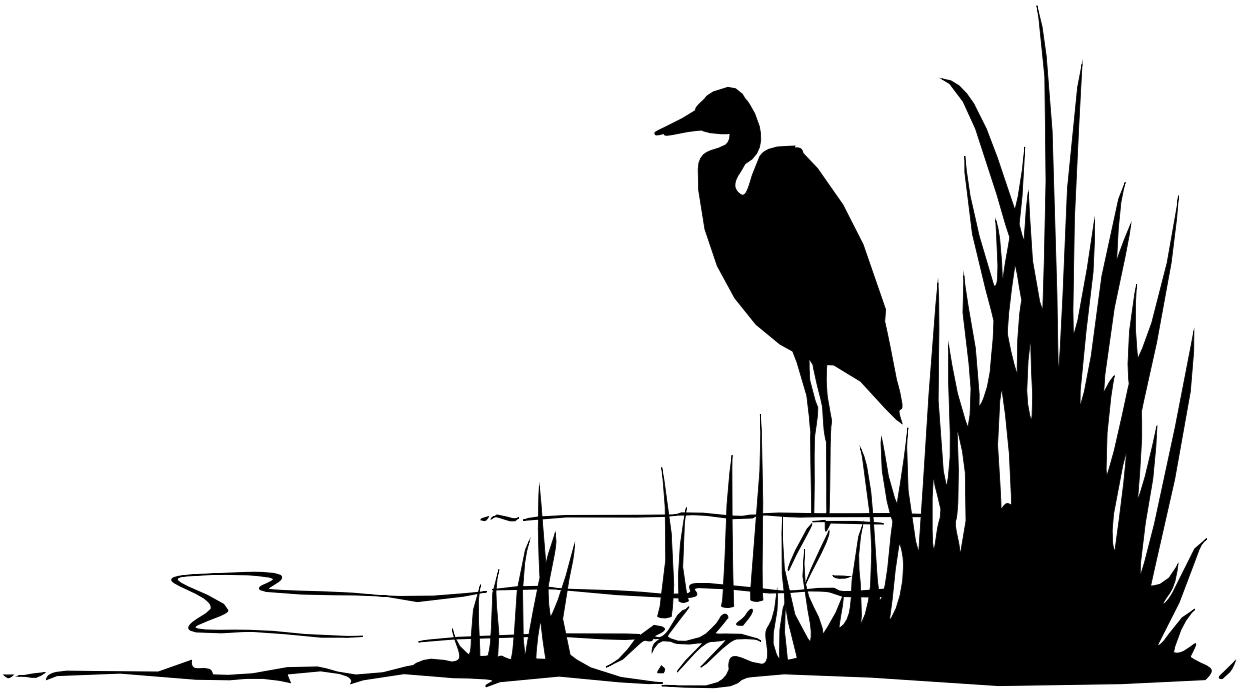
FINAL ANNUAL REPORT
FISCAL YEAR 2024-2025

CONTRA COSTA COUNTY SERVICE AREA M-28
(Willow Mobile Home Park)

July 23, 2024



Board of Supervisors
John Gioia, District 1
Candace Andersen, District 2
Diane Burgis, District 3
Ken Carlson, District 4
Federal Glover, District 5

Prepared by
Contra Costa County
Public Works Department

BACKGROUND INFORMATION

The Willow Mobile Home Park is located on Bethel Island and consists of one (1) 23-acre parcel that includes 172 mobile homes. In order for safe water services to be provided, it was recommended that a County Service Area (CSA) be formed.

On December 10, 1991, the Contra Costa Board of Supervisors approved County Resolution 91/807 which formed CSA M-28 (Willow Mobile Home Park). CSA M-28 was formed pursuant to the County Service Area Law to ensure the proper flow of funds for the ongoing operation, maintenance, and servicing of community water system services within the Bethel Island Area.

CSA M-28 has been given the power to acquire, construct, operate, replace, maintain, and repair a water supply and distribution system as authorized by California Government Code Section 25210.4(d) and 25120.4a(1). The funding for CSA M-28 comes from service charges which are obtained from the users of the water system, in accordance with former Government Code Section 25210.77a, Government Code Section 25210.9 and County Ordinance Section 1012-2.6.

CSA M-28 owns and operates a well and a reverse osmosis (RO) system. Water is pumped from the well and is treated through a RO system. The treated water is stored in a 20,000 gallon tank. From the tank, the water is supplied via a single point to the Willow Mobile Home Park.

In October 2014, a town hall meeting was held at the Willow Mobile Home Park to discuss the future of CSA M-28. The main issue discussed was that the existing aging RO system was becoming more expensive to maintain and in need of significant capital improvements. The cost of maintaining this system exceeded the annual funding available. Without a major investment, it was anticipated that the RO system could eventually fail. Alternatives were introduced (status quo, increase service charge to pay for the necessary improvements, connect to Diablo Water District, and request State waiver for secondary standards). It appeared that the majority of the residents at the meeting preferred CSA M-28 to move toward reduction in service by requesting a waiver for secondary standards from the State. This alternative included removing the RO system and providing the minimum allowable water treatment.

By removing the RO treatment, the water would only meet the primary standards and would meet most, but not all, of the secondary standards. CSA M-28 would seek a waiver from the State for the secondary standards. Of all the alternatives presented at the town hall meeting, reducing water treatment allows the rate to be the lowest. It will also allow each individual mobile home to decide what type of treatment they prefer. Whereas, maintaining a more expensive community treatment system, such as the RO, forces everyone to pay for the same level of treatment.

Subsequent to the town hall meeting, on December 16, 2014, the Board of Supervisors authorized a vote by the parcel owner. CSA M-28 requested the mobile home park owner, the single rate payer of CSA M-28, to vote if they would be willing to pay a higher rate to fix the existing RO system or reject the rate increase and move toward reduced services. The mobile home park owner informed the County that they took a survey of the mobile home park residents and the survey indicated the mobile home park residents wanted them to vote against the rate increase. In early 2015, the mobile home park owner submitted the ballot and voted against a rate increase. On

March 3, 2015, the ballot was opened and the Board determined that there was a majority protest against a rate increase and directed staff to seek a waiver from the State.

Based on the vote to reject the rate increase, CSA M-28 began the process to move toward reducing the water treatment service. As required by the regulations to obtain the waiver for secondary standards, CSA M-28 contracted with a consultant to provide the necessary report.

In late 2015, when staff visited the CSA M-28's facility to perform a site review and obtain test samples, it was discovered that the RO system was not operating. The previous operator had turned off the RO system without informing CSA M-28 staff. The site review revealed that the water from the well was bypassing the RO system. However, the previous operator did install a chlorination system. Although the water had not gone through the RO system, the water did receive treatment. This revised system was similar to CSA M-28's proposal to the State to replace the RO system.

Despite the fact that the revised system was similar to what the CSA M-28 staff planned to present to the State, the unilateral decision to make the changes and lack of communication by the previous operator were not acceptable to CSA M-28. CSA M-28 staff directed test samples to be taken by the consultant to make sure the water complied with the primary standards. It was anticipated that the water would comply with primary standards because historically the raw water from the well has complied. This is the reason a reduced service was a viable option being considered in 2014 when the County met with the residents. The consultant subsequently reported that the water under the revised system complied with the primary standards. CSA M-28 staff also replaced the operator. Lastly, CSA M-28 staff communicated with County Environmental Health, the regulatory agency, of the discovery and the actions taken.

Changes at CSA M-28 have resulted in a new system operator and movement toward the same goals as discussed at the town hall meeting:

1) Obtain waiver from regulatory agency,
2) Reduce the level of community water treatment, and
3) Allow each resident to establish the appropriate system at their own mobile home.

In Fiscal Year 2015-2016, CSA M-28 made improvements to the aging system and infrastructure. Some of the improvements completed included the upgrade of the auto-dialer alarm system, installation of a flow-based chlorine injection pump system, and installation of new wiring to the well pump. In Fiscal Year 2016-2017, CSA M-28 also replaced the existing well pump and upgraded its emergency response options by entering into an agreement with a nearby water district and contract with a water delivery/hauling company, to supply water to the Willow Mobile Home Park during emergency events.

In Fiscal Year 2016-2017 a draft study was completed per state requirement in order to obtain a waiver. Some of the tasks completed in this study included; conducting additional water samples and analyzing additional alternatives. Future tasks were to include compiling additional survey data, meeting with the State, and constructing some capital improvements.

In Fiscal Year 2017-2018 task orders were issued to the consultant for the preparation of a design memorandum, which documents the design philosophy for the proposed modifications, and design plans and specifications. The design memorandum was completed in January of 2020.

CSA M-28 implemented several improvements to the facility in Fiscal Years 2018-2019 and 2019-2020 to make operations and maintenance more resilient and sustainable. These improvements included:

- Installation of a double-contained and seismically-restrained sodium hypochlorite tank with a 50-gallon reservoir capacity to assure sustained operation;
- Purchase of a second sodium hypochlorite dispensing pump as a backup;
- Purchase of a spare parts kit for the primary sodium hypochlorite dispensing pump to assure continuous operations and quick repairs;
- Improvements to electrical service to improve operational resilience; and
- Installation of a water flow meter to accurately measure the amount of groundwater pumped.

In late 2019, the COVID-19 pandemic began, but did not have any impact on the operations of CSA M-28.

In Fiscal Year 2020-2021, CSA M-28 installed an emergency generator connection to the aging water treatment system so that a generator can be used to provide electrical power in case of a power outage or emergency. Facility improvements were ongoing and continued in 2021.

In Fiscal Year 2021-2022, CSA M-28 installed new metal doors and a sign identifying the ownership and operation of the facility. By the end of the fiscal year, CSA M-28 installed a new Verbatim auto dialer that improved messaging features and functionality giving the facility a better messaging system to match the needs of the water system and facility.

In Fiscal Year 2022-2023 CSA M-28 replaced a well pump electrical box, disposed of a sulfuric acid tank, and replaced a main system shutoff valve and spool. In Fiscal Year 2023-2024, CSA M-28 anticipates disposing of the sodium hydroxide chemical remnants from the reverse osmosis system disposal and demolishing the inoperable reverse osmosis system.

On September 8, 2021, the Contra Costa Local Agency Formation Commission (LAFCO) voted to approve the annexation of the mobile home park to the Contra Costa Water District (CCWD) and the Diablo Water District (DWD). The annexation brought the mobile home park into the service boundaries of both CCWD and DWD, and will allow for the eventual extension of municipal water service to the 172 mobile homes. CCWD could provide the wholesale water and DWD could provide treated water to the mobile home park with the extension of the waterline.

DWD is currently evaluating the State Water Resources Control Board grant funding for the design and construction of the water line extension. The mobile home park owner supports the extension of the municipal water service to the mobile home park. The Contra Costa Board of Supervisors also submitted a letter supporting the annexation to CCWD and DWD.

Pending DWD connecting to the mobile home park, CSA M-28 will continue to operate the existing water system and provide water to the mobile home park and will continue to seek a waiver from the State. Future projects at CSA M-28 will include the demolition and removal of the non-operable portions of the treatment plant, such as the RO system, and facility upgrades as needed to maintain operability.

CURRENT ANNUAL ADMINISTRATION

Pursuant to County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report has been filed with the Clerk of the Board of Supervisors, public notice has been completed as required, and the Board will conduct a Public Hearing and then make a determination on each estimated service charge in the tentative report. Contra Costa Board of Supervisors reviewed the Tentative Annual Report on July 9, 2024, and conducted a Public Hearing in connection with the proceedings for CSA M-28.

Upon adoption of the Final Annual Report by the Board of Supervisors, the charges contained herein will be collected on the property tax roll of Contra Costa County in the same manner, by the same persons, at the same time as, and together with the County's property taxes.

Legal Authority

As required by County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Final Annual Report includes the following minimum information as shown in the Service Charge Roll:

1. A description of each parcel of real property receiving the miscellaneous extended service;
2. The basic service charge;
3. The estimated amount of the service charge for each parcel for such year; and
4. A parcel list identifying each parcel receiving services that allows parcel owners to find their property on the list and determine the proposed charge.

This annual report also includes an estimate of annual costs and the method of apportionment as additional information to allow the reader to better understand what services are being paid for, what is the total annual cost for the services provided, and how the cost of services is spread to each individual parcel.

ESTIMATE OF ANNUAL COST

The Fiscal Year 2023-2024 projected and Fiscal Year 2024-2025 proposed revenues and expenditures for CSA M-28 are shown on the following page. A special fund has been set up for the collection of revenues and coding of expenditures for CSA M-28. The total cost of construction, operation, maintenance, and servicing of the water system can be recovered from the collection of charges. Incidental expenses including administration, engineering fees, legal fees, and all other costs associated with the construction, operation and maintenance, and servicing of the water system may also be included.

When CSA M-28 was formed, a financial analysis was performed to provide the framework for an operating budget for the proposed operation, maintenance, and servicing of extended community water system services. Revenues collected from the charge shall be used only for the expenditures represented in this report. Any balance remaining on July 1 at the end of the fiscal year must be carried over to the next fiscal year.

In Fiscal Year 2024-2025, CSA M-28 plans to continue the efforts to obtain the waiver from the State. Obtaining the waiver from the State is a significant effort that may include taking additional water samples, analyzing additional alternatives, compiling additional survey data, meeting with the State, etc. All the information gathered will be documented in an Engineer's Report and presented to the State.

CSA M-28 Bethel Island Willow Park **Fund 247300 Org 7473**	**Fiscal Year 2023-2024 Est YE Total**	**Fiscal Year 2024-2025 Budget (*)**
Fund Balance as of June 30:	**$ 786,820.62**	**$ 731,344.79**
Revenue		
Taxes and Assessment	$ 124,686.00	$ 127,636.25
TOTAL CURRENT REVENUE	**$ 911,506.62**	**$ 858,981.04**
Expenditures		
Postage	$ (20.00)	$ (20.00)
Communications	$ (400.29)	$ (500.00)
Utilities	$ (7,896.40)	$ (10,000.00)
Household Expense (Brenntag Pacific)	$ (5,541.59)	$ (6,000.00)
Publications & Legal Notices	$ (450.00)	$ (1,000.00)
Membership	$ (300.00)	$ (500.00)
Maintenance of Buildings	$ (13,603.00)	$ (15,000.00)
Maintenance of Buildings	$ (4,000.00)	$ (5,000.00)
Professional/Specialized Svcs (Non-County)	$ (700.00)	$ (1,000.00)
Professional/Specialized Svcs (Non-County)	$ (22,824.42)	$ (30,000.00)
Professional/Specialized Svcs (Non-County)	$ (2,000.00)	$ (5,000.00)
Professional/Specialized Svcs (Non-County)	$ (3,000.00)	$ (3,000.00)
Professional/Specialized Svcs (Non-County)	$ (1,000.00)	$ (1,000.00)
Professional/Specialized Svcs (Non-County)	$ (1,800.00)	$ (2,000.00)
Professional/Specialized Svcs (Non-County)	$ (5,000.00)	$ (5,000.00)
Professional/Specialized Svcs (Non-County)	$ (8,237.06)	$ (5,000.00)
Tax & Assessment Fees	$ (250.85)	$ (1,000.00)
Interfund Exp - Gov/Gov (CCEHS)	$ (1,900.00)	$ (2,000.00)
Interfund Exp - Gov/Gov (County Counsel)	$ (284.35)	$ (1,000.00)
DOIT Phone Exchange	$ (417.18)	$ (1,000.00)
Reimbursements - Gov/Gov (County Staff)	$ (99,959.24)	$ (45,000.00)
Reimbursements - Gov/Gov (County Staff)	$ (577.45)	$ (1,000.00)
TOTAL CURRENT EXPENDITURES	**$ (180,161.83)**	**$ (141,020.00)**
Capital Improvement Projects and Reserves		
Capital Improvements Projects	$ (641,263.88)	$ (647,451.04)
Operating Reserves (up to 50% of Expenditures)	$ (90,080.92)	$ (70,510.00)
TOTAL Capital Improvement Projects and Reserves	**$ (731,344.79)**	**$ (717,961.04)**
AVAILABLE SURPLUS FOR ENSUING YEAR	**$ -**	**$ -**

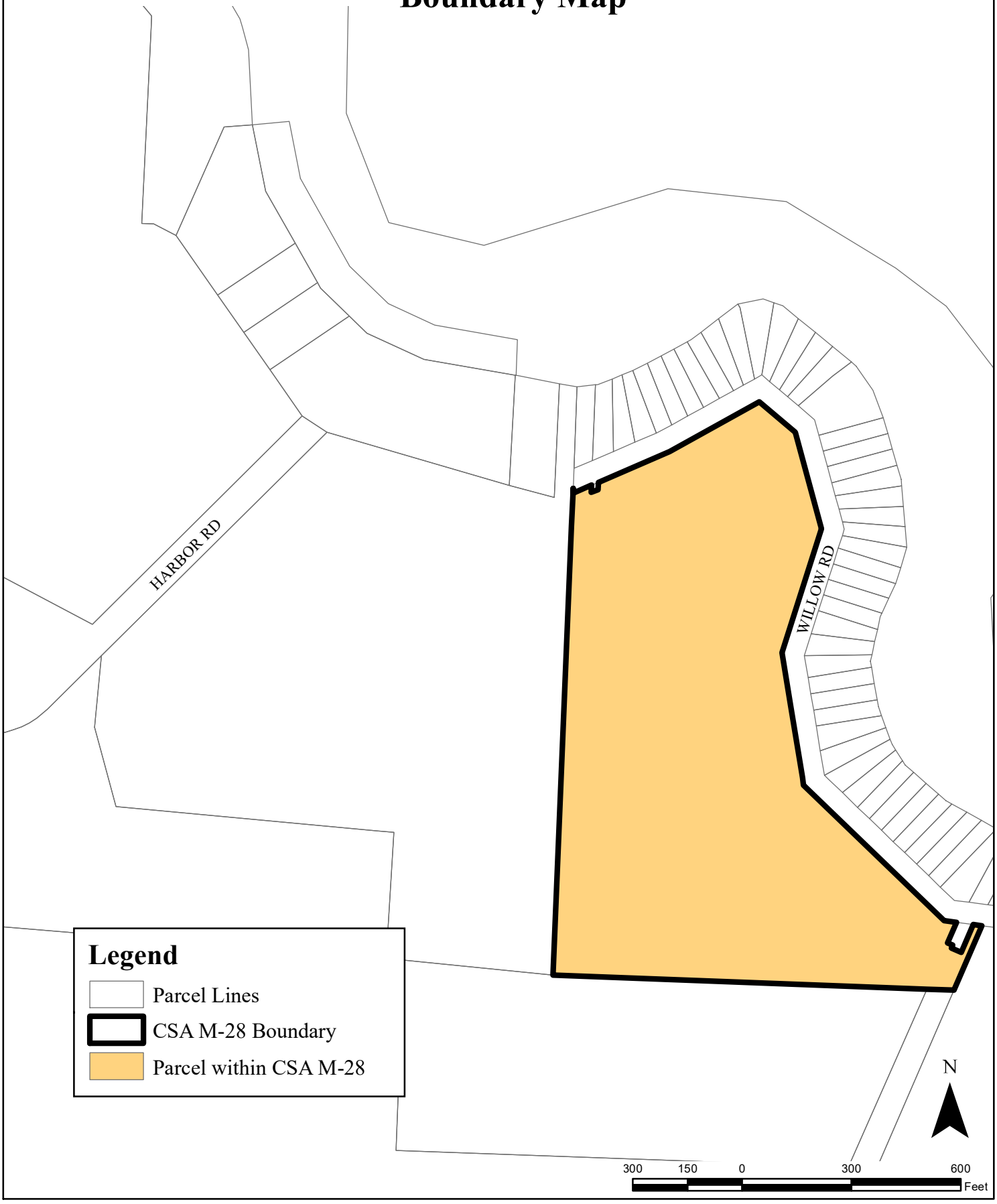
(*) The Projected Fund Balance as of June 30, 2024 assumes that Operating and Future Maintenance/Capital Improvement Reserves will not be used in Fiscal Year 2023-2024

BOUNDARY MAP

The general boundaries of the CSA are shown herein. The lines and dimensions of each parcel within the CSA are those lines and dimensions shown on the maps of the Contra Costa County Assessor for the year in which this report was prepared and are incorporated by reference herein and made part of this report.

A copy of the Boundary Map is shown on the following page.

Contra Costa County Service Area (CSA) M-28
(Willow Mobile Home Park Water District)
Boundary Map



METHOD OF APPORTIONMENT

Special vs. General Benefit

On November 5, 1996, California voters approved Proposition 218 entitled "Right to Vote On Taxes Act" which added Articles XIIIC and XIIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for fees, charges, and benefit assessments.

Proposition 218 procedures stipulate that even if charges or benefit assessments are initially exempt from Proposition 218, future increases in the charges or benefit assessments must comply with the provisions of Proposition 218. However, if the future increase in the charge or benefit assessment were anticipated in the charge or benefit assessment formula when approved by property owners (e.g., consumer price index increases or a predetermined cap) then the future increase in the charge or benefit assessment would be in compliance with the intent and provisions of Proposition 218.

Proposition 218 provides that “only special benefits are assessable” and defines a special benefit as a particular and distinct benefit conferred on real property and not a general benefit received by the public at large. Parcels located within the boundaries of the CSA will be charged for the operation, maintenance, and capital replacement associated with the water system serving the Bethel Island community, as described herein within the report, if they receive a special and direct benefit from the services. Furthermore, the identification and separation of general benefits from the special benefits follows for CSA M-28.

Special benefits are conferred on property within the CSA from the water system by enhancing the desirability of property within the CSA due to lower costs associated with the treatment of drinking water, removing contaminates from the water being provided to the property, increases in health and wellness, and an improved quality of life.

Properties outside of CSA M-28 are not served by the water system being operated and maintained from service charge revenues, therefore property outside the boundary of the CSA do not receive special benefit. The services within the CSA were specifically designed and created to provide additional and improved public resources for the direct advantage of property inside the CSA, and not the public at large.

In addition to the special and direct benefits the property owners receive within the CSA from the water system, it has been determined that no general benefits are associated with the water system provided within CSA M-28 because the conferred special benefits that are provided to the charged property are not provided to property outside of the CSA or the public at large.

The annual service charges pay for the operation of the water system provided within CSA M-28. The enhanced water system provided to property within CSA M-28 confers a special benefit and only serves those parcels within the boundary of the CSA. Without the services, the property located in the unincorporated area would not have a localized water system to treat their water. Therefore, the services in CSA M-28 are 100% special benefit to the parcels within the CSA.

Methodology

The total operation and maintenance costs for the extended public services are apportioned in accordance with the methodology that is consistent with standard practices.

The maximum charge rate was previously set at $75,300 per parcel (1991 dollars). Since 1991 the Consumer Price Index (CPI) for the San Francisco Bay Area All Urban Consumers and the costs to operate and maintain the improvements increased, however the charge rate remained constant until Fiscal Year 2007-2008. In Fiscal Year 2007-2008 the charge rate was increased to $79,818 per parcel with an allowance for an increase each subsequent year based upon the San Francisco Bay Area – All Urban Consumers commencing with April 2007 (215.842). In Fiscal Year 2008-09 the annual CPI was changed to February for administrative purposes and the annual change in the February CPI has been, and shall be used in each subsequent year.

Due to an aging system, the cost of operating and maintaining water facilities continues to increase. It was proposed in Fiscal Year 2010-2011 that the charge rate be increased to $95,500 per parcel (8.5% increase). However, this increase was not supported by the property owner, and therefore the 8.5% increase was not imposed.

A rate increase was proposed again in Fiscal Year 2014-2015, so that the charge rate be increased from $91,937 to $335,939 per parcel. However, this increase was not supported by the property owner, and therefore the increase was not imposed.

Rate

The February 2024 CPI Index is 345.151, therefore the maximum rate for Fiscal Year 2024-2025 can be increased 2.37% to $127,636.25 per parcel. CSA M-28 proposes to levy charges at the maximum rate for Fiscal Year 2024-2025.

In Fiscal Year 2024-2025, it is recommended based upon projected expenditures, that the maximum rate of $127,636.25 per parcel be collected. The estimated $127,636.25 in revenue will be needed to provide the services referenced above in Fiscal Year 2024-2025. There is one parcel that is included in the CSA. If the charge of $127,636.25 is divided by one (1) parcel, the service charge per parcel is $127,636.25.

SERVICE CHARGE ROLL

A list, which shows the parcel to be charged for Fiscal Year 2024-2025, including a description of the parcel to be charged is shown below.

Parcel Number	Property Address	Proposed Fiscal Year 2024-2025 Amount (*)
029-020-004-7	3656 Willow Rd, Bethel Island	$127,636.25

(*) The charge per parcel may vary slightly due to rounding adjustments.