

## 1. Executive Summary

### 1.1. Introduction

Resolutions adopted by the Board of Supervisors (Board) of the County of San Benito, State of California (County) established the County Service Areas (CSA) discussed in this report pursuant to the CSA Law, see Table 1- 1.

The services provided by each CSA vary; however, at the time each CSA was formed, the types of services proposed to be provided generally included, but were not limited to:

- Police<sup>1</sup>
- Fire protection
- Street lighting maintenance
- Storm drainage maintenance
- Road maintenance and sweeping
- Wastewater treatment
- Water treatment
- Landscaping maintenance
- Open space maintenance
- Recreation maintenance
- Refuse and garbage collection

The County manages and operates 32 CSA's, a summary of the CSA's and the services provided are tabulated in Table 1- 2. Police and Fire protection services are currently provided to the public at large and are not funded through CSA fees, and therefore are not included in this report.

### 1.2. Goals of the Engineer's Report

This Engineer's Report evaluated the findings of prior reports and completed additional analyses necessary to achieve the project goals discussed below.

- Review CSA budgets and identify budget deficiencies.
- Provide recommendations for improving budgets.
- Identify appropriate and cost-efficient means of correcting deficiencies to each CSA;
- Identify operational constraints and deficiencies within the County governmental services.
- Provide recommendations for improvements to each CSA and improved processes County along with proposed schedule for implementation.

### 1.3. Legislation Governing CSA's

Public Works staff estimates each County Service Area budget annually. The estimated annual budget is based on prior year work effort, planned and CSA requested future services,

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<sup>1</sup> Police and fire protection services are currently provided to the public at large and are not funded through a CSA fee.

inflationary factors, and includes maintenance, repair, and capital improvements. An analysis is also made of the revenue and reserve balances, to determine the fees and charges, or for CSA 55 the special tax, for the upcoming fiscal year.

The resulting proposed budget is filed with the Clerk of the Board describing the extended services and the proposed fee for each parcel. The Report includes a description of the extended services and the proposed property related fee or special tax for each Equivalent Dwelling Unit. Notice is also published in the local newspaper regarding the public hearing upon which time the proposed budget and property-related fee for the fiscal year will be recommended for approval by the Board of Supervisors<sup>2</sup>.

### **Proposition 13**

Proposition 13 was approved by the California voters on June 6, 1978. The legislature recognized that unprecedented growth in unincorporated areas in counties created a burden on local government to provide extended services such as those previously noted. Recognizing the duty of counties to adequately meet the needs of such areas for extended governmental services and also recognizing that such areas should pay for extended provided, CSA's were established as an alternative mechanism to provide the extended governmental services and to collect service fees to cover such services.

### **Proposition 218**

Proposition 218, officially titled the "Right to Vote on Taxes Act," was approved by California Voters on November 5, 1996. It amended the California Constitution by adding Articles XIII C and XIII D, which established additional substantive and procedural requirements and limitations on new and increased taxes, assessments and property related fees and charges.

Proposition 13 sharply constrained local governments' ability to raise property taxes and specified that any local tax imposed to pay for specific governmental programs--a "special tax"--must be approved by two-thirds of the voters.

Since that time, many local governments have relied increasingly upon *other* revenue tools to finance local services, most notably: assessments, property-related fees, and a variety of small general purpose taxes (such as hotel, business license, and utility user taxes). It is the use of *these* local revenue tools that is the focus of Proposition 218. The voters of California passed Proposition 218 and established the processes that public agencies can raise fees for services.

In general, the intent of Proposition 218 is to ensure that all taxes and most charges on property owners are subject to voter approval. In addition, Proposition 218 seeks to curb some perceived abuses in the use of assessments and property-related fees, specifically the use of these revenue-raising tools to pay for general governmental services rather than property-related services.

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<sup>2</sup> The budget will be adopted for the purposes of establishing the fee only. The budgets for the CSA are formally adopted in the County's annual budget process.

## **Special Districts**

State law defines a special district as “any agency of the state for the local performance of governmental or proprietary functions within limited boundaries.” In plain language, a special district is a separate local government that delivers a limited number of public services to a geographically limited area.

Special districts have four distinguishing characteristics. Special districts:

- Are a form of government
- Have governing boards
- Provide services and facilities
- Have defined boundaries

Inadequate revenue bases and competing demands for existing taxes make it hard for counties and cities to provide all of the services that their constituents want. When residents or landowners want new services or higher levels of existing services, they can form a district to pay for them. Fire districts, irrigation districts, cemetery districts, and mosquito abatement districts exist today because taxpayers were willing to pay for public services they wanted. Special districts localize the costs and benefits of public services; they let local residents get the services they want at prices they're willing to pay.

Special districts are a type of local government that delivers specific public services within defined boundaries. They deliver highly diverse services including water, electricity, mosquito abatement, and fire protection. Most special districts serve just a single purpose, such as sewage treatment. Others respond to a wide range of needs, as in the case of community service districts, which can deliver up to 32 services.

## **Senate Bill No. 1458**

### ***Article 3. General Powers***

**25212.** The board (“board” means the county board of supervisors acting as the governing authority of a county service area) shall have and may exercise all rights and powers expressed and implied, necessary to carry out the purposed and intent of Chapter 158, including, but not limited to, the following powers:

- a) To adopt and enforce rules and regulations for the administration, operation, use and maintenance of the facilities and services authorized by Article 4 (commencing with Section 25213).
- b) To acquire any real or personal property within or outside the county service area, by contract or otherwise; to hold, manage, occupy, dispose of, convey, and encumber that property; and to create a leasehold interest in that property for the benefit of the county service area.
- c) To acquire by eminent domain, pursuant to the Eminent Domain Law (Title 7 (commencing with Section 1230.010) of the Code of Civil Procedure), any real or personal property within or outside the county service area.

- d) To employ persons to provide, or contract with the county for, necessary staff and support services required by a county service area.
- e) To contract for professional services.
- f) To enter into and perform all contracts, including, but not limited to, contracts pursuant to either Article 3.5 (commencing with Section 20120) or Article 3.6 (commencing with Section 20150) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, as the case may be.
- g) To enter joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1).
- h) To take any and all actions necessary for, or incidental to, the powers expressed or implied by this chapter.

**Table 1- 1 San Benito County CSA's**

CSA #	CSA NAME
4	Santa Rosa Acres
5	Hillcrest / El Toro
8	Bonnie View
9	Ridgemark
11	Simmons Acres (Simmons/Barnes Lane)
16	Santa Ana Estates and Holliday Ranch (Holliday Estates)
19	Springwood
21	Long Acres
22	Cielo Vista
23	Rancho San Joaquin
24	Santa Ana Acres
25	Vineyard Estates
28	Heatherwood
29	Magladry (Bown Magladry)
30	McCloskey Acres
31	Stonegate
33	Torranno Estates (Fallon/Fairview)
34	Ausaymas Estates
35	Union Heights
38	Ashford Highlands
42	Lemmon Acres
45	Rancho Larios
46	Quail Hollow
47	Oak Creek
48	Dry Creek
49	Hollister Ranch Estates (Hollister Ranch)
50	Dunneville Estates (Dunneville)
51	Comstock Estates (Comstock Estates/Creekbridge)
52	Monte Bello
53	Riverview Estates
54	Pacheco Creek Estates
55	Creekside