

**Plan for Services**

**Hoffman Ranch Subdivision**

**Annexation into CSA #21 Riopel  
Denair, CA**

**FY 2025-2026**

## **BACKGROUND**

County Service Area No. 21 (CSA 21) - Riopel - was established in December 2005, to provide extended maintenance services for the park, storm drain system and landscaping at the storm drain basin within the Riopel Subdivision.

Public Works is seeking to annex Hoffman Ranch, a future subdivision, into CSA 21. The annexation will add a single parcel totaling 19.56 acres. Once construction is complete, the future subdivision will add 76 residential lots, and a Lot A/park expansion. Once the annexation is complete and construction of Hoffman Ranch has been completed, CSA 21 will consist of 129 residential lots, a park, a sewer lift station lot, and a landscaped storm drain basin lot.

## **DESCRIPTION OF SERVICES**

CSA 21 currently provides ongoing maintenance, operation, and servicing, of the storm drain basin, storm drain system, and park. The special benefit assessments to be levied for this CSA are intended to provide a revenue source for all the maintenance, and servicing of the service area's improvements including, but not limited to, the materials, equipment, labor and administrative expenses. However, the assessments are not intended to fund reconstruction or major renovations of the improvements and facilities. The maintenance, operation, and servicing of the storm drain system are funded entirely or partially through the service area assessments and are generally described as:

- Periodic cleaning and maintenance (as needed) on 1,803 linear feet of 18-inch pipe, 36 linear feet of 24-inch pipe; 341 linear feet of 30 inch pipe, and 75 linear feet of 36 inch pipe;
- Periodic cleaning and maintenance of 17 catch basins and 11 manholes;
- Repair curb and gutter as needed to maintain the storm drain system (5,400 linear feet of curb and gutter);
- Periodic streets sweeping to prevent build-up of silt and other damaging materials to the storm drain system. All debris is contained and hauled offsite with containment bins;
- Annual repairs and general maintenance to storm drain basin (erosion control, weed spraying, grading/excavation as needed);
- The Parks and Recreation Department provides continual maintenance of the park/storm drain basin public use area and the park within the Service Area (i.e. irrigation, mowing, playground equipment replacement, and pest control).

The following infrastructure will be added by the annexation and receive the same benefits described above:

- 517 linear feet of 12-inch PVC Storm pipe, 2,462 linear feet of 18-inch RCP Storm pipe, 614 linear feet 24-inch RCP Storm pipe;
- 16 catch basins and 12 manholes;
- 4,465 linear feet of 6-inch vertical curb & gutter, 3,319 linear feet of 4.5" drive over curb & gutter;
- 6,350 square feet of landscaped park area, an expansion of the existing park area.

## BUDGET ANALYSIS

It is estimated there will be a fund balance on June 30, 2025 of \$78,211.21. This amount was generated in order to have funds available for capital improvements in the storm drainage system. Based on operating experience, this fund balance can be reduced while still being adequate for future capital needs. For park/storm basin and Hunter's Pointe Park Maintenance, a capital reserve in the amount of \$6,000 has been established for costs associated with a catastrophic event with regards to vandalized irrigation, turf, trees or playground equipment.

The threat to stormwater quality comes from the urbanized areas within the County, which the CSA's encompass. The County is mandated by the State Water Resources Control Board, Water Quality Order No. 2013-0001-DWQ to regulate stormwater within these urbanized areas. The CSA's receive additional services above the General Benefit for the following permit areas: Education and Outreach (E.7), Public Involvement and Participation Program (E.8), Illicit Discharge Detection and Elimination Program (E.9), Post-Construction Stormwater Management Program (E.12), Water Quality Monitoring (E.13), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15) and the Annual Reporting Program (E.16).

The fee structure to implement the state requirements has not been determined for Fiscal Year 2025-2026. An estimated annual fee of \$5 per parcel is included in this year's budget. Any surplus or shortfall will be adjusted in future calculations.

The fiscal year is the 12-month period from July 1st through June 30th of the following year. The annual assessment is received with property taxes collected in December and April. This means the fiscal year starts on July 1st, but the first installment of the annual assessment will not be collected until December, creating a 6-month lag in receiving the money necessary to maintain the various services provided. Therefore, a reserve of \$16,591 one half of the annual operating budget, will be carried forward from available fund balance to cover costs from July 1st to December 31st.

The assessment for Fiscal Year 2025-2026 is \$479.89 per Equivalent Benefit Unit (EBU). There is no change in the assessment from Fiscal Year 2024-2025. Available fund balance in the amount of \$7,278 will be used to offset a portion of the operations and maintenance costs, thereby keeping the assessment equal to the previous year.

## ASSESSMENT FORMULA

Proposition 218, a statewide initiative approved by the voters in November 1996, requires property owners approve any change in the method of calculating assessment and any increase in the assessment rate through a ballot procedure. An assessment ballot procedure occurred during the formation of CSA 21 in December 20, 2005. A majority protest was not filed regarding the method for calculating the annual assessment and the levy of the annual assessment to pay for services provided by CSA 21. Therefore, a method for calculating the annual assessment has been approved and is in place. The method that is being used to calculate the assessment is the total cost to operate and maintain the park, storm drain system and landscaped storm drain basin minus use of fund balance divided by the number of EBUs within CSA 21.

$$\frac{\text{(Total Cost of Operations \& Maintenance-Use of Fund Balance)}}{\text{Total EBUs}} = \text{Assessment per EBU}$$

**ASSESSMENT CALCULATION:**

2025-2026 Assessment:  $\$25,902.54 / 53.976 \text{ EBU} = \$479.89 \text{ per EBU}$

2024-2025 Assessment:  $\$25,902.54 / 53.976 \text{ EBU} = \$479.89 \text{ per EBU}$

If the annexation project is approved, the assessment of proposed parcels will start in Fiscal Year 2026-2027. A deposit of \$44,773.93 from the developer that covers 1st year of Operation and Maintenance will be transferred to the CSA 21 fund. Thus, the fund balance of CSA 21 will be sufficient to cover services provided in the annexed area.

Since a formula or method for calculating the annual assessment has been approved per Proposition 218, no ballot procedure is necessary to approve the change in assessment. Therefore, the Fiscal Year 2025-2026 assessment is in compliance with Proposition 218.

**EXISTING SERVICE AREA BUDGET**

<b>CSA 21 - Riopel</b>	
<b>EXPENSE DESCRIPTION</b>	<b>TOTAL BUDGET</b>
<u>ADMINISTRATION</u>	
County Administration	\$ 1,000.00
Miscellaneous/Other Admin Fees	\$ -
Total	\$ 1,000.00
<u>PARKS &amp; RECREATION</u>	
Parks Labor	\$ 9,416.00
Parks Vandalism/Graffiti	\$ 675.00
Parks Utilities	\$ 10,500.00
Parks Other Supplies	\$ 400.00
Maintenence - Structures & Grounds	\$ -
Total	\$ 20,991.00
<u>PUBLIC WORKS</u>	
SWRCB Permit Requireme	\$ 280.00
Cleaning Drainage System	\$ 3,000.00
Street Sweeping	\$ 9,500.00
Curb & Gutter Repair	\$ -
Weed Spraying	\$ 785.54
Erosion Control	\$ -
Separator Cleaning	\$ -
Total	\$ 13,565.54
Capital Improvement Reserve	\$ -
General Benefit (-)	\$ (2,375.00)
Total Administration, Parks & Rec, Public Works Budget	\$ 33,181.54
<u>Adjustments to Available Fund Balance</u>	
Beginning Fund Balance (Estimated for 2025-26)	\$ 78,211.21
General Fund (or PW) Loan Repayment/Advance (-)	\$ -
Other Revenues/General Fund (Contributions I.e. Grants) (+)	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -
6 Months Operating Reserve (-)	\$ (16,590.77)
Use of Fund Balance for FY2025-26 (-)	\$ (7,278.00)
Contingency Reserve (-)	\$ -
Current Fund Balance	\$ 54,342.44
Required Capital Reserve -Parks (-)	\$ (6,000.00)
Availbale Fund Balance	\$ 48,342.44
Total Administration, Parks & Rec, Public Works Budget	\$ 33,181.54
Use of Fund Balance (-)	\$ (7,278.00)
Balance to Levy	\$ 25,903.54
<u>District Statistics</u>	
Total Parcels	56
Parcels Levied	56
Total EBU	53.98
Levy EBU	\$ 479.89

**SERVICE AREA BUDGET AFTER ANNEXATION**

**CSA 21 - Riopel**

<b>EXPENSE DESCRIPTION</b>	<b>TOTAL BUDGET</b>
<b>ADMINISTRATION</b>	
County Administration	\$ 1,000.00
Miscellaneous/Other Admin Fees	\$ -
Total	\$ 1,000.00
<b>PARKS &amp; RECREATION</b>	
Parks Labor	\$ 9,416.00
Parks Vandalism/Graffiti	\$ 675.00
Parks Utilities	\$ 10,500.00
Parks Other Supplies	\$ 400.00
Maintenence - Structures & Grounds	\$ -
Total	\$ 20,991.00
<b>PUBLIC WORKS</b>	
SWRCB Permit Requirem€	\$ 280.00
Cleaning Drainage System	\$ 3,000.00
Street Sweeping	\$ 9,500.00
Curb & Gutter Repair	\$ -
Weed Spraying	\$ 785.54
Erosion Control	\$ -
Separator Cleaning	\$ -
Total	\$ 13,565.54
Capital Improvement Reserve	\$ -
General Benefit (-)	\$ (2,375.00)
Total Administration, Parks & Rec, Public Works Budget	\$ 33,181.54
<b>Adjustments to Available Fund Balance</b>	
Beginning Fund Balance (Estimated for 2025-26)	\$ 122,985.14
General Fund (or PW) Loan Repayment/Advance (-)	\$ -
Other Revenues/General Fund (Contributions I.e. Grants) (+)	\$ -
Capital Improvement Expenditure (pumps etc.) (-)	\$ -
6 Months Operating Reserve (-)	\$ (16,590.77)
Use of Fund Balance for FY2025-26 (-)	\$ (7,278.00)
Contingency Reserve (-)	\$ -
Current Fund Balance	\$ 54,342.44
Required Capital Reserve -Parks (-)	\$ (6,000.00)
Availbale Fund Balance	\$ 48,342.44
Total Administration, Parks & Rec, Public Works Budget	\$ 33,181.54
Use of Fund Balance (-)	\$ (7,278.00)
Balance to Levy	\$ 25,903.54
<b>District Statistics</b>	
Total Parcels	56
Parcels Levied	56
Total EBU	53.98
Levy EBU	\$ 479.89

CONSENT FOR ANNEXATION OF  
TERRITORY TO COUNTY SERVICE AREA NO. 21 – Riopel  
(Hoffman Ranch subdivision Annexation)

LGI Homes, hereinafter referred to as "Owner", owns and has titles to the properties APN 024-022-027 located in Stanislaus County, California as described on Exhibits "A" and "B" attached hereto and hereinafter referred to as "Property".

Owner hereby consents to the annexation of the Property to the County Service Area No. 21 - Riopel for the purpose of receiving extended county services to or within the Property and to pay the Fiscal Year 2025/2026 assessment in the amount of \$479.89 per Equivalent Benefit Unit (EBU). Assessment amount per EBU and the parcel assessment is calculated using the County Service Area Assessment Formulas:

Total Operation & Maintenance Cost - Use of Fund Balance / Total Equivalent Benefit Units (EBU) = Levy (Assessment) per Equivalent Benefit Unit (EBU)

Parcel EBU x Levy (Assessment) per EBU = Parcel Assessment.

Owner acknowledges that the extended County services are park and streetscape maintenance, storm drainage control, and storm drainage system maintenance, and the annexation will be pursuant to Government Code Section 25210 et seq.

Owner declares under penalty of perjury that the foregoing is true and correct and that the Consent for Annexation of Territory to County Service Area No. 21 was executed this 14<sup>th</sup> day of November, 2025.

Owner or Corporate Officer

Evan Licht  
Print Name

Evan Licht  
Signature

Officer  
Title