



# Helendale Community Services District

**BOARD OF DIRECTORS MEETING**  
**March 16, 2017 at 6:30 PM**  
**26540 Vista Road, Suite C, Helendale, CA 92342**

## Call to Order - Pledge of Allegiance

### 1. Approval of Agenda

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

### 3. Consent Items

- Approval of Minutes: March 2, 2017 Regular Board Meeting
- Bills Paid and Presented for Approval

### 4. Reports

- Directors' Reports
- General Manager's Report

## Discussion Items

- Discussion and Possible Action Regarding Consideration of a Park Development Impact Fee for New Development
- Discussion and Possible Action Regarding Revenue from the Lease of Water Rights as it Relates to the Smart Meter Grant Program
- Discussion and Possible Action Regarding Purchase of a Submersible Pump Assembly for Well 1A from the Lowest Responsive Bidder

## Other Business

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

## Closed Session

- Conference with Labor Negotiator  
(Government Code Section 54957.6)  
District Designated Representative: Steven M. Kennedy, General Counsel  
Unrepresented Employee: General Manager

### 10. Announcement of Closed Session Actions

### 11. 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 agendaized public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.*

## Providing:

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

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

**PHONE:**  
760-951-0006

**FAX:**  
760-951-0046

**ADDRESS:**  
26540 Vista Road  
Suite B  
Helendale, CA  
92342

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Helendale, CA  
92342

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HELENDALE COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING MINUTES  
March 2, 2017  
26540 Vista Road, Suite C. Helendale, CA 92342

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE** – The regular meeting was called to order at 6:30 pm by President Clark after which the Pledge of Allegiance was recited.

**Present:** President, Ron Clark; Vice President, Tim Smith; Secretary, Sandy Haas; Director, Craig Schneider; Director, Henry Spiller  
**Absent:** None  
**Staff:** Kimberly Cox, General Manager; Mike Simpson, Operations Manager  
**Consultants:** Steve Kennedy, Legal Counsel  
**Audience:** There were nine (9) audience members present.

**1. Approval of Agenda**

**Action:** Director Spiller made the motion to approve the Agenda as presented. Director Haas seconded the motion. The motion was unanimously approved by the Board members present.

**2. Public Participation**

Wally Linn from Congressman Cook's Office gave a congressional update which included information on the Wild Fire and Airspace Protection Act and HR-244 a bill to incentivize employers to hire Veterans. Ban Mejia introduced himself as the New Assistant Chief for Division 3.

**3. Consent Items**

- a. Approval of Minutes: February 16, 2017 Regular Board Meeting
- b. Bills Paid and Presented for Approval

**Action:** Director Haas made the motion to approve the Agenda as amended. Director Smith seconded the motion. The motion was unanimously approved by the Board members present.

**4. Reports**

- a. Director's Reports – Director Schneider thanked the Staff for the Basketball program.
- b. General Manager Report – General Manager Cox went over the new flag football league program and shared the flyer with the Board. She informed the Board that the District received notification of a Grant award on February 22 for the AMI Smart Meter Installation Program. She presented a graph on Open Gym attendance. General Manager Cox also gave the Wastewater Report with recent activity at the plant.

**Special Presentation**

**5. Presentation to Winners in Burrtec's "Do You Have The Right Stuff?" Recycling Contest**

**Discussion:** Richard Nino presented certificates and \$100 checks to the winners from the Right Stuff Recycling Contest. Winners were Robin McQuade and Silvia Simpson (not in attendance)

**Discussion Items**

**6. Discussion and Possible Action Regarding Request from Burrtec for a Consumer Price Index (CPI) Based Increase for Solid Waste Services and Other Related Fees**

**Discussion:** General Manager Cox provided an overview of the request from Burrtec Waste for a rate increase.

**Action:** Director Schneider made the motion to receive Burrtec's requested rate increase and direct Staff to finalize the numbers and prepare all public notifications consistent with Prop 218 requirements. Director Smith seconded the motion; the motion was approved by the following 5-0 vote:

Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes

7. Discussion and Possible Action Regarding a Professional Services Agreement with Rogers, Anderson, Malody and Scott, CPA's for Financial Services  
**Discussion:** General Manager Cox provided an overview of the proposed professional services agreement.  
**Action:** Director Smith made the motion to approve the professional services agreement with RAMS for an amount not to exceed \$93,380 for accounting services and \$4,620 for Senior Partner consultation with District management. Director Schneider seconded the motion; the motion was approved by the following 5-0 vote: Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes
8. Discussion and Possible Action Regarding Purchase of a Submersible Pump Assembly for Well 1A from the Lowest Responsive Bidder  
**Discussion:** Water Operations Manager Simpson presented information on bids for the submersible pump assembly for Well 1A. The apparent lowest bidder was Layne Christensen at \$24,871.  
**Action:** Director Schneider made the motion to award bid to lowest responsive bidder in an amount not to exceed \$24,871 pending review by engineer and performance guarantee. Director Haas seconded the motion; the motion was approved by the following 5-0 vote: Director Schneider – Yes; Director Haas – Yes; President Clark – Yes; Vice President Smith – Yes, Director Spiller – Yes
9. Discussion and Possible Action Regarding the Formation of a Finance Ad Hoc Committee  
**Discussion:** Legal Counsel Kennedy discussed the scope and guidelines of an Ad Hoc Committee. The Board discussed the possibility of forming a finance committee, and agreed to hold a special meeting on finances/budget for the entire Board and bring back the discussion of a possible Finance Committee after that special meeting.  
**Action:** There was no action on this item.

***The Board recessed at 7:35 pm.***

**Other Business**

10. Requested items for next or future agenda items (Directors and Staff Only)

**Closed Session**

***The Board went in to closed session at 7:45 pm***

11. Conference with Real Property Negotiators  
(Government Code Section 54956.8)  
Property: Safari Ranch / Palisades Ranch  
District Negotiator: Kimberly Cox  
Negotiating Parties: Western Rivers Conservancy  
Under Negotiation: Price and Terms of Payment
12. Public Employee Performance Evaluation  
(Government Code Section 54957)  
Title: General Manager

**Open Session**

***Closed session adjourned at 8:15 pm and returned to open session***

13. Reportable Action from Closed Session  
**Action:** There was no reportable action resulting from closed session items.

14. Adjournment

**Action:** President Ron Clark adjourned the meeting at 8:16 pm.

Submitted by:

Approved By:

\_\_\_\_\_  
Ron Clark, President

\_\_\_\_\_  
Sandy Haas, Secretary

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



# Helendale Community Services District

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Date: March 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Paul E. Harmon, Administrative Consultant  
SUBJECT: Agenda item # 3 b.  
Consent Item: Bills Paid and Presented for Approval

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**STAFF RECOMMENDATION:**

Report Only. Receive and File

**STAFF REPORT:**

Staff issued 42 checks for the period February 28 through March 13, 2017 totaling \$39,262.97. Checks issued include payments to Rogers, Anderson, Malody & Scott, CPAs for accounting support, 1099 forms processing, bank reconciliation for \$5,626.00; to Clemmer Services for A/C and heat system for Three Rivers Conservancy for \$9,199.40; to Love Media Group for deposit refund for KQTE for \$1,000.00; and to Shoreline Woodworking & Construction for community center kitchen cabinets for \$8,582.00.

Total cash available:	<u>3/13/17</u>	<u>2/27/17</u>
Cash	\$ 4,001,661.08	\$ 3,900,355.66
Checks Issued	\$ 39,262.97	\$ 90,323.02

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 0.91% for CalTRUST Short-Term and is 1.20% for Medium-Term Investments, 0.610% for LAIF, and 0.25% for the CBB Sweep Account for February 2017. Interest earned in February 2017 on the CalTRUST investments and the CBB Sweep Account is \$1,808.65. Cumulative interest from our initial date of investment in February 2008 through February 2017 for CalTRUST, CBB and LAIF is \$178,383.55. Interest Income for the fiscal year 2015-16 is \$15,933.20 and \$13,687.16 for F/Y 2016-17.

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval

for February 16, 2017

Check #	Payee	Item Description	Dept	Amount
18918	Capital One Commercial	Equinox Wash; Office Supplies	Admin	79.50
18919	C-Me Promotions & Embroidery	KC (63), Cheryl (2), Director Spiller (2)	Admin	59.50
18920	Frontier Communications	Admin Main Phone Line	Admin	75.40
18921	Frontier Communications	Smithson Lift Station	WWTP	52.14
18922	Geo-Monitor, Inc.	Lab Analysis	Water	185.00
18923	Hartford Life	Water	Admin	537.21
18924	Henry Spiller	Director Fees - Feb 2017	Admin	750.00
18925	Heritage Victor Valley Medical	Water - Training	Water	325.00
18925	Heritage Victor Valley Medical	WWTP- Training	WWTP	195.00
18926	Inland Water Works Supply Co.	Romas CLFC Clamps	Water	522.60
18927	J.C. Himmelrick	Septic Inlet Repair	Parks	1,190.00
18928	Layne Christensen Company	Pump Efficiency Testing Wells 8 & 9	Water	995.00
18928	Layne Christensen Company	Meter Verifications Well 3 & 4	Water	995.00
18929	McMaster-Carr	Valve Nuts & Disc Spring	Water	141.04
18930	Mobile Occupational Services, Inc.	Employee Testing: C. Vermette, S. Gutierrez, R. Gonzalez	Admin	105.00
18931	Rogers, Anderson, Malody & Scott	Accounting Support/1099 Processing/Bank Rec.	Admin	5,626.00
18932	Shred-it USA LLC	Shred Services	Admin	57.42
18933	Southwest Gas Company	4 Plex	Parks	191.57
18933	Southwest Gas Company	Community Center	Parks	1,041.57
18933	Southwest Gas Company	Water Shop	Water	22.17
18933	Southwest Gas Company	WWTP	WWTP	81.27
18934	Staples Office Supplies	Water Office Supplies	Water	119.38
18934	Staples Office Supplies	WW Office Supplies	WWTP	30.15
18934	Staples Office Supplies	Thrift Store Supplies	Parks	11.31
18934	Staples Office Supplies	Admin Office Supplies	Admin	168.53
18935	Sullivan Uniform	Water Uniforms	Water	621.95
18936	United Site Services	Park ADA Wheelchair Accessible - 2/6/17 - 3/5/17	Parks	150.15
18937	Scott Seligson	Customer Deposit Refund	Water	102.06
18938	K Drum Investments LLC	Customer Deposit Refund	Water	208.12
18939	Russell Awmi	Customer Deposit Refund	Water	36.26
18940	Helendale Community Services District	Youth Basketball - Referee Fees	Parks	745.00
18941	Apple Valley Communications	Water Shop	Water	35.00
18941	Apple Valley Communications	WWTP	WWTP	35.00
18941	Apple Valley Communications	Community Center	Parks	60.00
18942	AVCOM Services Inc.	District Answering Services	Admin	94.50
18943	Betty Parrish	Remove Patches (6)	Water	6.00
18943	Betty Parrish	Sew on Logos & Name Tags (18 ea.)	Water	72.00
18944	Capital One Commercial	Equinox Wash	Admin	6.99
18944	Capital One Commercial	Water Supplies	Water	10.44
18944	Capital One Commercial	Thrift Store Supplies	Parks	235.56
18944	Capital One Commercial	Admin	Admin	212.42
18945	Clemmer Services, Inc.	13850 Bryman Road - A/C & Heat System	Parks	9,199.40
18946	County of San Bernardino	Recording Fees	Admin	203.00
18947	Craig Schneider	Director Fees - Feb 2017	Admin	750.00

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval

for February 16, 2017

Check #	Payee	Item Description	Dept	Amount
18948	Hartford Life	Water	Admin	\$ 582.13
18949	Love Media Group	Refund Deposit KQTE	Admin	\$ 1,000.00
18950	Parkhouse Tire, Inc.	Tires (2) - Unit # 408	Parks	\$ 280.28
18951	Ron Clark	Director Fees - Feb 2017	Admin	\$ 375.00
18952	Shoreline Woodworking & Construction	Community Center Kitchen Cabinets	Parks	\$ 8,582.00
18953	Silver Lakes Hardware	Water Repair & Maint/Air Vac	Water	\$ 93.56
18953	Silver Lakes Hardware	WW Repair & Maint	WWTP	\$ 13.28
18953	Silver Lakes Hardware	Park Repair & Maint	Parks	\$ 63.49
18953	Silver Lakes Hardware	Community Center Fluorescent Lights	Parks	\$ 32.73
18954	Silver Lakes Hardware	Thrift Store Repair * & Maint	Thrift Store	\$ 6.11
18954	Top Notch Networking, LLC	Monthly Support - Mar 2017	Admin	\$ 783.98
18955	UJA Ultimate Internet Access, Inc	VOIP Phone Services - 3-1-17 - 4-1-17	Admin	\$ 675.77
18956	USA Blue Book	USABB Deionized Water Pouches & Buffer Packs	Water	\$ 167.82
18957	Catherine Pou	Customer Deposit Refund	Water	\$ 181.96
18958	Sally Sanchez	Customer Deposit Refund	Water	\$ 63.70
18959	Shaun Petzoldt	Customer Deposit Refund	Water	\$ 20.55
<b>42 Total Checks Issued</b>				<b>\$ 39,262.97</b>
<b>Director Fees &amp; Reimbursements</b>				
18924	Henry Spiller	Director Fees - Feb 2017	Admin	\$ 750.00
18947	Craig Schneider	Director Fees - Feb 2017	Admin	\$ 750.00
18951	Ron Clark	Director Fees - Feb 2017	Admin	\$ 375.00
<b>Total Director Fees &amp; Reimbursements</b>				<b>\$ 1,875.00</b>

**HELENDALE COMMUNITY SERVICES DISTRICT**

Bills Paid and Presented for Approval  
for February 16, 2017

Check #

Payee

Item Description

Dept

Amount

CASH BALANCES

Cash Balances as of March 13, 2017

	Interest Rate	Date	Balance
Cash in Bank - Desert Community Bank		3/13/2017	\$ 23,418.52
Cash in Bank - Citizens Business Bank		3/13/2017	\$ 190,030.93
Citizens Business Bank Sweep Account	0.25%	3/13/2017	\$ 2,110,828.08
CalTRUST JPA Short Term Pool	0.95%	3/13/2017	\$ 627,459.59
CalTRUST JPA Medium Term Pool	1.16%	3/13/2017	\$ 1,043,335.25
LAIF - Water Project Funds - Interest Only	0.700%	3/13/2017	\$ 6,588.71
<b>Total Cash Available</b>			<b>\$ 4,001,661.08</b>

Capital Gain/(Loss) - CalTRUST

Interest Earned for - CalTRUST-Short Term	\$ 458.41
Interest Earned for - CalTRUST-Long Term	\$ 965.53
Interest Earned for - CBB	\$ 384.71
Interest Earned - LAIF (Posted Quarterly)	\$ -
<b>Total Interest For February</b>	<b>\$ 1,808.65</b>

**INVESTMENT REPORT**  
As of March 13, 2017

Investment Date	Financial Institution	Type of Investment	Purchase Price	Total Interest
2/14/08	CalTRUST Joint Powers Authority	Short-Term Investment Pool	\$ 3,000,000.00	
		Cumulative Interest Income from 2/14/08 to 3/13/2017	\$ 171,794.84	
		Transfer to Medium-Term Pool	\$ 1,000,000.00	
		Withdrawals	\$ (3,510,000.00)	
		Deposits	\$ 1,009,000.00	
		Balance as of 3/13/2017	\$ 1,670,794.84	
1/6/2009	LAIF - State of California	Short-Term Investment Pool	\$ 650,000.00	
		Withdrawals - Water Rights/Well Construction	\$ (650,000.00)	
		Deposits	\$ -	
		Cumulative Interest Income	\$ 6,588.71	
		Balance as of 3/13/2017	\$ 6,588.71	
		<b>FY to Date</b>	\$ 178,383.55	
			\$ 13,687.16	





## Helendale Community Services District

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Date: March 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #5  
Discussion and Possible Action Regarding Consideration of a Park Development Impact Fee for New Development

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### Staff Recommendation

Provide input for Staff.

### Staff Report

For quite some time Staff has been working with Stan Hoffman and Associates on a Park Development Impact Fee. The latest version of the report is attached for the Board's review, however, final numbers will be available at the board meeting. Updated information related to estimated costs will be input into the tables and may result in a slightly different final number for the fee.

It was originally thought that the park fee would fall under the Quimby Act, however, several considerations excluded that option. It is not characterized as an AB1600 fee

This process started more than two years ago in light of a proposed 300 unit subdivision which would have provided a healthy contribution to the park plans being considered at that time. Over the next year and a half that project met with some local impediments that caused it to be delayed indefinitely. However, given the cyclical nature of construction, Staff felt it prudent to move forward with the completion of the Development Impact Fee (DIF) analysis.

The intent is that any new development would pay a fee of less than \$2000 to the CSD for the purpose of park development. One important note is that based upon population and housing projections the fee would fund less than 20% of the proposed park improvements as a fair-share of new development or an estimated \$1.8 million dollars through 2040 with an estimated growth of 1120 new housing units. If development exceeds that project then the obvious benefit would be a greater funding or repayment of park amenities.

Table 4 on page 13 has recently been revised by Staff to provide more accurate costs assumptions and actual expenses. The revisions have not yet been incorporated into the study that will be presented to the Board this week.

District Legal Counsel has not yet reviewed the analysis and the process.

Staff is requesting that the Board provide input regarding the methodology, process and assumptions embodied within the report. If there is specific direction preferred by the Board the topic is agendaized as an action item. As an AB1600 process, this matter will need to be publically noticed as a public hearing with publication in the Daily Press prior to any adoption by the Board.

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D R A F T F O R R E V I E W

# Helendale Park Development Impact Fee (DIF) Study

Prepared for:

Helendale Community Services District  
26540 Vista Road, Rte. B  
Helendale, CA 92342  
760.951.0006  
Kimberly Cox, Executive Director

Prepared by:

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

February 22, 2017

SRHA Job #1286

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**STANLEY R. HOFFMAN**  
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## EXECUTIVE SUMMARY

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

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

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

The estimated DIF per new housing unit for the current Helendale CSD boundary is \$1,642.24, in 2016 dollars. This amount is calculated by dividing the total estimated community park costs of about \$6,726,606 by the 2040 forecast of 4,096 housing units for the Helendale CSD.

The development impact fee per housing unit is then multiplied times the forecasted growth of 1,119 new housing units from 2012 to 2040 for the Helendale CSD; this results in projected development impact fee revenues of \$1,837,664, in 2016 dollars. Thus, by 2040 the new growth is forecasted to cover about 27 percent of the estimated community park costs for the Helendale CSD.



## SECTION 1 Introduction

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

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

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

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

Based upon SANBAG's forecasts, new residential development is expected to result in a forecasted 1,119 new housing units and 2,107 residents within the Helendale CSD by 2040. This represents an approximate 38% increase in housing units compared to the 2012 estimated 2,977 housing units, and an approximate 39% increase in population compared with the estimated 2012 population of 5,363, according to the SANBAG preliminary forecasts. The Helendale CSD will need to expand its public park and recreation facilities to accommodate the impacts of this growth. AB 1600 fees will help finance park and recreation facilities which are needed to mitigate these impacts. The following steps were incorporated in the Park Fee Study:

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

4. **Fee Schedule:** Calculate the development impact fee per new residential dwelling unit.

## **SECTION 2 Legal Requirements to Justify Development Impact Fees**

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

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

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

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

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



excluded by AB 1600 (e.g., fees collected pursuant to agreements with former redevelopment agencies or various reimbursement agreements).

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

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

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

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

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

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

Identifying these items will enable a development impact fee to meet the nexus and rough proportionality requirements established by previous court cases. This section presents each of these items as they relate to the imposition within the Helendale CSD of the proposed development impact fees for public park and recreation facilities. Current state financing and fee assessment requirements only allow new development to pay for its fair share of new facilities' costs. Any current deficiencies resulting from the needs of existing development must be funded through other sources. Therefore, a key element to establishing legal development impact fees is to determine what share of the benefit or cost of the new facilities can be equitably assigned to existing development, even if the facilities have not yet been constructed. By removing this factor, the true impact of new development can be assessed and equitable development impact fees assigned.

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

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

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

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

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

**3. Determine That There is a Reasonable Relationship Between the Fee's Use and the Type of Development Project Upon Which the Fee is Imposed (Benefit Relationship) (Government Code Section 66001(a)(3)).** As discussed, it is the projected direct and

cumulative effect of future residential development that has prompted the preparation of this Park Development Impact Fee Study. Each residential dwelling unit will contribute to the need for new public park and recreation facilities. Park and recreation facilities costs have been allocated to both existing and new development, based on their level of benefit.

The fees will be expended for the design, acquisition, installation, and construction of public park and recreation facilities identified in the Helendale CSD's Long-Range Community Park Plan, as that is the purpose for which the DIF is collected. For the foregoing reasons, there is a reasonable relationship between the design, acquisition, construction, and installation of the public park and recreation facilities and new residential development as required under Section 66001(a)(3) of the Mitigation Fee Act.

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

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

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

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

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

### **SECTION 3 Park and Recreation Facilities Impact Fee Methodology**

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

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

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

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

In the case of the Helendale CSD, the Long-Range Community Park Plan was determined by SRHA to be the most appropriate methodology for purposes of calculating impact fees for the Park Fee Study. Pursuant to the nexus requirements of Government Code 66000, the Helendale CSD is required to "determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable

to the development on which the fee is imposed." The California Legislature drafted AB 1600 to specifically require that a "reasonable" relationship be determined, not a direct cause and effect relationship, as shown in Table 1.

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**Table 1  
AB 1600 Nexus Test  
Public Park and Recreation Facilities**

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

**SECTION 4 Park Facility Needs Analysis**

The community park facility needs have been estimated at about \$6.73 million dollars, in 2016 constant dollars, as shown in Table 2. For the community park planned for both existing and future population growth, this includes the estimated land value and existing facilities that have already been completed as well as planned facilities.

As shown in Table 2, the land value estimate for the 20.5 community park acres is \$217,813, in 2016 dollars. This is based on an estimated per acre amount of \$10,625. This per acre amount is derived by taking the estimated total purchase of 80 acres at \$2.3 million in 2016 dollars, and netting out the estimated existing improvements at \$1.45 million for residential, corral and barn structures. When this estimated net value of \$850,000 for the land is divided by 80 acres, this yields the estimated per acre land value of \$10,625, in 2016 dollars, as shown in Table 3.

The future park facility needs are estimated at about \$6.29 million as shown in Table 4. This includes improvements such as: playground and splash pad equipment, shelters, restrooms, dog park, trails, skate park, lighting, parking lot and related grounds improvements including turf and watering system. Additionally, for the long-term plan, this includes additional ground preparation, ball diamonds and a community recreation building with a gym.

**Table 2**  
**Estimated Community Park Expenditures**  
**Helendale Community Service District**

<b>Estimated Expenditures<sup>1</sup></b>	<b>Value (in 2016 dollars)</b>
Future Expenditures	\$6,288,793.00
Existing Expenditures	\$220,000.00
Land Value	\$217,813.00
<b>Total Value</b>	<b>\$6,726,606.00</b>

1. Future Expenditures shown in detail in Table 3; the existing park expenditures and estimated land purchase value were provided by the Helendale CSD

Sources: Stanley R. Hoffman Associates  
Helendale CSD

**Table 3**  
**Estimated Park Land Value**  
**Helendale Community Service District**

<b>Estimated Land Value for New Park Development<sup>1</sup></b>	
Acres of Parkland Purchased (2008)	80
Existing Residential Sq. Ft.	12,000
Estimated Const. Cost per Sq. Ft.	\$100.00
Estimated Residential Value	\$1,200,000.00
Estimated Values: Barns, Corrals, etc.	\$250,000.00
Estimated Value of Improvements	\$1,450,000.00
Estimated Total Property Value (2016)	\$2,300,000.00
Estimated Net Land Value for 80 Acres	\$850,000.00
<b>Total Estimated Land Value (2016 \$)<sup>2</sup></b>	<b>\$10,625.00</b>
Acres of New Parkland	20.5
<b>Estimated Total Land Value (2016 \$)<sup>3</sup></b>	<b>\$217,813.00</b>

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

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

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

Facility <sup>1</sup>	Cost (in 2016 dollars)
<b>Playground</b>	
Equipment	\$312,000
Installation	\$234,000
<b>Splash Pad</b>	
Features	\$30,000
Water Recirculation System:	\$150,000
Installation	\$22,500
<b>Shelters</b>	
Shade Structures (1) 40' x 70' (2) 20' x 40'	\$127,000
Installation	\$89,000
<b>Restroom</b>	
Facility	\$206,000
Installation	\$103,000
Septic	\$27,500
<b>Dog Park</b>	
Irrigation System	\$10,000
Fencing	\$23,193
<b>Demonstration Garden</b>	
Plants:	\$15,000
<b>Fitness Trail</b>	
Equipment	\$26,000
Installation	\$19,500
<b>DG Path</b>	
Material	\$2,700
Labor	\$1,400
<b>Skate Park</b>	
Design, engineering, concrete, etc	\$475,000
<b>Block Wall</b>	
Material	\$24,000
<b>Asphalt for Parking Lot</b>	
100,000 sq. ft. parking lot	\$167,000
<b>Lighting</b>	
Fixtures	\$105,000
Installation	\$13,000
<b>Additional Ground Preparation (10.5 acres)</b>	
@ \$2,000 per acre	\$21,000
<b>Additional Ball Diamonds</b>	
Design, engineering, construction	\$85,000
<b>Community/Recreation Center</b>	
10,000 sf building with Gym @ \$400/sf	\$4,000,000
<b>Future Expenditures:</b>	<b>\$6,288,793.00</b>

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

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



**SECTION 5 Demographic Forecasts: 2012 - 2040**

**Helendale Community Services District Boundary.** The forecasts used in this study are based on the preliminary SANBAG 2012 to 2040 forecasts for the current Helendale Community Services District boundary. As shown in Table 5, the total housing units are forecasted to grow within the current Helendale CSD boundary from 2,977 in 2012 to 4,096 in 2040, for an increase of 1,119 by 2040.

This corresponds to a population increase from 5,363 in 2012 to 7,470 in 2040, for a forecasted population growth of 2,107 by 2040, as shown in Table 6.

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

<b>Households and Housing Units Forecast</b>	<b>2012</b>	<b>2040</b>	<b>Growth: 2012-2040</b>
<b>A. Households</b>			
Single Family	1,819	2,529	710
Muti-Family	<u>601</u>	<u>801</u>	<u>200</u>
Total	2,420	3,330	910
<b>B. Housing Units</b>			
Estimated Vacancy Rate <sup>1</sup>	18.7%	18.7%	18.7%
Housing Units	2,977	4,096	1,119

1. The estimated vacancy rate is from the 2010 U.S. Census for the Silver Lakes Census Designated Place (CDP)

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

Source: Stanley R. Hoffman Associates, Inc.  
SANBAG Preliminary Forecast 2012-2040

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

Source: SANBAG Preliminary Forecast 2012-2040

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

As shown in Table 7, the estimated DIF per housing unit for the Helendale CSD boundary is \$1,642.24, in 2016 dollars. This amount is calculated by dividing the total estimated community park costs of about \$6,726,606 by the 2040 forecast of 4,096 housing units for the Helendale CSD. This represents the allocated share of costs across both existing and future housing units, although only new development can be charged a development impact fee.

The development impact fee per housing unit is then multiplied times the forecasted growth of 1,119 new housing units from 2012 to 2040, as shown in Table 8. This results in estimated revenue generation from new growth of \$1,837,664 for the forecasted Helendale CSD household growth. Thus, by 2040 the new growth is forecasted to cover about 27 percent of the community park costs for the Helendale CSD.

**Table 7  
Estimated Park DIF per Housing Unit  
Helendale CSD  
(In 2016 dollars)**

<b>Estimated Park DIF per Housing Unit</b>	
<b>Estimated Park Development Cost</b>	<b>\$6,726,606.00</b>
<b>Housing Unit Forecast (2040)</b>	<b>4,096</b>
<b>Park DIF per Housing Unit</b>	<b>\$1,642.24</b>

Sources: Stanley R. Hoffman Associates, Inc.  
SANBAG Preliminary Forecast 2012-2040

**Table 8  
Estimated Park DIF Funds Generated  
Helendale CSD  
(In 2016 dollars)**

<b>Estimated DIF Funds Generated (in 2016 dollars)</b>	
<b>Park Development Impact Fee/Housing Unit</b>	<b>\$1,642.24</b>
<b>Housing Unit Growth Forecast: 2012-2040</b>	<b>1,119</b>
<b>Estimated Park DIF Revenues Generated</b>	<b>\$1,837,664</b>

#### **DIF PROGRAM ADMINISTRATION**

As recently confirmed by the State of California's Fourth Appellate District in *Daniel Walker vs. City of San Clemente*, the Helendale CSD may add a reasonable charge for the collection and administration of the TIF Program. As a result, the Helendale CSD is adding a 2.5% charge to the Park DIF shown in **Table 7**, resulting in the total Park DIF reflected in **Table 9**, below.

**[INSERT TABLE 9]**

The DIF listed in **Table 9** represents the maximum DIF that legally may be imposed on future development. The Helendale CSD may impose a lower fee for one or more land use categories, or phase-in the maximum DIF over time. Under no circumstances, however, may the Helendale CSD charge a DIF higher than that listed in **Table 9** to one land use category to absorb a shortfall created by not charging the maximum DIF to another land use category.

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

#### **DIF PROGRAM MONITORING**

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

##### **(a) Annual Report**

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

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

- (7) A description of any interfund transfer or loan made from the impact fee accounts;  
and
- (8) The amount of any refunds made from the accounts.

**(b) Five-Year Report**

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

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

**PROJECTED DIF PROGRAM CASHFLOWS**

The success of the Helendale CSD's DIF program depends on the timely adoption of the fees by the Board in early 2017. The Board has the option of imposing the DIF at building permit issuance, or at the issuance of the certificate of occupancy of each structure. In either case, the total revenue that could be generated by the DIF program through 2040 is \$1,837,664 in 2017 dollars, which includes a 2.5% charge for administration and fee collection purposes. Of course, with variations occurring in the economy on a year-to-year basis, both nationally and locally, as well as political and other issues that may arise, the actual revenue generated each year will vary depending on factors that are very difficult to predict. In addition, it is anticipated that the Helendale CSD will revise its DIF from time-to-time as park facilities are constructed and new facilities needs arise.

**SECTION 8 Estimated Community Park Acres per 1,000 Population**

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

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

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

1. Based on the SANBAG Preliminary 2012-2040  
Forecasts for San Bernardino County.

Source: Stanley R. Hoffman Associates, Inc.

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## PROJECT REFERENCES

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## Helendale Community Services District

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Date: March 16, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #6

Discussion and Possible Action Regarding Revenue from the Lease of Water Rights as it Relates to the Smart Meter Grant Program

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### **Staff Recommendation:**

Provide input to Staff regarding the use of the money for lease of water rights for the Smart Meter Grant match

### **Staff Report:**

Staff recently shared with the Board that the District was awarded a Smart Meter grant from the Bureau of Reclamation. The grant has a matching component that requires a monetary and non-monetary contribution from the District broken down in the chart below. In addition, Staff has secured a grant from MWA for \$25,000 for year one and is confident that we will be awarded the same grant in year two based upon indications from Agency staff. Additionally, the meter maintenance costs in the annual budget would be dedicated to this program.

	<b>Year 1</b>	<b>Year 2</b>	<b>Total</b>
Employee in-kind contribution:	\$50,749	\$50,750	\$101,499
<b>Matching funds – CSD Cash:</b>	<b>\$26,616</b>	<b>\$26,616</b>	<b>\$ 53,232</b>
Meter Maintenance:	\$25,000	\$25,000	\$ 50,000
Grant amount from Bureau:	\$50,000	\$50,000	\$100,000
Mojave Water Agency Grant:	\$25,000	\$25,000	\$ 50,000
Total Amounts:	\$177,365	\$177,366	\$354,731

The amount above would complete installation of 916 meters and radios including radio tower, repeater and base station, hand held unit, and system set up. The essential start-up materials are a one-time cost and are not incurred annually. This also includes Sensus analytic set up and integration with Tyler software and Staff training.

This year the District was able to secure a water rights lease for carryover of 494 acre-feet at a rate of \$402 per acre foot for a total lease amount of \$198,588. The market is still flat as more carryover exists than what the local needs are. Once again the District engaged the services of a water broker who was able to secure the arrangement outlined.

Staff estimates that if the revenue from the lease of water rights was dedicated to the Smart Meter Program for three years, district-wide implementation would be complete. This could result in additional revenue due to more accurate meters. With the current age of the District's existing meters it is estimated that there is up to 14% of unaccounted water loss which can be attributed in large part to under performing meters.

Staff is requesting that the Board approve the allocation of revenue from the lease of water rights to fund the Smart Meter Program for Fiscal Years FY16/17 through FY 18/19.

Additional details will be presented by Staff at the meeting of April 20.

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## Helendale Community Services District

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Date: March 2, 2017  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Item #7  
Discussion and Possible Action Regarding Award of a Contract to Layne Christensen for the installation of a Submersible Pump Assembly for Well 1A

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### **STAFF RECOMMENDATION:**

Seeks approval from the Board.

### **STAFF REPORT:**

Upon review of the bids for the submersible pump, Staff has determined that none of the bidders were responsive with presenting the appropriate NSF approved pump assembly. This evaluation has caused additional delays and Staff is very concerned about the lead time for the material given the increased temperatures projected for the area. Staff has determined that time is of the essence in completing this work.

In discussion with the lowest apparent bidder, they are able to provide the correct NSF approved material for a negotiated price of \$28,003 with a commitment that they can perform the work in a timely manner.

Staff is hereby requesting that the Board award a sole-source contract to Layne Christensen in the amount of \$28,003 for an NSF approved pump assembly and installation that will meet the necessary timeline.

**Background:** Currently a submersible is installed at Well 1A and at the Board meeting held February 16, 2017, the Board directed staff to get quotes on a new submersible pump rather than switching to a turbine motor which is estimated to be 4% more efficient than a submersible pump. Staff anticipates in the next three years that the District will be to perform significant rehabilitation on the well casing which will cost approximately \$100,000. At that time the District can consider changing to a turbine pump.

Well 1A was constructed in July 2010, as the first new replacement well in the District. It has been in production continually since that time. Over the past several months maintenance staff has noticed a significant decrease in production which would indicate that the pump is reaching its useful life. Typically a submersible pump will last between three to five years. The pump was last replaced in April 2013 and we are now at four and a half years of use on that pump.

This is an essential facility to meet District's summer pumping demands. Currently Well 4A is meeting the demands until a new pump can be purchased for Well 1A.