.00	0.00
10-554500-00-0 Equipment Maintenance & Supplies	0.00	0.00	875.00	0.00
10-556500-00-0 Dues & Subscriptions	9,601.00	475.00	9,781.49	101.88
10-556800-00-0 Employee Benefit & Morale	6,510.00	1,562.95	3,748.93	57.59
10-999100-00-0 Admin Allocation	-862,218.26	-71,851.51	-431,109.06	50.00
Expense Total	71,924.61	-15,096.71	126,531.16	
Fund 10- Administration Surplus	21,373.20	76,402.74	73,390.90	

Fund: 50 - Western River Property

Revenue

50-460000-00-0 Western Rivers Rental Income	0.00	1,500.00	5,568.57	0%
50-712000-00-0 Western River Fund Addition	0.00	0.00	5,000.00	0%
Revenue Total	0.00	1,500.00	10,568.57	

Expense

50-540000-00-0 Repairs & Maintenance - Western River	0.00	112.91	3,125.54	0%
Expense Total	0.00	112.91	3,125.54	
Fund 50- Western Rivers Property Surplus	0.00	1,387.09	7,443.03	

Group Summary

	Current Total Budget	Period Activity	YTD Activity
Fund: 01 - Water Operations			
Revenue	1,512,137.32	162,247.72	1,120,259.42
Expense	1,358,199.81	88,182.85	685,239.03
Fund: 01 - Water Operations Surplus	153,937.51	74,064.87	435,020.39
Fund: 02 - Sewer Operations			
Revenue	1,318,379.12	112,472.69	668,890.56
Expense	1,030,866.29	85,130.49	507,837.94
Fund 02- Sewer Operations Surplus	287,512.83	27,342.20	161,052.62
Fund: 05 - Parks & Recreation			
Revenue	715,528.93	42,814.20	268,667.92
Expense	372,709.67	24,373.80	201,966.22
Fund 05- Parks & Recreation Surplus	342,819.26	18,440.40	66,701.70
Fund: 06 - Solid Waste Disposal			
Revenue	727,418.42	126,784.12	360,335.83
Expense	726,383.54	60,569.20	358,712.25
Fund: 06 - Solid Waste Disposal Surplus	1,034.88	66,214.92	1,623.58
Fund: 10 - Administration			
Revenue	93,297.81	61,306.03	199,922.06
Expense	71,924.61	-15,096.71	126,531.16
Fund: 10 - Administration Surplus	21,373.20	76,402.74	73,390.90
Fund: 50 - Western River Property			
Revenue	0.00	1,500.00	10,568.57
Expense	0.00	112.91	3,125.54
Fund: 50 - Western River Property Surplus	0.00	1,387.09	7,443.03

Fund Summary

	Current Total Budget	Period Activity	YTD Activity
01 Water Operations	153,937.51	74,064.87	435,020.39
02- Sewer Operations	287,512.83	27,342.20	161,052.62
05 - Parks & Recreation	342,819.26	18,440.40	66,701.70
06- Solidwaste Disposal	1,034.88	66,214.92	1,623.58
10 - Administration	21,373.20	76,402.74	73,390.90
50-+ Western River Proerty	0.00	1,387.09	7,443.03
Report Surplus	806,677.68	263,852.22	745,232.22



Helendale Community Services District

Date: January 18, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #8
Discussion and Possible Action Regarding Adoption of Resolution 2018-01: A Resolution of the Board of Directors of the Helendale Community Services District Transferring an Asset and Associated Liability from the Parks Department to Wastewater and Establishing a Pay-Back Agreement

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding the proposed resolution, property transfer and pay-back agreement.

STAFF REPORT:

The purpose of this agenda item is to address the need to transfer certain property to the Wastewater Department and to memorialize a repayment plan for funds borrowed from Wastewater over time to cover budget shortfalls in the Park budget.

In the past two years Wastewater Staff has been working with the Regional Water Quality Control Board on a revision to the Wastewater permit. This revision includes expansion of the irrigation area to the park and will encompass 35 acres. This area will have to be segregated from general public access due to health and safety concerns. The Parks Department, upon Board approval will transfer this acreage to the Wastewater Division. Since this area has never been developed for park use Staff is recommending that the Board transfer this property from the point of purchase in August 2008 to present. The estimated value of the property is outlined in the attachment to this staff report. The initial purchase value of the area is estimated to be \$161,000 with payments paid since 2008 of \$128,640 for a total consideration of \$289,640.

Staff would recommend that this amount be transferred to Wastewater against the outstanding debt owed by the Parks Department which would leave a balance of \$871,304 to be repaid over a 40-year period at a rate outlined in the attached amortization schedule. If additional revenue was available more could be paid towards the outstanding balance.

FISCAL IMPACT:

As outlined in the presentation.

Park Property Valuation

	Total	Land	Improvements
Appraised Value	\$2,300,000		
Assessor's Value	\$ 3,525,623	\$ 515,195	\$ 3,010,428
Total Acres	74.78		
Value per acre of land at 14% of total value	\$ 4,600		
Acres to transfer to WWTP Operation	35		
Total loan value to transfer to WWTP	\$ 161,000		
Principle and Interest payments per year	\$ 12,864		
Interest payment per year since purchase (2008-2017)	\$128,640		
Total transfer of liability	\$ 289,640		



RESOLUTION NO. 2018-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HELENDALE COMMUNITY SERVICES DISTRICT
ESTABLISHING THE REPAYMENT OF INTERFUND LOAN FROM THE WASTEWATER FUND TO THE
PARK FUND AND EXCHANGE OF CERTAIN REAL PROPERTY FROM PARK TO WASTEWATER**

WHEREAS, the Helendale Community Services District assumed responsibility for water, sewer and park services in December 2006, with funds from San Bernardino County Special Districts distributed between the Water and Sewer Funds; and

WHEREAS, the Park Fund purchased building assets and improved the Helendale Community Park infrastructure in excess of its operating revenue available; and

WHEREAS, the only source of funds available in the short term was to borrow from the Wastewater Fund Reserve to fund improvements as described; and

WHEREAS, the Fiscal Year 2017 annual audit provided by Fedak & Brown, CPA's, stated the amount owed by the Park Fund to the Wastewater Fund as \$1,160,944; and

WHEREAS, a payback method is required to establish the means and timeframe to repay the Wastewater Fund; and

WHEREAS, the Wastewater operation is in need of 35 acres currently owned by the Parks Department that will be transferred to Wastewater at a value of \$289,640 to offset a portion of the debt owed leaving a balance owed of \$871,304

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Helendale Community Services District desires to establish the following repayment schedule for the Park Fund:

- A. The Park Fund shall repay the Sewer Fund a sum of \$21,782.60 per fiscal year until the interfund loan balance of \$871,304 is repaid.
- B. Any additional operating fund borrowing during any subsequent fiscal year will require adoption of a new resolution acknowledging the outstanding balance and the repayment terms.
- C. Each budget will include a line item repayment to Wastewater in accordance with the repayment plan outlined in Attachment A.
- D. During any fiscal year, the Board of Directors can adjust the annual repayment amount if a extraordinary revenue or expenses exists.
- E. Adoption of this Resolution rescinds Resolution 2012-15.

APPROVED AND ADOPTED this 18th day of January, 2018.

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

By: _____
Ron Clark, President

Attest: _____
Sandy Haas, Secretary

Resolution 2018-01
Exhibit A
Loan Amortization Schedule

Annual Interest Rate 0.00%
Years 40
Payments Per Year 1
Amount \$871,304

Payment Number	Payment	Balance
1	(\$21,782.60)	\$849,521.40
2	(\$21,782.60)	\$827,738.80
3	(\$21,782.60)	\$805,956.20
4	(\$21,782.60)	\$784,173.60
5	(\$21,782.60)	\$762,391.00
6	(\$21,782.60)	\$740,608.40
7	(\$21,782.60)	\$718,825.80
8	(\$21,782.60)	\$697,043.20
9	(\$21,782.60)	\$675,260.60
10	(\$21,782.60)	\$653,478.00
11	(\$21,782.60)	\$631,695.40
12	(\$21,782.60)	\$609,912.80
13	(\$21,782.60)	\$588,130.20
14	(\$21,782.60)	\$566,347.60
15	(\$21,782.60)	\$544,565.00
16	(\$21,782.60)	\$522,782.40
17	(\$21,782.60)	\$500,999.80
18	(\$21,782.60)	\$479,217.20
19	(\$21,782.60)	\$457,434.60
20	(\$21,782.60)	\$435,652.00
21	(\$21,782.60)	\$413,869.40
22	(\$21,782.60)	\$392,086.80
23	(\$21,782.60)	\$370,304.20
24	(\$21,782.60)	\$348,521.60
25	(\$21,782.60)	\$326,739.00
26	(\$21,782.60)	\$304,956.40
27	(\$21,782.60)	\$283,173.80
28	(\$21,782.60)	\$261,391.20
29	(\$21,782.60)	\$239,608.60
30	(\$21,782.60)	\$217,826.00
31	(\$21,782.60)	\$196,043.40
32	(\$21,782.60)	\$174,260.80
33	(\$21,782.60)	\$152,478.20
34	(\$21,782.60)	\$130,695.60
35	(\$21,782.60)	\$108,913.00
36	(\$21,782.60)	\$ 87,130.40
37	(\$21,782.60)	\$ 65,347.80
38	(\$21,782.60)	\$ 43,565.20
39	(\$21,782.60)	\$ 21,782.60
40	(\$21,782.60)	\$ 0.00