City of Paso Robles

Drainage Maintenance District No. 2008-1

2015/2016 Engineer's Annual Levy Report

Intent Meeting: April 21, 2015
Public Hearing: May 19, 2015

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ASSESSMENT ENGINEER'S AFFIDAVIT

DRAINAGE MAINTENANCE DISTRICT NO. 2008-1

City of Paso Robles
San Luis Obispo County, State of California

This Report describes the proposed plans and specifications, method of apportionment, budgets and special benefit assessments to be levied on lots, parcels and subdivisions of land within the Paso Robles Drainage Maintenance District No. 2008-1 for fiscal year 2015/2016, as the same existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the San Luis Obispo County Assessor's maps for a detailed description of the lines and dimensions of parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this 21 day of April, 2015.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Paso Robles

By: _____
Susana Medina
Project Manager

By: Richard Kopecky
Richard Kopecky
R. C. E. # 16742

REGISTERED PROFESSIONAL ENGINEER
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I. INTRODUCTION

Pursuant to the provisions of the *Benefit Assessment Act of 1982, being Chapter 6.4 of the California Government Code, commencing with Section 54703* (hereafter referred to as the "1982 Act"), and in compliance with the substantive and procedural requirements of the *California State Constitution Article XIIID* (hereafter referred to as the "California Constitution"), the City Council of the City of Paso Robles, County of San Luis Obispo, State of California (hereafter referred to as "City"), previously formed and levied and collected annual assessments for the district designated as:

Drainage Maintenance District No. 2008-1

(Hereafter referred to as "District").

The District provides the necessary annual funding to service and maintain drainage improvements associated with the planned residential development designated as parcel map PR03-0338 — Ashwood Place (hereafter referred to as the "PR03-0338 Subdivision"). It has been determined that the improvements are required and necessary for the orderly development of the lots and parcels of land within the PR03-0338 Subdivision and that the improvements and services to be provide will enhance and protect those properties as well as ensure the ecological and environmental integrity of the drainage improvements (creek area). This Engineer's Report (hereafter referred to as "Report") has been prepared in connection with the improvements to be provided and the levy and collection of annual assessments related thereto, as required pursuant to *Section 54716* of the 1982 Act.

The City Council previously formed the District, and continues to levy and collect annual assessments on the County tax rolls upon properties within the District to provide an ongoing funding source for the continued operation and maintenance of the drainage improvements (creek area) that have been identified as necessary and essential requirements for the orderly development of the properties within the District, consistent with the development requirements for the PR03-0338 Subdivision and applicable portions of the City General Plan. This Report describes the District, the improvements, and the assessments levied against properties in connection with the special benefits that the properties receive from the maintenance and servicing of the improvements.

Each fiscal year, utilizing the historical and estimated costs to maintain the improvements that provide special benefit to properties within the District, the City establishes the District's budgets and assessments (within the limits of the approved maximum assessments). The structure of the District (organization), the improvements, the method of apportionment, and assessments described herein are based on current property development plans for the PR03-0338 Subdivision and specifications associated with that planned development; and by reference these plans and specifications are made part of this Report.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the San Luis Obispo County Assessor's Office. The San Luis Obispo County Auditor-Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for the special benefit assessments.

As part of this District formation in Fiscal Year 2008/2009, the City conducted a property owner protest ballot proceeding for the levy of new assessments pursuant to the provisions of the California Constitution, Article XIIID Section 4. In conjunction with this ballot proceeding, the City Council conducted a noticed public hearing to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Upon conclusion of the public hearing, property owner protest ballots were opened and tabulated to determine whether majority protest exists (ballots were weighted based on the calculated proportional assessment amount for each benefiting parcel). Tabulation of the ballots indicated that majority protest does not exist for the assessments and the assessment range formula presented and described herein, the City Council approved the Report (as submitted or amended), ordered the formation of the District, and approved the levy and collection of assessments.

Each subsequent fiscal year, a Report is prepared and presented to the City Council describing any changes to the improvements, the services, the annual budget and assessments for that fiscal year, and the City Council holds a noticed public hearing regarding these matters prior to approving and ordering the levy of assessments.

II. PLANS AND SPECIFICATIONS

A. DESCRIPTION OF THE DISTRICT

At the time of the preparation of this Report, the territory of the District is identified by the County of San Luis Obispo as assessor's parcel number 009-750-007, which encompasses an area of approximately 2.5 acres. This parcel is currently identified by the County Assessor's Office with one single-family residential unit on the property, but is to be subdivided to include an additional three single-family residential properties (total of four parcels) as part of the planned PR03-0338 Subdivision.

The District is situated in the southeastern portion of the City of Paso Robles and is located on the north side of Ashwood Place:

- East of Beechwood Drive;
- West of Oriole Way;
- South of Larkfield Place; and
- Generally north of Meadowlark Road.

B. DESCRIPTION OF IMPROVEMENTS AND SERVICES

The District funds the activities necessary to maintain and service specific drainage improvements associated with the properties in the District, namely the existing creek area associated with the PR03-0338 Subdivision. The creek area within the District is one segment of the overall drainage system, which provides storm water runoff control for the properties in the area including those within this District. This creek provides and controls the flow and drainage of excess irrigation water and storm water runoff from adjacent properties acting both as a channel way and bio-filter. This drainage facility originates north of this planned development and the water flows across the territory of the District southward to adjacent properties an ultimately to a control basin east of Oriole Way. The maintenance and operation of these particular drainage improvements may include but are not limited to the materials, equipment, labor, and incidental expenses necessary to keep these improvements in satisfactory condition, ensuring the functionality of the improvements, but also the ecological and environmental integrity of the creek.

As generally defined by the Benefit Assessment Act of 1982 and applicable to this District, the City may impose a benefit assessment to finance the maintenance, servicing and operation cost of drainage and flood control improvements. In addition to imposing a benefit assessment for the annual maintenance and operation of the improvements, the City may also authorize an assessment or utilize existing assessment revenues to finance the installation, construction or replacement of drainage and flood control facilities. While such activities are permitted under the 1982 Act and assessment revenues may be utilized for such activities, the budget and assessments for this District have been established to address annual maintenance and periodic repairs and services that are normally required to ensue the proper flow of storm water runoff as well as the ecological and environmental integrity of the drainage improvements. Since most major rehabilitation or reconstruction projects for such improvements would typically result from unforeseen damages or area flooding in excess of what is reasonably anticipated, the extent and cost of such projects are not easily predicted and it has been determined that it is not reasonable or appropriate to accumulate additional funds for such possibilities. If such funding becomes necessary, the City may present a new or increased assessment to the property owners to support such major rehabilitation or reconstruction projects.

The District budget and assessments identified in this Report are based on an estimate of the annual and periodic costs to service and maintain the creek area within the boundaries of the District as well as offsite areas immediately adjacent to the District that are necessary to ensure the proper flow of water and the ecological integrity of the drainage improvements within the District and determined to be of special benefit to the properties therein including but not limited to:

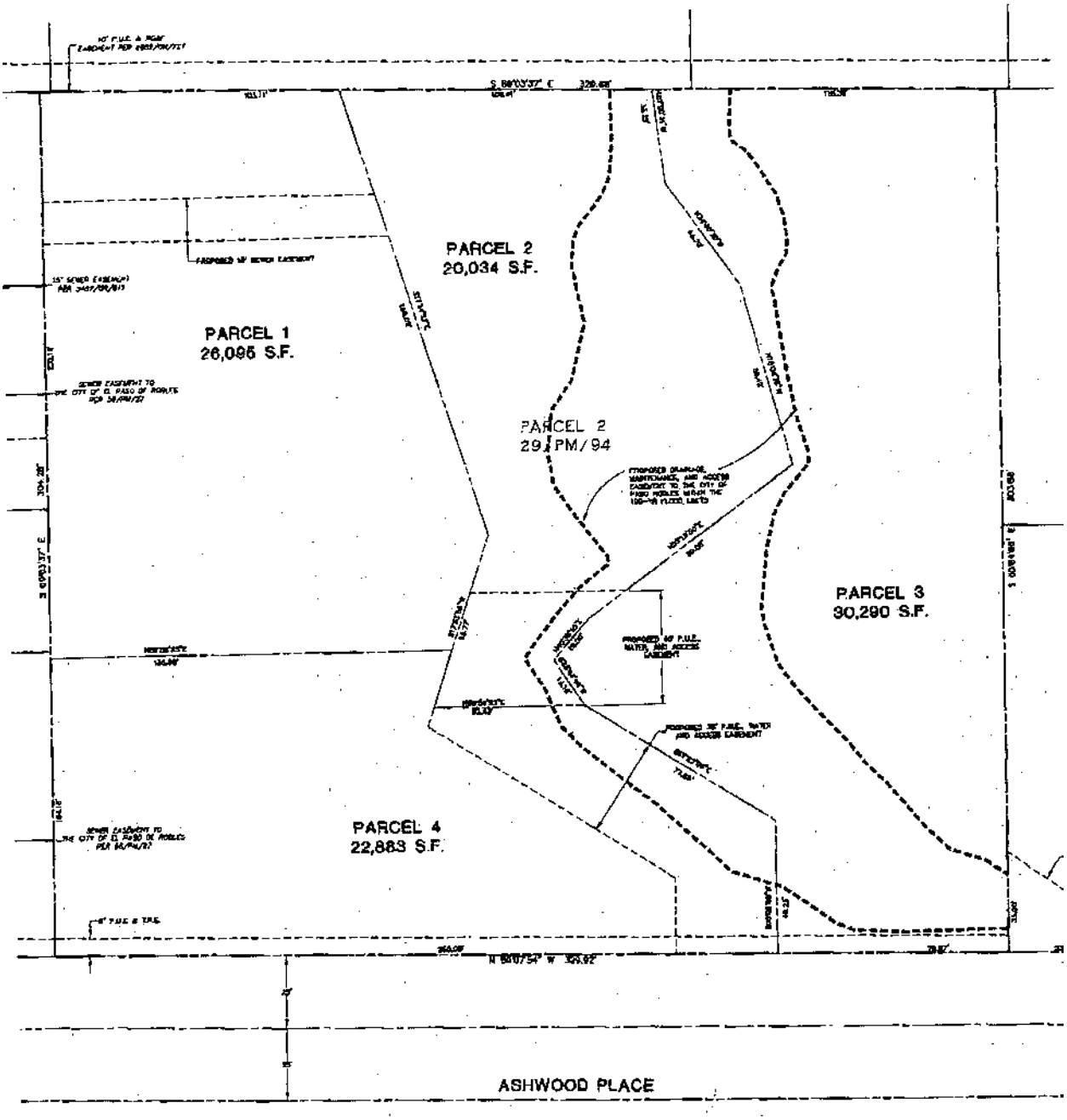
- Regular and periodic vegetation management within the overall drainage easement including but not limited to vegetation abatement, trimming, dethatching and vegetation replacement;
- Regular large debris removal and control within the creek to ensure proper water flow;
- Periodic desilting and/or small debris removal and control as needed to ensure proper water flow and minimize flooding;
- Vector control on an as needed basis to maintain the environmental and ecological balance within the creek easement;

The Office of Public Works, shall determine the need and scheduling of the services and activities to be performed within the creek easement that are necessary to ensure the functionality and integrity of the drainage improvements as well as available funds to provide such services.

A diagram that identifies the general location of the drainage easement (improvement area) relative to the subdivision of properties within the District is provided on the following page. A more detailed description of the improvement area easement maintained through the District is contained in the development plans for the PR03-0338 Subdivision which is on file in the Office of Public Works and by reference is made part of this Report. These plans and specifications may be amended or modified from time to time to reflect the ultimate development of properties within the District or necessary to accommodate the proper flow and integrity of the improvements. The net annual cost to provide and maintain the improvements determined to be of special benefit shall be allocated to each property in proportion to the special benefits received from those various improvements.

Diagram of Drainage Easement:

The diagram below provides a visual perspective of the creek easement (drainage improvement area) within the boundaries of the District:



III. METHOD OF APPORTIONMENT

A. GENERAL

The 1982 Act permits the establishment of assessment districts by agencies for the purpose of providing for the maintenance, operation and servicing of drainage and flood control improvements as well as street lighting, streets, roads and highways. The 1982 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

> *"The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service".*

Furthermore:

> *"The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service, except that the legislative body may, by resolution, determine that the estimated cost of work authorized … is greater than can be conveniently raised from a single annual assessment and order that the estimated cost shall be raised by an assessment levied and collected in installments…. The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.*

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices in compliance with the provisions of the 1982 Act and the California Constitution. The formulas used for calculating assessments reflects the composition of parcels within the District and the improvements and services provided, to fairly apportion the costs based on the special benefits to each parcel.

B. BENEFIT ANALYSIS

As previously noted, the drainage improvements associated with this District are an integral part of a more comprehensive drainage and ecological system in the area and as such, any unnecessary modifications or alterations to that system may negatively impact not only the property within the District but may also impact surrounding properties or the drainage system itself. While this may initially suggest that there is some measurable benefit to the surrounding properties or to the public at large from the District improvements, the cost of which could be considered a general benefit and not assessed to properties in the District, clearly any damages to other properties resulting from modifications

of the existing drainage system or improper maintenance of those improvements would ultimately be the financial liability of the property owner(s) responsible for causing such damages.

In addition, the proper maintenance of the improvements and appurtenant facilities allows individual parcels to be developed and used to their fullest extent by ensuring adequate drainage and proper control of excess water during periods of rain, which is essential to the use, preservation and protection of those properties. Conversely, the absence of adequate maintenance and servicing of these improvements would eventually have a negative impact on these particular properties as well. Clearly, providing for the proper control, maintenance and operation of the drainage improvements within this District must therefore be an integral part of the planned PR03-0338 Subdivision. Based on these findings, it is apparent that the improvements, services and activities for this District are a special benefit to only those properties within this District and ultimately the financial responsibility of those properties.

While it is clear that the drainage improvements to be provided by this District are entirely for the special benefit of the lots and parcels of land therein and ultimately the financial obligation of those properties, it has been determined by the City and supported by a court order, that the proper and adequate maintenance of the creek area (drainage improvements) shall not be relegated to the individual property owners, but shall be provided by the City utilizing assessment revenues from those properties. This is consistent with similar assessments levied annually on other properties in the area through the City's existing landscaping and lighting district.

C. ASSESSMENT METHODOLOGY

Pursuant to the provisions of the 1982 Act and Article XIIID Section 4 of the California Constitution, the costs associated with the improvements and services shall be fairly distributed among the parcels based upon benefit and each parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The method of apportionment established for this District and described herein, reflects the proportional special benefit each property receives from the improvements and services based on the actual or proposed use of that parcel as compared to other properties within the District.

Equivalent Benefit Units:

The method of apportionment established for most maintenance assessment districts utilizes a weighted method of apportionment known as an Equivalent Benefit Unit (EBU). This method of apportioning special benefit and costs typically sets the single-family home or home-site as the basic unit of assessment. A single-family home is generally assigned one Equivalent Benefit Unit (EBU), with other land uses being assigned a weighted EBU based on an assessment formula that equates the property's special benefits to that of the single-family home utilizing specific property characteristic comparisons. This

proportional weighting may be based on several factors that may include, but are not limited to: the location of the property relative to the improvements, the type of development (land use), development-status (developed versus undeveloped), size of the property, densities or other property related factors including any development restrictions or limitations. Generally for most districts the calculation of each parcel's proportional special benefit can be reasonably determined by applying one or more of these factors.

While the Equivalent Benefit Unit method of apportioning special benefit is most commonly used for districts that have a wide range of land use classifications (residential and non-residential use), the use of this methodology is still applicable for this District even though it is comprised of only existing or planned residential properties. Although each of the residential lots within the District will not be directly adjacent to the creek easement, the ability to develop or subdivide the existing property to two or more individual lots is contingent on providing for the drainage improvements. Therefore it has been determined that each residential lot will have similar and equal benefits from the improvements and shall be assigned one Equivalent Benefit Unit (1.00 EBU) each; and until the existing property is actually subdivided, the existing parcel shall be assigned a weighted equivalent benefit unit of 4.00 EBU (representing the four planned residential lots).

The maximum assessment rate per Equivalent Benefit Unit identified in the Budget section of this Report is based on an estimate of the annual expenses at full build out of the properties within the District according to the development plans for the PR03-0338 Subdivision (Four single-family residential properties — 4.00 EBU). However if the development of properties within the District is modified resulting in a change in the total number of residential units, the maximum assessment rate for the District shall be modified accordingly based on the budget presented herein and the total benefit units applied to properties in the District at build-out. Such a change shall not constitute an increased assessment.

Assessment Calculations:

The total number of Equivalent Benefit Units (EBU's) for the District is the sum of all individual EBU's applied to parcels that receive special benefit from the improvements. As noted in the previous discussion the total Equivalent Benefit Units established for this District is 4.00 EBU based the development of the territory within the District (PR03-0338 Subdivision plans). An assessment amount per EBU (Assessment Rate) for the improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBU's of all parcels benefiting from the improvements.

Total Balance to Levy / Total EBU = Levy per EBU

This Rate is then applied back to each parcel's individual EBU to determine the parcel's proportionate benefit and assessment obligation for the improvements.

Levy per EBU x Parcel EBU = Parcel Levy Amount

D. ASSESSMENT RANGE FORMULA

While the budget and method of apportionment for this District establishes a maximum assessment for each lot/parcel within this District, these assessments reflect the proportional cost of providing the improvements in today's dollars. Clearly, these costs for service will inevitably be impacted by inflation in subsequent years. To ensure adequate funding is available in the future an assessment range formula for inflation is included as part of the maximum assessment rate to be presented to the property owner(s) of record for approval. The formula, as described herein provides for annual inflationary adjustment to the maximum assessments that may be imposed each year without requiring the extensive procedure and cost of balloting for normal operational cost increases. The annual inflationary formula (assessment range formula) described herein should provide for modest increases to the assessment revenues to meet anticipated cost increases in labor and materials that result from normal inflationary factors.

Commencing in the second fiscal year (fiscal year 2009/2010), and each fiscal year thereafter, the maximum assessments and assessment rate established in the previous fiscal year shall be adjusted by the percentage change increase in the Consumer Price Index reported by the San Francisco/Oakland Urban Wage Earners and Clerical Workers (CPI).

The maximum assessment that may be levied in a fiscal year is increased annually by the following formula:

(Prior Year's Maximum Assessment x CPI)
Plus
Prior Year's Maximum Assessment
] = *Current Year's New Maximum Assessment*

The CPI percentage change used each year shall be based on the annual percentage change for the preceding 12 months. For example, the annual inflation factor applied for fiscal year 2015/2016 is based on the annual percentage change from 2014 to 2015 utilizing the February CPI information.

Although the Annual Inflation Adjustment will increase the maximum assessments and assessment rate allowed each year, the actual amount to be assessed shall be based on the annual budget and may be less than the maximum assessments allowed.

IV. DISTRICT BUDGETS

This section of the Report provides an estimate of the annual costs to be collected and deemed appropriate for the operation, maintenance and servicing of the improvements for the District.

BUDGET ITEMS	Budget FY 2015/2016
DIRECT COSTS	
Annual Creek Maintenance	$214
Collection for Periodic Maintenance	54
Sub-total Maintenance Costs	**$268**
ADMINISTRATION COSTS	
Preparation of Annual Report & Resos	$53
City Overhead	27
Total District Administration	**$80**
County Administration Fee	2
Sub-total Administration Expenses	**$82**
Total Direct and Admin. Costs	**$350**
LEVY ADJUSTMENTS	
Reserve Fund Collection/(Contribution)	$0
Contributions from General Fund	0
Sub-total Levy Adjustments	**$0**
Balance to Levy	**$350.00**
DISTRICT STATISTICS	
Total Parcels	1
Total Assessable Parcels	1
Total Equivalent Benefit Units	4.00
Proposed Levy per EBU	**$87.50**
Maximum Rate per EBU	$1,702.876

V. DISTRICT DIAGRAMS

The following District Diagram identifies the area of land within the District, as the same existed at the time this Report was prepared is based on the San Luis Obispo County Assessor's Maps and the San Luis Obispo County Assessor's information. The combination of this map and the Assessment Roll contained in this Report constitute the District Assessment Diagram. The maximum assessments and assessment range formula as described herein were presented to the property owner(s) of record in accordance with the provisions of the California Constitution.

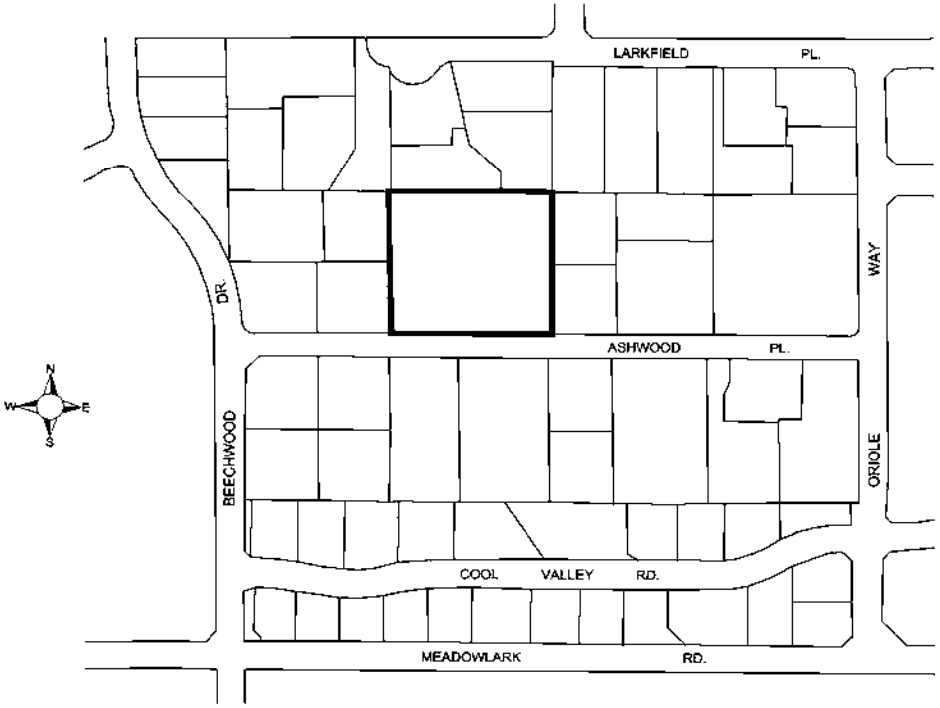
ASSESSMENT DIAGRAM FOR
DRAINAGE MAINTENANCE DISTRICT NO. 2008-1

CITY OF PASO ROBLES, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

SHEET 1 OF 1

PROPOSED BOUNDARIES OF
DRAINAGE MAINTENANCE DISTRICT NO. 2008-1

CITY OF PASO ROBLES
COUNTY OF SAN LUIS OBISPO
STATE OF CALIFORNIA



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 2008.

I HEREBY CERTIFY THAT THIS MAP SHOWING THE BOUNDARIES OF DRAINAGE MAINTENANCE DISTRICT NO. 2008-1, CITY OF PASO ROBLES, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF PASO ROBLES AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2008, BY ITS RESOLUTION NO. _____.

_____
CITY CLERK
CITY OF PASO ROBLES

LEGEND

DISTRICT BOUNDARY

NO. OF PARCELS: 1

MuniFinancial

VI. ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on the Assessment Diagram presented herein and is based on available parcel maps and property data from the San Luis Obispo County Assessor's Office at the time the Engineer's Report was prepared. A listing of the lots and parcels to be assessed within this District along with the assessment amounts is provided herein.

If any parcel submitted for collection is identified by the County Auditor-Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor-Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment and assessment rates described in this Report as approved by the City Council. Therefore, if a single parcel is subdivided to multiple parcels, the assessment amount applied to each of the new parcels shall be recalculated and applied according to the approved method of apportionment and assessment rate rather than a proportionate share of the original assessment.

The following is a list of the parcels and assessment amounts for each of the parcels within the District as determined by the assessment rates and method of apportionment described herein:

Assessor's Parcel Number	Land Use	EBU	Maximum Assessment	Assessment FY 2015/2016
009-750-007	Planned Residential Subdivision	4.00	$6,811.50	$350.00