



REGULAR BOARD MEETING
Thursday, May 2, 2024, at 6:00 PM

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

This meeting of the Board of Directors of the Helendale Community Services District is Open to the public both in-person at the District Office located at 26540 Vista Road, Suite C, Helendale, California, and via teleconference by clicking the following link: www.zoom.com Meeting ID 463 173 8547 Passcode: HCSD. (Dial-in instructions will be provided after registering at the link)

Pursuant to Government Code Section 54953(b), Vice-President Clark will attend the meeting via teleconference; location at 3280 West Black Jack Ridge, Prescott, AZ 86305

Call to Order - Pledge of Allegiance

1. Discussion and Possible Action Regarding Director Remote Participation pursuant to AB2449 (Government Code Section 54953(f))

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

2. Approval of Agenda

3. 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 wishing to make comments may do so by filling out the speaker's card in person or using the "raise the hand" or "chat" feature. If viewing remotely a speaker's card may be filled out at the following link: <https://www.surveymonkey.com/r/HKGNLL8> or use the features referenced above. The District requests that all speaker cards be submitted at any time prior to the close of public participation.

4. Consent Items

- a. Approval of Minutes: Regular Board Meeting of April 18, 2024 and Special Meeting of April 25, 2024
- b. Bills Paid Report
- c. March Financials

5. Reports

- a. Directors' Reports
- b. General Manager's Report

Regular Business:

- 6. Discussion and Possible Action Regarding Adoption of Resolution 2024-03: A Resolution of the Board of Directors of the Helendale Community Services District Opposing Initiative 1935 (Formerly 21-0042A1)**

7. Discussion and Possible Action Regarding Adoption of Resolution 2024-04: A Resolution of the Board of Directors of the Helendale Community Services District Initiating Procedures to Continue Collection of Water and Sewer Standby Charges for Fiscal Year 2025
8. Discussion and Possible Action Regarding Appointing an Ad Hoc Committee for the Purpose of Planning a Public Safety Event

Other Business

9. Requested items for next or future agendas (Directors and Staff only)

Closed Session

10. Conference with Real Property Negotiators
(Government Code Section 54956.8)
Property: 26540 Vista Road, Helendale, California
District Negotiator: Kimberly Cox, General Manager
Negotiating Parties: RailState
Under Negotiation: Equipment Location and Right of Entry Agreement
11. Conference with Legal Counsel – Existing Litigation
[Government Code Section 54956.9(d)(1)]
Name of Case: In re: Aqueous Film-Forming Foams Product Liability Litigation, United States District Court South Carolina Charleston Division, Master Docket No. 2:18-mn-2873-RMG
12. Conference with Real Property Negotiators
(Government Code Section 54956.8)
Property: 26538 Lakeview Drive, Helendale, California
District Negotiator: Kimberly Cox, General Manager
Negotiating Parties: Ultimate Internet Access
Under Negotiation: Proposed Lease Amendments
13. Report of Closed Session Item
14. 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.



Helendale Community Services District

Date: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #1
Discussion and Possible Action Regarding Director Remote Participation
Pursuant to AB2449 (Government Code Section 54953(f))

NOTIFICATION OF REMOTE BOARD MEETING ATTENDANCE

Directors may not attend a meeting remotely on the basis of Just Cause or Emergency Circumstances for more than three consecutive months or more than 20% (up to four) meetings in a calendar year. A general description of the circumstances relating to the need to appear remotely at the meeting **must** be included.

JUST CAUSE

Each Director is responsible for notifying the General Manager at the earliest opportunity possible (including at the start of a regular meeting) of the need to participate remotely for Just Cause. Remote participation for Just Cause reasons shall not be utilized by any Director for more than two meetings per calendar year.

Just Cause means any of the following:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person
- A need related to a physical or mental disability not otherwise accommodated
- Travel while on official business of the legislative body or another state or local agency

A General description of the circumstances relating to the need to appear remotely at the meeting **MUST** be included.

EMERGENCY CIRCUMSTANCES

Each Director is responsible for notifying the General Manager as soon as possible (preferably before posting of the agenda but up to the start of the meeting) of the need to participate remotely due to Emergency Circumstances.

Emergency Circumstances means the following: A physical or family medical emergency that prevents a member from attending in person.

A general description of the circumstances relating to the need to appear remotely at the meeting **must** be included. The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.



Helendale Community Services District

Date: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #4
Consent Items

CONSENT ITEMS

- a. Approval of Minutes: April 18, 2024, Regular Board Meeting and April 25, 2024, Special Board Meeting
- b. Bills Paid Report
- c. March Financials



Helendale Community Services District

Date: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Cheryl Vermette
SUBJECT: Agenda item #4a
Minutes from Regular Board meeting 4/18/2024 and Special Board Meeting
4/25/2024



**Minutes of the Helendale Community Services District
REGULAR BOARD OF DIRECTORS MEETING**

Date: April 18, 2024
 Time: 6:00 PM
 Meeting called to order by: President Henry Spiller

ATTENDANCE

President Henry Spiller	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vice President Ron Clark	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input checked="" type="checkbox"/> Remote
Secretary Sandy Haas	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input checked="" type="checkbox"/> Remote
Director George Cardenas	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Director Gail Guinn	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote

Staff Members Present

Kimberly Cox, General Manager; Craig Carlson, Water Operations Manager; Alex Aviles, Wastewater Operations Manager; Cheryl Vermette, Administrative Services Manager

Consultants/Guests

Steven Kennedy, Legal Counsel – Zoom
 Richard Nino, Burrtec Waste
 Michael Heffman, Burrtec Waste

Members of the public

There were two members of the public attending in person.

1. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB2449 (GOVERNMENT CODE SECTION 54953(F)) OF AGENDA

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

Discussion Director Haas requested to attend the meeting remotely under the emergency circumstances provision. Director Haas explained that she had a stroke and is unable to drive at this time. This is the first meeting she attended remotely in 2024 under the emergency circumstances provision.

Motion Director Guinn made a motion to approve Director Haas' attendance under the "emergency circumstances" provision.

Second President Spiller

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

Director Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
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2. APPROVAL OF AGENDA

Discussion None.

Motion Director Cardenas made a motion to approve the agenda as presented.

Second Director Guinn

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

3. PUBLIC PARTICIPATION

Dave Hart – Resident – volunteered for the Earth Day event and said it was a great success.

CONSENT ITEMS

4. CONSENT ITEMS

a. Approval of Minutes: Regular Board Meeting for April 4, 2024

b. Bills Paid Report

Discussion None

Motion President Spiller made the motion to approve the consent items as presented.

Second Director Guinn

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

5. REPORTS

a. Directors' Reports

Director Guinn thanked Water Operations Manager Carlson for the tour of the water system and commented on the great staff in the department. She also reported that there has been steady progress on the CERT program. She attended the Clean Up Day event and said it was a great opportunity to hand out flyers explaining all of the great things the CSD is doing.

Director Cardenas reported that staff from the Phelan Pinion Hills CSD attended the District's Earth Day event. He also reported that he attended the CSDA conference.

President Spiller reported that he attended the cleanup day event. He also reported on the Farmers Market, noting that the first event was great because we had a theme. He recommended that the market stay open a little later, until 7 pm.

b. General Managers Report

General Manager Cox reported that she received information that the award from the federal grant the District received from Congressman Obernolte may come by September.

She reported that County Public Works is applying for a grant for the railroad crossing, and the District submitted a letter of support.

Spring soccer has a total of 65 players registered, the season starts on Saturday and goes through June. The District's Concert in the Park series starts on May 11th with a crowd favorite – City Beat.

Wastewater Operations Manager Aviles reported that Staff replaced a belt on the blower and reinstalled the shroud. Staff cleaned the check valves at the Smithson lift station and rebuilt check valve #3. Staff also presented at the District's Earth Day event. The District hosted a wastewater treatment plant plant tour for approximately 100 elementary students. Staff worked on raising a couple more manholes. Staff visited Evan's Hydro pump company to tour their shop and view our broken pump that is there for repairs. Lahontan Water Board visited the plant for an inspection. Wastewater staff assisted the water department with concrete for Well 13.

REGULAR BUSINESS

6. Discussion and Possible Action Regarding Approval of Directors' Expense Reports

Discussion None

Motion Director Guinn made the motion to approve the Directors' Expense reports as presented.

Second Vice President Clark

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Gail Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

7. Discussion and Possible Action Regarding Request from Burrtec for Inflation Based Increase and Other Related Fee Increases for Solid Waste Services

Discussion Each year Burrtec presents the CPI increase for solid waste pick-up services. Other fees are based upon actual program costs. The contract requires notice no later than April 1st. Section 10.05 outlines the annual formula-based compensation adjustment. The CPI adjustments have been 3.07% effective 7/1/20, 1.87% effective 7/1/21, 5.76% effective 7/1/22, 8.7% effective 7/1/23, and 4% effective 4.65% effective 7/1/24. The contract caps the CPI at 4%. The Board has discretion to award more or hold to the cap. The cap only applies to the service component of the rate. Burrtec has the right to request extra-ordinary increases. Section 10.08 discusses

extraordinary rate adjustments, which could include changes in law, extraordinary costs due to changes in operating costs brought about by unforeseen circumstances beyond the control of the contractor, and/or a change in disposal facility. To date Burrtec has not invoked this section of the contract. The presentation addresses residential rates primarily. Commercial rates are included in the agenda material because commercial rates vary widely based upon the type of service. Customers who do not pay for disposal (ESFR) on their tax bill pay an additional \$7.26 per month to cover disposal costs, these are primarily multi-family and new construction. The recycling fee changes each year based upon recycled commodity prices.

The community was granted a SB1383 wavier until 2028. The food waste bin will be removed on 4/30. Residents can dispose of their food waste in their regular trash bin. The rates will be rolled back to account for the discontinuation.

New costs for SB1383 compliance that were added last year are removed or significantly reduced. The \$0.16 charge for food waste servicing is removed and a credit of \$0.12 will be added; the \$0.19 charge for processing food waste was removed and a credit of \$0.12 will be added; \$0.59 for program compliance was reduced to \$0.14 to cover software; the \$0.40 charge for District compliance has been eliminated. Recycling costs have increased from \$1.28 to \$1.42. Curbside pick-up and the administration fee increased by the CPI. The green waste fee and prop 218 fee remained the same. General Manager Cox showed a chart of fees at the 4% CPI and a chart showing what the fees would be at a 4.65% increase.

The annexation customers will be added for a transition on 7/1. There are 60 residential cart customers and 24 residential bin customers. The District will begin reaching out to these customers in May with an introductory letter and newsletter. Burrtec will assist in the process for a seamless transition. For the Prop 218 notification, there will be a reduced number of mailings as well as a reduced protest threshold. Legal counsel provided additional information.

Richard Nino and Michael Heffman discussed the recycling market and residential bin service implementation and rates. The Board discussed the increase and collectively settled on a 4% increase. Staff was directed to prepare the public noticing and set the hearing schedule.

Motion Director Guinn made the motion to Direct Staff to prepare the 218 public hearing notice and set the schedule for public hearing for increased solid waste costs to include a 4% CPI increase.

Second Director Guinn

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Gail Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

8. Discussion and Possible Action Regarding Adoption of the Table of Organization for Fiscal Year 2025

Discussion The CalPERS circular letter #200-003-20 outlines eight requirements related to employee retirement compensation; these requirements include: must be approved and adopted by the Board in a duly agendized meeting; must Identify

position title for every employee, must show payrate for each position; must indicate the time basis (i.e. hourly, salary, etc); must be available for the public via posting in office, website; must list effective date; must be retained for five years; and must not reference another document (i.e. contract) in lieu of pay rate. Failure to approve the schedule in this manner could impact employee retirement calculations. The prepared table of organization (pay schedule/positions) complies with these requirements. The District's organization chart reflects the FTE's outlined in the pay schedule. The table and organization chart will also be included in the District's FY 25 budget. General Manager Cox reviewed the table of organization including the following changes: in parks one part time maintenance worker and a contractor for maintenance, in water the Maintenance Worker I will be moved to Water System Operator I by the start of the fiscal year; in wastewater the table of organization accounts for the advancement of the OIT; in solid waste there is a reduction in FTE's from 3.37 to 2.4 and the supervisor will be charged 75% to the recycling center. In administration, changes were recently made due to a retirement and the program assistant was moved fully to administration. GM Cox presented the organization chart.

Motion Director Cardenas made the motion to adopt the Table of Organization and Organization Chart for fiscal year 2024/2025.

Second Director Guinn

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Gail Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

9. Discussion Only Regarding Initiative 1935, November 2024 Statewide Ballot Initiative

Discussion Initiative 1935 has been qualified for the November 2024 ballot. There is concern over the implications of the Initiative. CSDA and other groups have shared educational materials and outlined concerns. A sample resolution of opposition included for consideration. This item can be brought back at a future meeting for discussion and action. District General Counsel provided a briefing on the initiative.

10. Discussion and Possible Action Regarding Payment of the Unfunded Accrued Liability to CalPERS

Discussion In FY 2023 the amount was \$44,670 (\$42,555 for Classic and \$2,115 for PEPRAs); in FY 2024 the amount was \$39,395 for classic and nothing was for PEPRAs; in FY 2025 the amount due is \$55,378 for Classic and \$1,211 for PEPRAs, this will be paid in July 2024. Prepayment of the unfunded amount saves 3.4% interest. By paying the annual Unfunded Accrued Liability it helps in avoided interest costs if added to balance. Each year the District receives the unfunded amount from PERS. There is a short window to pay amount or it rolls into the overall amount. The payment is programmed into budget (Fund 10).

Motion President Spiller made the motion to approve a payment of \$55,378 for the PERS Unfunded Accrued Liability payment.

Second Vice President Clark

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Gail Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

11. Discussion and Possible Action Regarding Approval of Workers Compensation Insurance Policy

Discussion In 2020, the Board approved the transition for SDRMA to Cal Mutual's JPA insurance carrier. This represents a substantial savings. Zenith is regulated by the Workers Compensation Insurance Bureau (WCIB) and as such is required to perform audits of its clients. The driver for workers compensation costs are safety record, District payroll, and employee classification. Workers compensation is required. Staff feels Zenith provides a good value. The District's safety record has had a positive impact on rates. Staff helps keep rates low through safe work practices including weekly safety meetings, tailgate meetings, and safety reviews before performing complicated/dangerous tasks. When an accident has occurred, Zenith has been responsive. General Manager Cox presented a graph showing costs of workers compensation insurance costs from FY 2021 – FY 2025.

Motion Director Guinn made the motion to approve \$25,000 for workers compensation costs from May 1, 2024 – April 30, 2025.

Second Director Cardenas

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Gail Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

OTHER BUSINESS

12. Requested items for next or future agendas (Directors and Staff only)

Director Guinn requested to discuss a strategic plan.

President Spiller called for a brief recess at 8:09 pm after which closed session began.

Closed Session

Closed session began at 8:15 pm

13. Conference with Real Property Negotiators

(Government Code Section 54956.8)

Property: 15302 Smithson Road

District Negotiator: Kimberly Cox

Negotiating Parties: Vertical Bridge
Under Negotiation: Price and Terms of Payment

14. Conference with Real Property Negotiators
(Government Code Section 54956.8)

Property: 26540 Vista Road,
District Negotiator: Kimberly Cox
Negotiating Parties: RailState
Under Negotiation: Price and Terms of Payment

Closed session adjourned at 8:51 pm

15. Report of Closed Session Item

Legal Counsel Kennedy reported that the Board met in closed session, there was no reportable action resulting from closed session items.

16. Adjournment

President Spiller adjourned the meeting at 8:52 pm.

Henry Spiller, President

Cheryl Vermette, Clerk of the Board

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.



**Minutes of the Helendale Community Services District
SPECIAL BOARD OF DIRECTORS MEETING**

Date: April 25, 2024
 Meeting Called to order at: 2:00 PM
 Meeting called to order by: President Henry Spiller

ATTENDANCE

President Henry Spiller	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Vice President Ron Clark	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Secretary Sandy Haas	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> In Person	<input type="checkbox"/> Remote
Director George Cardenas	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote
Director Gail Guinn	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent	<input checked="" type="checkbox"/> In Person	<input type="checkbox"/> Remote

Staff Members Present

Kimberly Cox, General Manager; Craig Carlson, Water Operations Manager; Alex Aviles, Wastewater Operations Manager; Cheryl Vermette, Administrative Services Manager

Consultants/Guests

Steven Kennedy, Legal Counsel – Zoom

Members of the public

None

1. DISCUSSION AND POSSIBLE ACTION REGARDING DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB2449 (GOVERNMENT CODE SECTION 54953(F)) OF AGENDA

- a. Notification due to Just Cause
- b. Request due to Emergency Circumstances

Discussion There was no need for this item.

2. APPROVAL OF AGENDA

Discussion General Manager Cox requested to remove closed session item number 5.

Motion Director Cardenas made a motion to approve the agenda as amended.

Second Vice President Clark

Vote

President Henry Spiller	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Vice President Ron Clark	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Secretary Sandy Haas	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director George Cardenas	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain
Director Guinn	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Absent	<input type="checkbox"/> Abstain

3. PUBLIC PARTICIPATION

None

Closed Session

Closed session began at 2:03 pm

4. Conference with Real Property Negotiators
(Government Code Section 54956.8)
Property: 15302 Smithson Road
District Negotiator: Kimberly Cox
Negotiating Parties: Vertical Bridge
Under Negotiation: Price and Terms of Payment

Item 5 was removed from the agenda

- ~~5. Conference with Real Property Negotiators
(Government Code Section 54956.8)
Property: 26540 Vista Road,
District Negotiator: Kimberly Cox
Negotiating Parties: RailState
Under Negotiation: Price and Terms of Payment~~

Closed session adjourned at 2:24 pm

6. Report of Closed Session Item
Legal Counsel Kennedy reported that the Board met in closed session and in a 4-0 vote with Director Haas being absent, authorized the Board president to execute an option and lease agreement with VBBTS II subject to final approval of terms of agreement by the General Manager and General Counsel. No other action was taken.

President Spiller called for a five-minute break at 3:24 pm

Open session resumed at 3:29 pm

Workshop:

7. Budget Workshop to Review Draft Budget Data
Staff presented the budget to the Board.

Other Business

8. Requested items for next or future agendas (Directors and Staff only)
9. Adjournment

President Spiller adjourned the meeting at 4:15 pm.

Henry Spiller, President

Cheryl Vermette, Clerk of the Board

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: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop, Senior Account Specialist
SUBJECT: Agenda item #4b
Consent Items: Bills Paid and Presented for Approval

STAFF RECOMMENDATION

Updated Report Only. Receive and File

STAFF REPORT:

Staff issued 54 checks (25 were voids) and 11 EFT's totaling \$67,504.96

Total Cash Available:	<u>04/29/24</u>	<u>04/15/24</u>
Cash	\$ 7,613,885.46	\$ 7,463,167.45
Checks/EFT's Issued	\$ 67,504.96	\$ 112,033.99

INVESTMENT REPORT:

The Investment Report shows the status of the invested District funds. March 2024 interest rates were 5.4072% for CA Class, 5.0% for CBB Trust, and 4.232% for LAIF. Total interest earned March 2024 on CA Class account was \$12,213.72.



Helendale CSD

Bills Paid and Presented for Approval

Transaction Detail

Issued Date Range: 04/15/2024 - 04/29/2024

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
Bank Account: 211102187 - CBB Checking					
04/19/2024	27755	Void Check	0.00	Check	Accounts Payable
04/19/2024	27756	Void Check	0.00	Check	Accounts Payable
04/19/2024	27757	Void Check	0.00	Check	Accounts Payable
04/19/2024	27758	Void Check	0.00	Check	Accounts Payable
04/19/2024	27759	Void Check	0.00	Check	Accounts Payable
04/19/2024	27760	Void Check	0.00	Check	Accounts Payable
04/19/2024	27761	Void Check	0.00	Check	Accounts Payable
04/19/2024	27762	Void Check	0.00	Check	Accounts Payable
04/19/2024	27763	Void Check	0.00	Check	Accounts Payable
04/19/2024	27764	Void Check	0.00	Check	Accounts Payable
04/19/2024	27765	Void Check	0.00	Check	Accounts Payable
04/19/2024	27766	Void Check	0.00	Check	Accounts Payable
04/19/2024	27767	Void Check	0.00	Check	Accounts Payable
04/19/2024	27768	Void Check	0.00	Check	Accounts Payable
04/19/2024	27769	Void Check	0.00	Check	Accounts Payable
04/19/2024	27770	Void Check	0.00	Check	Accounts Payable
04/19/2024	27771	Void Check	0.00	Check	Accounts Payable
04/19/2024	27772	ACI Payments, Inc	-56.80	Check	Accounts Payable
04/19/2024	27773	AVCOM Services Inc.	-472.13	Check	Accounts Payable
04/19/2024	27774	County of San Bernardino, Solid Waste Mgmt. Div.	-790.18	Check	Accounts Payable
04/19/2024	27775	Frontier Communications	-65.43	Check	Accounts Payable
04/19/2024	27776	Frontier Communications	-88.57	Check	Accounts Payable
04/19/2024	27777	Heritage Victor Valley Medical Group	-155.00	Check	Accounts Payable
04/19/2024	27778	Imperial Sprinkler Supply, Inc.	-1,309.10	Check	Accounts Payable
04/19/2024	27779	Konica Minolta	-1,120.18	Check	Accounts Payable
04/19/2024	27780	Mojave Water Agency	-560.30	Check	Accounts Payable
04/19/2024	27781	Robertson's Ready Mix	-1,526.80	Check	Accounts Payable
04/19/2024	27782	Sierra Analytical Labs, Inc	-905.00	Check	Accounts Payable
04/19/2024	27783	State of California Department of Justice	-49.00	Check	Accounts Payable
04/19/2024	27784	Tyler Technologies, Inc.	-6,026.30	Check	Accounts Payable
04/19/2024	27785	Ultimate Internet Access, Inc	-808.66	Check	Accounts Payable
04/19/2024	27786	Verizon Wireless	-106.32	Check	Accounts Payable
04/19/2024	27787	Verizon Wireless	-765.22	Check	Accounts Payable
04/19/2024	27788	WaterMaster	-1,426.91	Check	Accounts Payable
04/23/2024	27789	California State Disbursement Unit	-230.76	Check	Accounts Payable
04/23/2024	27790	State of California - Franchise Tax Board	-150.00	Check	Accounts Payable
04/23/2024	27791	Core & Main LP	-2,053.99	Check	Accounts Payable
04/25/2024	27792	Void Check	0.00	Check	Accounts Payable
04/25/2024	27793	Void Check	0.00	Check	Accounts Payable
04/25/2024	27794	Void Check	0.00	Check	Accounts Payable
04/25/2024	27795	Void Check	0.00	Check	Accounts Payable
04/25/2024	27796	Void Check	0.00	Check	Accounts Payable
04/25/2024	27797	Void Check	0.00	Check	Accounts Payable
04/25/2024	27798	Void Check	0.00	Check	Accounts Payable
04/25/2024	27799	Void Check	0.00	Check	Accounts Payable
04/25/2024	27800	Burrtec Waste Group, Inc	-11,640.17	Check	Accounts Payable

Bank Transaction Report

Issued Date	Number	Description	Amount	Type	Module
04/25/2024	27801	Cal Fire	-1,589.56	Check	Accounts Payable
04/25/2024	27802	Cardmember Services	-1,284.14	Check	Accounts Payable
04/25/2024	27803	Frontier Communications	-102.79	Check	Accounts Payable
04/25/2024	27804	High Desert Fire Protection Inc	-2,291.93	Check	Accounts Payable
04/25/2024	27805	Home Depot Credit Services	-2,335.30	Check	Accounts Payable
04/25/2024	27806	Mojave Desert AQMD	-420.12	Check	Accounts Payable
04/25/2024	27807	Sierra Analytical Labs, Inc	-180.00	Check	Accounts Payable
04/25/2024	27808	Western Water Works Supply Company	-7,264.93	Check	Accounts Payable
04/15/2024	EFT0004971	SW Gas Community Center 910000010177	-986.22	EFT	General Ledger
04/15/2024	EFT0004972	SW Gas ACH WWTP Acct # 910000010195	-173.52	EFT	General Ledger
04/15/2024	EFT0004973	SW Gas ACH 4-Plex Acct # 910000817466	-230.45	EFT	General Ledger
04/15/2024	EFT0004974	SW Gas Water Shop Acct # 910001037540	-11.00	EFT	General Ledger
04/22/2024	EFT0004989	SCE ACH Park Wellheads Acct 700448234519	-83.29	EFT	General Ledger
04/22/2024	EFT0004990	SCE Street Lighting Acct # 700013030275	-1,748.85	EFT	General Ledger
04/29/2024	EFT0004991	SCE ACH Sod Farm Acct 700255337588	-1,056.19	EFT	General Ledger
04/23/2024	EFT0004997	CalPERS Classic Pmt PPE 3/24/24	-9,499.54	EFT	General Ledger
04/23/2024	EFT0004998	CalPERS PEPRA Pmt PPE 3/24/24	-2,617.22	EFT	General Ledger
04/17/2024	EFT0004999	To record Tasc Flex Claim Pmt PPE 4/7/24	-889.55	EFT	General Ledger
04/26/2024	EFT0005001	CalPERS 457 Pmt PPE 4/21/24	-4,433.54	EFT	General Ledger
			Bank Account 211102187 Total: (65)		-67,504.96
				Report Total: (65)	-67,504.96

Summary

Bank Account

[211102187 CBB Checking](#)

Count	Amount
65	-67,504.96
Report Total:	-67,504.96

Cash Account

****No Cash Account****

[99 99-111000 Cash in CBB - Checking](#)

Count	Amount
25	0.00
40	-67,504.96
Report Total:	-67,504.96

Transaction Type

Transaction Type	Count	Amount
Check	54	-45,775.59
EFT	11	-21,729.37
Report Total:	65	-67,504.96



Helendale Community Services District

Date: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Eide Bailly
SUBJECT: Agenda Item 4c
March Financial Report



Helendale CSD
Statement of Revenues and Expenses - Water
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Meter Charges	\$ 134,768	\$ 1,213,455	\$ 1,591,123	76%	\$ 1,208,290
3 Water Sales	37,962	607,041	912,051	67%	675,616
4 Standby Charges	2,002	29,100	30,228	96%	18,486
5 Other Operating Revenue	54,408	164,904	83,823	197%	76,909
6 Total Operating Revenues	229,140	2,014,500	2,617,225	77%	1,979,301
7 Non-Operating Revenues					
8 Grant Revenue	-	-	-	0%	-
9 Miscellaneous Income (Expense)	653	2,375	-	0%	2,276
10 Total Non-Operating Revenues	653	2,375	-	0%	2,276
11 Total Revenues	229,792	2,016,875	2,617,225	77%	1,981,577
12 Expenses					
13 Salaries & Benefits					
14 Salaries	31,741	303,508	421,896	72%	281,602
15 Benefits	12,058	108,105	138,780	78%	102,352
16 Total Salaries & Benefits	43,799	411,614	560,676	73%	383,953
17 Transmission & Distribution					
18 Contractual Services	77	23,035	56,607	41%	40,795
19 Power	9,973	158,862	209,725	76%	109,720
20 Operations & Maintenance	3,465	77,888	153,000	51%	93,806
21 Rent/Lease Expense	800	7,200	11,490	63%	9,090
22 Permits & Fees	-	36,649	40,100	91%	31,314
23 Total T&D	14,314	303,634	470,922	64%	284,725
24 General & Administrative					
25 Utilities	383	2,930	3,928	75%	2,969
26 Office & Other Expenses	62	367	5,750	6%	1,728
27 Admin Allocation	52,307	470,765	627,686	75%	484,519
28 Total G&A	52,753	474,062	637,364	74%	489,216
29 Debt Service	-	322,602	346,313	93%	507,602
30 Total Expenses	110,865	1,511,911	2,015,275	75%	1,665,497
31 Net Income (Loss) Before Capital	118,927	504,964	601,950	84%	316,081
32 Sale or Lease of Water Rights	720	20,658	-	N/A	10,199
33 Capital Expenses	(23,572)	(268,840)	(1,792,000)	15%	(630,803)
34 Net Income (Loss) After Capital	\$ 96,075	\$ 256,782	\$ (1,190,050)		\$ (304,524)

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Helendale CSD
Financial Statement Analysis
Preliminary – No Year End Audit Adjustments
For the Month Ended March 31, 2024 – 75% of Fiscal Year

Fund 01-Water Revenues and Expenses

Line 2 Meter Charges: Includes fixed monthly charge for water service. Year-to-date (YTD) meter charges is trending in line with budget.

Line 3 Water Sales: Includes water consumption charges. YTD is trending under budget at 67% due to lower than expected consumption YTD.

Line 4 Standby Charges: Includes special assessment standby charges for the current & prior years and delinquent standby penalties. Most of these revenues are received in November, December, and April. YTD is at 96% of budget.

Line 5 Other Operating Revenue: Includes permit & inspection charges, connection fees, meter installation fees, other fees/charges, and mechanic service reimbursements. Connection and meter installation fees are budgeted conservatively due to the unexpected nature of these fees. YTD is over budget due to the high volume of connections, meter installations, water supply and delinquent fees.

Line 8 Grant Revenue: There is no grant activity planned for FY 24.

Line 9 Miscellaneous Income (Expense): Includes gain or loss on sale of assets, the Enel X Demand Response Program and other miscellaneous income. YTD activity includes \$1.7K in miscellaneous income for old credit balance write offs and \$700 in rebates.

Line 14 Salaries: Includes salaries for water employees. YTD is trending in line with budget.

Line 15 Benefits: Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education and trainings. YTD is trending in line with budget.

Line 18 Contractual Services: Includes lab testing, engineering, geographic information system (GIS) support & other contract services. YTD can trend under or over budget due to the timing of services needed. YTD is at 41% of budget.

Line 19 Power: Includes electricity usage for transmission & distribution. YTD is trending in line with budget.

Line 20 Operations & Maintenance: Includes operations & maintenance expenses, uniforms, vehicle maintenance and vehicle fuel. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 51%.

Line 21 Rent/Lease Expense: Includes rental costs for the water shop and Bureau of Land Management (BLM) tank sites. YTD is trending under budget at 63% due to the timing of rent collection for BLM tank sites normally paid in the second quarter of the FY.

Line 22 Permits & Fees: Includes all water permits, miscellaneous fees, and Watermaster fees. YTD can trend over/under budget due to the timing of permits and fee payments. YTD is trending at 91% of budget due to the timing of annual fees paid.

Line 25 Utilities (G&A): Includes gas and telephone expenses. YTD is trending in line with budget.

Line 26 Office & Other Expenses: Includes mileage/travel reimbursements, office supplies, water conservation program and dues/subscriptions. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending under budget at 6%.

Line 27 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 29 Debt Service: Includes interest & principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments are due in August, December, February, and June.

Line 32 Sale or Lease of Water Rights: YTD activity includes the sale of replenishment water to the Silver Lakes Association.

Line 33 Capital Expenses: YTD balance in capital expenses includes the following:

- \$1.3K – Interior Completion of Maintenance Building
- \$37.5K – New Well Pipeline
- \$16.8K – Electrical Well 13
- \$117.7K – AMI Meters
- \$62.6K – Service Truck
- \$33K – Water Rights



Helendale CSD
Statement of Revenues and Expenses - Sewer
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Sewer Charges	\$ 152,508	\$ 1,370,052	\$ 1,825,577	75%	\$ 1,248,105
3 Standby Charges	1,597	26,535	25,907	102%	15,425
4 Other Fees & Charges	23,566	70,280	28,760	244%	26,859
5 Interfund Transfer In/(Out)	3,508	31,575	42,100	75%	31,575
6 Other Income/(Expense)	4,331	4,408	-	0%	-
7 Total Revenues	185,510	1,502,851	1,922,344	78%	1,321,964
8 Expenses					
9 Salaries & Benefits					
10 Salaries	29,218	236,075	385,417	61%	221,212
11 Benefits	9,691	86,004	128,651	67%	86,455
12 Total Salaries & Benefits	38,909	322,080	514,068	63%	307,667
13 Sewer Operations					
14 Contractual Services	605	33,252	113,720	29%	56,533
15 Power	9,330	97,741	102,000	96%	69,874
16 Operations & Maintenance	1,147	66,440	59,800	111%	38,373
17 Permits & Fees	-	34,866	40,000	87%	32,656
18 Total Sewer Operations	11,082	232,298	315,520	74%	197,436
19 General & Administrative					
20 Utilities	872	4,450	5,505	81%	3,094
21 Office & Other Expenses	125	15,047	17,760	85%	7,073
22 Admin Allocation	51,261	461,349	615,132	75%	474,829
23 Total G&A	52,258	480,846	638,397	75%	484,995
24 Debt Service	-	51,061	102,123	50%	51,061
25 Total Expenses	102,250	1,086,285	1,570,108	69%	1,041,160
26 Net Income (Loss) Before Capital	83,261	416,565	352,236	118%	280,804
27 Capital Expenses	-	(25,614)	(845,000)	3%	(69,844)
28 Net Income (Loss) After Capital	\$ 83,261	\$ 390,951	\$ (492,764)		\$ 210,960

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Fund 02-Sewer Revenues and Expenses

Line 2 Sewer Charges: Includes the monthly charge for sewer services. YTD is trending in line with budget.

Line 3 Standby Charges: Includes special assessment standby charges for the current & prior years and delinquent standby penalties. Most of these revenues are received in November, December, and April. YTD is over budget due to increased prior year and penalties collections.

Line 4 Other Fees & Charges: Includes permit & inspection charges, connection fees, other fees, and charges. YTD is over budget due to higher permits and inspection, connection, and delinquent fees than anticipated.

Line 5 Interfund Transfer In/(Out): This line includes the monthly repayment of the interfund loan from Sewer to Parks.

Line 6 Other Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. YTD activity includes a \$3.7K reimbursement from EDD and \$700 in rebates.

Line 10 Salaries: Includes salaries for all sewer employees. YTD is trending under budget at 61% due to a budgeted position that has gone unfilled.

Line 11 Benefits: Includes employee insurance, PERS retirement, workers compensation, payroll taxes, and education & training. YTD is trending under budget at 67%.

Line 14 Contractual Services: Includes lab testing, engineering, GIS support & other contractual services. YTD is trending under budget at 29% due to timing of services.

Line 15 Power: Includes electricity used for Sewer. YTD is trending over budget at 96% due to increased electric use.

Line 16 Operations & Maintenance: Includes compost disposal, vehicle maintenance, vehicle fuel, uniforms, small tools, and salaries for mechanics. YTD is over budget due to \$23K in generator repairs and \$4.6K for flow meter maintenance.

Line 17 Permits and Fees: Includes all annual permits and fees paid to the state. YTD can trend over/under budget due to the timing of permits and fee payments. YTD is trending over budget at 87% due to the timing of annual fees paid.

Line 20 Utilities (G&A): Includes gas, water, and telephone expenses. YTD is trending over budget at 81% due to increased gas usage during the winter months.

Line 21 Office & Other Expenses: Includes mileage/travel reimbursements, office supplies, water conservation program, and dues & subscriptions. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending over budget at 85% due to the timing of supply purchases.

Line 22 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 24 Debt Service: Includes interest & principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments occur bi-annually in December and June.

Line 27 Capital Expenses: YTD balance in capital expenses includes the following:

- \$15.3K – Secondary Irrigation Pump Project
- \$1.3K – Interior Completion of Maintenance Building
- \$9.1K – Stainless Steel Lids at Lift Station



Helendale CSD
Statement of Revenues and Expenses - Recycling Center
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Retail Sales	\$ 24,584	\$ 211,347	\$ 325,000	65%	\$ 249,683
3 Donations	-	-	-	0%	-
4 Board Discretionary Revenue	-	-	-	0%	-
5 Miscellaneous Income (Expense)	242	242	-	0%	-
6 Total Revenues	24,826	211,588	325,000	65%	249,683
7 Expenses					
8 Salaries & Benefits					
9 Salaries	12,036	123,098	209,654	59%	121,495
10 Benefits	1,886	20,401	35,312	58%	16,564
11 Total Salaries & Benefits	13,922	143,499	244,966	59%	138,058
12 Recycling Center Operations					
13 Contractual Services	424	10,186	2,500	407%	-
14 Operations & Maintenance	217	6,941	14,250	49%	13,783
15 Total Recycling Center Operations	641	17,127	16,750	102%	13,783
16 General & Administrative					
17 Utilities	769	9,440	10,400	91%	6,032
18 Office & Other Expenses	715	5,629	6,100	92%	4,125
19 Total G&A	1,483	15,070	16,500	91%	10,157
20 Total Expenses	16,047	175,696	278,216	63%	161,997
21 Net Income (Loss) Before Capital	8,779	35,892	46,784	77%	87,686
22 Capital Expenses	-	-	-	-	-
23 Net Income (Loss) After Capital	\$ 8,779	\$ 35,892	\$ 46,784	77%	\$ 87,686

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Fund 03-Recycling Center Revenues and Expenses

Line 2 Retail Sales: Includes sales revenues from the Thrift Store. YTD is trending under budget at 65%.

Line 3 Donations: Donations are not budgeted for due to the unexpected nature of these revenues.

Line 4 Board Discretionary Revenue: This line shows the transfer of net cash from the Recycling Center (Fund 03) to the Parks & Recreation Fund (Fund 05). This transfer is done at year-end for the audit.

Line 5 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. YTD activity includes \$200 in rebates.

Line 9 Salaries: Salaries for all part-time recycling center employees and full-time supervisor. YTD is trending under budget at 59% due to less part-time salaries than anticipated.

Line 10 Benefits: Includes employee insurance, workers compensation, payroll taxes, and education & training. YTD is trending under budget at 58% due to lower staffing levels.

Line 13 Contractual Services: Includes software support and other contract services. Services are on an as-needed basis. YTD can trend under or over budget due to the timing of services needed. YTD is over budget due to the purchase and installation of two evaporative coolers.

Line 14 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 49%.

Line 17 Utilities (G&A): Includes electric and telephone expenses. YTD is trending over budget at 91% due to higher than anticipated electric use.

Line 18 Office & Other Expenses: Includes advertising, bank charges and other miscellaneous expenses. YTD is trending over budget at 92% due higher bank charges than anticipated.

Line 21 Net Income: Net income in the Recycling Center is moved to Parks & Recreation Fund (Fund 5) at year-end during the audit through Board Discretionary Revenue.



Helendale CSD
Statement of Revenues and Expenses - Property Rental
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Property Rental Revenues	\$ 12,109	\$ 99,094	\$ 132,348	75%	\$ 88,320
3 Other Income	-	230	-	0%	300
4 Board Discretionary Revenue	-	-	-	0%	-
5 Total Revenues	12,109	99,324	132,348	75%	88,620
6 Expenses					
7 Contractual Services	-	5,600	10,000	56%	-
8 Utilities	1,325	12,978	15,815	82%	11,074
9 Operations & Maintenance	107	8,102	13,400	60%	5,544
10 Debt Service	-	26,544	53,089	50%	26,544
11 Total Expenses	1,433	53,224	92,304	58%	43,163
12 Net Income (Loss)	\$ 10,676	\$ 46,100	\$ 40,044	115%	\$ 45,457

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Fund 04-Property Rental Revenues and Expenses

Line 2 Property Rental Revenues: Includes revenue for 15302 Smithson and 15425 Wild Road properties. YTD is trending in line with budget.

Line 3 Other Income: Includes penalties and other miscellaneous income; due to the unexpected nature of these revenues these accounts are not budgeted.

Line 4 Board Discretionary Revenue: This line shows the transfer of net cash from the Property Rental Fund (Fund 04) to Parks & Recreation Fund (Fund 05) at year-end during the audit.

Line 7 Contractual Services: Includes contractor and handyman expenses for installation of appliances, drywall repair, roofing, or plumbing repairs. YTD can trend under or over budget due to the timing of services needed. YTD is at 56% of budget.

Line 8 Utilities: Includes electric & gas expense for the rental properties. YTD is trending over budget at 82% due to higher than anticipated utility use at the 15425 Wild Road property.

Line 9 Operations & Maintenance: Includes maintenance and other costs relating to the rental properties. YTD can trend over/under budget due to need and the timing of services. YTD is at 60% of budget.

Line 10 Debt Service: Includes interest and principal payments on outstanding debt. YTD can trend over/under budget due to the timing of payments. Payments occur bi-annually in December and June.

Line 12 Net Income: Net income in the Property Rental Fund (Fund 04) is moved to the Parks & Recreation Fund (Fund 05) through Board discretionary revenue at year-end for the audit.



Helendale CSD
Statement of Revenues and Expenses - Parks & Recreation
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Program Fees	\$ 4,641	\$ 50,215	\$ 34,600	145%	\$ 43,954
3 Property Taxes	1,747	15,431	21,600	71%	14,478
4 Donations & Sponsorships	1,000	18,164	-	0%	6,235
5 Rental Income	2,057	19,592	24,075	81%	21,100
6 Developer Impact Fees	10,320	22,360	3,440	650%	5,160
7 Grants	-	-	-	0%	-
8 Interfund Transfer In/(Out)	(3,508)	(31,575)	(42,100)	75%	(31,575)
9 Board Discretionary Revenue	28,482	321,385	445,766	72%	292,638
10 Miscellaneous Income (Expense)	1,093	36,662	-	N/A	895
11 Total Revenues	45,832	452,234	487,381	93%	352,884
12 Expenses					
13 Salaries & Benefits					
14 Salaries	5,611	57,655	84,355	68%	71,186
15 Benefits	835	15,960	35,105	45%	32,960
16 Total Salaries & Benefits	6,446	73,615	119,460	62%	104,145
17 Program Expense	1,280	58,423	76,565	76%	59,468
18 Contractual Services	-	5,653	22,732	25%	11,416
19 Utilities	4,969	59,725	58,690	102%	50,600
20 Operations & Maintenance	1,837	42,633	24,089	177%	22,377
21 Permits & Fees	570	1,652	2,333	71%	1,680
22 Grant Expense	-	-	-	0%	-
23 Other Expenses	76	1,554	1,355	115%	995
24 Total Expenses	15,177	243,255	305,224	80%	250,682
25 Net Income (Loss) Before Capital	30,655	208,979	182,157	115%	102,202
26 Capital Expenses	(7,581)	(354,153)	(640,000)	55%	(5,500)
27 Net Income (Loss) After Capital	\$ 23,074	\$ (145,174)	\$ (457,843)	32%	\$ 96,702

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Fund 05-Parks & Recreation Revenues and Expenses

Line 2 Program Fees: Includes recreation program fees, basketball league fees, youth soccer league fees and farmer's market revenue. YTD is over budget due to more youth soccer, flag football, basketball, and farmer's market revenues received than anticipated.

Line 3 Property Taxes: Includes the transfer of property taxes for streetlight utility expenses. YTD is trending below budget at 71% due to lower than expected streetlight costs.

Line 4 Donations & Sponsorships: Includes concert in the park sponsorships, event sponsorships and other donations/sponsorships. YTD activity includes a \$5.1K Parks & Recreation donation and \$13K for concert, event, soccer, flag football, and basketball sponsorships.

Line 5 Rental Income: Includes rental income from the water shop, storage for the recycling center, community center room rental, church rental, and gymnastics rental. YTD can trend over/under budget depending on needs of rentals. YTD is trending over budget at 81% due to the timing of annual field use revenue.

Line 6 Developer Impact Fees: Includes park development impact fees charged to new developments. This account is budgeted based on known development. As such, this account will go over budget if more development takes place. YTD is over budget as development has exceeded anticipated levels.

Line 7 Grant Revenue: There is no grant activity planned for FY 24.

Line 8 Interfund Transfer Out/(In): This line shows the year end transfer of cash balance from the Recycling Center (Fund 03) and Property Rental (Fund 04) to the Parks & Recreation Fund (Fund 05), as well as the monthly repayment of the interfund loan from Sewer to Parks.

Line 9 Board Discretionary: Board Discretionary Revenue in February includes the following:

- Radio Tower Site Rent – \$13,392
- Property Taxes – \$9,957
- Solid Waste Franchise Fees – \$6,880
- Transfer Property Tax Revenue for Street Light Utilities – \$(1,747)

Line 10 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. YTD includes receipts for damage on park premises, room rental deposit reimbursements, and a reimbursement for prior year dog park utilities overpaid due to a faulty meter.

Line 14 Salaries: Includes full and part-time Parks and Recreation employees. YTD is trending below budget at 68% due to reclassifying staff across departments.

Line 15 Benefits: Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education & trainings. YTD is trending under budget at 45%.

Line 17 Program Expense: Includes supplies and expenses for the youth soccer league, park, community center, Farmer's Market, and other programs. YTD is trending in line with budget.

Line 18 Contractual Services: Includes software support and other contract services. These expenses are on an as-needed basis and can trend over/under budget. YTD is trending under budget at 25%.

Line 19 Utilities: Includes gas and electric for parks and the community center, along with telephone & electricity for street lighting. YTD is over budget due to higher electric, water, and sewer costs than anticipated.

Line 20 Operations & Maintenance: Includes vehicle maintenance, small tools, vehicle fuel and building repair for the park and community center. YTD can trend over/under budget due to need and the timing of services. YTD is over budget due to several expenses:

- \$7.6K fire pump repair
- \$4.3K evaporative cooler maintenance
- \$3.2K FRP bathroom installation
- \$2.2K roof bracing
- \$2.2K genie lift repair

Line 21 Permits & Fees: Includes permit and inspection fees, along with San Bernardino County fees. YTD can trend over/under budget due to the timing of permits and fee payments. YTD is trending under budget at 71%.

Line 22 Grant Expense: There is no grant activity planned for FY 24.

Line 23 Other Expenses: Includes uniforms, printing costs, dues & subscriptions, and bank charges. YTD is over budget due to more uniform purchases than anticipated.

Line 26 Capital Expenses: YTD balance in capital expenses includes the following:

- \$18.3K – Community Center Parking Lot Resurfacing
- \$328.3K – Community Center Roof Replacement
- \$7.6K – Front Office Lobby Enclosure



Helendale CSD
Statement of Revenues and Expenses - Solid Waste Disposal
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Charges for Services	\$ 59,105	\$ 521,057	\$ 777,772	67%	\$ 453,215
3 Assessments & Fees	15,360	150,491	237,220	63%	146,825
4 Other Charges	2,426	27,277	25,518	107%	17,840
5 Board Discretionary Revenue	-	-	-	0%	-
6 Miscellaneous Income (Expense)	314	314	-	0%	-
7 Total Revenues	77,205	699,139	1,040,510	67%	617,881
8 Expenses					
9 Salaries & Benefits					
10 Salaries	5,579	63,684	85,565	74%	65,878
11 Benefits	2,905	27,322	31,970	85%	32,968
12 Total Salaries & Benefits	8,484	91,006	117,535	77%	98,846
13 Contractual Services	114,601	506,708	734,677	69%	399,895
14 Disposal Fees	26,399	135,334	165,000	82%	112,151
15 Operations & Maintenance	249	2,523	4,750	53%	3,038
16 Other Operating Expenses	77	1,890	4,340	44%	2,909
17 Admin Allocation	1,046	9,415	12,554	75%	9,690
18 Total Expenses	150,857	746,876	1,038,856	72%	626,529
19 Net Income (Loss)	\$ (73,652)	\$ (47,737)	\$ 1,654		\$ (8,648)

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Fund 06-Solid Waste Disposal Revenues and Expenses

Line 2 Charges for Services – Solid Waste: Includes regular pick up of solid waste. YTD is trending under budget at 67% due to the timing of receipt of franchise fees.

Line 3 Assessment & Fees: Includes special assessments for refuse land use fees for current & prior years. YTD can trend over/under budget due to the timing of receipts which are usually received in April and December. YTD is at 63%.

Line 4 Other Charges: Includes delinquent fees and penalties on delinquent taxes. YTD is over budget due to more delinquent fees, penalties, and recycling revenue than anticipated.

Line 5 Board Discretionary Revenue: This is the amount that would be transferred in from discretionary funds if this fund operates at a deficit for the FY.

Line 6 Miscellaneous Income/(Expense): Includes gain or loss on sale of assets and other miscellaneous income. YTD activity includes \$300 in rebates.

Line 10 Salaries: Includes salaries for solid waste employees. YTD is trending in line with budget.

Line 11 Benefits: Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, and education & training. YTD is trending over budget at 85% due to retirement expenses not anticipated in the budget.

Line 13 Contractual Services: Includes Burrtec fees and other miscellaneous contract services. YTD can trend over/under budget due to need and the timing of services and fees. YTD is at 69% of budget.

Line 14 Disposal Fees: Includes San Bernardino County disposal fees and green waste disposal fees. YTD can trend over/under budget due to need and the timing of fees. YTD is trending over budget at 82% due to higher than expected green waste disposal charges.

Line 15 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 53%.

Line 16 Other Operating Expenses: Includes rent for park storage, telephone, postage, event expenses, public outreach, printing, small tools, and bad debt expenses. YTD is trending under budget at 44%.

Line 17 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.



Helendale CSD
Statement of Revenues and Expenses - Administration
As of March 31, 2024
(Unaudited)

Preliminary Results - Subject to Change

	March 2024	YTD Actual	Budget	75% of Budget	PYTD
1 Operating Revenues					
2 Tower Rent	\$ 13,392	\$ 152,508	\$ 182,220	84%	\$ 142,628
3 Property Taxes	9,957	99,538	111,400	89%	90,135
4 Solid Waste Billing & Fees	13,758	145,901	187,010	78%	128,002
5 Fees & Charges	3,088	28,042	26,500	106%	22,394
6 Investment income	36,333	204,747	80,000	256%	70,970
7 Other Income	338	2,175	200	1088%	1,767
8 Board Discretionary Revenue	(30,229)	(336,816)	(393,207)	86%	(307,116)
9 Total Revenues	46,638	296,093	194,123	153%	148,780
10 Expenses					
11 Salaries & Benefits					
12 Salaries	74,971	526,418	654,410	80%	447,740
13 Benefits	18,549	222,432	277,317	80%	200,884
14 Directors' Fees	1,050	25,858	70,000	37%	45,802
15 Total Salaries & Benefits	94,570	774,708	1,001,727	77%	697,291
16 Contractual Services	10,474	209,584	248,527	84%	213,780
17 Insurance	-	70,807	103,834	68%	67,824
18 Utilities	1,231	16,135	21,240	76%	14,530
19 Operations & Maintenance	54	1,605	3,900	41%	2,072
20 Permits & Fees	65	16,741	14,600	115%	13,376
21 Office & Other Expenses	4,448	57,832	55,668	104%	62,871
22 Election Expense	-	-	-	0%	-
23 Administrative Allocation	(104,614)	(941,529)	(1,255,372)	75%	(969,038)
24 Total Expenses	6,228	205,883	194,123	106%	102,705
25 Net Income (Loss) Before Capital	40,410	90,210	-		46,075
26 Capital Expenses	-	(69,758)	-	0%	(12,293)
27 Net Income (Loss) After Capital	\$ 40,410	\$ 20,452	\$ -		\$ 33,782

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Fund 10-Administrative Revenues and Expenses

Line 2 Tower Rent: Includes radio tower site rental fees. YTD is trending over budget at 84% due to the timing of annual Metro PCS rent payments received.

Line 3 Property Taxes: Includes current & prior property tax and penalties. YTD can trend over/under budget due to the timing of property tax collections, with a majority being received in December and April. YTD is trending over budget at 89%.

Line 4 Solid Waste Billing & Fees: Includes franchise fees and billing for solid waste. YTD is trending in line with budget.

Line 5 Fees & Charges: Includes credit card processing fees and other miscellaneous fees. YTD is over budget due to the large volume of credit card processing fees.

Line 6 Investment Income: Includes investment income and unrealized gain or loss on investments. YTD is over budget due to the investment in California Cooperative Liquid Assets Security System (CA CLASS) account yielding higher interest returns.

Line 7 Other Income: Other Income includes recycling revenues and other miscellaneous income. YTD activity includes \$2.1K in miscellaneous reimbursements and rebates.

Line 8 Board Discretionary Income: Includes the transfer of the following for Parks and Recreation Fund (Fund 05):

- Radio Tower Site Rent – \$13,392
- Property Taxes – \$9,957
- Solid Waste Franchise Fees – \$6,880

Line 12 Salaries: Includes full time, part time & overtime for administrative employees. YTD is trending over budget at 80% due to reclassifying staff across departments.

Line 13 Benefits: Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, employee benefit & morale and education & training. YTD is trending over budget at 80% due to the timing of payment of CalPERS Unfunded Accrued Liability and retirement expenses not anticipated in the budget.

Line 14 Directors' Fees: Includes directors fees as well as directors training, seminars, and mileage expense. YTD is trending under budget at 37%.

Line 16 Contractual Services: Includes software support, legal services, and auditing & accounting services. YTD is trending over budget at 84% due to the timing of annual software support renewals, quarterly Insite transaction fees, and accounting services for the FY 23 audit.

Line 17 Insurance: Includes both general liability and vehicle insurance expenses. YTD is trending under budget at 68% due to the final quarterly billing typically being the largest of the year.

Line 18 Utilities: Includes telephone and electricity expenses. YTD is trending in line with budget.

Line 19 Operations & Maintenance: Includes vehicle maintenance, vehicle fuel, mileage & travel reimbursement, uniforms, and equipment maintenance. YTD can trend over/under budget due to need and the timing of services. YTD is trending under budget at 41%.

Line 20 Permits & Fees: Includes the annual LAFCO fees, the GFOA application fee for the budget award, and San Bernardino County fees. YTD is over budget due to unanticipated LAFCO annexation fees.

Line 21 Office & Other Expense: Includes board meeting supplies, public relations, community promotion, bank charges, office supplies, postage, and dues & subscription. YTD is over budget due to the timing of annual dues renewals and supply purchases and higher bank charges than anticipated.

Line 23 Admin Allocation: This is the monthly distribution of the budgeted Administration Fund (Fund 10) expenses to the enterprise funds.

Line 26 Capital Expenses: YTD balance in capital expenses includes the following:

- \$4.8K – New server
- \$65K – New service truck



Helendale Community Services District

Date: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #6
Discussion and Possible Action Regarding Adoption of Resolution 2024-03: A Resolution of the board of Directors of the Helendale Community Services District Opposing Initiative 1935 (Formerly 21-0042A1)

STAFF RECOMMENDATION:

None.

STAFF REPORT:

At the April 18, 2024, meeting the Board reviewed informational materials related to Initiative 1935 that will appear on California's November ballot. There is a great deal of concern regarding Initiative 1935 and the potential impacts to the already cumbersome rate and fee approval process to which public agencies must adhere. Further, the ability to adequately fund public infrastructure repairs and replacements as well as to adopt fees and rates that allow for the optimal service provision could be in jeopardy based upon initial evaluation of the provisions of Initiative 1935. State-wide organizations like the California Special District Association (CSDA), League of California Cities and the California State Association of Counties have all expressed grave concerns about the Initiative, the deceptive title and the residual impacts to local government should it pass.

The District's General Counsel provided a briefing for the Board regarding this initiative and how it would change the current practices of the District. After that presentation, the Board requested that this resolution be brought forward for consideration. As outlined by Counsel, the Board may adopt a formal position regarding the Initiative and may share information with constituents and the public as to its position on the ballot measure. The Board may educate but not advocate for a position.

Staff participated in a presentation hosted by CSDA on April 22. The material presented at that webinar is attached for the Board's information. Several additional documents are attached to this staff report that will provide the Board with input from various sources.

FISCAL IMPACT: Undetermined at this time.

POSSIBLE MOTION: Adopt Resolution 2024-03

ATTACHMENTS: Resolution 2024-03
CSDA PowerPoint Material from 4/22/24 Webinar
CSDA analysis of Ballot Initiative #1935 (11/5/2024)
Attorney General Title and Summary (2/3/2022)
Legislative Analyst's Office Impartial Analysis (1/19/2022)
Alliance for a Better California Press Release (2/3/2023)



RESOLUTION NO. 2024-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
HELENDALE COMMUNITY SERVICES DISTRICT OPPOSING INITIATIVE 1935
(FORMERLY 21-0042A1)**

WHEREAS, an association representing California’s wealthiest corporations is spending millions of dollars to promote a deceptive proposition currently eligible for the November 2024 statewide ballot; and

WHEREAS, the proposed proposition, Initiative 1935 (formerly 21-0042A1), has received the official title: “LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT”; and

WHEREAS, the measure would revise the Constitution to allow corporations to more easily sue public agencies, costing residents and taxpayers millions of dollars and disrupting essential services; and

WHEREAS, the measure would retroactively invalidate billions of dollars in local government funding for essential services and infrastructure, including wastewater and trash services provided by the Helendale CSD, as well as fee for schools, fire and emergency response, law enforcement, public health, parks, libraries, housing, services to address homelessness and support mental health, and more; and

[WHEREAS, Initiative 1935 would significantly reduce the ability of the Helendale CSD to ensure adequate funds for repair and replacement of the water and wastewater infrastructure thereby jeopardizing the ability to provide adequate public services; and

WHEREAS, the measure limits voters’ rights, containing undemocratic provisions that would make it more difficult for local voters to pass measures to fund services, provisions that retroactively cancel measures recently passed by local voters, and provisions that prevent voters from passing advisory measures that provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure restricts the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure; and

WHEREAS, the measure constrains state and local officials’ ability to protect our environment, public health and safety, and our neighborhoods against those who violate the law; and

WHEREAS, the measure is opposed by hundreds of local governments, firefighters and other first responders, healthcare providers, teachers, working families, and local elected officials.

THEREFORE, BE IT RESOLVED that the Helendale Community Services District opposes Initiative 1935 (formerly 21-0042A1);

BE IT FURTHER RESOLVED, that the Helendale Community Services District will join the No on Initiative 1935 (formerly 21-0042A1) coalition, a growing coalition of local government, public safety, labor, infrastructure advocates, and other organizations throughout the state.

We direct staff to email a copy of this adopted resolution to the California Special Districts Association at advocacy@csda.net.

PASSED, APPROVED, AND ADOPTED this 2nd day May, 2024.

YES:

NOES:

ABSTAIN:

ABSENT:

Henry Spiller, President

ATTEST:

Cheryl Vermette, Clerk of the Board

Initiative #1935 (filed as 21-0042A1)

The “Taxpayer Deception Act”

*An informational overview of the initiative and
it’s potential impacts on special districts*

April 22, 2024

Initiative 1935 (Filed as 21-0042A1)
LIMITS ABILITY OF VOTERS
AND STATE AND LOCAL GOVERNMENTS
TO RAISE REVENUES FOR GOVERNMENT SERVICES.



ADVOCACY AND
PUBLIC AFFAIRS

1

Initiative #1935 (filed as 21-0042A1)

The Proponents

- Primary Sponsor
 - **California Business Roundtable (CBRT)**
- Contributors (partial list):
 - **Kilroy Realty Corpotation**
 - **Douglas Emmett**
 - **Blackstone Real Estate Trust**
 - **Hudson Pacific Properties**
 - **Shorenstein**
- www.TaxpayerProtection.com



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2

Initiative #1935 (filed as 21-0042A1)

Growing Opposition

- CSDA, CalCities, California State Association of Counties
- Association of California Water Agencies, California Municipal Utilities Association, Fire Districts Association of California, California Fire Chiefs Association
- 125+ Special Districts and 215+ Cities
- www.TaxpayerDeceptionAct.com



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3

Initiative #1935 (filed as 21-0042A1)

Fundamentals

- **Defunds public health and safety and disrupts essential government functions**
- **Limits voters and erodes local control**
- **Destabilizes municipal financing market**
- **Threatens federal dollars returning to CA**
- **Invites decades of lawsuits at taxpayer expense**



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4

Core Provisions

- Retroactively invalidates taxes approved by local voters if:
 - Super-majority approved, but no sunset date
 - General taxes with a voter advisory
 - Citizen qualified and majority approved (not 2/3)
- May retroactively invalidate fees, assessments and other charges
 - Utility rates
 - Assessments
 - Impact fees
 - Rental fees and leases
 - Regulatory charges and fines
 - Other charges



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5

CSDA Survey Summary (March 15, 2024)

- Unique special district responses: **509**
- Overall number of communities impacted that are served by special districts: **293**
 - Total approximate amount of funding in jeopardy of being invalidated retroactively: **\$2 billion**
 - Total potentially impacted financing obligations: **38**
 - Overall, most impacted types of services:
 - Emergency services
 - Fire protection and wildfire mitigation
 - Drinking water, irrigation, and flood protection
 - Sanitation, including sewer, water recycling, and solid waste
 - Parks, recreation, and open space



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6

Three-Year Retroactivity Provision

(g) Any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of this act, that was not adopted in compliance with the requirements of this section is void 12 months after the effective date of this act unless the tax or exempt charge i.e. reenacted in compliance with the requirements of this section. [p.7]

- Litigation will take decades, not months
- Non-compliant fees and assessments could become “taxes” requiring two-thirds voter approval



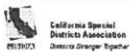
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7

Expansive Revision to the Constitution

Reframes virtually all government revenue [pp.5-7]

- (a) Every levy, charge, or exaction of any kind imposed by local law is either a tax or an exempt charge.
- (f) “Local law” includes, but is not limited to, any ordinance, resolution, regulation, ruling, opinion letter, or other legal authority or interpretation adopted, enacted, enforced, issued, or implemented by a local government.
- (i) ~~(e)~~ As used in this article, and in Section 9 of Article II, “tax” means every any levy, charge, or exaction of any kind, imposed by a local government law that is not an exempt charge., except the following:



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8

Initiative #1935 (filed as 21-0042A1)

Voter Limitations

- Retroactively invalidates local revenue measures approved with voter advisories
- Retroactively invalidates local revenue measures approved by majority vote that were qualified by citizen petition
- Retroactively invalidates local revenue measures approved by super-majority vote if they did not include a sunset date
- **Example: Measure A (Calaveras County)**
 - Approved March, 2024 with 55% approval
 - Countywide sales tax benefiting fire protection provided by nine fire protection districts and one city
 - Second attempt following devastating 2015 Butte Fire that took two lives and 1,000 structures



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9

Initiative #1935 (filed as 21-0042A1)

“Exempt Charges” or Taxes?

- **Strict threshold for Fees or “Exempt Charges”**
 - Undefined new “reasonable” test
 - New “actual cost” test with novel definition
- **Potential Examples:**
 - Rates and Assessments (Utilities, Mosquito, etc.)
 - Other Fees and Charges (Parks, Fire, Ports, etc.)
 - Regulatory Charges and Fines



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10

“Exempt Charges” or Taxes?

- *(h)(1) The local government bears the burden of proving by clear and convincing evidence that a levy, charge or exaction is an exempt charge and not a tax.. that the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor. [p.7]*
- *(a) “Actual cost” of providing a service or product means: (i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor. ... and... In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.” [p.4]*

Consequences

- **Strict interpretation could roil conservation efforts**
- **Managing inflationary pressures and other volatile market conditions becomes virtually impossible**
- **Per-payor basis = massive administrative costs (if not impossible calculations)**
- **“Minimum amount necessary” = “race-to-the-bottom”**
- **Barrier to prudent, long-term planning**
- **Could undermine/eliminate access to state/federal funding**

Decades of Costly Litigation

- Shifts the burden of proof in favor of those who sue the public agency
 - (h)(1) *"The local government bears the burden of proving by clear and convincing evidence ..."* [p.7]
- Who should decide the "minimum amount" of water, police, fire, parks, or other services necessary for your community?

So, what does this mean to your district?

- New or increased revenues since January 1, 2022 that do not comply with strict provisions of the initiative could be invalidated
- Jeopardizes the ability to honor enforceable obligations, like financings on public works, and borrowing costs for all capital improvements could increase significantly
- Going forward, the ability to raise revenues to provide services for growing communities, meet increasing service needs, or pay for cost-increases would be severely limited with reduced local control
- Legal liabilities and associated litigation costs could rise dramatically
- State and federal resources could be significantly limited or eliminated, and pressure could grow for state diversions of local revenue

The Bottom Line

- Special districts face the same inflationary challenges as corporations. **Cutting off local agencies' revenue does not solve the problem.**
- Initiative 1935 would **disrupt, if not collapse, essential services** provided to communities
- Limiting communities to the "minimum amount necessary" will result in a **"race to the bottom"** that will harm our economy, quality of life, and public safety in the long-run
- Public **infrastructure investments are necessary** to meet the demands of our changing population, climate, and economy
- **Voters and their locally-elected representatives should decide** the level of services we want for our families



ADVOCACY AND
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What can be done?

- **Learn more at csda.net/VoterLimitations**
 - CSDA analysis
 - Initiative language
 - Memo on taking positions on ballot measures
- **Download a sample opposition resolution and submit to advocacy@csda.net**



ADVOCACY AND
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Redwood
Public Law

Permissible Campaign Activities

Richard Pio Roda | April 22,
2024

17

About Redwood Public Law

Summary:

Redwood Public Law is a **majority minority owned** law firm committed to public service and creating a meaningful impact for the clients and communities we serve. We take on the most **complex challenges** facing agencies throughout California and **deliver results** for our clients through strategic legal counsel and leadership. We are a reflection of the communities we serve, and bring a practical **real world approach** to the solutions we create for clients.

The attorneys at Redwood Public Law collectively serve as the City Attorney for **14** cities in the State of California, General Counsel for more than **30** Special Districts, Non-Profits and private sector clients. We are subject matter experts in many areas of legal practice, with a particular focus in Public Agency Law.

4/19/2024



18

18

Permissible Campaign Activities – Use of Public Resources

- Individual officials and employees can work on the campaign during their personal time,
 - Lunch hours, coffee breaks, vacation days, etc.
- Make a campaign contribution to a ballot measure campaign committee using personal funds
 - Pay for and attend a campaign fundraiser during personal time.
- Make campaign appearances during personal time.

4/19/2024



19

19

Non-Biased Information

- **Agency's can use public resources to provide impartial, unbiased information on how passage of the initiative will affect Agency services and operations.**
- Practice Tip: General Managers and Agency Counsel should review such materials before publishing/dissemination

4/19/2024



20

20

Can I Use my Agency Letterhead or my Official Title?

General Rule: Public agency letterhead is paid for out of public funds. It should not be used for advocacy activities.

Official Title: As a general rule, titles should be used for identification purposes only. Safest course: Include a caveat that you're speaking on behalf of yourself and not on behalf of your agency.



What about Agency email and social media?

General Rule: Do not use your agency email or social media for advocacy. Use your personal email address and official social media accounts or pages that you manage.

- Use a non-agency computer, and don't use agency mobile devices (same is true if you receive an agency stipend for your personal communications device)



Adopting a Formal Position

Local agencies may adopt a formal position in support or in opposition to a ballot measure at an open meeting.

Representatives may also respond to requests for explanation of the position by merely stating and explaining the position.



23

Other questions?

May I advocate in my agency uniform?

- No, State law prohibits advocacy in your agency uniform.

May I contribute or attend a campaign fundraiser?

- Yes, but with your own funds and on your own time.

May I solicit funds for an advocacy campaign from agency employees?

- No, this is prohibited by State law. The same is true for other elected officials in your jurisdiction.



24

Initiative #1935 (filed as 21-0042A1)

Questions?

Initiative 1935 (21-0042A1)
LIMITS ABILITY OF VOTERS
AND STATE AND LOCAL GOVERNMENTS
TO RAISE REVENUES FOR GOVERNMENT SERVICES.
advocacy@cnda.net



ADVOCACY AND
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25

Initiative #1935 (filed as 21-0042A1)

Disclaimer

This presentation is provided for general information only and is not offered or intended as legal advice. Viewers should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised.



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26



**California Special
Districts Association**

Districts Stronger Together

**BALLOT INITIATIVE #1935 (FILED AS #21-0042A1)
LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE
REVENUES FOR GOVERNMENT SERVICES.**

Eligible for November 5, 2024 California General Election Ballot

BACKGROUND

The purported “Taxpayer Protection and Government Accountability Act,” a statewide initiative measure sponsored by the California Business Roundtable (“CBRT”), would revise the state Constitution in a manner that could significantly undermine local control and disrupt the ability of state and local governments to provide essential services and infrastructure. If enacted, public agencies would face a drastic rise in litigation that could severely restrict their ability to meet essential services and infrastructure needs.

Initiative 1935, previously labeled 21-0042A1, is often called the “CBRT Initiative”, a reference to its proponents, an entity representing California’s wealthiest corporations. A growing opposition coalition has dubbed the initiative the “Taxpayer Deception Act.”

On February 1, 2023, California Secretary of State Shirley Weber issued a memo to all county clerks/registrars of voters announcing that proponents had filed the necessary number of valid signatures to make Initiative 1935 eligible for the November 5, 2024 General Election ballot. Proponents now have until June 27, 2024 to consider withdrawing the initiative before the Secretary of State officially certifies it for the ballot.

In Fall of 2023, Governor Gavin Newsom, joined by the California State Legislature and former State Senate President pro Tem John Burton, filed an emergency petition to the California Supreme Court for a pre-election challenge to Initiative 1935. On November 29, 2023, the Court issued an order to show cause why the measure should not be removed from the ballot and established a schedule for briefing the court, which is expected to rule on the matter before the end of June.

An amicus brief filed by CSDA and 10 other local government partners argues the measure is an unlawful revision of the state Constitution because of the ways the measure would redistribute authority between state and local governments and undermine essential functions of local governments.

Moreover, Initiative 1935 is so poorly drafted that it raises many interpretive issues that will not be simply resolved without requiring extensive litigation after passage. What follows is a summary of provisions that could significantly impact local governments pending future legal rulings.



SUMMARY

According to the Legislative Analyst's Office ("LAO") Ballot Initiative 21-0042A1 would result in "potentially substantially lower" state and local revenues, restricting the ability of local agencies and the State of California to fund services and infrastructure by:

- Adopting new and stricter rules for raising taxes, fees, assessments, and property-related fees.
- Revising the state Constitution, including portions of Propositions 13, 218, and 26 among other provisions, to the advantage of the initiative's proponents and plaintiffs; creating new grounds to challenge these funding sources and disrupting fiscal certainty.
- Restricting the ability of local governments to issue fines and penalties to corporations and property owners that violate local environmental, water quality, public health, public safety, fair housing, nuisance and other laws and ordinances.

The initiative includes provisions that would retroactively void *all* state and local taxes or fees adopted after January 1, 2022 that do not adhere to the provisions of this initiative, unless the tax or fee is reenacted in compliance with the initiative within 12 months. Compliance with the initiative could require placement of the invalidated revenue on a ballot for two-thirds voter approval. This may also affect indexed fees that adjust over time for inflation or other factors. Effectively, it would allow voters throughout California to invalidate the prior actions of local voters, undermining local control and voter-approved decisions about investments needed in their communities.

Specifically, including other provisions affecting the state government, the initiative would impact local agencies through revisions to the California Constitution as follows:

Local Tax and Fee Authority to Provide Local Services

Fees:

- One potentially adverse interpretation of the measure may require that, with few exceptions, fees and charges shall not exceed the "actual cost" of providing the product or service for which the fee is charged.
 - "Actual cost" is defined as the "...*minimum amount necessary...less other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds...*"
- The burden on the local government to prove the fee or charge does not exceed "actual cost" is heightened from a "*preponderance of the evidence*" to "*clear and convincing evidence*".



**California Special
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Districts Stronger Together

- In addition to limiting fees and charges to the so-called “actual cost” to the local government for providing the service, fees and charges must also be “reasonable” to the payor; no definition is provided for this possible new subjective reasonableness test.
- Defines *all* sources of revenue as either taxes or “exempt charges.”
- Lists Article XIIIID charges in Proposition 218 under the definition of “exempt” charges subjecting them to potential litigation.
- Exposes previously established fees indexed to inflation or other metrics to new standards and legal challenges.
- Adds to the Constitution a requirement for a board action to adopt, enact, create, establish, collect, increase, or extend any and all fees.

Taxes:

- Increases the threshold for voters to pass a local special tax initiative placed on the ballot by voters from a simple majority to a two-thirds majority, likely to address concerns over the 2017 California Supreme Court decision in *California Cannabis Coalition v. City of Upland*.
- Requires voter approval when an expansion of boundaries extends existing taxes or fees to new territory.
- New taxes can be imposed only for a specific duration.

Fines and Levees:

- Interferes with local enforcement efforts, by making it more difficult to impose fines and penalties for state and local law violations related to activities such as water discharge, waste recycling, weed abatement, fireworks, and housing code violations and unlawful commercial marijuana sales, just to name a few. The measure converts administratively imposed fines and penalties into taxes unless a new, undefined, and ambiguous “adjudicatory due process” is followed.

Litigation Exposure

- Significantly increases a public agency’s burden of proof from “preponderance of evidence” to “clear and convincing evidence” to prove compliance with the new fee requirements. By changing evidence standards to favor corporations suing public agencies, the initiative will promote costly litigation.
 - The local government would bear the burden of proving by clear and convincing evidence that a levy, charge or exaction is an “exempt charge” and not a tax.
- By enacting a new requirement that all fees must be “reasonable” to the payor but offering no definition as to what “reasonable” means, the initiative may provide a new avenue to challenge fees by enabling a plaintiff to claim a fee is not “reasonable” even if the fee meets the “actual cost” of service.



- Prop. 218 currently requires fees cover the *reasonable* cost of service. This initiative, however, may be viewed by some proponents as a revision to the Constitution that would require the near-impossible standard of predicting *actual* costs years into the future. To compound this challenge, the new standard also factors in the receipt of external revenues that are constantly shifting and typically outside the control of the local agency. It defines “actual costs” as:
 - “(i) the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor, and (ii) where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing “actual cost” the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product.”
- The initiative will foster endless litigation challenging local fees claiming they are not the “minimum amount necessary”. For instance:
 - Do roads need to be paved every 10 years or 50 years?
 - Does infrastructure need to be upgraded or replaced or not improved at all?
 - What is the minimum emergency response time necessary?

IMPACTS

- Could prevent new fees or assessments to fund water, sewer, trash, fire protection, parks and recreation, and other essential services and infrastructure.
 - Places billions of dollars in local government fee and charge revenues at heightened legal peril.
- Jeopardizes the public health and safety of communities by cutting off new revenue intended to pay for essential local services and infrastructure.
 - Substantially increases the legal and administrative cost of public infrastructure financing.
- With billions of dollars in deferred maintenance and unmet needs for California’s infrastructure, exacerbates the neglect and deterioration of our roads, dams, waterways, and other facilities.
- By limiting revenues to the “minimum amount necessary”, imposes a “race-to-the-bottom” in California that will halt investment in technological advancements that future generations will depend upon.
- Prevents critical investments in climate adaptation and community resilience to address drought, flooding, and wildfire as well as reduce emissions and harmful pollutants.
- Exposes taxpayers to a new wave of costly litigation, limits the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure.
- Restricting local services and infrastructure to the lowest and minimum amount possible will disproportionately impact the most underserved communities the hardest.



**California Special
Districts Association**

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SUPPORT

- California Business Roundtable (CBRT) – Sponsor
 - Direct contributors to Initiative 1935 include, but are not limited to:
 - AMR Holdco, Inc., private ambulance company based in Colorado
 - Michael K. Hayde, Including Western National Group and Affiliated Entities
 - Kilroy Realty
 - Hudson Pacific Properties and Affiliated Entities
 - Douglas Emmett Properties, LP and Affiliated Entities
 - Shorenstein Realty Services and Affiliated Entities
 - Financial contributors to the CBRT Issues PAC include, but are not limited to:
 - Aera Energy
 - Albertsons Safeway
 - Blackstone Real Estate Partners
 - California Business PAC, Sponsored by CalChamber
 - Dart Container
 - Howard Jarvis Taxpayers Association
 - Majestic Realty
 - Pacific Ethanol
 - PEPSICO
 - Pharmaceutical Research and Manufacturers of America
 - Sempra Energy
 - State Farm Insurance
 - Sutter Health
 - 7-Eleven

OPPOSITION

- Alliance for a Better California
- AFSCME California
- CalCities (League of California Cities)
- California Alliance for Jobs
- California Contract Cities Association
- California Professional Firefighters
- California Special Districts Association
- California State Association of Counties
- California State Council of Laborers
- Rebuild SoCal Partnership
- SEIU California
- Nearly 200 local agencies, including over 100 special districts

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO
RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE**

CONSTITUTIONAL AMENDMENT. For new or increased state taxes currently enacted by two-thirds vote of Legislature, also requires statewide election and majority voter approval. Limits voters' ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds. Eliminates voters' ability to advise how to spend revenues from proposed general tax on same ballot as the proposed tax. Expands definition of "taxes" to include certain regulatory fees, broadening application of tax approval requirements. Requires Legislature or local governing body set certain other fees. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts.** (21-0042A1.)

3



January 19, 2022

21-0042 Amdt. 1

Hon. Rob Bonta
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

RECEIVED

Jan 19 2022

Attention: Ms. Anabel Renteria
Initiative Coordinator

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Bonta:

Pursuant to Elections Code Section 9005, we have reviewed the proposed constitutional Taxpayer Protection and Government Accountability Act initiative (A.G. File No. 21-0042, Amendment #1).

Background

State Government

Taxes and Fees. This year's state budget spends over \$255 billion in state funds. Over 90 percent of the state budget is funded with revenues from taxes. These include, for example, sales taxes paid on goods and income taxes paid on wages and other sources of income. Much of the rest of the state budget is funded by fees and other charges. Examples include: (1) charges relating to regulatory activities; (2) charges for specific government services or products, like fees charged to drivers to improve roads; (3) charges for entering state property, such as a state park; and (4) judicial fines, penalties, and other charges. The State Constitution requires the state to set fees at a reasonable level, generally reflecting the costs of the services or benefits provided. The state uses revenue from taxes and fees to fund a variety of programs and services, including education, health care, transportation, and housing and homelessness services.

Current Requirements to Approve Taxes and Fees. Under the State Constitution, state tax increases require approval by two-thirds of each house of the Legislature or a majority vote of the statewide electorate. The Legislature can reduce taxes with a majority vote of each house, provided the change does not result in an increase in taxes paid by any single taxpayer. In many cases, the Legislature has enacted statutes that delegate its authority to adjust fees and other

Legislative Analyst's Office
California Legislature
Gabriel Petek, Legislative Analyst
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charges to administrative entities, like state departments. In these cases, these charges can be increased or changed by the department within certain limits.

Local Government

Taxes and Fees. The largest local government tax is the property tax, which raises roughly \$75 billion annually. Other local taxes include sales taxes, utility taxes, and hotel taxes. In addition to these taxes, local governments levy a variety of fees and other charges. Examples include parking meter fees, building permit fees, regulatory fees, and judicial fines and penalties. In order to be considered a fee, the charge cannot exceed the reasonable costs to the local government of providing the associated product or service. Local governments use revenues from taxes and fees to fund a variety of services, like fire and police, public works, and parks.

Current Requirements to Approve Taxes and Fees. State law requires increases in local taxes to receive approval of the local governing body—for example, a city council or county board of supervisors—as well as approval of voters in that local jurisdiction. Most proposed taxes require a two-thirds vote of the local governing board before being presented to the voters. Special taxes (those used for a specific purpose) require a two-thirds vote of the electorate while other types of taxes require a majority vote of the electorate. The majority-vote general taxes can be used for any purpose. Recent case law suggests that citizen initiative special taxes may be approved by majority vote, rather than a two-thirds vote. Currently, local governing bodies have the ability to delegate their authority to adjust fees and other charges to administrative entities, like city departments. In these cases, these charges can be increased or changed by the department within certain limits.

Proposal

This measure amends the State Constitution to change the rules for how the state and local governments can impose taxes, fees, and other charges.

State and Local Government Taxes

Expands Definition of Tax. The measure amends the State Constitution to expand the definition of taxes to include some charges that state and local governments currently treat as fees and other charges. For example, certain charges imposed for a benefit or privilege granted to a payer but not granted to those not charged would no longer be considered fees. As a result, the measure could increase the number of revenue proposals subject to the higher state and local vote requirements for taxes discussed below.

Requires Voter Approval for State Taxes. The measure increases the vote requirements for increasing state taxes. Specifically, the measure requires that legislatively proposed tax increases receive approval by two-thirds of each house *and* a majority vote of the statewide electorate. Voters would still be able to increase taxes by majority vote of the electorate without legislative action, however. Any state tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Requirements for Approving Local Taxes. Whether sought by the local governing body or the electorate, the measure establishes the same approval requirements for increasing local

special taxes. Any local tax approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Allowable Uses and Duration of State and Local Tax Revenues Must Be Specified. The measure requires state and local tax measures to identify the type and amount (or rate) of the tax and the duration of the tax. State and local government general tax measures must state that the revenue can be used for general purposes.

State and Local Government Fees

Requires the Legislature and Local Government Bodies to Impose State and Local Fees. Fees would have to be imposed by a majority vote of both houses of the Legislature or local governing bodies. The measure would restrict the ability of state and local governments to delegate fee changes to administrative entities. The extent of these restrictions would depend on future court decisions. Any fee approved between January 1, 2022 and the effective date of this measure would be nullified unless it fulfills the requirements of the measure.

Some New State and Local Fees Could Not Exceed Actual Costs. For some categories of fees, if the Legislature or a local governing body wished to impose a new fee or make changes to an existing fee, the measure generally would require that the charge be both reasonable and reflect the actual costs to the state or local government of providing the service. The measure also specifies that actual cost should not exceed “the minimum amount necessary.” In many cases, existing fees already reflect the government’s actual costs. In other cases, some fees would have to more closely approximate the payer’s actual costs in order to remain fees. If a fee payer challenged the charge, the state or local government would need to provide clear and convincing evidence that the fee meets this threshold. State and local governments also would bear the burden of providing clear and convincing evidence that the levy is a fee—which is not subject to a vote by the electorate—and not a tax under the new definition.

Fiscal Effects

Lower State Tax and Fee Revenue. By expanding the definition of a tax, increasing the vote requirements for approving taxes, and restricting administrative changes to fees, the measure makes it harder for the Legislature to increase nearly all types of state revenues. The extent to which revenues would be lower under the measure would depend on various factors, most notably future decisions made by the Legislature and voters. For example, requirements for legislative approval of fee increases currently set administratively could result in lower fee revenues, depending on future votes of the Legislature. That lower revenue could be particularly notable for some state programs largely funded by fees. Due to the uncertainty of these factors, we cannot estimate the amount of reduced state revenue, but it could be substantial.

Lower Local Government Tax and Fee Revenue. Compared to the state, local governments generally face greater restrictions to raising revenue. By expanding the definition of taxes and restricting administrative changes to fees, the measure would make it somewhat harder for local governments to raise revenue. Consequently, future local tax and fee revenue could be lower than they would be otherwise. The extent to which revenues would be lower is unknown, but

fees could be more impacted. The actual impact on local government revenue would depend on various factors, including future decisions by the courts, local governing bodies, and voters.

Possible Increased State and Local Administrative Costs to Change Some Fee Levels. In some cases, state and local departments would need to develop methods for setting fees to reflect actual costs if the Legislature or local governing bodies wanted to change those fees in the future. Estimating actual costs by program and fee source could involve some added workload for those state and local departments, which likely would be supported by fee revenue. The extent of these administrative costs would depend on (1) whether the state and local governments determine a fee increase is needed in order to maintain their current level of programs and services funded through fee revenue and (2) future court decisions.

Summary of Fiscal Effects. We estimate that this measure would have the following major fiscal effects:

- Lower annual state and local revenues, potentially substantially lower, depending on future actions of the Legislature, local governing bodies, voters, and the courts.

Sincerely,



for Gabriel Petek
Legislative Analyst



for Keely Martin Bosler
Director of Finance



FOR IMMEDIATE RELEASE

February 2, 2023

Contact: Mike Roth, 916.444.7170

Educators, Nurses, Firefighters, Local Government and Infrastructure Groups Vow to Protect Voters & Vital Local Services from Deceptive Corporate Ballot Measure

California Business Roundtable initiative steals voters' power to determine local priorities, lets corporations evade accountability

Latest poll showed overwhelming opposition from voters

Sacramento, CA – The Alliance for a Better California, League of California Cities, California State Association of Counties, California Special Districts Association, California Alliance for Jobs and the Contract Cities Association joined together to announce strong opposition to the deceptive ballot measure sponsored by the California Business Roundtable (CBRT), the lobbying arm of the largest and wealthiest corporations in California.

The coalition of public safety, education, labor, local government and infrastructure groups are vocalizing their opposition as the California Secretary of State's office announced that the initiative has qualified for the November 2024 ballot.

“Educators, nurses and firefighters won’t allow extreme, irresponsible corporations to threaten our democracy - there’s just too much at stake, from the quality of our children’s education to the air they breathe,” said the **Alliance for a Better California**, an organization that includes SEIU California, the California Teachers’ Association,

California Professional Firefighters, California Federation of Teachers, California School Employees Association, California Faculty Association, California Labor Federation and the American Federation of State County and Municipal Employees.

“This deceptive initiative eliminates corporate accountability for the damage they do to our environment, strips voters of the power to set funding priorities for our communities, and drains billions in funding from our schools, public safety, and homelessness response to name just a few. We are going to fight with everything we’ve got to protect our democracy and our children’s future,” the **Alliance** continued.

“This is the third attempt by deep-pocketed special interest groups to advance an initiative that undermines the rights of local voters to decide what their communities need and jeopardizes the ability of local governments to deliver essential services,” said **League of California Cities Executive Director and CEO Carolyn Coleman**. “It was a bad idea in 2018, it was a bad idea again in 2022. And it will still be a bad idea in 2024.”

“Counties continue to oppose this deceptive initiative because it undermines the abilities of voters and locally elected officials to provide critical services. This measure obliterates the constitutional authority of locally elected local governments to determine the right balance between revenue and the degree of local services needed by their communities,” said **Graham Knaus, CEO, California State Association of Counties**.

“At this critical time in California’s history, our communities cannot afford to do even less than the status quo. Sadly, this initiative would lock us into a race-to-the-bottom. Overcoming challenges like drought, flooding, and wildfire will require all of us to work together and consider the real costs of undermining our future. When we think of the kind of communities we want to leave our children and grandchildren, we are not content to settle for the ‘minimum amount necessary’ and we are not willing to limit their voice at the ballot box,” said **Neil McCormick, Chief Executive Officer, California Special Districts Association**.

“The so-called Taxpayer Protection Act will damage our ability to fund and construct the infrastructure projects that support California's economy. Passage of this measure will mean less safe roads, more congestion and fewer family supporting jobs across the state,” said **Michael Quigley, Executive Director, California Alliance for Jobs**.

“If passed, this measure could cause irreparable harm to a city’s ability to provide essential services to its residents. This measure is a wolf in sheep’s clothing,” said **Marcel Rodarte, Executive Director, California Contract Cities Association**.

The CBRT measure would create major new loopholes that allow wealthy corporations to avoid paying their fair share for the impacts they have on our communities, while allowing corporations to evade enforcement when they violate environmental, health, safety, and other state and local laws. It would also significantly restrict the ability of

local voters, local governments, and state elected officials to fund critical services like public schools, fire and emergency response, public health, parks, libraries, affordable housing, homeless and mental health services, and public infrastructure. Some of the state's biggest corporations, developers, mega-landlords, and their political committees spent millions of dollars to put the deceptive and self-interested measure before voters.

Steals power from voters

The initiative would steal power away from voters, prohibiting local advisory measures where voters provide direction to politicians on how they want their local tax dollars spent. The measure would make it harder for voters to pass measures needed to fund local services and local infrastructure. It would also retroactively cancel measures already passed by voters, stripping voters of a say in local decisions.

As Los Angeles Times columnist Michael Hiltzik explained, "The so-called Taxpayer Protection and Government Accountability Act is just one more example of how special interests love to claim that they're getting government off the backs of the people, when their real goal is to saddle up themselves."

Eliminates corporate accountability

The initiative claims to be about accountability while actually eliminating corporations' accountability for impacts they have on local infrastructure or damage they do to our air, water, or environment.

Threatens schools, vital services and disaster response

The initiative would force cuts to public schools, fire and emergency response, law enforcement, public health, parks, libraries, affordable housing, services to support homeless residents, mental health services, and more. It would also reduce funding for critical infrastructure like streets and roads, public transportation, drinking water, new schools, sanitation, and utilities. During a time when our children are still recovering from the impacts of the pandemic, our state is experiencing a deluge of extreme weather disasters, and homeless residents are perishing on our streets, our communities cannot afford for these vital services to be eliminated.

Strong Voter Opposition

A statewide poll conducted last February found voters resoundingly rejected the measure, with 54% of voters opposed and only 25% in support. The remaining 21% were undecided.

SAMPLE RESOLUTION TO OPPOSE INITIATIVE 1935 (FORMERLY 21-0042A1)

WHEREAS, an association representing California’s wealthiest corporations is spending millions of dollars to promote a deceptive proposition currently eligible for the November 2024 statewide ballot; and

WHEREAS, the proposed proposition, Initiative 1935 (formerly 21-0042A1), has received the official title: “LIMITS ABILITY OF VOTERS AND STATE AND LOCAL GOVERNMENTS TO RAISE REVENUES FOR GOVERNMENT SERVICES. INITIATIVE CONSTITUTIONAL AMENDMENT”; and

WHEREAS, the measure would revise the Constitution to allow corporations to more easily sue public agencies, costing residents and taxpayers millions of dollars and disrupting essential services; and

WHEREAS, the measure would retroactively invalidate billions of dollars in local government funding for essential services and infrastructure, including [SPECIFIC SERVICES PROVIDED BY DISTRICT/ORGANIZATION], as well as to schools, fire and emergency response, law enforcement, public health, parks, libraries, housing, services to address homelessness and support mental health, and more; and

[**WHEREAS**, IF AVAILABLE, PLEASE CITE ANY POTENTIAL SPECIFIC FISCAL AND SERVICE IMPACTS TO YOUR COMMUNITY THAT COULD RESULT FROM THIS INITIATIVE.]

WHEREAS, the measure limits voters’ rights, containing undemocratic provisions that would make it more difficult for local voters to pass measures to fund services, provisions that retroactively cancel measures recently passed by local voters, and provisions that prevent voters from passing advisory measures that provide direction on how they want their local tax dollars spent; and

WHEREAS, the measure restricts the discretion and flexibility of locally elected boards to respond to the needs of their communities, and injects uncertainty into the financing and sustainability of critical infrastructure; and

WHEREAS, the measure constrains state and local officials’ ability to protect our environment, public health and safety, and our neighborhoods against those who violate the law; and

WHEREAS, the measure is opposed by hundreds of local governments, firefighters and other first responders, healthcare providers, teachers, working families, and local elected officials.

THEREFORE, BE IT RESOLVED that the [DISTRICT/ORGANIZATION NAME] opposes Initiative 1935 (formerly 21-0042A1);

BE IT FURTHER RESOLVED, that the [DISTRICT/ORGANIZATION NAME] will join the No on Initiative 1935 (formerly 21-0042A1) coalition, a growing coalition of local government, public safety, labor, infrastructure advocates, and other organizations throughout the state.

We direct staff to email a copy of this adopted resolution to the California Special Districts Association at advocacy@csda.net.

PASSED, APPROVED, AND ADOPTED this day ____ of ____, 2024.



Helendale Community Services District

DATE: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #7
Discussion and Possible Action Regarding Adoption Resolution 2024-04: A Resolution of the Board of Directors of the Helendale Community Services District Initiating Procedures to Continue Collection of Water and Sewer Standby Charges for Fiscal Year 2025

STAFF RECOMMENDATION:

Staff requests approval for this item.

STAFF REPORT:

This is a procedural item that comes before the Board on an annual basis. The Collection of Standby Fees is a two-part process which includes the initiation of the process and then in July culminates in a public hearing and possible adoption of the second resolution approving the continuation of collection of the standby fees. Once approved by the Board, Staff prepares and submits the final list to the County Tax Collector typically by August 10th.

As a public agency and consistent with LAFCO 2996, the District is allowed to utilize the County property tax process for collection of various forms of debt and fees as the County had historically done. This would include the annual collection of sewer and water standby fees. A standby fee could best be described as a fee for the availability of service. The fee is appropriate to offset the capacity in the system that is reserved for a specific parcel and cannot be allocated to another user. Most of these parcels have water and sewer services stubbed out at the property line and the service is available for connection upon development of the in-fill parcel.

In 2014, the District completed an engineering report that provided appropriate substantiation for the Standby Fees. In fact, the engineer's report acknowledged that the appropriate amount for the standby fees should be over \$300 each year. However, the Honorable Board of Directors elected to continue the Standby Fee as a minimum of \$30 for up to a one-acre parcel and increased by \$30 for every additional acre. This fee was unchanged from County's operation of the District.

The total amount of standby fees the District has received as of 4/29/2024, for fiscal year 2024 is \$13,135.50 for Water and \$10,963.95 for Wastewater including penalties and interest.

The amount of Standby Fees owed for FY24 is \$22,670 for water (apx. 590 properties) and \$18,780 for wastewater (apx. 585 properties). Staff will continue to refine this list prior to the submittal to the County by the deadline of August 10, 2024.

A public protest hearing is scheduled for July 18, 2024, at 6:00 p.m. regarding the imposition of the Water and Sewer Standby Fees. At the hearing, the Board will hear and consider any and all objections or protests to the proposed charges.

FISCAL IMPACT: Potential revenue of approximately \$41,210

REQUESTED ACTION: Adopt Resolution 2024-04

ATTACHMENTS: Resolution 2024-04
Engineer's Report for Water and Sewer Standby Charges (FY2015)



RESOLUTION 2024-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HELENDALE COMMUNITY SERVICES DISTRICT INITIATING PROCEDURES TO CONTINUE COLLECTION OF WATER AND SEWER STANDBY CHARGES FOR FISCAL YEAR 2025

WHEREAS, the Helendale Community Services District (“the District”) is a Community Services District organized and operating pursuant to Government Code 61000 et seq.

WHEREAS, the District is authorized by Government Code Section 61124(a) to impose standby charges for water services pursuant to the Uniform Standby Charge Procedures Act, Government Code Section 54984 et seq. (“the Act”).

WHEREAS, under the Act, the District is authorized to fix before August 10th of any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are actually used or not.

WHEREAS, under the Act, the District’s Board of Directors (“the Board”) may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use, availability of facilities to provide water service, the degree of availability or quantity of the use of the water to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the District, and may impose the charge on an area, frontage, or parcel basis, or a combination thereof.

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

WHEREAS, Condition No. 10 of LAFCO Resolution No. 2951 expressly states that “[a]ll previously authorized charges, fees, assessments, and/or taxes of [CSA 70 B&C] currently in effect shall be continued and assumed by the [District] as the successor agency in the same manner as provided in the original authorization pursuant to the provisions of Government Code Section 56886(t);”

WHEREAS, Government Code Section 56886(t) provides that LAFCO Resolution No. 2951 contains the exclusive terms and conditions for the change of organization from CSA 70 B&C to the District is it relates to the “extension or continuation of any previously authorized charge, fee, assessment, or tax by [the District as the] successor local agency in the affected territory.”

WHEREAS, prior to the adoption of LAFCO Resolution No. 2951, the territory within the CSA 70 B&C was subject to water and sewer standby and availability charges that had been fixed, levied, and

imposed upon such lands.

WHEREAS, the Board wishes to continue, extend, and assume all previously authorized water and sewer standby and availability charges that had been fixed, levied, and imposed upon lands within CSA 70 B&C.

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

1. The public interest and necessity requires the Board to adopt this Resolution initiating proceedings to fix, levy, and collect water standby and availability charges on all properties within the District's jurisdictional boundaries where water service is available pursuant to applicable law, including but not limited to the pertinent provisions of the Act, Condition No. 10 of LAFCO Resolution No. 2951, and/or Government Code Section 56886(t).

2. The public interest and necessity requires the Board to adopt this Resolution initiating proceedings to fix, levy, and collect sewer standby and availability charges on all properties within the District's jurisdictional boundaries where sewer service is available pursuant to applicable law, including but not limited to the pertinent provisions of the Act, Condition No. 10 of LAFCO Resolution No. 2951, and/or Government Code Section 56886(t).

3. The standby charges proposed to be adopted by the Board are based upon the report of a qualified engineer, Bartle Wells Associates, which is attached hereto and incorporated herein by this reference. The content of said report includes, but is not limited to, any and all statements and determinations specifically relating to each of the following:

- a. A description of the charge and the method by which it is proposed to be imposed;
- b. A compilation of the amount of the charge proposed for each parcel subject to the charge;
- c. A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the proposed charge is made;
- d. The District's legal ability to fix and adjust a standby charge, the amount of the proposed charge, and the properties affected thereby;
- e. A description of the lands upon which the charge is proposed to be imposed; and
- f. The amount of the proposed charge for each of the lands so described.

4. On July 18, 2024, at 6:00 p.m., at the District offices located at 26540 Vista Road, Suite C, Helendale, California, the Board will hold a public protest hearing regarding the imposition of the charge, which hearing shall be conducted in the manner set forth in the Act. At the hearing, the Board may also consider whether to provide that if any charge so adopted becomes delinquent, the amount of the

delinquency, together with any interest and penalties thereon, should constitute a lien on the affected property upon the filing of a certificate in the Office of the County Recorder, which lien may have the same force, effect, and priority as a judgment lien. At the hearing, the Board will hear and consider any and all objections or protests to the proposed charges pursuant to the requirements of the Act.

5. The District's General Manager is hereby authorized and directed to cause notice of the date, time, and place of the public hearing on the proposed charges to be duly published prior thereto as may be required by the Act.

APPROVED AND ADOPTED this 2nd day of May, 2024, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

By: _____
Henry Spiller, President

Attest: _____
Cheryl Vermette, Clerk of the Board



HELENDALE COMMUNITY SERVICES DISTRICT

ENGINEER'S REPORT
FOR FISCAL YEAR 2014-15
STANDBY CHARGE

FINAL DRAFT: OCTOBER 2014



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TABLE OF CONTENTS

OVERVIEW	1
Introduction	1
HISTORICAL BACKGROUND AND CURRENT LEGISLATION	2
WATER SERVICES	3
Description of CSD	3
METHOD OF APPORTIONMENT.....	4
Benefit Analysis	4
Assessment Methodology	4
Equivalent Benefit Units:	5
DISTRICT BUDGET FISCAL YEAR 2014-2015	6
DISTRICT BOUNDARY DIAGRAMS	7
2014-2015 ASSESSMENT ROLL	8

**AFFIDAVIT FOR THE ENGINEER'S REPORT: HELENDALE
COMMUNITY SERVICES DISTRICT WATER STANDBY CHARGE**

This Report describes the annual Standby Charge of the Helendale Community Services District (the CSD), which was initially formed by the County of San Bernardino as County Service Areas 70 B & C and assumed by the CSD as part of the reorganization pursuant to Condition 10 of LAFCO Resolution No. 2996, adopted June 21, 2006. This Report outlines the assessment methodology, affected parcels, and assessments to be levied for Fiscal Year 2014-2015. Reference is hereby made to the San Bernardino County Assessor's Maps for a detailed description of the lines and dimensions of parcels that are subject to the Standby Charge. The undersigned respectfully submits the enclosed Report as directed by the District's Board of Directors.

Dated this _____ day of _____, 2014.

By: _____
Kimberly Cox, General Manager

By: _____
Douglas Dove, PE, CIPFA
President/Principal

OVERVIEW

Pursuant to the provisions the Uniform Standby Charge Procedures Act (Gov. Code, §§ 54984-54984.9; "Act"), public agencies may set a water and/or sewer standby charge each year for making infrastructure available to property whether the services are used or not. (§ 54984.2.) On November 5, 1996, the electorate adopted an initiative measure ("Proposition 218"), amending the California Constitution by adding articles XIII C and XIII D. Under article XIII D, new limitations and procedural requirements for assessments on real property were established and Section 6.b.4 of Article XIII D specifically states:

"Standby Charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4."

However, notwithstanding the following, any assessment/standby charge that was in effect prior to the effective date of Proposition 218 that was imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewer, water, flood control, drainage systems or vector control shall be exempt from the procedures and approval process set forth in Section 4. Therefore, the CSD's existing standby charge is not required to re-notice and undergo a Proposition 218 Majority Protest Balloting, unless the CSD wishes to increase the standby charge above its current rate.

Accordingly, the CSD is authorized by law to provide water and sewer service, and may fix, before August 10 of any given year, a water and/or sewer standby charge, on land within the jurisdiction of the CSD to which water and/or sewer services are made available for any purpose by the CSD, whether the water or sewer service is actually used or not.

Upon approval and adoption of the annual standby charge by the CSD Board of Directors, the standby charges for Fiscal Year 2014-2015 shall be submitted to the San Bernardino County Auditor/Controller for inclusion on the property tax roll for each parcel.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor Parcel Number by the San Bernardino County Assessor's Office.

HISTORICAL BACKGROUND AND CURRENT LEGISLATION

In November 1996, California voters approved Proposition 218 that established specific requirements for the ongoing imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIII C and XIII D. All assessments described in this Report and approved by the District Board of Directors are prepared in accordance with Uniform Standby Charge Procedures Act (the "Act"), LAFCO Resolution No. 2996 and in compliance with the provisions of the Constitution.

Pursuant to the Article XIII D Section 5 of the Constitution, certain existing assessments and, in this case, standby charges, were exempt from the substantive and procedural requirements of the Article XIII D Section 4. Therefore, a property owner balloting is not required until such time that a new or increased standby charge is proposed. At this time, the CSD does not intend to increase the existing standby charge and this Engineer's Report is in connection with the continued collection of the current standby charge for Fiscal Year 2014-2015.

The standby charge of the CSD may be used for any purpose pursuant to the Act, commencing with Government Code Section 54984.2, whether the water and/or sewer service is actually used or not. The standby charge may also vary according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, or the degree of availability or quantity of the use of the water to the affected lands. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof.

The existing standby charge methodology is employed throughout the CSD service area and is only levied against undeveloped parcels to provide equity between existing ratepayers and future customers that are not currently connected to the system by charging a portion of the cost to maintain the water and sewer system to undeveloped parcels that have the potential to develop in the future.

Based on the FY2014-15 budget the existing standby charge for water is estimated to generate \$30,500 annually in comparison to an annual budget for the Water Enterprise Fund in excess of \$1.8 Million. The existing standby charge for wastewater generates \$24,000 annually in comparison to an annual budget for the Wastewater Enterprise Fund in excess of \$1.3 Million.

WATER AND SEWER SERVICES

DESCRIPTION OF CSD

The CSD is located in the High Desert area of San Bernardino County between Barstow and Victorville and has an estimated population of 6,000. The CSD's existing water and sewer service area is approximately five square miles while the District's boundary encompasses more than 100 square miles. The CSD provides water and sewer service to over 2,800 service connections. Over 90 percent of water and sewer connections service single-family residences. The CSD has not experienced much growth in recent years; however, the area has a potential for growth as there are approximately 728¹ undeveloped water parcels and 720¹ undeveloped sewer parcels that may be developed in the future in addition there is significant developer interest in the area as evidenced by the draft Specific Plan that was completed by San Bernardino County Land Use Services in January 2011. This potential development at build-out could generate up to 756² new water and 737² new sewer connections.

In general, the CSD provides for the continued delivery of water and wastewater service to its service area, including the operation, maintenance, servicing, repair and rehabilitation, and expansion of water and sewer facilities. These services are required and provide a special benefit to parcels that are not currently developed and connected to the water and sewer systems as facilities must be available for the orderly development of such properties. Therefore, many public agencies impose a water and sewer standby charge against undeveloped parcels until such time that the property is developed and connected to the existing infrastructure as a ratepayer. Standby charges provide a means to charge undeveloped parcels a proportional share of the cost of the utility that provides a special benefit to undeveloped parcels, including, but not limited to, water and sewer service, repair and replacement of existing facilities, new capital improvements, and operations.

¹ Undeveloped water and sewer parcel information provided in e-mail from Kimberly Cox, 10/2/2014

² New water and sewer connections estimated by the ratio of current connections to current built properties

METHOD OF APPORTIONMENT

BENEFIT ANALYSIS

Similar to many other public water and sewer entities in the State, standby charges provide a means to charge undeveloped parcels a proportional share of the cost of the water utility as a means to spread water and sewer service costs between existing ratepayers and undeveloped parcels, which will generate future customers as parcels are developed. Water and sewer services not only provide a direct benefit to existing customers, but it also provides a special benefit to undeveloped parcels as the CSD continues to provide service now and into the future through the ongoing operations of sewer collection and treatment, water resource management, water production, water quality, and the repair, replacement and expansion of related capital improvements. Most importantly, a standby charge reserves capacity in the existing system for the perspective development.

As previously referenced under the earlier Section of the Engineer's Report entitled "Overview," a standby charge is considered an assessment under the provisions of Article XIID of the State Constitution. Therefore, all parcels which will have a special benefit conferred upon them and upon which the standby charge will be imposed must be identified (the Assessment Roll). The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the costs of the capital water improvement, the maintenance and operation expenses of such improvement, and the cost of the property-related service being provided. In addition, no standby charge shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. In addition to the elements identified above, the standby charge of the CSD may also be used for any purpose pursuant to the Act, commencing with Government Code Section 54984.2. Therefore, the CSD may use standby charge revenue to fund any portion of its annual water and sewer budget. However, as the standby charge is only levied against undeveloped property and has not been increased since the original formation, the CSD's annual expenses for water and sewer services far exceeds revenue generated by the Standby Charge.

ASSESSMENT METHODOLOGY

The current standby charge was originally established by the County of San Bernardino and transferred to the CSD through the LAFCO proceedings that created the CSD. More specifically, Condition 10 of LAFCO Resolution No. 2996 specifically states: "All previously authorized charges, fees, assessments, and/or taxes in effect shall be continued and assumed by the Helendale Community Services District as the successor agency in the same manner as provided in the original authorization pursuant to the provisions of Government Code Section 56886(t)." The CSD does not intend to change the assessment methodology nor increase the existing standby charge; therefore, the continued collection of the current standby charge is in compliance with the Act and Article XIID of the State

Constitution.

The benefit formula used for apportioning cost over affected parcels reflects the composition of the parcels and the water and sewer services provided. Therefore, as undeveloped parcels are the only parcels subject to the existing standby charge, the most appropriate allocation basis to use to fairly apportion the costs based on the special benefits to each assessable parcel is by assigning Equivalent Benefit Units (EBU's) to each parcel based on the lot size of such parcel. Only undeveloped parcels with water and sewer service readily available to the parcel are assessed. In determining access, the original criterion established for determining development potential is property within 660 feet of a water main. In addition, billable acreage excludes territory of a parcel that cannot access water or sewer services due to unique circumstances, such as, railroad or road impediments, pressure breaks, and drainage easements or other types of easements that restrict the parcel's access to water and sewer services.

EQUIVALENT BENEFIT UNITS

To assess benefits equitably it is necessary to relate each property's proportional special benefits to the special benefits of all other properties that are subject to the Standby Charge. The method of apportionment most commonly used for assessments/standby charges is based on a weighted method of apportionment known as an Equivalent Benefit Unit (EBU) methodology. This proportional weighting may be based on several factors that may include, but are not limited to: the type and status of development (land use), size of the property, location of the property, parcel frontage, or other property related factors. In the case of the Helendale Community Services District, 1 EBU is equal to one acre and the standby charge is assessed only against unimproved property.

The assessable land area of a parcel reflects the development potential of a parcel and the special benefit that the parcel would receive from the water and sewer services. The total number of EBUs assigned to each parcel equals 1 EBU per lot up to one acre in size plus 0.5 EBUs per acre for each fraction of an acre, with a minimum assignment of 1 EBU to assessable parcel.

The following formulas are used to calculate each parcel's EBUs and the total EBUs that are assessed the standby charge:

Parcel's EBUs = 1 EBU minimum up to one Billable Acre and 0.5 EBUs x fractional Billable Acreage

EXAMPLE:

5.6 Acres = 5 EBUs for the first five acres + 0.5 times the remaining fractional acreage of
0.6 = (0.5 x 0.6) = 0.3 EBUs Total EBUs = 5.3 EBUs

The total number of EBUs equals the sum of all EBUs assigned to Undeveloped Parcels. The existing Standby Charge, equal to \$30 per EBU, is then applied to each parcel's individual EBUs to determine the parcel's proportionate benefit and total obligation. The following formulas are used to calculate each parcel's annual Levy Amount.

Standby Charge per EBU x Parcel's EBUs = Parcel's Levy

EXAMPLE:

5.6 Acres = \$30 x 5.3EBUs = \$159

.5 Acres - \$30 x 1EBU = \$30

1 Acre = \$30 x 1EBU - \$30

DISTRICT BUDGET FISCAL YEAR 2014-2015

The following provides the preliminary proposed budget of the Water and Sewer Enterprise Fund for Fiscal Year 2014-2015. The budget includes the District's estimate of anticipated expenditures associated with the water utility. Pursuant to Section 54984.2 of the Act, the Standby Charge may fund any expenditure type of the proposed budget.

Table 1
Helendale Community Services District
Preliminary Fiscal Year 2014-2015 Budget

Operating Expenses	Water	Sewer
Water Purchases	70,000	NA
Salaries & Benefits	414,984	286,612
Board Compensation	0	0
Professional Fees	33,500	72,500
Service and Supplies	221,900	142,250
Utilities	152,500	104,500
Sub-Total	892,884	605,862
Non-Operating Expenses		
Debt	395,252	54,374
Administration, taxes, etc.	265,582	324,601
Sub-Total	660,834	378,975
Depreciation Expenses		
Depreciation/Amortization	247,677	382,924
TOTAL	\$1,801,395	1,367,761

In determining the portion of the budget that may be funded by the standby charge, Bartle Wells Associates reviewed the CSD's Capital Improvement Program and the CSD's 2012 Water and Sewer Fee Study. Based on the total growth potential of the CSD³, it is projected that the CSD will add approximately 756 new water connections (1017 New EBUs) and 737 new sewer connections (800 New EBUs) through buildout. This growth potential will represent 20.94% (756 new water connections/3612 total water connections) of the CSD's total water service demand and 20.89% (737 new sewer connections/ 3529 total sewer connections) of the CSD's sewer service demand. Therefore, the portion of the CSD's budget that is authorized to be funded by the Standby Charge and represents the special benefit conferred on undeveloped water property and sewer property is \$377,169 (20.94% x \$1,801,395) and \$285,777 (20.89% x \$1,367,761) the special benefit conferred by undeveloped sewer property. The 20.94% of total water demand and 20.89% of total sewer demand at buildout that is expected to be generated from future customers shall be updated at least every five years or at the same time that the CSD's Connection Fee Study is updated.

³ Future Connections estimated by Helendale Community Services District. Estimated EBUs are based on annual assessment tax revenues divided by annual assessments (\$30 per water EBU and \$30 per sewer EBU).

Based on the allocated expenses for the water and sewer enterprise funds of \$377,169 and \$285,777 respectively, the maximum standby charge per water and sewer EBU would be equal to \$370.98 and \$357.22 for Fiscal Year 2014-2015 ($\$377,169 / 1016.67 \text{ EBUs}^3 = \370.98 per EBU) and ($\$285,777 / 800 \text{ EBUs}^3 = \357.22 per EBU). However, the current rate of \$30 per EBU may not be increased without a majority protest ballot proceeding pursuant to Article XIII D Section 4(d) of the State Constitution. The CSD does not intend to increase the existing standby charge at this time and will continue to levy and collect the current standby charge for Fiscal Year 2013-2014.

DISTRICT BOUNDARY DIAGRAMS

The boundaries subject to the standby charge are equivalent to the existing water and sewer service area of the CSD and, by reference are hereby made part of this Engineer's Report. However, only undeveloped parcels within 66 feet of existing water and sewer infrastructure are subject to the Standby Charge. For more detailed specifications on the CSD's service area, diagrams are available for inspection at the administration office during normal business hours.

2014-2015 ASSESSMENT ROLL

Parcel identification, for each lot or parcel subject to the standby charge, shall be the parcel as shown on the San Bernardino County Assessor Parcel Maps and/or the San Bernardino County Secured Tax Roll for the year in which this Report is prepared. The proposed standby charge for each parcel has been prepared in accordance with the original rate established as part of the original formation and the method of apportionment described in this report and has been presented to the Board of Directors.

The standby charge information for each parcel as outlined in this Engineer's Report and confirmed by the District Board, shall be submitted to the County Auditor/Controller, and included on the property tax roll for Fiscal Year 2014-2015. If the parcels referenced by this Engineer's Report are renumbered, reapportioned or changed by the County Assessor's Office after approval of the Report, the new parcel(s) with the appropriate standby charge amount will be submitted to the County Auditor/Controller.

The Assessment roll includes parcels for the water standby fee and parcels for the sewer standby fee. The Assessment Roll has been provided to the Board under separate cover and is on file at the District Office and is made part of this Engineer's Report by reference.



Helendale Community Services District

DATE: May 2, 2024
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #8
Discussion and Possible Action Regarding Appointing an Ad Hoc Committee for the Purpose of Planning a Public Safety Event

STAFF RECOMMENDATION:

Staff is seeking support from the Board to hold a joint public safety event with the August concert for this year.

STAFF REPORT:

Last year the District discontinued holding a separate National Night Out (NNO) Event on the first Tuesday of August each year and opted to hold a public safety event at the August concert. The concerts draw a larger crowd than NNO has had in the past and being held on a weekend afforded greater participation from those who work during the week day. The August concert is also the Sunsetters' Car Club Hot August Nights event that brings in an impressive display of vintage cars. Combining these events was a success last year and saved staff time, provided a larger audience for the displays and demonstrations, and seemed to create a greater sense of community through the participation.

If the Board is supportive of this option, Staff requests that an Ad Hoc Committee of the Board be formed for the purpose of organizing the public safety event. Last year President Spiller and Director Roper were on the ad hoc committee.

Last year's event included San Bernardino County Sheriff's Department, Search and Rescue, San Bernardino County Fire, SWAT, K9 demonstrations, other community partners, military, local businesses, and a plethora of food trucks. There were also raffle prizes donated by local businesses and sponsors.

FISCAL IMPACT: FY 2024 Budget has \$1300 allocated for the National Night Out Event

REQUESTED ACTION: Approve a joint event and establish an Ad Hoc Committee

ATTACHMENTS: None.