



Engineer's Report

Fiscal Year 2020-21

Town of Yucca Valley Street and Drainage Maintenance District No. 1 Benefit Zones 1-3 and 5

Prepared For



June 2020

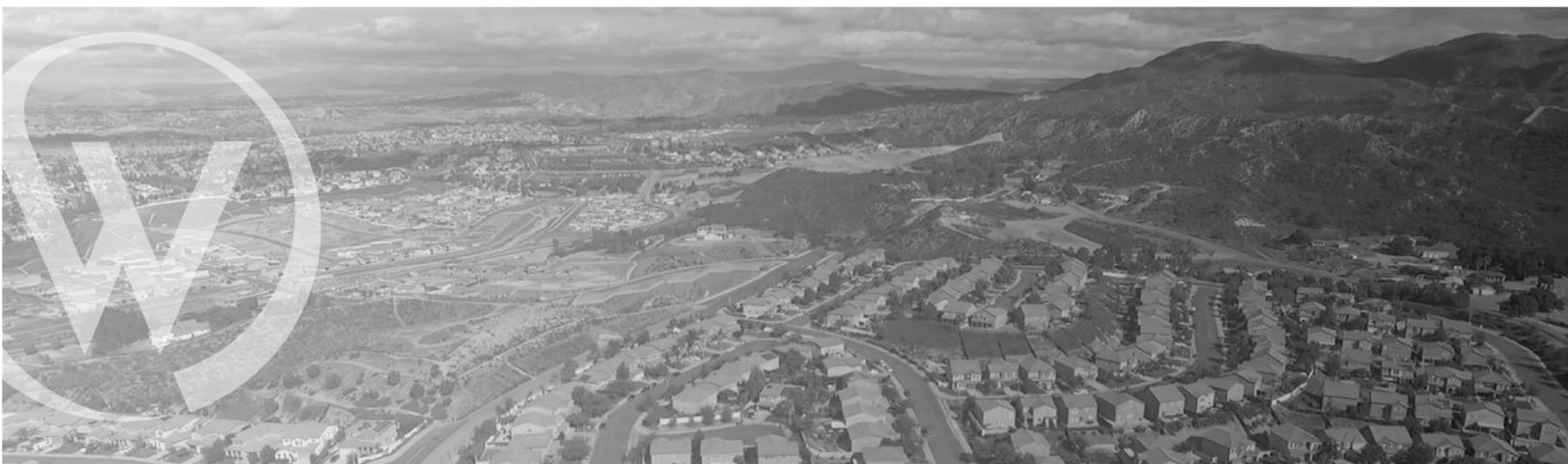


Table of Contents

Sections

Section i.	Engineer’s Statement	i
Section 1.	Plans and Specifications	1
Section 2.	Cost Estimate	3
Section 3.	Method of Apportionment	10
Section 4.	Assessment Roll	13

Tables

Table i-1.	Summary of Assessments	iii
Table 2-1.	Benefit Zone No. 1 Budget	4
Table 2-2.	Benefit Zone No. 2 Budget	5
Table 2-3.	Benefit Zone No. 3 Budget	6
Table 2-4.	Benefit Zone No. 5 Budget	7
Table 2-5.	Maximum Assessments	8
Table 3-1.	Method of Spread Benefit Zones 1-3	12
Table 3-2.	Method of Spread Benefit Zone 5	12

Appendices

Appendix A.	Assessment Roll	A-1
-------------	-----------------	-----

i. Engineer's Statement

AGENCY: TOWN OF YUCCA VALLEY
PROJECT: STREET AND DRAINAGE ASSESSMENT DISTRICT NO. 1, BENEFIT ZONES 1-3 AND 5
TO: TOWN COUNCIL
TOWN OF YUCCA VALLEY
STATE OF CALIFORNIA

Report Pursuant to "Benefit Assessment Act of 1982"

Pursuant to direction from the Town Council (the "Town Council") of the Town of Yucca Valley (the "Town"), State of California, submitted herewith is the Engineer's Report (the "Report") for Street and Drainage Maintenance District No. 1 ("DAD No. 1"), consisting of the following parts, pursuant to the provisions of Division 2, Part 1, Chapter 6.4 of the California Government Code of the State of California, being the "Benefit Assessment Act of 1982," and which is in accordance with Resolution No. 20-11 adopted by the Town of Yucca Valley Town Council, San Bernardino County, California ordering the preparation of the Report for Street and Drainage Maintenance District No. 1 ("SDMD No. 1" or the "District"). This Report is applicable for the ensuing 12-month period, being the Fiscal Year commencing July 1, 2020 to June 30, 2021.

SECTION 1 **PLANS AND SPECIFICATION** of the improvements to be maintained and-or improved for the Fiscal Year. The plans and specifications show and describe the existing improvements and are sufficient in showing and describing the general nature, location and extent of the improvements.

SECTION 2 A **COST ESTIMATE** of the improvements to be maintained and-or improved for the mentioned Fiscal Year.

SECTION 3 The **METHOD OF APPORTIONMENT** showing the proportionate amount of the assessment to be charged in proportion to the benefits to be received by each lot or parcel within the exterior boundaries as shown in Appendix B.

SECTION 4 The **PROPOSED ASSESSMENTS** for each Benefit Zone within SDMD No. 1.

i. Engineer's Statement

I, Matthew E. Webb, a Professional Civil Engineer (employed at Albert A. Webb Associates and retained through an agreement between Webb Municipal Finance, LLC and my employer), acting on behalf of the Town of Yucca Valley, pursuant to the Act do hereby assess and apportion the total amount of the costs and expenses upon the parcels of land within Street and Drainage Assessment District No. 1 liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, from said maintenance, works of improvement, and appurtenances.

Executed this _____ day of _____ 2020.



ALBERT A. WEBB ASSOCIATES

MATTHEW E. WEBB
PROFESSIONAL CIVIL ENGINEER NO. 37385
ENGINEER OF WORK
ON BEHALF OF THE TOWN OF YUCCA VALLEY
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the _____ day of _____ 2020, by adoption of Resolution No. _____ by Town Council.

TOWN CLERK
TOWN OF YUCCA VALLEY
STATE OF CALIFORNIA

A copy of the Assessment Roll and Engineer's Report were filed in the Town Clerk's Office on the _____ day of _____, 2020

TOWN CLERK
TOWN OF YUCCA VALLEY
STATE OF CALIFORNIA

i. Engineer’s Statement

WHEREAS, on May 19, 2020, the Town Council, under the Benefit Assessment Act of 1982 (the “Act”), adopted its Resolution of Intention for the Annual Levy of Assessments and the Preparation of an Engineer’s Report for SDMD No. 1;

Whereas, the Resolution of Intention directed Webb Municipal Finance, LLC to prepare and file a report presenting plans and specifications describing the general nature, location, and extent of the improvements to be maintained, an estimate of the costs of the maintenance, operations, and servicing of the improvements for SDMD No. 1 for the referenced Fiscal Year, a diagram for SDMD No. 1 showing the area and properties to be assessed, and an assessment of the estimated costs of the maintenance, operations, and servicing the improvements, assessing the net amount upon all assessable lots and-or parcels within SDMD No. 1 in proportion to the special benefit received;

NOW THEREFORE, the following assessment is made to cover the portion of the estimated costs of maintenance, operations, and servicing of said improvements to be paid by the assessable real property within SDMD No. 1 in proportion to the special benefit received:

Table i-1
Summary of Assessments

Benefit Zone	Total Costs*	Total Assessment*	Assessable Parcels
Zone 1 - Tract 16957	\$956.00	\$956.08	34
Zone 2 - Tract 16587	\$30,121.85	\$30,121.85	55
Zone 3 - Tract 17328	\$725.75	\$725.73	17
Zone 5 - PM 17455	\$6,121.08	\$6,121.08	7,184

* Variance due to rounding

1. Plans and Specifications

Introduction

To ensure a flow of funds for the operation, maintenance and servicing of specified improvements within new development, the Town Council adopted Resolution No. 05-61 on October 27, 2005 to establish the Town of Yucca Valley Street and Drainage Maintenance District No. 1 in accordance with the provisions of the Government Code and the provisions of Article XIID of the State Constitution (Proposition 218) and the Benefit Act of 1982 of the Government Code.

Since the formation of the SDMD No. 1, additional benefit zones have been established as part of the conditions of property development and approved by the original property owner(s) and the proposed assessments are based upon the costs of maintenance, repair and servicing of the improvements that provide special benefit to properties within each benefit zone in the District. The annual levy includes all proposed expenditures, fund balances, revenues and reserves; and is set aside in a Special Fund by the Town. The assessment to be levied within each benefit zone upon the parcels within it are proportionate to the special benefit they receive as set forth in the method of apportionment established at the time the time each benefit was established.

Payment of the assessment for each parcel will be made in the same manner and at the same time as payments are made for property taxes. All funds collected through the assessment must be placed in a special fund and can only be used for the purposes stated within this report.

As required by the Benefit Assessment Act of 1982, the Engineer's Report prepared for the formation of the District described the improvements to be maintained and serviced by the District which included:

1. Maintenance and operation of streets, roads and highways including but not limited to pavement rehabilitation, restriping, slurry sealing, signing, street sweeping, traffic control devices and other repairs needed to keep the streets in a safe condition and to preserve the street network;
2. Maintenance and operation of drainage and flood control facilities, including but not limited to floodways, channels, percolation pond, storm drain systems including pipes and catch basins and appurtenant facilities.

This annual update provides an estimated budget for each benefit zone within the District for Fiscal Year 2020-21 and lists the proposed assessments to be levied upon each assessable lot or parcel within the District.

The Town Council may order amendments to the budget as presented herein or confirm the report as submitted. Following final approval of the report and confirmation of the assessments, the Town Council may order the levy and collection of the assessment for Fiscal Year 2020-21. Upon approval, the assessments will be submitted to the San Bernardino County Auditor-Controller's Office to be included on the Fiscal Year 2020-21 tax roll.

Description of Improvements and Services

The facilities, which are to be constructed within the SDMD No. 1, and those which maybe subsequently constructed, will be operated, maintained and serviced as generally described as follows:

ZONE 1 (TRACT 16957), improvements within this zone consist of streets, roads and highways, public alleyways and the storm drain system within Tract No. 16957. The District may maintain and operate these improvements including but not limited to pavement repair and rehabilitation, restriping, slurry sealing, street sweeping, signing, concrete repair, maintenance of storm drain pipes, catch basins and percolation ponds within the subdivision, personnel, electrical energy, utilities such as water, materials, contractual services and other items necessary for the satisfactory operation of the improvements which shall also include; vandalism abatement.

ZONE 2 (TRACT 16857), improvements within this zone consist of streets, roads and highways, public alleyways and the storm drain system within Tract No. 16857. The District may maintain and operate these improvements including but not limited to pavement repair and rehabilitation, restriping, slurry sealing, street sweeping, signing, concrete repair, maintenance of storm drain pipes, catch basins and percolation ponds within the subdivision, personnel, electrical energy, utilities such as water, materials, contractual services and other items necessary for the satisfactory operation of the improvements which shall also include; vandalism abatement.

ZONE 3 (TRACT 17328), improvements within this zone consist of streets, roads and highways, public alleyways and the storm drain system within Tract No. 17328. The District may maintain and operate these improvements including but not limited to pavement repair and rehabilitation, restriping, slurry sealing, street sweeping, signing, concrete repair, maintenance of storm

1. Plans and Specifications

drain pipes, catch basins and percolation ponds within the subdivision, personnel, electrical energy, utilities such as water, materials, contractual services and other items necessary for the satisfactory operation of the improvements which shall also include; vandalism abatement.

ZONE 5 (PM 17455), Improvements within this zone consist of streets, roads and highways, public alleyways and the storm drain system. The District may maintain and operate these improvements including but not limited to pavement repair and rehabilitation, restriping, slurry sealing, street sweeping, signing, concrete repair, maintenance of storm drain pipes, catch basins and percolation ponds within the subdivision, personnel, electrical energy, utilities such as water, materials, contractual services and other items necessary for the satisfactory operation of the improvements which shall also include; vandalism abatement.

The plans and specifications for the improvements within each benefit zone are on file in the Office of the Town Engineer, Community Development/Public Works Department of the Town of Yucca Valley.

2. Cost Estimate

Cost Estimate

The 1982 Act provides that the total cost of maintenance and operation of the streets and drainage facilities can be recovered by the District including administration of the District, engineering fees, legal fees, printing, posting, and mailing of notices, and all other costs associated with the annual levy and collection of assessments can also be included.

The following operation, maintenance and servicing costs for Fiscal Year 2020-21 are proposed to be included in the Street and Drainage Maintenance District No.1, including contributions to reserves. Zone 4 was dissolved for FY 2016-17 since the time to record the Tentative Tract Map including required extensions expired on March 7, 2016.

The 1982 Act requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. Any balance remaining on July 1 must be carried over to the next fiscal year.

2. Cost Estimate

Table 2-1
Benefit Zone No. 1 Budget

Direct Costs	FY 2019-20	FY 2020-21
Maintenance	\$0.00	\$0.00
Street Sweeping	\$0.00	\$0.00
Vandalism Abatement	\$0.00	\$0.00
Storm Drain Maintenance	\$0.00	\$0.00
Rehabilitation Reserve	\$0.00	\$0.00
Slurry Seal Program	\$0.00	\$0.00
Total Direct Costs	\$0.00	\$0.00

Indirect Costs	FY 2019-20	FY 2020-21
Town Personnel/Overhead	\$200.00	\$206.00
Administrative Consultant	\$750.00	\$750.00
County Administration Fees	\$0.00	\$0.00
Operating Reserve	\$0.00	\$0.00
Total Indirect Costs	\$950.00	\$956.00

Total Direct & Indirect Costs	\$950.00	\$956.00
--	-----------------	-----------------

Adjustments	FY 2019-20	FY 2020-21
Operating Reserve Contribution	\$0.00	\$0.00
Capital Replacement Contribution	\$0.00	\$0.00
Total Adjustments	\$0.00	\$0.00

Total Assessment	\$950.00	\$956.00
-------------------------	-----------------	-----------------

Individual Assessment	FY 2019-20	FY 2020-21
Total EDU's	34	34
Maximum Allowable Levy per EDU	\$951.06	\$979.88
Proposed Levy per EDU	\$27.94	\$28.12

Reserve Fund Balances	FY 2019-20	FY 2020-21
Beginning Operating Reserve	\$94,860.00	\$94,860.00
Operating Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Operating Reserve ⁽¹⁾	\$94,860.00	\$94,860.00

Beginning Capital Replacement Reserve	\$5,791.63	\$7,482.23
Capital Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Capital Replacement Reserve ⁽²⁾	\$5,791.63	\$7,482.23

⁽¹⁾ The Operating Reserve Fund may equal up to 50% of the estimated annual cost of providing services funded by the District and shall be used to pay the cost of services until the District receives funds from the assessment levy.

⁽²⁾ The Capital Replacement Reserve fund will be used for capital improvement projects including the cost to replace and/or renovate larger, more expensive improvements within the benefit zone. These improvements have finite life expectancies and will need to be replaced at some point in the future. On an annual basis, any non-expended assessment monies, in excess of the Operating Reserve Contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient monies to pay for these and/or other unforeseen improvement costs.

2. Cost Estimate

Table 2-2
Benefit Zone No. 2 Budget

Direct Costs	FY 2019-20	FY 2020-21
Maintenance	\$0.00	\$0.00
Street Sweeping	\$0.00	\$999.37
Vandalism Abatement	\$0.00	\$0.00
Storm Drain Maintenance	\$5,000.00	\$2,664.44
Rehabilitation Reserve	\$0.00	\$0.00
Slurry Seal Program	\$4,017.60	\$0.00
Total Direct Costs	\$9,017.60	\$3,663.81

Indirect Costs	FY 2019-20	FY 2020-21
Town Personnel/Overhead	\$110.00	\$113.30
Administrative Consultant	\$700.00	\$700.00
County Administration Fees	\$0.00	\$0.00
Operating Reserve	\$0.00	\$0.00
Total Indirect Costs	\$810.00	\$813.30

Total Direct & Indirect Costs	\$9,827.60	\$4,477.11
--	-------------------	-------------------

Adjustments	FY 2019-20	FY 2020-21
Operating Reserve Contribution	\$0.00	\$0.00
Capital Replacement Contribution	\$9,000.00	\$25,644.74
Total Adjustments	\$9,000.00	\$25,644.74

Total Assessment	\$18,827.60	\$30,121.85
-------------------------	--------------------	--------------------

Individual Assessment	FY 2019-20	FY 2020-21
Total EDU's	55	55
Maximum Allowable Levy per EDU	\$531.56	\$547.67
Proposed Levy per EDU	\$342.32	\$547.67

Reserve Fund Balances	FY 2019-20	FY 2020-21
Beginning Operating Reserve	\$20,175.00	\$20,175.00
Operating Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Operating Reserve ⁽¹⁾	\$20,175.00	\$20,175.00

Beginning Capital Replacement Reserve	\$25,106.06	\$44,974.83
Capital Reserve Collection/Contribution	\$9,000.00	\$25,644.74
Est. Ending Capital Replacement Reserve ⁽²⁾	\$34,106.06	\$70,619.57

⁽¹⁾ The Operating Reserve Fund may equal up to 50% of the estimated annual cost of providing services funded by the District and shall be used to pay the cost of services until the District receives funds from the assessment levy.

⁽²⁾ The Capital Replacement Reserve fund will be used for capital improvement projects including the cost to replace and/or renovate larger, more expensive improvements within the benefit zone. These improvements have finite life expectancies and will need to be replaced at some point in the future. On an annual basis, any non-expended assessment monies, in excess of the Operating Reserve Contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient monies to pay for these and/or other unforeseen improvement costs.

2. Cost Estimate

Table 2-3
Benefit Zone No. 3 Budget

Direct Costs	FY 2019-20	FY 2020-21
Maintenance	\$0.00	\$0.00
Street Sweeping	\$0.00	\$0.00
Vandalism Abatement	\$0.00	\$0.00
Storm Drain Maintenance	\$0.00	\$0.00
Rehabilitation Reserve	\$0.00	\$0.00
Slurry Seal Program	\$0.00	\$0.00
Total Direct Costs	\$0.00	\$0.00

Indirect Costs	FY 2019-20	FY 2020-21
Town Personnel/Overhead	\$25.00	\$25.75
Administrative Consultant	\$700.00	\$700.00
County Administration Fees	\$0.00	\$0.00
Operating Reserve	\$0.00	\$0.00
Total Indirect Costs	\$725.00	\$725.75

Total Direct & Indirect Costs	\$725.00	\$725.75
--	-----------------	-----------------

Adjustments	FY 2019-20	FY 2020-21
Operating Reserve Contribution	\$0.00	\$0.00
Capital Replacement Contribution	\$0.00	\$0.00
Total Adjustments	\$0.00	\$0.00

Total Assessment	\$725.00	\$725.75
-------------------------	-----------------	-----------------

Individual Assessment	FY 2019-20	FY 2020-21
Total EDU's	17	17
Maximum Allowable Levy per EDU	\$805.04	\$829.44
Proposed Levy per EDU	\$42.65	\$42.69

Reserve Fund Balances	FY 2019-20	FY 2020-21
Beginning Operating Reserve	\$8,073.00	\$8,073.00
Operating Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Operating Reserve ⁽¹⁾	\$8,073.00	\$8,073.00

Beginning Capital Replacement Reserve	\$7,493.42	\$8,158.42
Capital Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Capital Replacement Reserve ⁽²⁾	\$7,493.42	\$8,158.42

⁽¹⁾ The Operating Reserve Fund may equal up to 50% of the estimated annual cost of providing services funded by the District and shall be used to pay the cost of services until the District receives funds from the assessment levy.

⁽²⁾ The Capital Replacement Reserve fund will be used for capital improvement projects including the cost to replace and/or renovate larger, more expensive improvements within the benefit zone. These improvements have finite life expectancies and will need to be replaced at some point in the future. On an annual basis, any non-expended assessment monies, in excess of the Operating Reserve Contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient monies to pay for these and/or other unforeseen improvement costs.

2. Cost Estimate

Table 2-4
Benefit Zone No. 5 Budget

Direct Costs	FY 2019-20	FY 2020-21
Maintenance	\$0.00	\$0.00
Street Sweeping	\$0.00	\$83.33
Vandalism Abatement	\$0.00	\$0.00
Storm Drain Maintenance	\$0.00	\$0.00
Rehabilitation Reserve	\$0.00	\$2,170.80
Slurry Seal Program	\$5,000.00	\$0.00
Total Direct Costs	\$5,000.00	\$2,254.13

Indirect Costs	FY 2019-20	FY 2020-21
Town Personnel/Overhead	\$165.00	\$169.95
Administrative Consultant	\$650.00	\$650.00
County Administration Fees	\$0.00	\$0.00
Operating Reserve	\$0.00	\$0.00
Total Indirect Costs	\$815.00	\$819.95

Total Direct & Indirect Costs	\$5,815.00	\$3,074.08
--	-------------------	-------------------

Adjustments	FY 2019-20	FY 2020-21
Operating Reserve Contribution	\$0.00	\$0.00
Capital Replacement Contribution	\$3,400.00	\$3,047.00
Total Adjustments	\$3,400.00	\$3,047.00

Total Assessment	\$9,215.00	\$6,121.08
-------------------------	-------------------	-------------------

Individual Assessment	FY 2019-20	FY 2020-21
Total BU's	7,184	7,184
Maximum Allowable Levy per BU	\$2.45	\$2.52
Proposed Levy per BU	\$1.28	\$0.85

Reserve Fund Balances	FY 2019-20	FY 2020-21
Beginning Operating Reserve	\$4,113.00	\$4,113.00
Operating Reserve Collection/Contribution	\$0.00	\$0.00
Est. Ending Operating Reserve (1)	\$4,113.00	\$4,113.00

Beginning Capital Replacement Reserve	\$88,923.32	\$102,458.09
Capital Reserve Collection/Contribution	\$3,400.00	\$3,047.00
Est. Ending Capital Replacement Reserve (2)	\$92,323.32	\$105,505.09

(1) The Operating Reserve Fund may equal up to 50% of the estimated annual cost of providing services funded by the District and shall be used to pay the cost of services until the District receives funds from the assessment levy.

(2) The Capital Replacement Reserve fund will be used for capital improvement projects including the cost to replace and/or renovate larger, more expensive improvements within the benefit zone. These improvements have finite life expectancies and will need to be replaced at some point in the future. On an annual basis, any non-expended assessment monies, in excess of the Operating Reserve Contribution, will be transferred to the Capital Replacement Reserve fund until such time as there are sufficient monies to pay for these and/or other unforeseen improvement costs.

2. Cost Estimate

As shown in the budget, Zone 2 and Zone 5 are collecting Capital Replacement Reserves, and will continue to do so over a five year period, in order to fund the slurry seal of the following roads:

ZONE 2 (TRACT 16857):

Acoma Trail: Zuni Trail to Navajo Trail
 Mountain View Trail: Acoma Trail to Cul-de-Sac
 Borrego Trail: Mountain View to Nez Perce Trail
 Nez Perce Trail: End to Church Street
 Cibola Trail: Zuni Trail to Mountain View Trail
 Borrego Court: Zuni Trail to Cul-de-Sac
 Zuni Trail: Church Street to Cul-de-sac
 Church Street: Zuni Trail to Navajo Trail

ZONE 5 (PM 17455)

Palisade Drive

Since construction of the improvements in several of the benefit zones have not been completed, a reduced assessment is proposed to be levied in several of the benefit zones for Fiscal Year 2020-21. However, the Maximum Annual Assessment per EDU will be increased as established at the time of formation by the change in Consumer Price Index for all Urban Consumers for the Los Angeles Area (December – December) to provide sufficient revenues for the maintenance of the improvements in future years. In January 2018, the United States Department of Labor, Bureau of Labor Statistics, discontinued the Los Angeles - Riverside - Orange County Consumer Price Index and created a new Riverside - San Bernardino – Ontario Consumer Price Index. This new index is what was used to adjust the Maximum Assessments for Fiscal Year 2020-21. The Maximum Allowable Assessment by Benefit Zone for Fiscal Year 2020-21 shall be as shown below:

**Table 2-5
Maximum Assessments**

Fiscal Year	CPI Increase	Zone 1-Tract 16957 Maximum Assessment	Zone 2-Tract 16587 Maximum Assessment	Zone 3-PM 17328 Maximum Assessment	Zone 5-Tract 17455 Maximum Assessment
2005-06	Not Applicable	\$695.000	Not Applicable	Not Applicable	Not Applicable
2006-07	4.46%	\$725.976	Not Applicable	Not Applicable	Not Applicable
2007-08	3.29%	\$749.831	\$419.090	\$634.710	\$1.933
2008-09	4.17%	\$781.067	\$436.548	\$661.150	\$2.014
2009-10	0.11%	\$781.946	\$437.040	\$661.895	\$2.016
2010-11	1.83%	\$796.270	\$445.045	\$674.019	\$2.053
2011-12	1.34%	\$806.937	\$451.007	\$683.049	\$2.081
2012-13	2.17%	\$824.483	\$460.814	\$697.901	\$2.126
2013-14	1.93%	\$840.416	\$469.719	\$711.388	\$2.167
2014-15	1.14%	\$850.029	\$475.092	\$719.525	\$2.192
2015-16	0.73%	\$856.199	\$478.541	\$724.748	\$2.208
2016-17	2.03%	\$873.582	\$488.256	\$739.461	\$2.253
2017-18	1.97%	\$890.786	\$497.871	\$754.024	\$2.297
2018-19	3.61%	\$922.940	\$515.843	\$781.242	\$2.380
2019-20*	3.05%	\$951.063	\$531.561	\$805.047	\$2.452
2020-21	3.03%	\$979.890	\$547.673	\$829.448	\$2.527

*All prior years are based on December to December Los Angeles-Riverside-Orange County CPI, Fiscal Year 2019-20 and on are based on the January to January Riverside-San Bernardino-Ontario CPI

The Town shall have no obligation to commit funds in excess of the assessment revenues collected for the maintenance of the improvements within each benefit zone and the level of maintenance provided shall be adjusted to match the funds available. In addition, funds collected may be used to reimburse the Town for any funds advanced, including funds advanced for district administration.

2. Cost Estimate

The funds in the Capital Replacement Reserve for each Benefit Zone will be set aside annually and shall only be used for the replacement or rehabilitation of the improvements within that Benefit Zone unless the Town determines that there is a surplus based upon expected future replacement costs. If it is determined that a surplus exists, the excess funds may be used for annual operations or assessments may be reduced.

Funds raised by the assessments shall be used only for the purpose as stated herein. Any balance remaining on July 1 must be carried over to the next fiscal year unless the funds are being accumulated for future capital improvements and operating reserves. The District may accumulate an operating reserve which shall not exceed approximately fifty percent (50%) of the annual estimated costs of maintenance and servicing.

The 1982 Act requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. Any balance remaining on July 1 must be carried over to the next fiscal year.

3. Method of Apportionment

Proposition 218 Compliance

On November 5, 1996, California voters approved Proposition 218, entitled “Right to Vote on Taxes Act,” which added Article XIII D to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for the formation and administration of assessment districts. Proposition 218 also requires that with certain specified exceptions, which are described below, all existing assessment districts must be ratified by the property owners within the District using the new procedures.

Some of these exceptions include:

1. Any assessments imposed exclusively to finance the capital cost or maintenance and operation expenses for streets.
2. Any assessments levied pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed

However, even if assessments are initially exempt from Proposition 218, if the assessments are increased in the future, the Town will need to comply with the provisions of Proposition 218 for that portion of the increased assessment formula (e.g., CPI increase).

Proposition 218 does not define the term “streets,” however, based on the opinions of the public agency officials, attorneys, assessment engineers, and Senate Bill 919, it has been determined that streets include all public improvements located within the street rights-of-way. This would include median and parkway landscaping, traffic signals, safety lighting, and street lighting.

Proposition 218 defines “assessment” as “any levy or charge upon real property by an agency for a special benefit conferred upon the real property”, California Constitution, Article XIII D, §2(b). A special assessment, sometimes called a “benefit assessment,” is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. Special assessments are levied according to statutory authority granted by the Legislature or, in some instances, local charters. Distinguishing among taxes, fees, and assessments can be difficult and often depends on the context in which the distinction is made. For example, taxes, assessments, and property-related fees all may be imposed on property. The key feature that distinguishes an assessment from a tax, fee, or charge is the existence of a special benefit to real property. Without identifying a special benefit, there can be no assessment.

Distinguishing General and Special Benefit

Proposition 218 added a set of procedures and requirements, which a local government must follow to levy an assessment. In addition to notice, hearing, and assessment ballot proceedings, Proposition 218 provides that “only special benefits are assessable” and requires a local government to “separate the general benefits from the special benefits conferred on a parcel.”

By its nature, most public improvements financed through an assessment district contain an element of public benefit. The test is: does there exist, with relation to the improvement, a special benefit to the property assessed? The law requires that portion of the cost of the improvement, which benefits the public generally to be separated from that portion of the cost of the improvement, which specially benefits assessed properties. Proposition 218 provides the following definition of “special benefit”:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit”.

The actual assessment and the amount of the assessment for the Fiscal Year 2020-21 apportioned to each parcel as shown on the latest equalized roll at the County Assessor’s office are listed in Appendix A of this Report. The description of each lot or parcel is part of the records of the County Assessor of the County of Riverside, and such records are, by reference, made part of this Report.

3. Method of Apportionment

Method of Apportionment

Chapter 6.4, Division 2, Title 5, of the Government Code, the Benefit Assessment Act of 1982, permits the establishment of assessment districts by Cities for the purpose of financing the maintenance and operation of certain public improvements including streets and drainage facilities.

Section 54711 of the Benefit Assessment Act of 1982 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This Section states:

- (a) No benefit assessment shall be levied pursuant to this chapter unless it meets all of the following requirements:
 - (1) 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. Except as provided in subdivision (d) or (e) of Section 54715, in the case of a benefit assessment for flood control services, the benefit must be determined on the basis of the proportionate storm water runoff from each parcel. In the case of an assessment for the maintenance of streets, roads, or highways, the benefit shall be in proportion to the estimated traffic volume to be generated by each parcel assessed, or by any other reasonable basis as determined by the legislative body.
 - (2) The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service.
 - (3) 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.
- (b) This section does not limit or prohibit the levy or collection of any other fee, charge, or tax for the provision of services, except that a maintenance district formed pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall impose an assessment pursuant to this chapter only as an alternative to imposing a property tax for the provision of street lighting services.

Excepted from the assessment would be the areas of all public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, all easements and rights-of-ways, all public parks, greenbelts and parkways, public school property and all other publicly owned property.

The costs for the operation, maintenance and servicing of the improvements maintained for each zone are apportioned in accordance with the methodology which was established by the Town Council upon formation of the District and is shown below:

Method of Assessment – Zones 1- 3

Benefit Zones 1-3 were established to provide a funding source for the maintenance and servicing of streets, roads, highways and storm drain facilities within the boundaries of each Benefit Zone which consist of single family residential parcels. The services within each of these Benefit Zones consist of the maintenance of public roads which provide access and drainage to those parcels of land within each Benefit Zone.

Parcels benefiting from the street and storm drainage maintenance within each of these Benefit Zones have been determined to be predominantly of the same land use type, specifically, single family detached home sites. Therefore, each home within each Benefit Zone receives the same benefit from the maintenance of the streets and drainage improvements and shall be treated equally in determining the method of spreading assessments.

The assessment costs for the operation; maintenance and servicing of the improvements are apportioned in accordance with the methodology as established by the Town Council upon formation of the District and the establishment of each benefit zone. It was determined at that time that the most equitable method for spreading the estimated benefit received by each parcel should be based on the Equivalent Dwelling Unit (EDU) method. Each residential parcel will be assessed on the basis of one EDU per parcel. The formula for each of the Benefit Zones 1-3 is as follows:

$$\text{Assessable budget} \div \text{total EDUs} = \text{rate per EDU}$$

3. Method of Apportionment

Table 3-1
Method of Spread Benefit Zones 1-3

Benefit Zone	Land Use	Parcels	Dwelling Units	EDU Factor	Total EDUs	Rate/EDU	Total Assessment
1	Residential	34	34	1.00/DU	34	\$28.12	\$956.00
2	Residential	55	55	1.00/DU	55	\$547.67	\$30,121.85
3	Residential	17	17	1.00/DU	17	\$42.69	\$725.75

Method of Assessment – Zones 5

Benefit Zone 5 was established to provide a funding source for the maintenance and servicing of streets, roads, highways and storm drain facilities within the boundaries of Benefit Zone 5. As a condition of development, the developer was required to construct Palisades Drive from the boundary of Parcel Map 17455 to Avalon Street. Palisades Drive is the primary access to the area within Parcel Map 17455. Parcel No. 0601-201-37-0000 located adjacent to Parcel Map 17455 takes primary access from Avalon Street, and therefore only receives an incidental benefit from the improvements to be maintained by the District.

The assessment costs for the operation; maintenance and servicing of the improvements are apportioned on the basis of the trips estimated to be generated by each parcel in accordance with the methodology as established by the Town Council upon formation of the Benefit Zone. The parcels will be assessed on the basis of one Benefit Unit (BU) per trip generated. Trip generation rates were based upon land use and the trip generation rates shown in the AGR Traffic Study prepared at the time of development approval. The formula is as follows:

$$\text{Assessable budget} \div \text{total BU's} = \text{rate per BU}$$

Table 3-2
Method of Spread Benefit Zone 5

Benefit Zone	Land Use	Building Square Foot	Average Daily Trips	Total BU's	Rate/BU	Total Assessment
5	Parcel 1 - Home Depot	139,656	4,162	4,162	\$0.85	\$6,121.08
	Parcel 2 – Specialty Retail	27,110	1,202	1,202	\$0.85	
	Parcel 3 – Specialty Retail	7,500	332	332	\$0.85	
	Parcel 4 – Fast Food	3,000	1,488	1,488	\$0.85	

4. Assessment Roll

A list of names and addresses of the owners of all parcels within the Street and Drainage Maintenance District shown on the last equalized Property Tax Roll of the Assessor of the County of San Bernardino, which by reference is hereby made a part of this report. This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll in Appendix A.

APPENDIX A
Assessment Roll



Fiscal Year 2020-21 Assessment Roll



TOWN OF YUCCA VALLEY

CC38SP05 - SDMD NO. 1 BZ NO. 1

APN	Levy Amount	APN	Levy Amount	APN	Levy Amount
05856210100	\$28.12				
05856210200	\$28.12				
05856210300	\$28.12				
05856210400	\$28.12				
05856210500	\$28.12				
05856210600	\$28.12				
05856210700	\$28.12				
05856210800	\$28.12				
05856210900	\$28.12				
05856211000	\$28.12				
05856211100	\$28.12				
05856211200	\$28.12				
05856211300	\$28.12				
05856211400	\$28.12				
05856211500	\$28.12				
05856211600	\$28.12				
05856211700	\$28.12				
05856211800	\$28.12				
05856211900	\$28.12				
05856212000	\$28.12				
05856212100	\$28.12				
05856212200	\$28.12				
05856212300	\$28.12				
05856212400	\$28.12				
05856212500	\$28.12				
05856212600	\$28.12				
05856212700	\$28.12				
05856212800	\$28.12				
05856212900	\$28.12				
05856213000	\$28.12				
05856213100	\$28.12				
05856213200	\$28.12				
05856213300	\$28.12				
05856213400	\$28.12				

Parcels: 34
Levy: \$956.08

Fiscal Year 2020-21 Assessment Roll



TOWN OF YUCCA VALLEY				CC38SP10 - SDMD NO. 1 BZ NO. 2	
APN	Levy Amount	APN	Levy Amount	APN	Levy Amount
05874410100	\$547.67	05874511500	\$547.67		
05874410200	\$547.67	05874511600	\$547.67		
05874410300	\$547.67	05874511700	\$547.67		
05874410400	\$547.67	05874511800	\$547.67		
05874410500	\$547.67	05874511900	\$547.67		
05874410600	\$547.67	05874512000	\$547.67		
05874410700	\$547.67	05874512100	\$547.67		
05874410800	\$547.67	05874512200	\$547.67		
05874410900	\$547.67	05874512300	\$547.67		
05874411000	\$547.67	05874512400	\$547.67		
05874411100	\$547.67	05874512500	\$547.67		
05874411200	\$547.67	05874512600	\$547.67		
05874411300	\$547.67	05874512700	\$547.67		
05874411400	\$547.67	05874512800	\$547.67		
05874411500	\$547.67				
05874411600	\$547.67				
05874411700	\$547.67				
05874411800	\$547.67				
05874411900	\$547.67				
05874412000	\$547.67				
05874412100	\$547.67				
05874412200	\$547.67				
05874412300	\$547.67				
05874412400	\$547.67				
05874412500	\$547.67				
05874412600	\$547.67				
05874412700	\$547.67				
05874412800	\$547.67				
05874412900	\$547.67				
05874413000	\$547.67				
05874510400	\$547.67				
05874510500	\$547.67				
05874510600	\$547.67				
05874510700	\$547.67				
05874510800	\$547.67				
05874510900	\$547.67				
05874511000	\$547.67				
05874511100	\$547.67				
05874511200	\$547.67				
05874511300	\$547.67				
05874511400	\$547.67				

Fiscal Year 2020-21 Assessment Roll



TOWN OF YUCCA VALLEY

CC38SP10 - SDMD NO. 1 BZ NO. 2

APN	Levy Amount	APN	Levy Amount	APN	Levy Amount
------------	--------------------	------------	--------------------	------------	--------------------

Parcels:	<u>55</u>
Levy:	<u>\$30,121.85</u>

TOWN OF YUCCA VALLEY

CC38SP07 - SDMD NO. 1 BZ NO. 3

APN	Levy Amount	APN	Levy Amount	APN	Levy Amount
05883111000	\$42.69				
05883111100	\$42.69				
05883111200	\$42.69				
05883111300	\$42.69				
05883111400	\$42.69				
05883111500	\$42.69				
05883111600	\$42.69				
05883111700	\$42.69				
05883111800	\$42.69				
05883111900	\$42.69				
05883112000	\$42.69				
05883112100	\$42.69				
05883112200	\$42.69				
05883112300	\$42.69				
05883112400	\$42.69				
05883112500	\$42.69				
05883112600	\$42.69				

Parcels: 17
Levy: \$725.73

Fiscal Year 2020-21 Assessment Roll



TOWN OF YUCCA VALLEY

CC38SP09 - SDMD NO. 1 BZ NO. 5

APN	Levy Amount	APN	Levy Amount	APN	Levy Amount
06012014500	\$3,546.20				
06012014900	\$282.88				
06012015000	\$1,024.16				
06012015500	\$979.85				
06012015600	\$287.99				

Parcels: 5
Levy: \$6,121.08



6905 Brockton Avenue
Riverside, CA 92506
951.200.8600



www.webbfinance.com