



# Annual Engineer's Report

Fiscal Year 2020/21

## **Moreno Valley Community Services District** Lighting Maintenance District No. 2014-01

Prepared For



May 2020



ENGINEER'S REPORT  
FOR THE ANNUAL LEVY  
FOR FISCAL YEAR 2020/21

MORENO VALLEY COMMUNITY SERVICES DISTRICT

COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

LIGHTING MAINTENANCE DISTRICT NO. 2014-01

Approved by the Board of Directors of the Moreno Valley Community Services District  
on the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

---

Secretary of the Board of Directors

# Table of Contents

---

Engineer's Report	i
-------------------	---

## Sections

Section 1.	Plans and Specifications	1
Section 2.	Method of Apportionment	2
Section 3.	Estimate of Costs	7
Section 4.	District Diagrams	10
Section 5.	Assessment Roll	14

## Tables

Table 3-1.	FY 2020/21 Budget	8
Table 3-2.	FY 2020/21 Assessment Rates	9

## Diagrams

Diagram 4-1.	Zone 01	11
Diagram 4-2.	Zone 02	12
Diagram 4-3.	Zone 03	13

**AGENCY:** MORENO VALLEY COMMUNITY SERVICES DISTRICT,  
RIVERSIDE COUNTY, CALIFORNIA

**PROJECT:** ANNUAL ENGINEER'S REPORT STATEMENT

**DISTRICT:** LIGHTING MAINTENANCE DISTRICT NO. 2014-01

**TO:** THE MORENO VALLEY COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

I, Matthew E. Webb, a Professional Civil Engineer (employed by Albert A. Webb Associates and retained through an agreement between my employer and Webb Municipal Finance, LLC), acting on behalf of the Moreno Valley Community Services District (the "CSD"), pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 *et seq.*) (the "1972 Act"), do hereby submit the following:

Each fiscal year, an Engineer's Report ("Report") is prepared and presented to the CSD Board of Directors (the "Board") describing the CSD's Lighting Maintenance District No. 2014-01 (the "District"), any changes to the District or improvements, an estimate of the costs of the maintenance, operations, and servicing of the improvements, and the proposed budget and assessments for that fiscal year.

This is the detailed Report for Fiscal Year (FY) 2020/21 regarding the District and the proposed assessments to be levied on the properties therein to provide ongoing funding for the costs and expenses required to service and maintain lighting improvements associated with and resulting from development of properties within the District, in accordance with the proportional special benefits the properties receive from the improvements. The CSD requested Webb Municipal Finance, LLC to prepare and file the Report for the referenced fiscal year.

A public hearing is held each year before the Board to allow the public an opportunity to hear and be heard regarding the District. After reviewing the Report and considering all public comments and written protests presented at the hearing, the Board may approve the report as submitted or with amendments and can adopt a resolution confirming the assessment. The adoption of such a resolution constitutes the levy of the assessment and authorizes the CSD to submit levy information to the Riverside County Auditor/Controller for collection on the tax roll.

In November 1996, the voters of California adopted Proposition 218 (the "Right to Vote on Taxes Act"), which has been codified as Articles XIII C and XIII D of the California Constitution. If, in any year, the proposed annual assessments for the District exceed the maximum assessments previously approved in a Proposition 218 proceeding (or grandfathered under Proposition 218), such an assessment would be considered a new or increased assessment and be subject to a mailed property owner protest ballot proceeding.

This Report and the information contained herein reflect the proposed budget for each of the various services provided by the District and the rates and assessments applicable to those services as they existed at the time of the passage of the Resolution of Intention. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of the parcels within the District. The undersigned respectfully submits the enclosed Report as directed by the Board of Directors of the Moreno Valley Community Services District. Please note that Albert A. Webb Associates provides engineering advice and related consulting services. Albert A. Webb Associates is not a registered municipal advisor and does not participate in municipal advisory activities, and nothing in this Engineer's Report is, or should be interpreted to be, municipal advisory services or advice.

Executed this 4th day of May, 2020.

ALBERT A. WEBB ASSOCIATES



**Matthew E. Webb**

Digitally signed by Matthew E. Webb  
DN: c=US, E=matt.webb@webbassociates.com, CN=Matthew E. Webb  
Location: Riverside CA  
Reason: I am approving this document  
Contact Info: 951-886-1070  
Date: 2020.05.08 11:11:10-07'00'

MATTHEW E. WEBB  
PROFESSIONAL CIVIL ENGINEER NO. 37385  
ENGINEER OF WORK  
ON BEHALF OF THE CITY OF MORENO VALLEY AND  
THE MORENO VALLEY COMMUNITY SERVICES DISTRICT  
STATE OF CALIFORNIA

Final approval, confirmation and levy of the annual assessments and all matters in the Engineer's Report were made on the \_\_\_\_\_ day of \_\_\_\_\_ 2020, by adoption of Resolution No. \_\_\_\_\_ by the Board of Directors.

\_\_\_\_\_  
CITY CLERK  
CITY OF MORENO VALLEY  
STATE OF CALIFORNIA

A copy of the Preliminary Assessment Roll and Engineer's Annual Levy Report were filed in the office of the City Clerk on the \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
CITY CLERK  
CITY OF MORENO VALLEY  
STATE OF CALIFORNIA

## INTRODUCTION

The Moreno Valley Community Services District (CSD) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (the "CSD Law") in 1984 at the time of the incorporation of the City of Moreno Valley (the "City"). The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City's incorporation, the territory that would become the City of Moreno Valley was unincorporated territory in Riverside County. The County had created County Service Areas (CSA's) to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the City could be transitioned from CSA's governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD was historically comprised of a number of Zones, each of which provided a specific set of services within a defined portion of the City. Upon establishment of the CSD, Zone B of the CSD provided residential street lighting in certain residential subdivisions. These street lighting services were funded through a charge on the annual property tax roll to parcels served by the street lighting.

With the passage of Proposition 218, a number of substantive and procedural requirements were placed on taxes, assessments, and property-related fees imposed by local governments in California. Although referred to by the CSD as "charges", the charges imposed by Zone B of the CSD were categorized under Proposition 218 as real property assessments.

Street lighting is a maintenance and operation expense for sidewalks and streets. Consequently, the Zone B charges imposed prior to November 5, 1996 were grandfathered under Article XIII D, Section 5(a) of the Constitution, which permitted the continuation of assessments existing prior to the effective date of Proposition 218 so long as those assessments were imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. Consequently, upon the effective date of Proposition 218, these grandfathered Zone B charges continued to be levied annually by the CSD without additional property owner approval.

Subsequent to the adoption of Proposition 218, territories (and associated street lights) were added to CSD Zone B. When this occurred, the CSD conducted a mail ballot assessment proceeding with respect to the levy of the Zone B charges as required by Article XIII D, Section 4(e) of the Constitution. Beginning in December 1999, the CSD's practice when balloting for Zone B charges in new territory was generally to present the charge with an incorporated automatic inflation adjustment. This was not done for the "grandfathered" territory nor for much of the territory added to Zone B between November 1996 and December 1999. Therefore, in some parts of CSD Zone B the charge was imposed annually at a level rate, whereas in other parts of Zone B the maximum charge was increased each year based on inflation.

In May 2014, the CSD formed the District pursuant to the 1972 Act. The District was intended to replace and assume the functions of CSD Zone B. Parcels that had been charged an annual Zone B charge for street lighting services are instead assessed an annual assessment for those services as part of Lighting Maintenance District No. 2014-01. This transition did not increase the amount paid annually by any property owner and did not change the nature or extent of the street lighting services provided. The assessments levied in connection with the assessment district in every way serve as a continuation of the charges levied in connection with Zone B.

The improvements, the method of apportionment, and the special benefit assessments described in this Report are based on the improvements and development of properties within the District and represent an estimate of the direct expenditures and incidental expenses that will be necessary to maintain, service, and operate such improvements for FY 2020/21. The improvements to be maintained in connection with the development of

properties within the District and described herein are based on the development plans and specifications for the properties and developments in the District 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 Parcel Identification Number ("PIN") (formerly known as an "Assessor's Parcel Number" (APN)), by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses PINs and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of five (5) Sections:

- SECTION 1 PLANS AND SPECIFICATIONS:** Provides a description of the District boundaries and the improvements associated with the District. The District has three benefit Zones (hereafter referred to as "Zones"), which are described in more detail in this Section as well as in Section 2 (Method of Apportionment). A diagram showing the exterior boundaries of the CSD, the District, and the Zones established within the District, is attached and incorporated herein in Section 4 (District Diagram). Available plans for the street light installations, including the City's current standard specifications, are on file with the Public Works Department. The location of each street light can be found by using the Moreno Valley Map Viewer located on the City's website.
- SECTION 2 METHOD OF APPORTIONMENT:** Provides a discussion of the general and special benefits associated with the overall street lighting improvements provided within the District (Proposition 218 Benefit Analysis). This Section also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This Section also outlines the method of calculating each property's proportional special benefit and annual assessment using a weighted benefit apportionment.
- SECTION 3 ESTIMATE OF IMPROVEMENT COSTS:** Provides an estimate of the annual funding required for the maintenance, servicing, and operation of street lighting improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated annual expenses to service, maintain, and operate existing street lighting improvements within the District for FY 2020/21 including, but not limited to, servicing of the street lights and related facilities, energy costs, and related incidental expenses authorized by the 1972 Act and pursuant to the provisions of Proposition 218. The budget also identifies the maximum and proposed assessment rates for each Zone of the District and the associated assessment range formula (inflationary adjustment), as applicable.
- SECTION 4 DISTRICT DIAGRAMS:** Diagrams showing the boundaries of the District and the Zones therein, including all parcels that receive special benefits from the improvements. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.
- SECTION 5 ASSESSMENT ROLL:** A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rates established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for FY 2020/21.



# 1. Plans and Specifications

---

## DESCRIPTION OF THE DISTRICT

The territory within the District consists of all lots and parcels of land that receive special benefits from the street light improvements funded by the District assessments. The boundaries of the District are comprised of three benefit Zones. Parcels within the District are identified and grouped into one of the three designated Zones based on the special benefits properties receive from the District improvements and the authorized maximum assessments established. The three Zones within the District and the benefits associated with the properties therein are described in more detail in Section 2 (Method of Apportionment) of this Report. In addition, the District Diagram in Section 4 of the Report provides a visual representation of the District showing the boundaries of the District Zones.

## DISTRICT FACILITIES AND IMPROVEMENTS

The street lights funded by the District are primarily low-intensity residential street lights located within the District, spaced approximately every 125 feet within a subdivision. Generally, high-intensity lights outside the subdivisions are funded through other revenue sources and are not part of the District assessments.

In Fiscal Year 2019/20, the City purchased the street lights within the District from Southern California Edison (SCE). SCE will continue to provide electricity to the street lights acquired by the City; however, the City is responsible for providing maintenance and servicing of the light fixtures and poles. All of the street lights within the District were retrofitted to Light Emitting Diode (LED) fixtures, a more energy efficient technology. Not only are LED bulbs more energy efficient, they are expected to have a longer life span than the traditional high-pressure sodium vapor bulbs they replaced.

The maintenance, operation, and servicing of the District's lighting improvements generally include the furnishing of labor, materials, equipment, and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City. These activities include, but are not limited to:

- Furnishing of electric current or other illuminating agent.
- Maintenance, repair, and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage cause by accidents, vandalism, time, and weather.
- Electrical conduit and pull-box repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service, maintenance, repair, and replacement including replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Periodic repair and rehabilitation of the street lighting system including replacement of old equipment with new or reconditioned equipment; and repair, removal or replacement of related equipment as required including, but not limited to, lighting fixtures, poles, meters, conduits, electrical cable, and relocation of street light facilities as necessary, including the purchase and installation of related equipment and facilities.
- Street light inventory database, pole numbering, and mapping to establish the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Responding to citizen inquiries regarding street lighting.

## 2. Method of Apportionment

---

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation, and servicing of street lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value.

Section 22573 defines the net amount to be assessed as follows:

*"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

Section 22574 provides for zones as follows:

*"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."*

The formulas used for calculating assessments and the designation of zones herein reflect the composition of parcels within the District and the improvements and activities to be provided and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

### PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for FY 2020/21 have been identified and allocated to properties within the District based on special benefit. The improvements provided by the District and for which properties are assessed are public street lighting improvements. These improvements generally were installed in connection with the development of the properties within the District and were required by the City as a condition of development.

Article XIII D Section 2(d) defines District as follows:

*"District" means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.*

Article XIII D Section 2(i) defines Special Benefit as follows:

*"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."*

Article XIII D Section 4(a) defines proportional special benefit assessments as follows:

*An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.*

## 2. Method of Apportionment

---

### **BENEFIT ANALYSIS**

#### **Special Benefit**

The street lighting in the District is primarily low-intensity street lighting that is useful for illuminating the sidewalks and parking lanes in the District. This lighting is distinct from the high-intensity lights installed on major streets which serve in part to enhance traffic safety. Residential street lights are of lower intensity, but more closely spaced, than the high-intensity street lights. These sorts of low-level, low-intensity residential street lights provide three main special benefits: (i) residential security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic in the District is largely limited to local traffic consisting of residents and residents' guests traveling to and from property within the District, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with an assessed dwelling unit.

With the exception of the development that comprises Zone 03 (discussed below), the street lights within the District are consistent with the City's typical intensity and spacing standards for residential lighting at the time of development and each parcel to be assessed is served directly by the system of street lights providing appropriate lighting within the subdivision. Consequently, we conclude that each residential parcel within the District receives substantially similar benefit from the improvements regardless of their location within the District. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of the location of the light within the District.

#### **General Benefit**

Approximately 5% of the street lights funded by the District are located at the perimeter/entryway of a residential development. These perimeter/entryway lights, in contrast to the remainder of the lights funded by the District, arguably provide some illumination that extends beyond the boundaries of the developments and parcels being assessed within the District, that enhances the safety of members of the public unassociated with an assessed parcel, that illuminates traffic or parking on major thoroughfares, or that otherwise provides services to the general public. Although, in general, these street lights exist solely because of the development of assessed parcels, and although the primary purpose of these lights is to provide illumination benefiting assessed parcels, they may provide some level of general benefit in addition to the special benefits provided to the assessed parcels. We estimate that this general benefit constitutes not more than 25% of the total benefit from perimeter/entryway lights. As 25% of the benefit from 5% of the lights constitutes not more than 2% of the total benefit from all improvements operated and maintained by the District, we determine that the total general benefit from operation and maintenance activities will not exceed 2% of operations and maintenance costs.

## 2. Method of Apportionment

---

### ZONES OF BENEFIT

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District was established with benefit Zones as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

*"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."*

There are three Zones within the District. The bulk of the parcels in the District are located in either Zone 01 or Zone 02. These Zones are defined separately, largely for administrative purpose, as the level of service is substantially identical in the two Zones and the ratio of the number of lights to the number of parcels is substantially the same. Zone 01 consists of those parcels that, as a result of Proposition 218, are subject to an assessment that is not annually adjusted for inflation. Zone 02 consists of those parcels for which the assessment can be adjusted annually for inflation.

Zone 03 consists of 65 residential parcels located in Tract 21958. This tract is unique within the District because it was developed with a substantially lower street light density (street lights are spaced farther apart than the residential street lights typically found in the residential tracts of Zone 01 and Zone 02). As a result, the parcels in Tract 21958 generally receive less lighting than parcels elsewhere in the District, and the per parcel cost of providing street light special benefits to Tract 21958 parcels is substantially less than the cost of providing benefits elsewhere in the District.

#### For FY 2020/21:

- Zone 01 includes 32,714 parcels and has 7,167 street lights.
- Zone 02 includes 7,254 parcels and has 1,589 street lights.
- Zone 03 includes 65 parcels and 3 street lights.

The District budget, incorporated herein under Section 3 of this Report, provides a summary of the total estimated cost of providing the street lighting improvements and the allocation of those costs between the three Zones (which is based on the number of lights in each Zone) as well as those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Public Works Department, and by reference these documents are made part of this Report. A diagram showing the boundaries of the three Zones outlined above is attached and incorporated herein under Section 4 (District Diagram) of this Report.

## 2. Method of Apportionment

---

### ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

#### Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of Equivalent Benefit Units (EBUs) based on its land use. One EBU is defined as the special benefit allocable to a single-family residential home. In each case, a parcel is only allocated EBUs in a fiscal year if the street lights serving the parcel (or serving the perimeter of the complex in the case of apartments, condominiums, etc.) has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Not all parcels are assessed one EBU. EBU are assigned based on the benefit each parcel receives, using the Assessment Methodology outlined below (e.g., Condos may be assigned an EBU less than one).

Single-Family Residential: This land use is defined as a fully subdivided single-family residential home site with or without a structure. This land use is assigned 1.0 EBU per lot or parcel.

Condominium Residential: This land use is defined as a fully subdivided condominium residential unit assigned its own PIN by the County. EBUs are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single-family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Parks: This land use classification identifies properties that are used for residential purposes and contain more than one residential unit per lot or parcel. The proportional special benefit and EBUs for these parcels is based on acreage, at 4.0 EBUs per acre.

Vacant Parcels: This land use classification identifies properties that are undeveloped and not fully subdivided but are served by a street light improvement. This land use is assigned 1.0 EBU per lot or parcel.

Approved Single-Family Residential: This land use is defined as a fully subdivided single-family residential home site with or without a structure, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but until such time that the street lights are to be installed, these lots or parcels will not be assessed and are assigned 0.0 EBU.

Planned Residential Development: This land use is defined as a property that is currently considered vacant or undeveloped land that is to be subdivided into a known number of residential lots, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but that has not yet occurred. Until such time as the street lights are to be installed, these lots or parcels will not be assessed and are assigned 0.0 EBU.

Exempt: This classification means any lot or parcel that is not considered to specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets and other

## 2. Method of Apportionment

---

roadways; public easements or right-of-ways including landscaped parkways, easement, utility right-of-ways, or easements such as irrigation or drainage ditches, channels, or basins; and flood plains. These types of parcels of land (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. These types of properties may or may not be assigned a PIN by the County.

Also exempt from assessment are lots that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; and small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel.

### **CALCULATION OF ASSESSMENTS**

An assessment amount per EBU is calculated by:

Taking the "Total Annual Expenses" (total budgeted costs) and subtracting the proportional "General Benefit Costs" which establishes the "Total Special Benefit Costs".

*Total Amount Expenses - General Benefit Costs = Total Special Benefit Costs*

To the resulting "Total Special Benefit Costs", various "Other Available Funding" adjustments are applied. For further information please reference line items in the budget on the following page under "Other Available Funding."

These adjustments to the Total Special Benefit Costs result in the "Net Special Benefit Assessment".

*Total Special Benefit Costs +/- Other Available Funding = Net Special Benefit Assessment*

The amount identified as the "Net Special Benefit Assessment" is divided by the Total EBUs of parcels to be Assessed to establish the "Assessment Rate" or "Assessment per EBU" for the fiscal year. The Assessment Rate is then applied to each parcel's individual EBU to calculate the parcel's proportionate special benefit and assessment obligation for the improvements.

*Net Special Benefit Assessment / Total EBU (to be Assessed) = Assessment per EBU*

### 3. Estimate of Costs

---

#### **DISTRICT BUDGET**

The budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for FY 2020/21. Operation and Maintenance (O&M) costs were allocated amongst the Zones proportionately to the number of street lights serving the Zones.

### 3. Estimate of Costs

Table 3-1  
FY 2020/21 Budget

	Zone 01	Zone 02	Zone 03	Total
<b>Annual Operating Expenses</b>				
Operations & Maintenance	\$78,984.09	\$17,512.85	\$33.06	\$96,530.00
Utilities	\$1,089,887.07	\$241,656.71	\$456.22	\$1,332,000.00
<b>Total O&amp;M Expenses</b>	<b>\$1,168,871.16</b>	<b>\$259,169.56</b>	<b>\$489.28</b>	<b>\$1,428,530.00</b>
<b>Incidental/Administrative Expenses</b>				
District Administration	\$53,814.40	\$11,932.07	\$22.53	\$65,769.00
County Fees	\$15,791.91	\$3,501.48	\$6.61	\$19,300.00
Miscellaneous Administrative Expenses	\$2,716.53	\$602.33	\$1.14	\$3,320.00
<b>Total Incidental/Administrative Expenses</b>	<b>\$72,322.84</b>	<b>\$16,035.88</b>	<b>\$30.28</b>	<b>\$88,389.00</b>
<b>Contribution to Fund Balance</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Annual Expenses</b>	<b>\$1,241,194.00</b>	<b>\$275,205.44</b>	<b>\$519.56</b>	<b>\$1,516,919.00</b>
General Benefit Costs	(\$24,825.21)	(\$5,504.40)	(\$10.39)	(\$30,340.00)
<b>Total Special Benefit Costs</b>	<b>\$1,216,368.79</b>	<b>\$269,701.04</b>	<b>\$509.17</b>	<b>\$1,486,579.00</b>
<b>Other Available Funding</b>				
Use of Reserves <sup>a</sup>	(\$27,295.81)	(\$6,186.84)	\$0.00	(\$33,482.65)
Additional Agency Contribution <sup>b</sup>	(\$327,424.33)	(\$29,462.64)	(\$73.34)	(\$356,960.31)
Other Revenue Sources <sup>c</sup>	(\$109,479.65)	(\$24,274.52)	(\$45.83)	(\$133,800.00)
<b>Total Contributions/Adjustments</b>	<b>(\$464,199.79)</b>	<b>(\$59,924.00)</b>	<b>(\$119.17)</b>	<b>(\$524,242.96)</b>
<b>NET SPECIAL BENEFIT ASSESSMENT</b>	<b>\$752,169.00</b>	<b>\$209,777.04</b>	<b>\$390.00</b>	<b>\$962,336.04</b>
<b>District Statistics</b>				
Total Parcels <sup>d</sup>	32,714	7,254	65	40,033
Total Assessed Parcels	32,703	7,194	65	39,962
Total EBUs	32,703	7,194	65	39,962
<b>Proposed Assessment per EBU</b>	<b>\$23.00</b>	<b>\$29.16</b>	<b>\$6.00</b>	
<b>Maximum Assessment per EBU</b>	<b>\$23.00</b>	<b>\$30.03</b>	<b>\$6.00</b>	
<b>Reserve Fund/Fund Balance</b>				
<b>Estimated Beginning Fund Balance as of July 1, 2020</b>	<b>\$64,127.26</b>	<b>\$14,218.70</b>	<b>\$26.84</b>	<b>\$78,372.80</b>
Revenue and City Contributions	\$1,216,368.79	\$269,701.04	\$509.17	\$1,486,579.00
Contribution to/(Use of Reserve Funds)	(\$27,295.81)	(\$6,186.84)	\$0.00	(\$33,482.65)
Expenditures less General Benefit Costs	(\$1,216,368.79)	(\$269,701.04)	(\$509.17)	(\$1,486,579.00)
<b>Estimated Ending Fund Balance as of June 30, 2021</b>	<b>\$36,831.45</b>	<b>\$8,031.86</b>	<b>\$26.84</b>	<b>\$44,890.15</b>

Slight variances are due to rounding.

<sup>a</sup> Additional funds are being used to meet proposed levy amount.

<sup>b</sup> The Additional Agency Contribution bridges the shortfall between the Special Benefit Costs for FY 2020/21 and the Assessment that will be levied for the current fiscal year. This contribution is in addition to the General Benefit Costs.

<sup>c</sup> Includes property taxes and interest income.

<sup>d</sup> "Total Parcels" includes all assessable parcels, including parcels that will be served by lighting in the future and have a current EBU of zero. Note that all parcels that benefit from the services are assessed on the tax roll. Because the District exclusively includes the internal streets in residential subdivisions, there are no benefitting government-owned parcels in the District.



### 3. Estimate of Costs

---

#### ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for FY 2020/21 based on the budget and the method of apportionment presented in this Report.

Table 3-2  
FY 2020/21 Proposed Assessment Rates

Zone	Maximum Rates	Applied Rates
Zone 01	\$23.00	\$23.00 per EBU
Zone 02	\$30.03 <sup>a</sup>	\$29.16 per EBU
Zone 03	\$6.00	\$6.00 per EBU

<sup>a</sup> The Maximum Assessment Rate includes an inflationary adjustment previously balloted and approved by the property owners.

Note that for FY 2020/21 there are:

- 32,703 EBUs in Zone 01 sharing \$1,216,368.79 in proportional special benefit.
- 7,194 EBUs in Zone 02 sharing \$269,701.04 in proportional special benefit.
- 65 EBUs in Zone 03 sharing \$509.17 in proportional special benefit.
- The proposed assessment rates in each Zone do not exceed the cost of the proportional special benefits per EBU for that Zone.

#### ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

Each year, the Board of Directors will consider whether the assessment needs to be levied at the adjusted maximum rate. The Board may levy it at some lower rate and/or choose not to implement an automatic rate adjustment, if authorized by the property owners.

The "All Urban Consumers" Consumer Price Index (CPI), as published by the Department of Labor's Bureau of Labor Statistics for the Los Angeles-Long Beach-Anaheim Region<sup>1</sup>, is used to calculate the annual inflation adjustment for certain zones, noted below. The inflation adjustment from December 2018 to December 2019 is 2.96%.

#### Zone 02

The Maximum Assessment Rate per EBU for Zone 02 established for the improvements in the previous fiscal year may be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI), as published by the Department of Labor's Bureau of Labor Statistics.

---

<sup>1</sup> In January 2018, the Bureau of Labor Statistics introduced a new geographic area sample for the Consumer Price Index (CPI). Riverside, CA, which was previously included in the Los Angeles-Riverside-Orange County, CA MSA (Metropolitan Statistical Area), will now be included in a separate CBSA (Core Based Statistical Area) and will be considered a new index named Riverside-San Bernardino-Ontario, starting at 100.000. The Los Angeles-Riverside-Orange County, CA index was renamed "Los Angeles-Long Beach-Anaheim". Because the CPI approved by the property owners was the Los Angeles-Riverside-Orange County index, and it was renamed and not eliminated, CSD General Counsel determined the District would continue to use the Los Angeles-Long Beach-Anaheim index.

## 4. District Diagrams

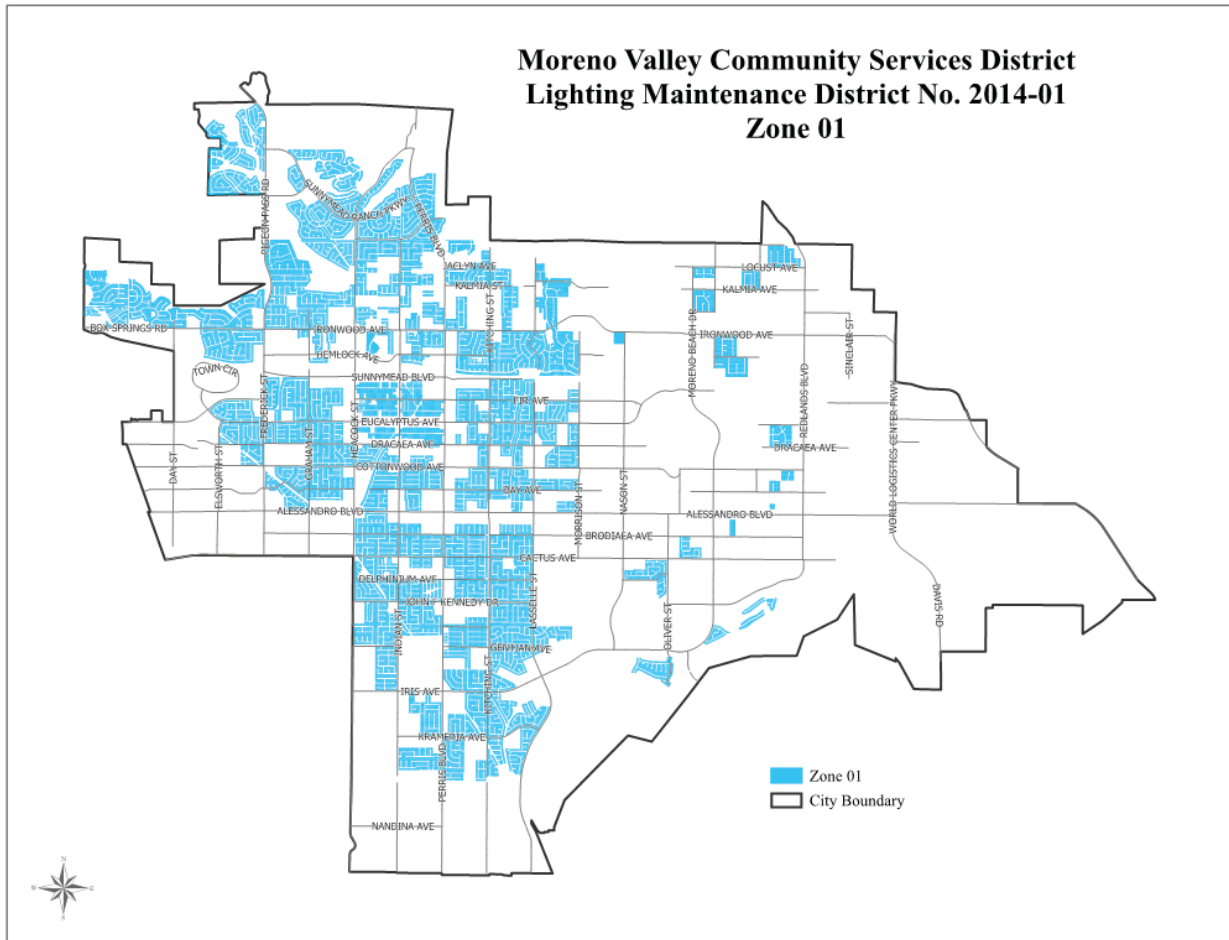
---

### **DISTRICT DIAGRAMS**

The following boundary maps depict the parcels within the three Zones that make up the District, which are those that existed at the time this Report was prepared. The combination of these maps and the Assessment Roll referenced by this Report constitute the Assessment Diagram for the District.

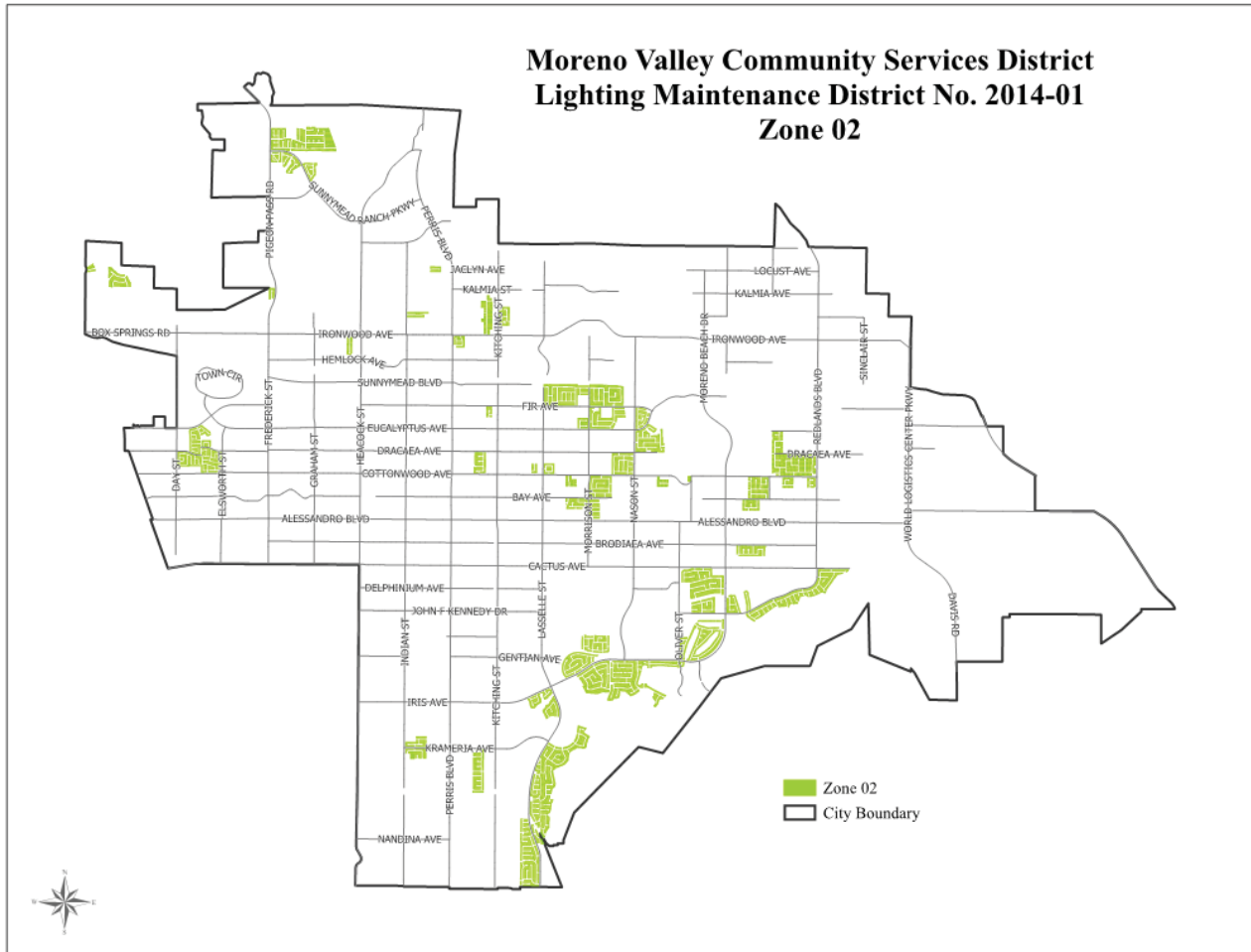
4. District Diagrams

Diagram 4-1



4. District Diagrams

Diagram 4-2





## 5. Assessment Roll

---

### **ASSESSMENT ROLL**

PIN identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor's Office. A listing of the parcels to be assessed within this District, along with the corresponding assessment amounts to be levied for FY 2020/21 has been provided electronically to the Secretary of the CSD Board (City Clerk). The listing is incorporated herein by reference. The Report can also be found online at the City's website at [www.moval.org/sd](http://www.moval.org/sd). If any PIN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected PIN and/or new PIN(s) 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, as described in this Report and approved by the CSD Board.



3750 McCray Street  
Riverside, CA 92506  
951.200.8600



[www.webbfinance.com](http://www.webbfinance.com)