



**GROVELAND COMMUNITY SERVICES DISTRICT
FIRE AND RESCUE ASSESSMENT DISTRICT**

ENGINEER'S REPORT

FISCAL YEAR 2008-09

PREPARED FOR:

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT**

PURSUANT TO GOVERNMENT CODE SECTION 50078 ET. SEQ. AND
ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

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INTRODUCTION

The Groveland Community Services District ("District") currently provides fire suppression services for approximately 4,400 properties within its boundaries. Prior to 2002, property tax revenues primarily supported the District's volunteer fire and rescue services. In 2002, to address the District's shortfall in fire suppression services funding, the Board proposed an assessment for the District's fire department. In April 2002, the Board conducted an assessment ballot proceeding pursuant to the requirements of Article XIII D of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Government Code Section 50078 et. seq. During this ballot proceeding, property owners in the Assessment District were provided with a notice and ballot for the proposed fire assessment ("the Groveland Fire and Rescue Assessment District"). A 45-day period was provided for balloting and a public hearing was conducted June 12, 2002. At the public hearing, all ballots returned within the 45-day balloting period were tabulated.

It was determined at the public hearing that the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted). In fact, the final balloting result was 61% support for the "District").

As a result, the Board gained the authority to approve the levy of the assessments for fiscal year 2002-03 and future years. The authority granted by the ballot proceeding includes an annual adjustment in the assessment levies equal to the annual change in the Consumer Price Index for the San Francisco Bay Area, not to exceed 3%.

In each subsequent year for which the assessments will be levied, the Board must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Board may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Board adopted on March 10, 2008.

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2008-09 assessments, determine the benefits received from the fire suppression services by property within the District and the method of assessment apportionment to lots and parcels within the District. This Report and the proposed assessments have been made pursuant to the California Government Code

Section 50078 et. seq. (the "Code") and Article XIID of the California Constitution (the "Article"). For a more complete description of the Code and the Article, please refer to Appendix A and Appendix B.

If the Board approves this Engineer's Report and the proposed assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for July 14, 2008. At this hearing, the Board would consider approval of a resolution confirming the assessments for fiscal year 2008-09. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for fiscal year 2008-09.

FIGURE 1 – GCSD HISTORY OF ASSESSMENT

	<i>Voter Approved Maximum Assessment per SFE ¹</i>	<i>Preliminary Engineer's Report Assessment per SFE</i>	<i>Board Adopted Assessment per SFE</i>
FY 2002-03	\$70.00	\$70.00	\$60.00
FY 2003-04	\$70.95	\$64.00	\$55.00
FY 2004-05	\$71.73	\$71.73	\$71.73
FY 2005-06	\$73.27	\$73.27	\$73.27
FY 2006-07	\$74.70	\$74.70	\$74.70
FY 2007-08	\$76.94	\$76.94	\$76.94
FY 2008-09	\$79.25	\$79.25	
FY 2009-10			
FY 2010-11			
FY 2011-12			
FY 2012-13		- Assessment expires after 2011-12	

Notes:

1 The voter approved maximum assessment is equal to \$70.00 in 2002-03, adjusted annually by the January change in the Bay Area CPI not to exceed 3% per annum.

CERTIFICATES

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the Groveland Community Services District Board of Directors adopted on March 10, 2008.

Engineer of Work, License No. C52091

2. I, the Secretary of the Groveland Community Services District Board of Directors, County of Tuolumne, California, hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed and recorded with me on _____.

Secretary of the Board

3. I, the Secretary of the Groveland Community Services District Board of Directors, County of Tuolumne, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the Board on _____ by Resolution No. _____.

Secretary of the Board

4. I, the Secretary of the Groveland Community Services District Board of Directors, County of Tuolumne, California, hereby certify that a copy of the Assessment and Assessment Diagram was filed in the office of the County Auditor of the County of Tuolumne, California, on _____.

Secretary of the Board

5. I, the County Auditor of the County of Tuolumne, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2008-09 was filed with me on _____.

County Auditor, County of Tuolumne

FISCAL YEAR 2008-09 ESTIMATE OF COST AND BUDGET

SUMMARY OF SERVICES

The budget to be financed from the Assessment District levies is based on the needs of the Groveland Community Services District. The Assessment District is responsible for obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus and for the purpose of paying the salaries and benefits of firefighting personnel who provide fire suppression services to parcels, improvements or property in the Assessment District, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property. Other services include, but are not limited to, fire prevention, fire education and emergency medical aid.

BUDGET FOR FISCAL YEAR 2008-09

The following budget lists the elements that would be funded by the Assessment District in Fiscal Year 2008-09, if the assessments are levied by the District.

FIGURE 2 – ESTIMATE OF COST, FY 2008-09

	FY 2008-09 Total Budget	
Fire and Rescue Expenses:		
Maintenance & Operation	\$1,009,421	
Administration	\$14,054	
Capital Equipment and Debt Service	\$110,715	
Total Fire and Rescue Services	<u>\$1,134,190</u>	
Contributions:		
Less: District Contribution to General Benefit	(\$860,772)	
Net Cost to Benefit Assessment	\$273,418	
Incidental Costs:		
District Administration and Project Management	\$6,500	
County Collection Charges and Contingency	\$4,590	
Subtotal - Incidentals	<u>\$11,090</u>	
Total Fire and Rescue Assessment District Budget (Net Amount to be Assessed)	\$284,508	
Budget Allocation to Property		
<u>SFE Units</u>	<u>Budget to Assessment</u>	<u>Rate per SFE</u>
3,590	\$284,508	\$79.25

Note: As required by the County Tax Collector, the assessments will be rounded down to the even penny.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section of the Engineer's Report includes an explanation of the benefits to be derived from providing the Services throughout the Assessment District, and the methodology used to apportion the total assessment to properties within the Assessment District.

The Assessment District consists of all Assessor Parcels within the boundaries of the Groveland Community Services District as defined by the County of Tuolumne, and the attached assessment diagram. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the Assessment District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two step process: the first step is to identify the types of special benefit arising from the services to be funded by the assessments, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. Moreover, such benefit is not based on any one property owner's use of the District's services or a property owner's specific demographic status. With reference to the requirements for assessments, Section 50078.5 of the Government Code states:

"(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit."

"The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used."

Proposition 218, as codified in Article XIID of the California Constitution, has confirmed that assessments must be based on the special benefit to property:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

The following benefit categories have been established that represent the types of special benefit to residential, commercial, industrial, institutional and other lots and parcels resulting from the fire suppression services to the District with the assessment proceeds. These categories of special benefit are derived from the statutes passed by the California Legislature and other studies, which describe the types of special benefit received by property from fire suppression services such as those provided by the District. These types of special benefit are summarized as follows:

INCREASED SAFETY AND PROTECTION OF HEALTH FOR ALL RESIDENTS WITHIN THE DISTRICT.

The proposed Assessments will provide emergency, educational and prevention services to reduce loss of life and property damage associated with fire emergencies.

"Fire is the largest single cause of property loss in the United States. In the last decade, fires have caused direct losses of more than \$120 billion and countless billions more in related costs. But that's not all. Every year, fires injure more than 20,000 people. And every year, more than 3,000 Americans die in building fires."

Insurances Services Office, Inc.

"For the most recently compiled year, 1997, there were 552,000 structure fires in the United States. Almost three-quarters of structure fires occurred in residential properties including homes, hotels, motels, rooming houses and dormitories. Fifty-five percent (55%) or 302,500 were in one- and two-family homes and seventeen percent (17%) or 93,000 occurred in apartments. The largest number of civilian deaths occurred in residential buildings. Eighty-three percent (83%) of the 4035 total civilian deaths occurred in home structure fires - with sixty-seven percent (67%) or 2700 in one-and two-family homes."

United States Fire Administration

"There is wide acknowledgment and acceptance that public education programs on fire prevention are effective."

United States Fire Administration

PROTECTION OF VIEWS, SCENERY AND OTHER RESOURCE VALUES, ENVIRONMENTAL BENEFITS ENJOYED BY RESIDENTS, EMPLOYEES, CUSTOMERS AND GUESTS, AND PRESERVATION OF PUBLIC ASSETS WITHIN THE DISTRICT.

The proposed Assessment District will provide funding for fire suppression services to protect the public resources and facilities of the District. This benefits properties by maintaining and improving the aesthetics and attractiveness of public resources in the community, as well as ensuring that such resources remain safe and well maintained.

ENHANCED QUALITY OF LIFE AND DESIRABILITY OF THE AREA.

The proposed Assessments will provide fire suppression services to the District, and such services will enhance the overall quality of life and desirability of the area. This is a benefit to residential, commercial, industrial and other properties.

"Communities committed to saving lives and property need trained firefighters, proper equipment, and adequate supplies of water. Insurance companies consider it good public policy and good business to promote and encourage the efforts of individual communities to improve their fire-protection services."

Insurances Services Office, Inc.

"Every year, work-related fires and burns cost employers more than \$2 billion in property damage, lost work days, and Workers' Compensation costs. Industrial burn victims spend an average of one month in the hospital and recuperation at home can take years."

United States Fire Administration

SPECIFIC ENHANCEMENT OF PROPERTY VALUES.

The above benefit factors, when applied to property in the District, create specific enhancement of property values. For example, the assessment will provide funding for fire suppression services to the District. In turn, property values are specifically enhanced by the availability of fire suppression services within a community. Values of commercial and industrial property increase based on these same elements and the enhanced economic activity derived from quality of public resources in the area.

Having fire suppression services in the District serves as an important feature for which the District will be known. This, in turn, makes the District a more attractive and safer place to live and to locate new businesses by improving overall quality of the community and providing fire suppression services to the District.

"A community's investment in fire mitigation is a proven and reliable predictor of future fire losses."

Insurances Services Office, Inc.

"On average, communities with superior fire-protection services have lower fire losses than communities whose fire-protection services are not as comprehensive."

Insurances Services Office, Inc.

STATE RESPONSIBILITY AREA

The boundaries of the Groveland Fire and Rescue Assessment District fall within a State Responsibility Area (SRA). The Groveland Fire Department responds to all calls within the District regardless of a parcels inclusion in a SRA. Government Code Section 50078.2 (b) states:

"A benefit assessment shall not be levied for wildland or watershed fire suppression on land located in a state responsibility area as defined in Section 4102 of the Public Resources Code."

Therefore, those parcels within the State Responsibility Area zoned for development, which receive a special benefit from the services will be assessed according to the use of the parcel, while parcels designated as "wildland or watershed" will not be assessed.

GENERAL VERSUS SPECIAL BENEFIT

The cost of providing the Services in the Assessment District is a special benefit to property in the District because the Services confer the special benefit factors described above. Moreover, the allocation of funds for the Services is contingent upon the successful formation of a revenue source. The assessment will provide this revenue source and satisfy the funding requirement. Therefore, the assessments provide special benefits to the community by supporting fire suppression services at a greater level than would otherwise be provided.

Services provided from the assessments also provide a degree of general benefit to the public at large. A measure of this general benefit is the proportionate amount of time that these Services within the Assessment District are used by individuals who are not residents, employees, customers or property owners in the Assessment District. A small percentage of Services are used by those who do not live or work within Assessment District's boundaries. In order to establish a conservative measure, 10% of the benefits conferred by the Services are determined to be general in nature. (It should be noted, however, that the benefit factor such as specifically enhanced property values are

conferred to property in the Assessment District regardless of the use of the Services. Therefore, this measure of general benefits is also a conservative measure because many special benefit factors are not related to usage by the greater public.)

The Assessment District's total budget for the services is \$1,134,190. Of this total budget amount, the Groveland Community Services District will contribute \$860,772 from sources other than the assessments for the services. This contribution by the Groveland Community Services District equates to approximately 75.9 percent the total budget for the services and constitutes more than the amount (10 percent) attributable to the general benefits received from the services to be provided by the Assessment District.

METHOD OF ASSESSMENT

The second step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated a SFE value, which is each property's relative benefit in relation to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

ZONES OF BENEFIT

Fire suppression services and emergency medical services are provided to all parcels within the Assessment District in an expeditious manner, with minimum variation in response times from one parcel to the next. In addition, benefits associated with greater proximity to the services are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity. Therefore, benefits from the services do not vary based on proximity or average response time. The District's current and planned water delivery infrastructure is deemed adequate and accessible throughout the District boundaries. Therefore, benefits from the services do not vary based on variation in water availability. Since all parcels in the Assessment District have good access and proximity to the services and the benefits to relatively closer proximity are offset by other factors, and water access is both adequate and uniform, neither proximity nor water availability are considered factors in determining benefit within the Assessment District. Consequently, multiple zones of benefit are not appropriate within the Assessment District.

ASSESSMENT APPORTIONMENT

In the process of determining the appropriate method of assessment, the Engineer considered various alternatives. For example, an assessment exclusively for residential improved property was considered but was determined to be inappropriate because commercial, industrial and other properties also receive benefits from the assessments.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. (For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from fire suppression services. This benefit ultimately flows to the property.) Larger parcels, therefore, receive an increased benefit from the assessments.

As stated previously, the special benefits derived from the assessments are conferred on property and are not based on a specific property owner's use of the improvements, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above, use the community's services, and control property values by placing a value on the special benefits to be provided by the services. In other words, the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is an indicator of the relative level of benefit received by a property.

The Engineer determined that the appropriate method of assessment should be based on the type of property, the relative size of the property and the potential use of property by residents and employees. This method is further described below.

RESIDENTIAL PROPERTIES

All improved residential properties that represent a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses, and townhomes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of

dwelling units that occupy each property and the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home. Using Census data, benefits received by multi-family properties have been found to be equal to single family properties for each multi-family unit. Thus a multi-family property with two units receives twice the benefit of a single family home, and would receive 2 Single family equivalents (2 SFE).

Likewise, each condominium unit receives 1.00 SFE and each mobile home receives 1.00 SFE. Single-family residences and mobile homes on parcels greater than one acre receive greater benefit from the services than do such properties on parcels equal to or less than one acre. Therefore the benefits are deemed to be 1.00 SFE for the first acre.

Those single family parcels with over one acre and up to 2.5 acres will be deemed 1.2 SFE. Those with over 2.5 acres, but less than 20 acres will be deemed 1.4 SFE. And, single family parcels with over 20 acres will be deemed 1.5 SFE.¹

The single family equivalency factor of 1.00 per dwelling unit for multifamily residential properties applies to such properties with 5 or fewer units. Moreover, the Engineer's experience with property owners of larger multifamily units has consistently found these owners place a lower level of benefit per dwelling unit to their property from the services relative to owners of single family residences. Therefore the benefits for multi-family properties are deemed to reach a maximum benefit of 5.0 SFE.

COMMERCIAL/INDUSTRIAL PROPERTIES

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The District is primarily residential with some light commercial, industrial and institutional uses. The commercial, industrial and institutional benefits are deemed to be similar to the single-family residential based on property size. Thus, the SFEs allocated to commercial, industrial and institutional are 1.0 for the first acre, 1.2 for parcels between 1.0 and 2.5 acres, 1.4 for parcels between 2.5 and 20.00 acres, and 1.5 for parcels over 20 acres.

¹ The acreage ranges for single family lots are similar to Tuolumne County's land use classifications.

VACANT PROPERTIES

The benefits to be received from the fire suppression services throughout the District include active benefits, which are related to the use and enjoyment of property in the District, and passive benefits, which are related to the underlying land. An example of a passive benefit is enhancement of property value that will accrue to a vacant parcel from the fire suppression services based on its future potential use. Another example of a passive benefit factor is increased economic activity because all properties in areas with increased economic activity are generally more valuable. Undeveloped property also benefits from the fire suppression services because when the property is developed, the services will be available to the developed property.

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of active benefits. Using Assessor data, the average value of improvements on developed properties is approximately 30% of the total value. Since land has intrinsic value or utility that is unaffected by fire, it is estimated that a fire could reduce land value or utility by approximately 1/3rd. Therefore, the SFE factor for vacant parcels is deemed to be 0.10 SFE per acre (1 SFE * 30% * 33%).

OTHER PROPERTIES

Article XIID of the California Constitution stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment.

All properties that are specially benefited are assessed. Public right-of-way parcels, well, reservoir or other water rights parcels that cannot be developed into other improved uses, limited access open space parcels, wildland parcels, watershed parcels and common area parcels typically do not generate employees, residents, customers or guests. Moreover, many of these parcels have limited economic value and, therefore, do not benefit from specific enhancement of property value. Such parcels are, therefore, not specially benefited and are not assessed.

Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property. Church parcels and property used for educational purposes typically generate employees on a less consistent basis than other non-residential parcels. Such public use tends to have the same chance as residential parcels in using the services. Therefore, these parcels are assessed an SFE factor of 1.

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Groveland Community Services District or her or his designee. Any such appeal is limited to correction of an assessment during the then-current fiscal year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the District or his or her designee will promptly review the appeal and any information provided by the property owner. If the District or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the District or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the District or her or his designee, shall be referred to the Board of Directors and the decision of the Board shall be final.

ASSESSMENT

WHEREAS, on March 10, 2008 the Board of Directors of the Groveland Community Services District adopted its Resolution Directing Preparation of the 2008-09 Engineer's Report for the District's Fire and Rescue Assessment District under the California Codes Government Code Sections 50078 et. seq., pursuant to the provisions of the California Codes Government Code sections 50078 et. seq. (the "Code") and Article XIID of the California Constitution (the "Article"), to proceed with the proposed levy of assessments;

WHEREAS, said Resolution directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the assessment district and an assessment of the estimated costs of the services upon all assessable parcels within the assessment district, to which Resolution and the description of said improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the Board of said District, hereby makes the following assessment to cover the portion of the estimated cost of said improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amount to be paid for said improvements and the expense incidental thereto, to be paid by the Assessment District for the fiscal year 2008-09 is generally as follows:

FIGURE 3 – SUMMARY OF COST ESTIMATE

	FY 2008-09 Budget
Maintenance and Operation	\$1,009,421
Administration	\$14,054
Capital and Debt Service	\$110,715
Incidental Expenses	\$11,090
TOTAL BUDGET	\$1,145,280
Less:	
District Contribution	(\$860,772)
NET AMOUNT TO ASSESSMENTS	\$284,508

As required by the Article, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Assessment district. The distinctive number of each parcel or lot of land in said Assessment district is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion said net amount of the cost and expenses of said improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within said Assessment district, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the annual change in the Consumer Price Index for the San Francisco Bay Area as of January 1 of each succeeding year, with the maximum annual adjustment not to exceed 3%.

In the event that the actual assessment rate for any given year is not increased by an amount equal to the maximum of 3% or the yearly CPI change plus any CPI change in previous years that was in excess of 3%, the maximum authorized assessment shall increase by this amount. In such event, the maximum authorized assessment shall be equal to the base year assessment as adjusted by the increase to the CPI, plus any and all CPI adjustments deferred in any and all prior years. The CPI change above 3% can be used in a future year when the CPI adjustment is below 3%.

As the amount of the annual increase in the San Francisco Bay Area Consumer Price Index from January 1, 2007 to January 1, 2008 is 3.845%, the authorized maximum adjustment for fiscal year 2008-09 is 3.0% above the maximum levy rate for fiscal year 2007-08. Including the authorized annual adjustment, the maximum authorized assessment rate for fiscal year 2008-09 is \$79.25 per single family equivalent benefit unit and the proposed fiscal year 2008-09 assessment rate per single family equivalent benefit unit is \$79.25.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Tuolumne for the fiscal year 2008-09. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

The assessment has a 10 year term limit. At the end of the fiscal year 2011-12, the District will no longer collect the assessment, unless it is reconfirmed by another assessment ballot proceeding.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2008-09 for each parcel or lot of land within the said Assessment district.

Dated: _____, 2008

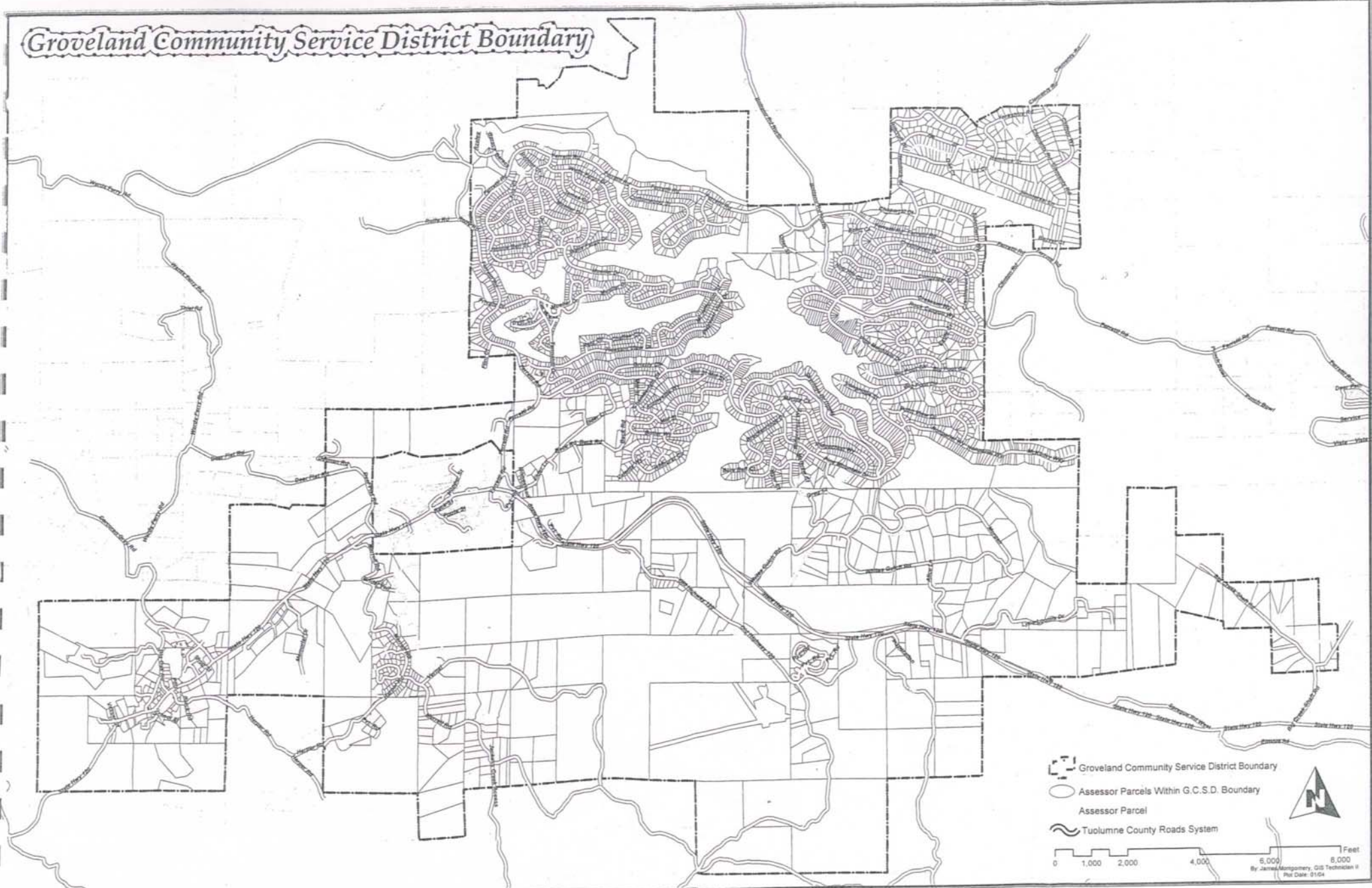
Engineer of Work

By _____
John Bliss, License No. C52091

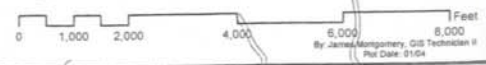
ASSESSMENT DIAGRAM

The Assessment District includes all properties within the boundaries of Groveland Community Services District. The boundaries of the Assessment District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions as shown on the maps of the Assessor of the County of Tuolumne, for fiscal year 2008-09, and are incorporated herein by reference, and made a part of this Diagram and this Report.

Groveland Community Service District Boundary



-  Groveland Community Service District Boundary
-  Assessor Parcels Within G.C.S.D. Boundary
-  Assessor Parcel
-  Tuolumne County Roads System



By James Montgomery, GIS Technician II
Print Date: 9/15/14

APPENDIX A – GOVERNMENT CODE SECTION 50078 ET.SEQ.

The Assessment District, through the Code, collects special benefit assessments and provide funding for the services in the Groveland Community Services District. The assessments are levied on the basis of benefit and are considered an assessment, not a tax. Pertinent excerpts from the Code are included below.

50078. Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article. The assessment may be made for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.

50078.1. As used in this article:

- (a) "Legislative body" means the board of directors, trustees, governors, or any other governing body of a local agency specified in subdivision (b).
- (b) "Local agency" means any city, county, or city and county, whether general law or chartered, or special district, including a county service area created pursuant to the County Service Area Law, Chapter 2.2 (commencing with Section 25210.1) of Part 2 of Division 2 of Title 3.

50078.2.

- (a) The ordinance or resolution shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. The risk classification may include, but need not be limited to, the amount of water required for fire suppression on that property, the structure size, type of construction, structure use, and other factors relating to potential fire and panic hazards and the costs of providing the fire suppression by the district to that property. The assessment shall be related to the benefits to the property assessed.
- (b) The benefit assessment levies on land devoted primarily to agricultural, timber, or livestock uses, and being used for the commercial production of agricultural, timber, or livestock products, shall be related to the relative risk to the land and its products. The amount of the assessment shall recognize normal husbandry practices that serve to mitigate risk, onsite or proximate water availability,

response time, capability of the fire suppression service, and any other factors which reflect the benefit to the land resulting from the fire suppression service provided. A benefit assessment shall not be levied for wildland or watershed fire suppression on land located in a state responsibility area as defined in Section 4102 of the Public Resources Code. This subdivision is not applicable to any benefit assessment levied prior to January 1, 1984, on land devoted primarily to agricultural, timber, or livestock uses.

50078.3. Any ordinance or resolution adopted by a local agency pursuant to this article establishing uniform schedules and rates for assessments for fire suppression services which substantially conforms with the model ordinance which the State Fire Marshal is authorized to adopt pursuant to Section 13111 of the Health and Safety Code shall be presumed to be in compliance with the requirements of Section 50078.2.

50078.4. The legislative body of the local agency shall cause to be prepared and filed with the clerk of the local agency a written report which shall contain all of the following:

- (a) A description of each lot or parcel of property to be subject to the assessment.
- (b) The amount of the assessment for each lot or parcel for the initial fiscal year.
- (c) The maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year.
- (d) The duration of the assessment.
- (e) The basis of the assessment.
- (f) The schedule of the assessment.
- (g) A description specifying the requirements for protest and hearing procedures for the assessment pursuant to Section 50078.6.

50078.5.

- (a) The legislative body may establish zones or areas of benefit within the local agency and may restrict the imposition of assessments to areas lying within one or more of the zones or areas of benefit established within the local agency.
- (b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit. The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used.

50078.6. The clerk of the local agency shall cause the notice, protest, and hearing procedures to comply with Section 53753. The mailed notice shall also contain the name and telephone number of the person designated by the legislative body to answer inquiries regarding the protest proceedings.

50078.13. The local agency shall pay the county for costs, if any, incurred by the county in conducting the election. An election called by a legislative body pursuant to this article is subject to all provisions of the Elections Code applicable to elections called by the local agency. The local agency may recover the costs of the election and any other costs of preparing and levying the assessment from the proceeds of the assessment.

50078.16. The legislative body may provide for the collection of the assessment in the same manner, and subject to the same penalties as, other fees, charges, and taxes fixed and collected by, or on behalf of the local agency. If the assessments are collected by the county, the county may deduct its reasonable costs incurred for that service before remittal of the balance to the local agency's treasury.

50078.17. Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure applies to any judicial action or proceeding to validate, attack, review, set aside, void, or annul an ordinance or resolution levying an assessment or modifying or amending an existing ordinance or resolution. If an ordinance or resolution provides for an automatic adjustment in an assessment, and the automatic adjustment results in an increase in the amount of an assessment, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 90 days of the effective date of the increase. Any appeal from a final judgment in the action or proceeding brought pursuant to this section shall be filed within 30 days after entry of the judgment.

50078.19. This article does not limit or prohibit the levy or collection of any other fee, charge, assessment, or tax for fire suppression services authorized by any other provisions of law.

50078.20. Any fire protection district may specifically allocate a portion of the revenue generated pursuant to this article to pay the interest and that portion of the principal as will become due on an annual basis on indebtedness incurred pursuant to Section 8589.13 of this code and Section 13906 of the Health and Safety Code.

APPENDIX B – ARTICLE XIID OF THE CALIFORNIA CONSTITUTION (PROPOSITION 218)

Proposition 218 was approved by voters as a Constitutional Amendment on November 6, 1996. It became Article XIIC and Article XIID of the California State Constitution and has imposed additional requirements for assessment districts. Following is a summary of the Article.

SECTION 1. Application.

Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIIC shall be construed to:

- (a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.
- (b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.
- (c) Affect existing laws relating to the imposition of timber yield taxes.

SEC. 2. Definitions. As used in this article:

- (a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIIC.
- (b) "Assessment" means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax."
- (c) "Capital cost" means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.
- (d) "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.
- (e) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.

- (f) "Maintenance and operation expenses" means the cost of rent, repair, replacement, rehabilitation, fuel, power, electrical current, care, and supervision necessary to properly operate and maintain a permanent public improvement.
- (g) "Property ownership" shall be deemed to include tenancies of real property where tenants are directly liable to pay the assessment, fee, or charge in question.
- (h) "Property-related service" means a public service having a direct relationship to property ownership.
- (i) "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."

SEC. 3. Property Taxes, Assessments, Fees and Charges Limited.

- (a) No tax, assessment, fee, or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except:
 - (1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A.
 - (2) Any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIII A.
 - (3) Assessments as provided by this article.
 - (4) Fees or charges for property related services as provided by this article.
- (b) For purposes of this article, fees for the provision of electrical or gas service shall not be deemed charges or fees imposed as an incident of property ownership.

SEC. 4. Procedures and Requirements for All Assessments.

- (a) 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. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

- (b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.
- (c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.
- (d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.
- (e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.
- (f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.
- (g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law

requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e).

SEC. 5. Effective Date.

Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

- (a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- (b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.
- (c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.
- (d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4.

APPENDIX C – 2008-09 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the Assessment district and the amount of the assessment) will be filed with the Secretary of the Board and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.