

REPORT TO THE BOARD OF SUPERVISORS
COUNTY OF FRESNO

COUNTY SERVICE AREA 34
MILLERTON NEW TOWN

FISCAL YEAR 2023-2024

Submitted By:
DEPARTMENT OF PUBLIC WORKS AND PLANNING

Prepared By:
RESOURCES DIVISION

June 2023

NARRATIVE

County Service Area 34 (CSA 34) was formed in 1986 to provide a full range of extended governmental services for the community of Millerton New Town. CSA 34 contains 1,420 acres (including approximately 422 acres within Zone “A” and 49 acres within Zone “C”) and is located one and a half miles east of the Friant Community, along both sides of Millerton Road. The proposed community is planned to eventually include 3,500 residences plus commercial and public facilities. CSA 34 is continuing to grow and has added new zones as detailed below.

In 1989, Zone “A” was formed within CSA 34 (CSA 34A) to provide community services for the developing property known as Brighton Crest. CSA 34A was created by Tract Nos. 4048, 4197, 4241, 4388 & 4660 and shares water contract administration and lake pump repair maintenance services with CSA 34 and water and sewer services with zones C, D, F and G. Additionally, Zones “B” (CSA 34B) and “C” (CSA 34C) were formed in 2004 to provide community services to the communities known as Ventana Hills and Bella Vista, respectively. Each of the respective zones’ services and costs are addressed in a separate budget and report. CSA 34B is near, but not adjacent to the rest of CSA 34, and was added as a zone to CSA 34 for administrative purposes only. CSA 34B is not connected to the rest of the CSA 34 infrastructure and is not included within the water reservations held by CSA 34. County Service Area 34, Zone “D” (CSA 34D), was formed on December 11, 2017. CSA 34D was created for Tract No. 4968, Renaissance at Bella Vista and shares water contract administration and lake pump repair maintenance services with CSA 34 and water and sewer services with zones A, C, D, F and G. County Service Area 34, Zone “F” (CSA 34F), was formed on October 8, 2019. CSA 34F was created for Tract No. 4934, The Vistas, and shares water contract administration and lake pump repair maintenance services with CSA 34 and water and sewer services with zones A, C, D and G. County Service Area 34, Zone “G” (CSA 34G), was formed on October 8, 2019. CSA 34G was created for Tract No. 6189, Granville, and shares water contract administration and lake pump repair maintenance services with CSA 34 and water and sewer services with zones A, C, D and F.

In FY 13-14, a separate budget for the wastewater facility (CSA 34WWTF) was created and is funded through inter-fund transfers from all CSA 34 zones, except zone B. CSA 34WWTF currently serves CSA 34A, CSA 34C, CSA 34D, CSA 34F and CSA 34G.

In FY 16-17, a separate budget for the surface water treatment plant (CSA 34SWTP) was created and is funded through inter-fund transfers from all CSA 34 zones, except zone B. CSA 34SWTP currently serves CSA 34A, CSA 34C, CSA 34D, CSA 34F and CSA 34G.

The sole function of CSA 34 during the coming fiscal year will be to administer the water contracts and ready to serve lake pump maintenance serving CSA 34, CSA 34A, CSA 34C, CSA 34D, CSA 34F and CSA 34G.

On September 15, 2009, the County entered into Agreement 09-472 with the Table Mountain Rancheria Band of Indians (TMR) whereby TMR would provide up to \$2,000,000 in materials and cash toward improvements for the water system serving, at that time, CSA 34A and CSA 34C. These improvements, collectively called the Millerton Lake Pumps and Improvements Project include (Phase I) four new submersible water pumps, an emergency tee connection, (Phase II) a 12" water main that will parallel the existing main from the pumps to approximately Millerton Road, and other associated work and materials (Reference Program # 90675). Work on Phase I was completed in the fall of 2010.

In December 2012 TMR also donated up to \$500,000 for repair of the Millerton Lake pump platform that served, at that time, CSA 34A and CSA 34C. Repairs were completed in April 2013. Final costs for this project were \$361,111 which was under the donated amount \$375,000, necessitating a refund to TMR \$13,889.

On October 22, 2013, the County entered into Amendment I of Agreement 09-472 with the TMR whereby the Board of Supervisors would approve and authorize subsequent Phase I funding to be used for the Pump Master Control Center improvements (\$314,693) and Rule 16 preparation costs (\$10,000).

In FY 14-15, TMR requested that staff obtain estimates for three separate projects. TMR agreed to complete two of the projects (Conduit Project and the SCADA Project) as part of the Winchell Cove Pipeline Project at no cost to the County. The MCC Power Supply – PGE Rule 16 Project that is anticipated to cost \$3,123,900, is still on hold until funding is secured for this project.

On April 7, 2015, Amendment II of Agreement 09-472 with the TMR was adopted to increase the estimated cost of the repairs and improvements for Phase II to \$3,986,480 for a total estimated project cost of \$5,466,460 and allow construction to begin.

On January 26, 2016, Amendment III of Agreement 09-472 with TMR was adopted to clarify language in the Agreement.

ANNUAL CHARGES

For parcels within CSA 34, not including parcels in CSA 34A, CSA 34C, CSA 34D, CSA 34F and CSA 34G, it was determined in the adopted rate structure and engineer's report that the most equitable way for the property owners to share costs associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is on a per acre basis in the amount of \$114.08 per acre. This cost is applied to approximately 841 acres through tax assessments.

For parcels within CSA 34A, it was determined in the adopted rate structure and engineer's report that the most equitable way for property owners to share the costs

associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is based on a per Equivalent Benefit Unit (EBU) (1-EBU = 1.045 acre feet per parcel per year in CSA 34A) in the amount of \$77.29. The cost is applied to 158 parcels through tax assessments (there were 159 parcels but two parcels merged).

For parcels within CSA 34C, it was determined in the adopted rate structure and engineer's report that the most equitable way for property owners to share the costs associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is based on a per Equivalent Benefit Unit (1-EBU = 0.5 acre feet per parcel per year in CSA 34C) in the amount of \$36.80. The cost is applied to 161 parcels through tax assessments.

For parcels within CSA 34D, it was determined in the adopted rate structure and engineer's report that the most equitable way for property owners to share the costs associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is based on a per Equivalent Benefit Unit (1-EBU = 0.55 acre feet per parcel per year in CSA 34D) in the amount of \$40.84. The cost is applied to 106 parcels through tax assessments.

For parcels within CSA 34F, it was determined in the adopted rate structure and engineer's report that the most equitable way for property owners to share the costs associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is based on a per Equivalent Benefit Unit (1-EBU = 0.55 acre feet per parcel per year in CSA 34F) in the amount of \$40.84. The cost is applied to 10 parcels through tax assessments.

For parcels within CSA 34G, it was determined in the adopted rate structure and engineer's report that the most equitable way for property owners to share the costs associated with water contract administration and Millerton Lake pump ready-to-serve maintenance is based on a per Equivalent Benefit Unit (1-EBU = 0.55 acre feet per parcel per year in CSA 34G) in the amount of \$40.84. The cost is applied to 133 parcels through tax assessments.

SIGNIFICANT CHANGES FOR FY 21-22

Phase II of the Millerton Lake Pumps and Pipeline Project, which primarily includes installation of the second, parallel pipeline, (and now the conduit and SCADA projects) began construction in FY 15-16 and was completed up to the water line as the water was too high to continue. The project has been delayed until the water in the lake goes back down and is estimated to be completed in FY 22-23. The Motor Control Center Project for the electrical center controlling the Millerton Lake pumps were upgraded and completed in FY 15-16.

In May 2017, the failed lake pumps and under-performing pump was replaced at a total cost of \$333,994 (Reference Program # 91483). On May 16, 2017, the County, on behalf of the Districts, entered into a financing agreement with some of the Reservation

Holders (J.P.J., Inc. and Table Mountain Rancheria), to finance the repair and replacement of the lake pumps. The Agreement requires benefitting parties to reimburse an amount equal to the funds provided by the Reservation Holders from funds collected by CSA 34, CSA 34A, CSA 34C, CSA 34D, CSA 34F and CSA 34G at 0% interest rate, up to \$333,994, as determined appropriate by the Debt Advisory Committee (DAC). Repayment of this loan began annually in October 2018 and will continue through October 2027. The current balance is \$166,997.

In August 2020, a check valve gasket failed at a cost of approximately \$279,305, which included two separate repair dives to complete the repair. In December 2021, there were two leaks. The lake pump check valve in the parking lot of the marina was leaking back towards the lake. The second leak was between lake pump check valve and the check valves at the pump platform. The repairs required a dive team and the replacement of a check valve, flappers and gasket.

PROPOSITION 218

Due to the wide range of services that the County provides in various parts of CSA 34, a variety of fees and benefit assessments are necessary to fund all of those services. The situation is further complicated by the fact that some facilities and administrative work necessary to provide those services are shared in CSA 34, CSA 34A, CSA 34C and CSA 34D, while other facilities for providing water and sewer services are local to CSA 34A, CSA 34C and CSA 34D. The Assessment Engineer addressed the shared services and updated the Water Contract Assessment. The Board of Supervisors adopted the new assessment for Water Contract and Pump Repair Maintenance on December 11, 2017, with the formation of Zone D. The Assessment Engineer addressed the shared services and updated the Water Contract Assessment. The Board of Supervisors adopted the new assessment for Water Contract and Pump Repair Maintenance on October 8, 2019, with the formation of Zones F and G. The water and sewer fees based on the Consolidated Engineer's Report adopted by the Board of Supervisors during the Prop 218 procedures on January 26, 2015, for all of CSA 34 zones were adopted on March 1, 2016. The last increase in the water and sewer fees for the rate adjustment period was July 1, 2020. The assessments and fees will be re-evaluated in FY 2023-24 for all of CSA 34 and its zones.

G:\4360Resources\SPECIAL DISTRICTS\SpecialDistrictBudgets\BUDGET23-24\Narratives\Finished\CSA34 2023-24.doc

CSA 34 - Millerton New Town
COUNTY OF FRESNO SPECIAL DISTRICTS
PROJECTED BUDGET EXPENDITURES 2023 - 2024

ORG: 9174
FUND: 0830
AUDITOR CODE: 6234
SUBCLASS: 16000

ACCOUNT	BUDGET FY 2022-2023	ESTIMATED EXPENSES FY 2022-2023	PROPOSED BUDGET FY 2023-2024
Services & Supplies			
07010 AGRICULTURAL	\$16,721	\$7,000	\$7,500
07101 LIABILITY INSURANCE RISK	\$0	\$5,352	\$5,530
07205 MTCE TO EQUIPMENT	\$37,500	\$0	\$0
07219 Water Maintenance/Water Stand	\$81,983	\$45,184	\$81,884
07220 MTCE-BLDG AND GROUNDS	\$0	\$79	\$0
07265 OFFICE SUPPLIES EXPENSE	\$200	\$0	\$0
07268 POSTAGE	\$350	\$50	\$350
07287 PEOPLE SOFT FINANCIALS	\$1,650	\$1,078	\$1,110
07295 PROFESSIONAL & SPECIALIZED S	\$144,759	\$108,934	\$90,409
Services & Supplies Subtotals	\$283,163	\$167,678	\$186,783
Structures & Improvements			
08150 BUILDINGS & IMPROVEMENTS	\$20,000	\$0	\$0
Structures & Improvements Subtotals	\$20,000	\$0	\$0
Infrastructure			
08400 INFRASTRUCTURE	\$13,216	\$13,216	\$13,217
Infrastructure Subtotals	\$13,216	\$13,216	\$13,217
TOTAL EXPENDITURES:	\$316,379	\$180,894	\$200,000

Increase to Reserves
Total Budget (Total Expenditures + New Reserves)
Revenues
Ending Reserves/Designations 6/30/24

\$0
\$200,000
\$184,090
\$216,039

Drafted By _____ Approved By _____

CSA 34 - Millerton New Town

METHOD OF FINANCING
2023-2024 FISCAL YEARBOOK NAME: 0BOOK 34
AUDITOR CODE: 6234BUDGET: 9174
FUND: 0830
SUBCLASS: 16000

ESTIMATED FUND BALANCE:	June 30, 2023		
A. FUNDS IN COUNTY TREASURY		\$231,949	
B. LESS WARRANTS OUTSTANDING		\$0	
C. LESS RESERVES/DESIGNATIONS		\$231,949	
ESTIMATED UNRESERVED/UNDESIGNED BALANCE(A-B-C)			1. <u>\$0</u>
RELEASE OF PRIOR YEAR RESERVES/DESIGNATIONS			2. <u>\$15,910</u>

ESTIMATED REVENUES**3010 Estimated Tax Revenues(3007-3025)**

5062	Water Contract Admin	<u>\$0</u>
3380	Interest	<u>\$2,442</u>
5059	Water Maintenance /Water Standby	<u>\$0</u>
5068	Subdivider Financing	<u>\$0</u>
5800	Other Miscellaneous	<u>\$22,000</u>
4989	Water Infrastructure Reserve	<u>\$0</u>

<u>WATER CONTRACT ADMIN</u>		5062			
SERVICE	# of Connections/Parcel	Yearly Charges per Connection/Parcel	Monthly Charges Per Connection/Parcel	Total Revenues Per Year	
Water Contract Administration - All Zone	1	\$70,928.00	\$5,910.67	\$70,928.00	
TOTAL REVENUES FROM		WATER CONTRACT ADMIN		\$70,928.00	
<u>WATER MAINTENANCE /WATER STANDBY</u>		5059			
SERVICE	# of Connections/Parcel	Yearly Charges per Connection/Parcel	Monthly Charges Per Connection/Parcel	Total Revenues Per Year	
Lake Pump Repair Reserve - All Zones	1	\$36,200.00	\$3,016.67	\$36,200.00	
TOTAL REVENUES FROM		WATER MAINTENANCE /WATER STANDBY		\$36,200.00	
<u>WATER INFRASTRUCTURE RESERVE</u>		4989			
SERVICE	# of Connections/Parcel	Yearly Charges per Connection/Parcel	Monthly Charges Per Connection/Parcel	Total Revenues Per Year	
Lake Pump Capital Replace Reserve - All	1	\$52,520.00	\$4,376.67	\$52,520.00	
TOTAL REVENUES FROM		WATER INFRASTRUCTURE RESERVE		\$52,520.00	
				TOTAL:	\$159,648

ESTIMATED TOTAL CURRENT REVENUES \$184,090TOTAL FUNDS FOR FISCAL YEAR 2023-2024 \$200,000

Drafted By _____ Approved By _____