

**TEMECULA COMMUNITY SERVICES DISTRICT  
AGENDA REPORT**

**TO:** General Manager/Board of Directors

**FROM:** Jennifer Hennessy, Director of Finance

**DATE:** July 23, 2024

**SUBJECT:** Approve Temecula Community Services District Proposed Rates and Charges for Fiscal Year 2024-25

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**PREPARED BY:** Ward Komers, Assistant Director of Finance

**RECOMMENDATION:** That the Board of Directors adopt the following resolution entitled:

**RESOLUTION NO. CSD**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
TEMECULA COMMUNITY SERVICES DISTRICT OF THE  
CITY OF TEMECULA ADOPTING RATES AND CHARGES  
FOR SERVICE LEVEL B – RESIDENTIAL STREET LIGHTING,  
SERVICE LEVEL C – PERIMETER LANDSCAPING, SERVICE  
LEVEL D – RECYCLING AND REFUSE COLLECTION, AND  
SERVICE LEVEL R – EMERGENCY UNPAVED ROAD  
MAINTENANCE SERVICES FOR FISCAL YEAR 2024-25

**BACKGROUND:** The Temecula Community Service District (TCSD) operates under the authority of Community Services District Law and provides residential street lighting; perimeter landscaping and slope maintenance; recycling and refuse collection and unpaved road maintenance services in the City of Temecula. The boundaries of the TCSD are coterminous with the City and the City Council serves as the Board of Directors of the TCSD.

Property owners pay only for the TCSD services used or made available to their property through separate rates and charges on their property tax bill. The Community Services, Parks and Recreation and Service Level A Rates and Charges previously levied by the TCSD were replaced by the City's Parks/Lighting Services Special Tax, approved by the voters as Measure C on March 4, 1997. Although the TCSD continues to operate and maintain the parks and recreational facilities through a cooperative agreement with the City, the actual levy budget for the special tax is scheduled to be considered and approved by the City Council on July 23, 2024.

The TCSD is required to complete an annual levy process, which includes adopting a resolution to accept the filing of a report on the proposed rates and charges necessary to provide the following services; noticing each affected property owner in the City; and conducting a public hearing to consider approving the proposed rates and charges.

The four current service levels of the TCSD include:

1. Service Level B – Residential Street Lighting.
2. Service Level C – Perimeter Landscaping and Slope Maintenance.
3. Service Level D – Residential Recycling and Refuse Collection.
4. Service Level R – Unpaved Road Maintenance.

### **1. Service Level B – Residential Street Lighting**

The TCSD Rates and Charges for Service Level B are not proposed to increase from last year's rates. The rate is capped at \$25.68 per single family residential.

### **2. Service Level C – Perimeter Landscaping and Slope Maintenance**

As a result of various property owner elections, there are two zones subject to an annual rate increase. The rate increase is the lesser of:

- (1) the percentage increase in the US Department of Labor, Bureau of Labor Statistics, Consumer Price Index ("CPI") of All Urban Consumers for the Riverside-San Bernardino-Ontario, for the previous calendar year
- (2) 5%

The Annual CPI change for 2024 was 4.65%. As a result, the following zones will see a 4.65% increase in the rates for Fiscal Year 2024-25.

Zone No. and Name	23-24 Rate	24-25 Rate	Increase
6 - Woodcrest County	\$131.26	\$137.37	\$6.11
29 - Gallery Portraits	\$468.47	\$490.27	\$21.80

### **3. Service Level D – Residential Recycling and Refuse Service**

Per the Franchise Agreement with CR&R, the change in CPI and land-fill tipping fees determine the increase/decrease in the annual Service Level D rate and charge. An increase of \$1.60 is proposed to the annual rate and charge for Service Level D from \$356.24 to \$357.84 per residential unit beginning Fiscal Year 2024-25. The increase is due to a CPI increase of 2.39%, and an overall reduction to the annual rate adjustment to maintain the fund balance in Fund 194. There will be no adjustment to the landfill disposal fees for FY2024-25, per the County of Riverside Waste Management Department.

### **4. Service Level R – Unpaved Street and Road Maintenance**

The TCSD rates and charges for Service Level R are not proposed to increase from their approved per parcel rate. The rate is capped at \$115.26 per single family residential and \$57.62 per vacant residential property.

As per Proposition 218 all property owners are required to be noticed as to the rates and proposed charges that the TCSD will be assessing at least 45 days prior to the public hearing. Notices were mailed on June 7, 2024, calling for a July 23, 2024 public hearing. On May 28, 2024, the TCSD Board of Directors approved a Resolution of Intention that called for the public hearing to be held on July 23, 2024.

The levy and collection of the TCSD Rates and Charges is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 21080 (b)(8) of the California Public Resources Code and Section 15273 of the State Guidelines because the rates and charges are necessary to maintain existing services within the TCSD.

The total revenue for all service levels as written in the attached 2024-25 Engineer's Annual Levy Report is \$12,844,067 which varies slightly from the Annual Operating Budget due to timing differences in the production of the two documents. The revisions did not result in any rate increases.

**FISCAL IMPACT:** The revenue generated for the TCSD Fiscal Year 2024-25 rates and charges will fund residential street lighting; perimeter landscaping and slope maintenance; recycling and refuse collection services in the City of Temecula.

**ATTACHMENTS:**

1. Resolution – Service Levels B, C and D
2. Fiscal Year 2024-25 Final Engineer's Report