

**Summers Engineering, Inc.**  
**Consulting Engineers Hanford, California**

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# **Engineer's Report**

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**SILVER CREEK DRAINAGE DISTRICT**  
**Benefit Assessment Evaluation**

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**California Proposition 218**

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**May 2024**

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June 2024

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## Introduction

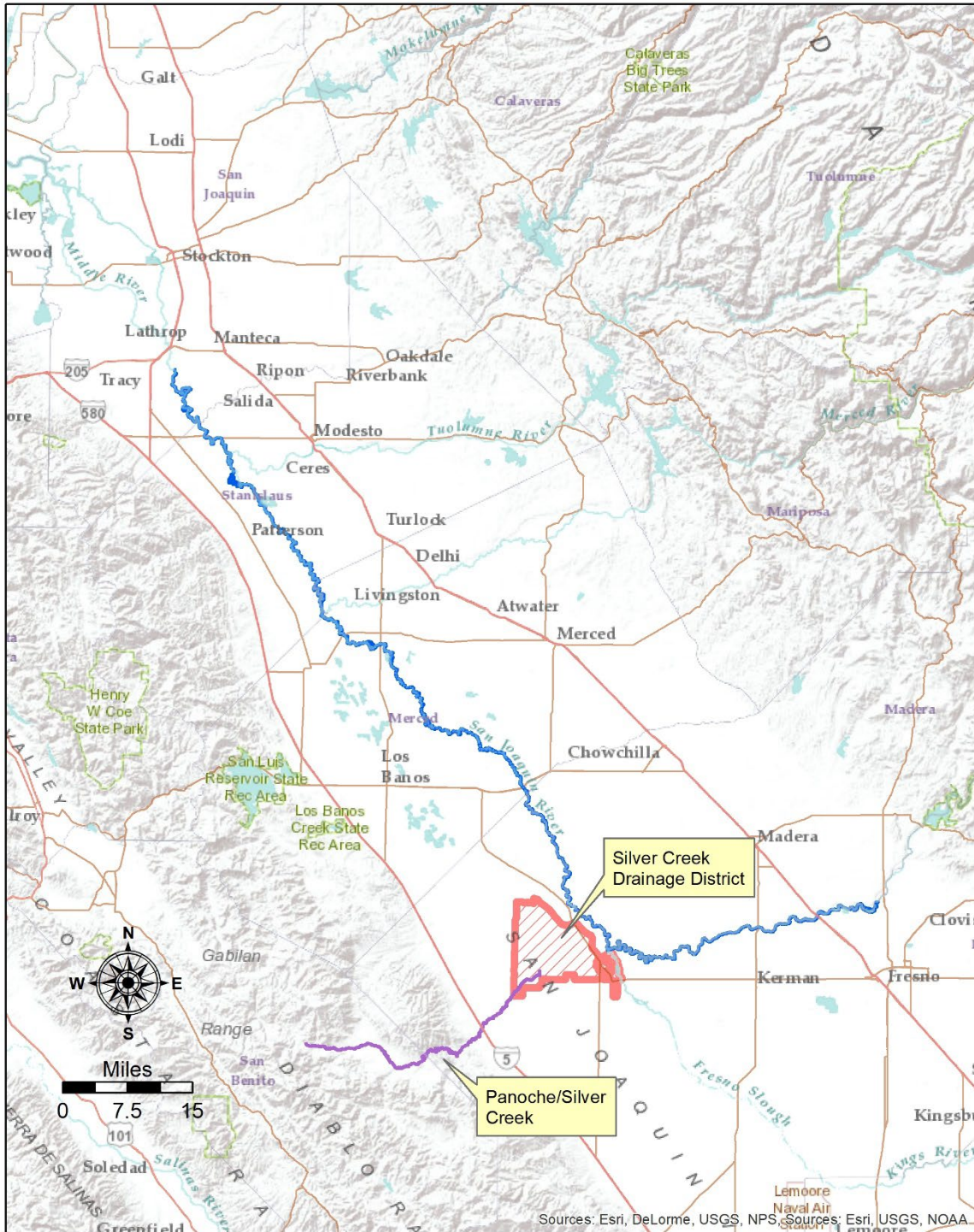
Silver Creek Drainage District (SCDD or District) is a California Special District formed under Uncodified Water Code section 260 Drainage District Act of 1903. The District encompasses approximately 49,617 acres of lands located in western Fresno County, near the community of Mendota. Figure 1 shows the location of the District and Figure 2 show's the District's service area.

SCDD was formed to provide flood protection for agricultural lands from damage by uncontrolled flow from Panoche-Silver Creek. Severe and/or on-going storm events along the Coastal Mountain Range result in runoff that generate flows in Panoche-Silver Creek in excess of several thousand cubic feet per second (cfs). This runoff flows generally northeast, crossing Interstate 5 and the California Aqueduct until it reaches Belmont Avenue, approximately 7 miles west of the community of Mendota. At Belmont Avenue, the Panoche-Silver Creek banks fade into the landscape and the conveyed runoff spills into the adjacent farm land, inundating crops as it continues to flow in a northeasterly direction. When flows are sufficient, the runoff will back up against the Firebaugh Canal Water District's (FCWD) 3<sup>rd</sup> Lift Canal, overtopping and eroding away the canal bank. As a stormwater management action, FCWD will often be forced to cut the bank to the 3<sup>rd</sup> Lift Canal to relieve flooding pressures, provide limited protection to private property and reduce the risk of flooding to the City of Mendota. Flood water diverted into the FCWD 3<sup>rd</sup> Lift will flow easterly through Main canals and back to the San Joaquin River, depositing substantial silt within the FCWD system that must be removed.

The purpose of Silver Creek Drainage District is to fund and implement projects to manage floodwater from Panoche-Silver Creek within the District boundaries in a way that approximates as much as practical the state of nature flow conditions and to reduce the inundation of farmland and provide for orderly

passage of flood waters to the San Joaquin River and its tributary channels and reduce damage to irrigation conveyance infrastructure and improvements.

The District currently has no flood management infrastructure to operate or maintain.



**Figure 1: Silver Creek Drainage District Location Map**



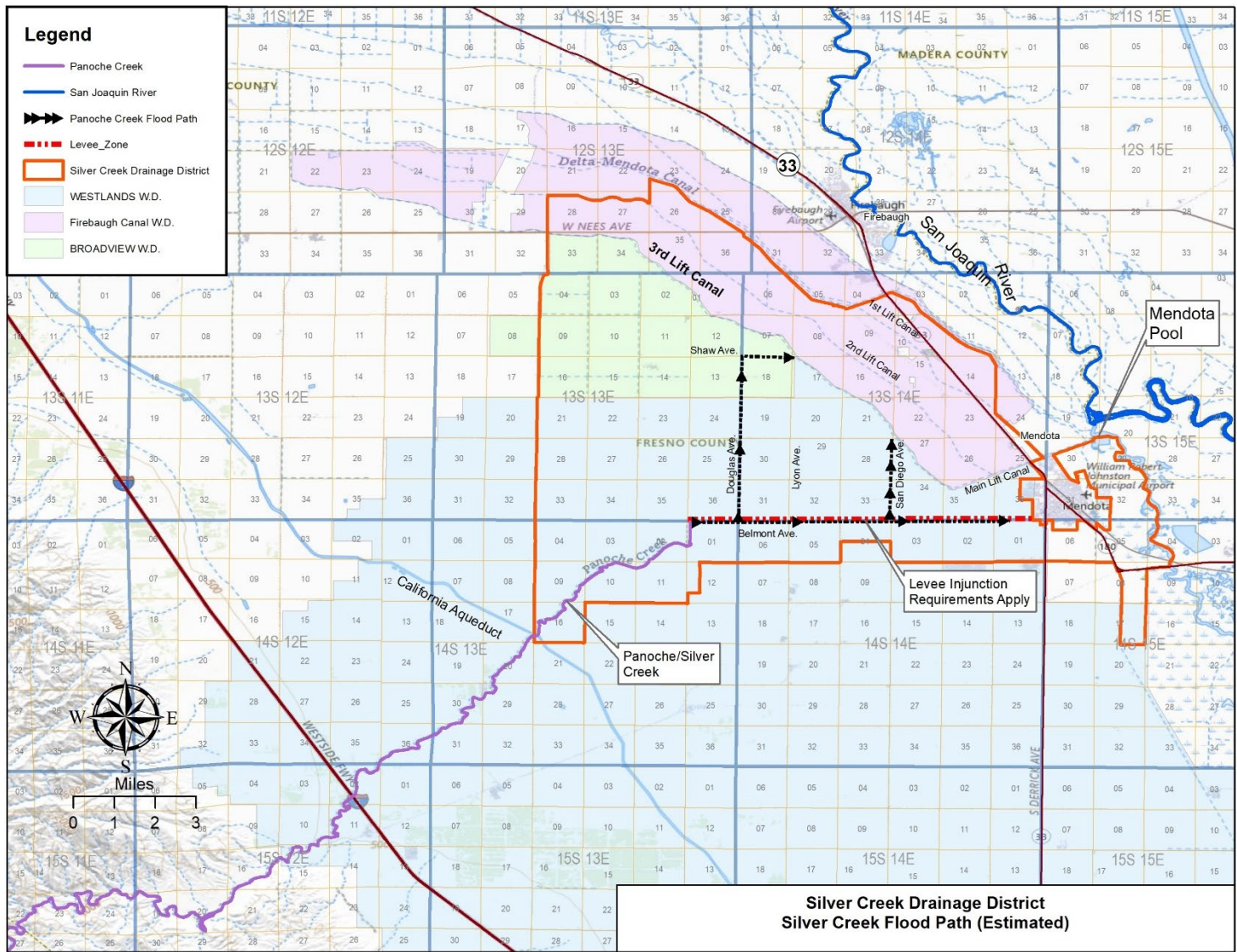


Figure 2: Panoche-Silver Creek Approximate Flood Path

## **Services Provided**

The District operates with a five-member board of directors and contracts with Firebaugh Canal Water District to perform the required administrative duties and operates out of the Firebaugh Canal Water District office. Silver Creek Drainage District believes that it can contract for services from nearby public agencies and private firms at the initial stages to avoid costs. The District's mission is to identify, fund and implement flood control procedures and projects to minimize impacts and damages from Panoche-Silver Creek flood flows, and provide general administration services including the payment of bills and collection of revenue to fund those efforts.



## Assessment Evaluation

As used herein, “Assessment” includes charges such as the proposed standby charge per acre.

Table 1, below, summarizes the estimated 2024 operating costs for SCDD, including a reserve amount equivalent to approximately 6 months of operating costs.

**Table 1: Summary of 2024 Operating Costs**

<b>Category</b>	<b>2024 Amount</b>
Operations	\$21,000
Administration	\$10,500
Legal	\$20,250
Accounting & Audit	\$9,000
Engineering	\$19,000
Liability Insurance	\$6,000
Prop 218 Election Cost	\$15,000
Grant Development	\$30,000
Contingencies & Miscellaneous	\$20,000
Reserves and Project Development	\$98,160
<b>Total:</b>	<b>\$ 248,910</b>

The District currently has no structure to recover operating expenses or generate any revenue. SCDD proposes to levy a per-acre standby charge on all lands within the District service area to recover annual operating costs and to develop a reasonable reserve fund.

If the reserve fund is utilized to consider works or regulatory undertaking which would have a special benefit to certain lands and areas of the District and not a general benefit, the amounts of reserves utilized for that purpose benefitting only a portion of the District service area will be repaid to the reserve fund if that project is pursued as part of the action pursuant to Proposition 218 and Proposition 26 for approval of the special undertaking and its costs.

## **Proposition 218 Requirements**

In November of 1996 a California Constitutional initiative titled Proposition 218 was approved by the voters of the State. The primary intent of the initiative was to ensure that all taxes and most increased or new charges on property owners were subject to voter approval. Proposition 218 applies to general taxes that were imposed in 1995 or 1996 without a vote of the people, or the raising of new taxes, assessments (including the proposed standby charge), or property-related fees after 1996.

To establish or increase benefit assessments and comply with the requirements of Proposition 218, SCDD must perform a number of steps. An engineer's report (this document) must be prepared to establish the proportional benefit on each parcel/acre within the District of the fee or tax. Following completion of the engineer's report, information regarding the proposed increase, including a voting ballot or protest form, must be mailed to every property owner. A public hearing must be conducted by the District no less than 45 days after the mailing. At the public hearing, the District will consider all protests against the proposed increase in fees or charges and tabulate the protests on the basis of one protest per parcel. If subsequently assessments are proposed because of special benefits to landowners, a ballot procedure will be utilized in which landowners will have a number of votes based on the amount of the assessment they will be required to bear. The increase in the assessment will not proceed if upon the conclusion of the hearing, protests are submitted to the District Secretary in opposition to the increase which exceed fifty-one percent of the total acreage eligible to protest.

The subsequent analyses presented in this report will evaluate projected District budgets used to determine the per-acre standby charge. This charge will be applied equally to all lands within the District since all lands benefit equally from the existence and routine activities of the District and the expenditure of the proposed spending.

## **Cost of Service**

Recent flooding events in 2023 have renewed interest in providing flood protection planning services, and as a result, a new Board of Directors was appointed in 2023-2024. Projections of weather change patterns and changes in conditions of the land and improvements within the District provide evidence of possible changes in flood conditions and increased erosion damages if progress in recreating natural conditions is not achieved. The Board adopted a budget to cover the 2024 fiscal year budget. A project budget was developed through 2029, evaluating expected budgetary needs for the next five years, shown in Table 2. These projections were based on expected and assumed future costs, adjusted annually for an assumed 3% inflation rate.

Table 2 details the fiscal year 2024 through 2029 budgets.

Task Category	Budget		Project Budget			
	2024	2025	2026	2027	2028	2029
Operations	\$21,000	\$21,630	\$22,279	\$22,947	\$23,636	\$24,345
Administration	\$10,500	\$10,815	\$11,139	\$11,474	\$11,818	\$12,172
Legal	\$20,250	\$20,858	\$21,483	\$22,128	\$22,792	\$23,475
Accounting & Audit	\$9,000	\$9,270	\$9,548	\$9,835	\$10,130	\$10,433
Engineering	\$19,000	\$19,570	\$20,157	\$20,762	\$21,385	\$22,026
Liability Insurance	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956
Prop 218 Election Cost	\$15,000	\$0	\$0	\$0	\$0	\$0
Project Development	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778
Contingencies & Miscellaneous	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185
Reserves	\$98,160	\$109,088	\$104,893	\$100,572	\$96,122	\$91,539
Total Budget	\$248,910	\$248,910	\$248,910	\$248,910	\$248,910	\$248,910
Cumulative Reserves	\$98,160	\$207,248	\$312,140	\$412,713	\$508,835	\$600,373
Revenue (\$5 per acre assessment)	\$248,910	\$248,910	\$248,910	\$248,910	\$248,910	\$248,910

## **Analysis of Alternative**

The District currently has no means of generating regular income and has no means of paying expenses. For a drainage district, which has no “product” to sell, the only viable tool to collect revenue would be a standby charge. No other reasonable method of revenue collection is appropriate at this time. When and if the District is able to propose physical improvements to reduce flood risk or damages a special assessment for those additional costs and measures will be proposed and the benefits of the proposed measures will be spread to the acres of land and improvements or permanent crops benefited on the basis of the benefits likely to be enjoyed and additional Proposition 218 procedures used to gain approval and disapproval.

The standby charge will apply a uniform fee per acre of land within the District. Since the benefits provided by SCDD in this initial and general administrative services protection throughout the District area and affect all lands within the District equally, this form of charge is most appropriate and in accordance with the benefits received from the expenditures by the District.

The proposed standby charges will be levied and are proportioned on each acre within the District receiving a proportional share of the District’s administrative planning and potential regulation and benefits, and therefore, every acre is assessed equally. The proposed charge would be calculated based on the expected expenditures, reserve contribution, and revenue for each fiscal year (see Table 2), divided by the total acreage served by the District. The District proposes a land assessment not to exceed \$5 per acre land, based on budget projections through 2029.

## **Conclusions**

Silver Creek Drainage District plans when it is able to plan and develop financial plans for projects or regulations that may provide special benefits to some but not all landowners, along with the necessary administrative actions, that those measures or plans will be presented. Proposition 218 requires the application of an assessment for special benefits be approved by a vote of the people paying the assessment based on each landowner proposed to be assessed having votes equivalent to the amount of the assessment for those special benefits. There is no current source of revenue for District operations and SCDD is at this time is proposing a uniform charge per acre for administrative costs and overhead and accumulation of reserves to be utilized for the planning and appraisal of alternate measures to address flooding and sediment deposition.

SCDD will apply the standby charges, as determined to be needed by the Board of Directors to cover operational costs and repay loans incurred by the District for start-up costs.

In the opinion of the undersigned, based upon his investigation and professional training and experience, the charges (also called assessments pursuant to Propositions 218 and 26) proposed are apportioned to the lands within the District in accordance with the reasonable benefits that may be gained through the expenditures of those funds by the District.

This Engineer's Report is submitted on this 25<sup>th</sup> day of June, 2024, by the undersigned who holds License No. 59067 as a Civil Engineer in the State of California.