

**TEMECULA COMMUNITY SERVICES DISTRICT
AGENDA REPORT**

TO: General Manager/Board of Directors

FROM: Jennifer Hennessy, Director of Finance

DATE: May 28, 2024

SUBJECT: Set Public Hearing to Approve TCSD Proposed Rates and Charges for Fiscal Year 2024-25

PREPARED BY: Jennifer Hennessy, Director of Finance

RECOMMENDATION: That the Board of Directors adopt a resolution entitled:

RESOLUTION NO. CSD

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA COMMUNITY SERVICES DISTRICT OF THE CITY OF TEMECULA ACKNOWLEDGING THE FILING OF A REPORT WITH RESPECT TO THE PROPOSED RATES AND CHARGES FOR FISCAL YEAR 2024-25 AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING IN CONNECTION THEREWITH

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.

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 FY 2024-25, 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.

Staff recommends that the Board of Directors adopt the resolution to accept the filing of the report on the proposed rates and charges for Fiscal Year 2024-25 and schedule a public hearing concerning these issues for July 23, 2024. Staff will proceed with noticing each affected property owner in the City regarding the proposed rates and charges within a minimum of forty-five (45) days prior to the public hearing.

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 and unpaved road maintenance services in the City of Temecula.

ATTACHMENTS:

1. Resolution of Intention
2. FY 2024-25 Preliminary Engineer's Report