

The District realizes that there may be some confusion regarding the Proposition 218 assessment election that was recently conducted and which passed by majority vote. The following information is provided to help clarify the issue.

**District Finances:** Contra Costa County is the de facto Treasurer of Bradford Reclamation District 2059 (the District). As such, the assessments levied by the District are collected by the County twice a year along with the parcel property tax and any other special fees. Beginning this year, you will see two District assessments on your tax bill—CB and TU. *See Example Figure 1*

**Assessments:** Code CB represents the \$313,605 assessment passed on May 4, 2010 that sunsets after this year. Starting in fiscal year 2016/17 (July 1, 2016 – June 30, 2017), assessment Code CB rolls back to the 2009/10 maximum assessment of \$158,000 and continues at that rate forever—it cannot be raised.

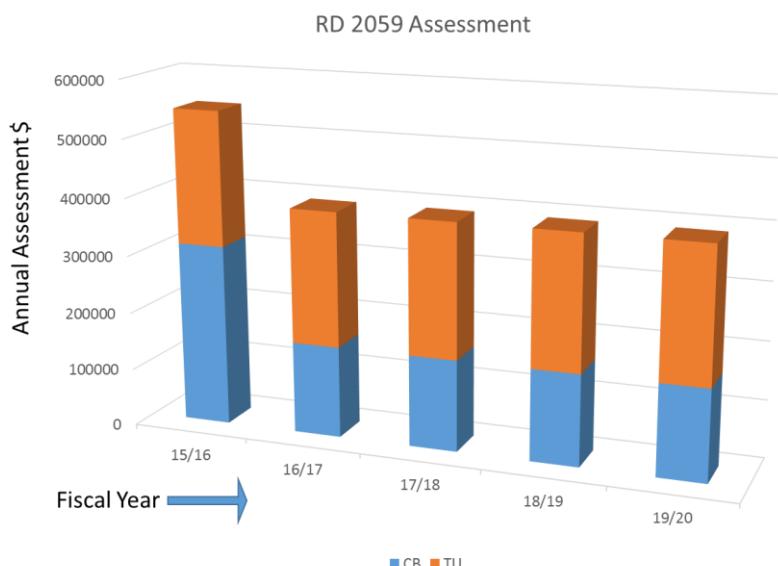
Code TU - O&M (Operations and Maintenance) represents the supplemental \$232,406.90 assessment approved on August 4, 2015 which begins fiscal year 2015/16 and sunsets in five years. *See Figure 2* If you would like to know what your 2009/2010 rate plus your new O&M (Operations and Maintenance) supplemental rate will be, please email a formal request to the District Manager at angelia\_bradford@sbcglobal.net.

*Figure 1*

SPECIAL TAXES & ASSESSMENTS			
DESCRIPTION	CODE	INFORMATION	AMOUNT
RECL DIST 2059 ✓	CB	(925) 209-5480	\$4,537.50
MOSQUITO & VECTOR	DV	(925) 867-3400	\$54.10
EMERGENCY MED B	DY	(925) 646-4690	\$20.00
RECL DIST 2059 O&M ✓	TU	(925) 209-5480	\$3,981.52

The combined assessment will be at its highest rate ( $\$313,605 + \$232,406.90 = \$546,011.90$ ) for **ONLY ONE (1)** year—the 2015/16 fiscal year. From that point forward, the District's annual assessment through 2019/20 will be \$390,406.90, just **\$76,801.90 more than the 2010 Proposition 218 assessment.** *See Fig. 2*

*Figure 2*



Your assessment dollars are used to fund the operation, maintenance and improvement of the District's flood control works to include its levees, ditches, and pump station. In addition, the assessments fund the District general operations to include administration, contract services and the ferry.

The economic downturn starting in 2008 had a substantial impact on the District. Numerous landowners experiencing difficulty paying their annual assessments, a pump station desperately in need of repair, increasing ferry repair bills, a ship running into the levee and a devastating fire on the island all contributed to financial problems for your District. The current assessment was not sufficient to cover District obligations.

The first Prop 218 to raise the landowner assessment cost the District ~\$35,000 and took two attempts to pass. The 1<sup>st</sup> attempt in February 2009 failed to pass. The 2<sup>nd</sup> attempt in May 2010 passed, but with a rollback in 5 years to 2009-2010 assessment rates—obligating the District to another Prop 218 in fiscal year 2014-2015 and costing the District another \$45,000+.

Between 2010 and 2015, a new pump station was built at a cost of \$365,000 and we finished the levee upgrade project. On the downside, old debts had gone too long, the District paid out \$49,000 in claims from the levee upgrade project, OES and the Bank of Stockton were calling its debts, and the State and County had serious

## RD 2059 PROPOSITION 218 FINANCIAL FACTSHEET

**2009 Proposition 218 Failed Attempt:** Public hearing for voting on February 9, 2009 to increase assessment beginning in fiscal year 2009-2010 and continue indefinitely. The total maximum assessment would be \$295,000. Highlights include:

### **Capital Improvement Assumptions:**

- Year 1 Pump Station relocation/reconstruction of \$682,062.60 paid off by 2028-2029
- Year 1 Non-reimbursable Subventions Ditch cleaning and culvert repair of \$148,593.68

### **Debt Service Assumptions:**

- Year 2 begin annual P&I payment of \$95,300 on short term loan of \$830,656.28 assuming 15 yr @8%
- Outstanding OES (Office of Emergency Services) debt from 1983 flood (\$50,000) not included in debt reduction model
- Outstanding DFA (Delta Ferry Authority) debt not included in debt reduction model

### **Budget Assumptions:**

- Year 2 addition of UN-Reimbursable Levee Maintenance (annual Ditch Cleaning) \$7575.97 with 5% escalation
- Year 2 Expanded Ferry Service \$15,000
- Rent, utilities, telephone, postage, etc. not included in District O & M

**2010 Proposition 218 (CB):** Public hearing for voting on May 4, 2010 to increase assessment beginning in fiscal year 2010-2011. The total maximum assessment would be \$313,605. Highlights include:

### **Assessment Ballot Propositions:**

- Proposed maximum annual assessment subject to an annual increase of 1.5% and shall expire after fiscal year 2015-2016.
- Beginning with fiscal year 2016-2017, the maximum annual assessment shall revert back to the 2009-2010 maximum annual assessment rates
- Replacement of the pump station by September 30, 2011 a condition or the maximum annual assessment shall revert back to the 2009-2010 maximum annual assessment rates
- The above propositions were conditional for a yes vote by Rosetta Resources, the current mineral rights holders

### **Capital Improvement Assumptions:**

- Year 1 Pump Station relocation/reconstruction of \$682,062.60 paid off by 2028-2029
- Year 1 Non-reimbursable Subventions Ditch cleaning and culvert repair of \$148,593.68
- Year 1 Prop 218 proceeding of \$32,020

### **Debt Service Assumptions:**

- Year 2 begin annual P&I pmt of \$95,300 on short term loan of \$862,676.28 assuming 15 yr @8%
- Outstanding DFA (Delta Ferry Authority) debt (\$41,740) not included

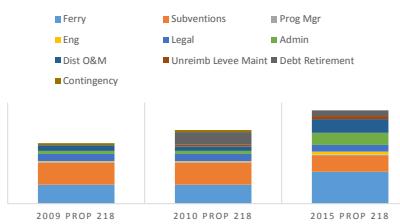
*reservations about the District's financial ability to continue. The current board began paying down all debts in fiscal year 2013 – 2014 and in two years has reduced its debt load by 50%--preventing the State from taking over the District.*

*Remember, your Board members are landowners just like you. They pay the same assessments and are not reimbursed for their time, travel, or attendance at any meetings.*

*We believe the SUPPLEMENTAL (TU) assessment will go down because:*

- Pending collection of \$81,805.82 in past due assessments, the pump station debt is reduced to \$112,067.18
- All additional debt paid from pending foreclosure sale (past due assessments on parcels)
- With the debt reduced early, the Board has the option to reduce the assessment (proviso that future Boards act responsibly)

#### PROP 218 BUDGET COMPARISONS



*In closing, it is important to remember the District may not exist in 5 years due to pending State strategic initiatives; funding for the island will probably be radically different in 5 years which*

in debt reduction model

- Outstanding OES (Office of Emergency Services) debt from 1983 flood (\$50,000) not included in debt reduction model
- Carr and Ferrell legal invoices not included in debt reduction model (~ \$130,000)

#### Budget Assumptions:

- Additional hours for District Administrator approved by Board not captured in budget
- Year 2 addition of UN-Reimbursable Levee Maintenance (annual Ditch Cleaning) \$7575.97 with 5% escalation
- Year 2 Expanded Ferry Service \$15,000

**2015 Proposition 218 (TU):** Public hearing for voting on Aug 4, 2015 to increase assessment beginning in fiscal year 2015-2016. The total maximum assessment would be \$232,406.92. Highlights include:

#### Assessment Ballot Propositions:

- Final maximum annual assessment reduced by \$97,105.26 from initial proposed maximum annual assessment of \$329,512.18 based on landowner input from two public workshops as well as two special Trustee Board meetings
- A 5-yr sunset provision added based on landowner input, a review of strategic initiatives impacting the District, the anticipated reduction in ferry expenses due to the DWR funded upgrades to the Victory II, and the District's improved financial status due to its 50% debt pay down over the last two years

#### Revenue Assumptions:

- \$0 revenue from ferry tickets since unknown quantity. Landowners (according to Contra Costa County Assessor's Office listed as owner of parcel) no longer pay usage fee (tickets)

#### Debt Service Assumptions:

- OES debt (paid \$32,200 since Mar 2012) to be paid off in fiscal year 2015-2016
- Carr and Ferrell \$76,500 settlement paid in \$10,000 annual installments (first installment paid 2014-2015 fiscal year)
- Bank of Stockton debt (paid \$326,127 since 2014) retire \$23,000 in warrants annually.
- Should any past due assessments be paid in full, such revenue shall be used to retire additional warrants.

#### Budget Assumptions:

- Increased Administrative costs to cover payroll and additional approved hours for District Manager
- Increased District Engineer costs to reflect actual costs of engineering for District strategic initiatives such as Emergency Drought Barrier permit issues or flood control issues
- Increased UN-reimbursable Levee Maintenance to accurately reflect costs for annual ditch cleaning
- Increased DFA (Delta Ferry Authority) to accurately reflect increased monthly assessment to anticipated \$9,900 per month

*made a 5 year sunset to the  
August Prop 218 not a mistake but  
a necessity.*

**USE THIS SPACE FOR YOUR NOTES:**