

# **Engineer's Report**

**For the**

## **CSA 23 Drought Reliability Assessment District (2012)**

**County of San Luis Obispo  
State of California**



**March 08, 2012**



**WALLACE GROUP**

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**Job Number: 0019.0060**

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Utilities Division Manager

Jill Ogren, PE  
Utilities Division Engineer

John Diodati  
Public Works Department Administrator

Tom Trott, PE  
Utilities Division Engineer

### ASSESSMENT ENGINEER

Robert S. Miller, PE  
Wallace Group  
a California Corporation

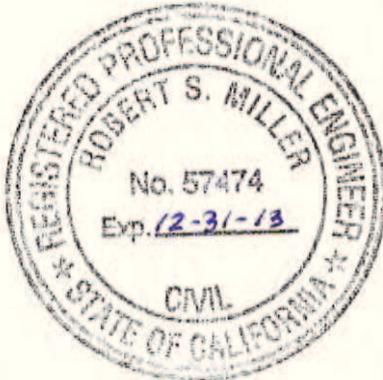
**CERTIFICATES**

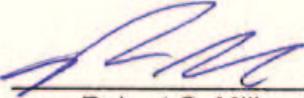
1. I, the Clerk of the Board of Supervisors of the County of San Luis Obispo, hereby certify that the Assessment and Assessment Roll in this Engineer's Report, in the amounts set forth in each, with the Assessment Diagram attached, was filed with me on \_\_\_\_\_, \_\_\_\_\_, 2012.

Julie L. Rodewald, Clerk of the Board of Supervisors

By: \_\_\_\_\_

2. I have prepared this Engineer's Report and do hereby certify that the amounts set forth in Column (1) under Summary Cost Estimate on Page 4 hereof entitled "Assessment," and the individual amounts in the Assessment Roll herein, have been computed by me in accordance with the Resolution of Intention adopted by the Board of Supervisors of the County of San Luis Obispo on March 20, 2012.



By:  \_\_\_\_\_  
Robert S. Miller, PE  
RCE No. 57474, Expires 12-31-13

3. I, the Clerk of the Board of Supervisors of the County of San Luis Obispo, hereby certify that the Assessment in this Engineer's Report, in the amounts set forth in Column (2) was approved and confirmed by the Board of Supervisors on \_\_\_\_\_, 2012, by Resolution No. \_\_\_\_\_.

Julie L. Rodewald, Clerk of the Board of Supervisors

By: \_\_\_\_\_

4. A Notice of Assessment was recorded and the Assessment Diagram was filed in the office of the County Recorder of the County of San Luis Obispo, California, on \_\_\_\_\_, \_\_\_\_\_, 2012.

Julie L. Rodewald, Clerk of the Board of Supervisors

By: \_\_\_\_\_

COUNTY OF SAN LUIS OBISPO, CALIFORNIA

**ENGINEER'S REPORT**

PURSUANT TO THE PROVISIONS OF DIVISION 12  
OF THE STREETS AND HIGHWAYS CODE FOR THE  
SAN LUIS OBISPO COUNTY CSA 23  
DROUGHT RELIABILITY ASSESSMENT DISTRICT (2012)  
IN THE COMMUNITY OF SANTA MARGARITA

Pursuant to the provisions of the Municipal Improvement Act of 1913, being Division 12 of the Streets and Highways Code of the State of California, Article XIID of the California Constitution, and the Proposition 218 Omnibus Implementation Act, and in accordance with the Resolution of Intention passed and adopted on March 20, 2012 by the Board of Supervisors of the County San Luis Obispo, Robert S. Miller, P.E. duly-authorized representative of Wallace Group, a California Corporation, submits herewith the report for the San Luis Obispo County CSA 23 Drought Reliability Assessment District (2012), consisting of six parts as follows:

**PART I**

The **proposed assessment** of a portion of the costs and expenses of the proposed project in proportion to the estimated special benefits outlined in Part VI to be received by properties within the assessment district, respectively, from said improvements, is set forth upon the assessment roll filed herewith and made a part hereof.

The **assessment roll** also includes the "Assessor APN" for each parcel which is the Assessor's Parcel Number corresponding to each property within the Assessment District as recorded in the San Luis Obispo County Assessor's Office.

**PART II**

**Preliminary plans** of the proposed improvements consisting of a State Water pipeline (SWP) tie-in with an exchange/banking agreement are referenced in the report entitled, "Santa Margarita California (CSA 23) 2010 Water Supply Reliability Report". The Reliability Report provides a body of evidence that present an overview of water supply and reliability issues for Santa Margarita, the viability of the proposed project and the cost upon which an assessment can be based, and is therefore made a part hereof. The Reliability Report is on file in the Office of the Utilities Division Manager in the Department of Public Works.

**PART III**

A **general description** of the proposed project is attached hereto and made a part hereof.

**PART IV**

An **estimate of the cost** of the project, proposed improvements and of the cost of land, rights-of-way, and incidental project expenses is attached hereto and is made a part hereof.

**PART V**

The **assessment diagram** showing the exterior boundaries of the Assessment District, and each parcel of land within the Assessment District is attached hereto and is made a part hereof. The location of the properties corresponding to the Assessment Numbers shown on the attached assessment roll can also be found on the Assessment Diagram.

**PART VI**

A description of the **method of assessing costs**, including the methodology of determining special and general benefits and special cases, to the parcels in the Assessment District along with a list of parcels in the Assessment District and the assessments apportioned to those parcels is attached hereto and made a part hereof.

Dated this 7<sup>th</sup> day of March, 2012.



Robert S. Miller, PE  
RCE No. 57474, Expires 12-31-13  
Wallace Group, a California Corporation



**PART I**

**PROPOSED ASSESSMENT AND ASSESSMENT ROLL**

**A. PROPOSED ASSESSMENT**

**WHEREAS**, on March 20, 2012, the Board of Supervisors of the County of San Luis Obispo, California, pursuant to the provisions of the Municipal Improvement Act of 1913, adopted its Resolution of Intention for the construction of the public improvements more particularly therein described;

**WHEREAS**, said Resolution directed the undersigned to make and file a report presenting a general description of any works and appliances already installed and any other property necessary or convenient for the operation of the improvements, preliminary plans for the proposed construction, preliminary estimate of costs, maps and general descriptions of lands to be acquired, and diagram and assessment of and upon the subdivisions of land within the assessment district, to which Resolution and the description of said proposed 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 Supervisors of said County, hereby make the following assessment to cover the portion of the estimated costs of said acquisitions, work and improvements and the costs and expenses incidental thereto to be paid by the assessment district.

**Table 1**

**Summary of Estimated Costs of Special Benefit  
 Allocated to Assessments**

Special Benefits Costs <sup>1</sup>	As Preliminarily Approved	As Confirmed and Recorded
Connection Costs	\$ 252,202	\$
Contingency	\$ 94,575	\$
Administration	\$ 137,923	\$
Subtotal	\$ 484,700	\$
Finance Cost	\$ 30,000	\$
Subtotal	\$ 514,700	\$
Less USDA Grant	\$ 154,700	\$
Balance to Assessment District	\$ 360,000	\$

Note:

<sup>1</sup> Also referenced in Part IV of this report

And I do hereby assess and apportion said portion of said total amount of the cost and expenses of said project including acquisitions, work and improvements upon the several lots, pieces or parcels or portions of lots or subdivisions of land liable therefore and benefited thereby, and hereinafter number to correspond with the numbers upon the attached Assessment Diagram, upon each, severally and respectively, in accordance with the benefits to be received by such parcels, respectively, from the acquisitions and improvements, and more particularly set forth in the list hereto attached and by reference made a part hereof.

As required by said Act, an Assessment Diagram is hereto attached showing the assessment district and also the boundaries and dimensions of the respective parcels of land within said assessment district as the same existed at the time of the passage of said Resolution, each of which parcels having been given a separate number upon said Diagram.

Said assessment is made upon the parcels of land within the assessment district in proportion to the estimated special benefits to be received by said parcels, respectively, from said improvement. The diagram and assessment numbers appearing herein are the diagram numbers appearing on said diagram, to which reference is hereby made for a more particular description of said property.

Each parcel of land assessed is described in the within Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of San Luis Obispo for the fiscal year 2011-12 and includes all of such parcel excepting those portions thereof within existing public roads. 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.

Notice is hereby given that serial bonds or term bonds or other financing instruments, to represent unpaid assessments and bear interest at the rate of not to exceed twelve percent (12%) per annum, or such higher rate of interest as may be authorized by applicable law at the time of sale of such bonds, will be issued hereunder in the manner provided by Division 10 of the Streets and Highways Code, the Improvement Bond Act of 1915, and the last installment of such bonds shall mature not to exceed thirty-nine (39) years from the second day of September next succeeding twelve (12) months from their date.

Under the Resolution of Intention, the requirements of Division 4 of the California Streets and Highways Code shall be satisfied with Part 7.5 of said Division 4, for which the following is presented:

1. The total amount, as near as may be determined, of the total principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated in the current proceedings is:

\$ 0.00

2. The total amount of the principal sum of the special assessments (the "Balance to Assessment District") proposed to be levied in the current proceedings is:

\$ 360,000.00

3. The total amount of the principal sum of unpaid special assessments levied against the parcels proposed to be assessed, as computed pursuant to paragraph 1. above, plus the principal amount of the special assessment proposed to be levied in the current proceedings from paragraph 2. above is:

\$ 360,000.00

4. The total true value, as near as may be determined, of the parcels of land and improvements which are proposed to be assessed in the current proceedings, as determined by the full cash value of the parcels as shown upon the last equalized assessment roll of the County of San Luis Obispo is:

\$ 96,575,567

Dated this 7<sup>th</sup> day of March, 2012.

  
Robert S. Miller, PE  
RCE No. 57474, Expires 12-31-13



## B. ASSESSMENT ROLL

A list of names and addresses of the owners of all parcels, and the description of each lot or parcel within the San Luis Obispo County CSA 23 Drought Reliability Assessment District (2012) is shown on the last equalized Property Tax Roll of the San Luis Obispo County Assessor, which by reference is hereby made part of this report.

This list is keyed to the Assessor's Parcel Numbers as shown on the Assessment Roll, which includes the proposed amount of assessment apportioned to each lot or parcel and the parcel's assessment number. The Assessment Roll for the Assessment District is shown in Appendix B of this Report.

**PART II**  
**PRELIMINARY PLANS**

Reference is hereby made to the body of evidence and summary cost information contained within the community report entitled "Santa Margarita California (CSA 23) 2010 Water Supply Reliability Report" previously referenced and incorporated, which is on file in the Office of the Utilities Division Manager in the Department of Public Works. The Reliability Report provides a body of evidence that present an overview of water supply and reliability issues for Santa Margarita, the viability of the proposed project and the cost upon which an assessment can be based.

## PART III

### PROJECT DESCRIPTION

#### A. BACKGROUND

Santa Margarita's water supply system historically has not complied with the California Department of Health Services (DHS) Title 22; Section 64554 which states:

- (a) At all times a public water system's water sources shall have the capacity to meet the system's maximum day demand.
- (b) Community water systems using only groundwater shall have a minimum of two approved sources. The system shall be capable of meeting the maximum day demand with the highest capacity source off line.

Non-compliance with Department of Public Health standards exists because in the event that the main well (#4) shuts down due to low water levels, water quality issues or mechanical issues, the back-up well (#3) does not have sufficient capability to meet community demands during its highest use period in the summer.

Alternatives to improve water reliability have included supplemental water and drought reliability water. The drought reliability water alternative is significantly less expensive and focuses on drought reliability (making sure that additional water is available during drought conditions or other emergencies) as opposed to the more expensive supplemental water alternative which is an additional source of water available every year. The proposed project will provide the necessary infrastructure to provide drought reliability water to the community.

#### B. PROPOSED PROJECT

The improvement project being financed with proceeds of the special assessments of this Assessment District (the "Project") is the construction and installation of a physical connection between an existing water transmission pipeline (the State water pipeline or "SWP") which is a component of the State of California Water Project System (the "State Water System"), owned by the California Department of Water Resources, and operated by the Central Coast Water Authority (CCWA) and the existing local water distribution system of County Service Area 23 (the "CSA 23 System"), which serves the unincorporated community of Santa Margarita, with the connection comprised of (a) a turnout installed on the SWP and (b) a new transmission pipeline approximately 65 feet in length, to become a component of the CSA 23 System, to connect the newly-installed turnout to the existing CSA 23 System.

The purpose of the Project is to provide the properties within the Assessment District access to a reliable supply of water in the event of a drought of sufficient duration and severity or other emergency which renders the existing ground water supply of CSA 23 insufficient to the point of a declaration of a water supply emergency by the Board of Supervisors.

Access via the Project improvements to the water supply of the State Water System is provided pursuant to the terms and conditions of a program known as the "Drought Reliability Program", which is more fully described in the Final Supplemental Environmental Impact Report for the "Santa Margarita Drought Reliability Project" dated September 2011.

The property which would be served by any water taken from the State Water System and transmitted through the Project improvements into the CSA 23 System, to alleviate the Board-declared water supply emergency, is the property within the assessment district.

**PART IV**  
**ESTIMATE OF COSTS**

An engineer’s opinion of probable cost of the proposed improvements is attached as Appendix A to this report and is summarized below in “Table 2 – Preliminary Project Cost Estimate”. The cost estimate includes the initial capital costs for the construction of the tie-in separated between special and general benefits.

**Table 2**  
**Preliminary Project Cost Estimate**

	Total Costs <sup>1</sup>	Allocated Special Benefits <sup>2</sup>	Allocated General Benefits <sup>3</sup>
Connection Costs	\$ 320,000	\$ 252,202	\$ 67,798
Contingency	\$ 120,000	\$ 94,575	\$ 25,425
Administrative Costs	\$ 175,000	\$ 137,923	\$ 37,077
Subtotal Capital Costs <sup>1</sup>	\$ 615,000	\$ 484,700	\$ 130,300
One-Time Buy In Fee	\$ 15,000	\$ 0	\$ 15,000
Subtotal	\$ 630,000	\$ 484,700	\$ 145,300
Finance Cost	\$ 30,000	\$ 30,000	\$ 0
Subtotal	\$ 660,000	\$ 514,700	\$ 145,300
Less USDA Grant	\$ 300,000	\$ 154,700	\$ 145,300
Balance to Assessment District	\$ 360,000	\$ 360,000	\$ 0

Notes:

<sup>1</sup> See Appendix A

<sup>2</sup> See Part I Table 1 - Summary of Estimated Costs of Special Benefits Allocated to Assessments

<sup>3</sup> See Part VI

The total amount of proposed assessments (\$360,000) has been derived by allocating costs between special and general benefits for the drought reliability project, and then subtracting out the amount paid by the United States Department of Agriculture (USDA) grant allocable to special benefits. In other words, the amount of capital costs to the assessment district is the remaining balance after the USDA grant is applied.

The Board intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the County and not otherwise reimbursed to the County which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, in an amount per year not to exceed six dollars (\$6) per parcel, however, said amount may be subject to an inflation adjustment of up to 2% per year. This annual assessment shall be in addition to any fee charged pursuant to Section 8682 and 8682.1 of the Streets and Highways Code.

The annual water sales costs for the 5 acre feet per year of drought reliability water is not considered a capital cost and is not included in the assessment district financing. The annual water sales costs will be paid through the County Service area 23 annual operating budget or other sources.

**PART V**  
**ASSESSMENT DIAGRAM**

Properties located within the proposed Assessment District are within the San Luis Obispo County Service Area 23 (CSA 23) boundaries established by the San Luis Obispo County Board of Supervisors on July 27, 1999 in the unincorporated community of Santa Margarita (formerly known as Waterworks District No. 6).

The lines and dimensions of each lot or parcel within the Assessment District are those lines and dimensions shown on the maps of the Assessor of the County of San Luis Obispo for the year when this Report was prepared, and are incorporated by reference herein and made part of this Report. The Assessment Diagram for the Assessment District is shown in Appendix C of this Report.

## PART VI

### METHOD OF ASSESSMENT APPORTIONMENT

#### A. GENERAL DESCRIPTION OF METHOD

All parcels located within the San Luis Obispo County Service Area 23 (CSA 23) boundaries established by the San Luis Obispo County Board of Supervisors in the unincorporated community of Santa Margarita are included in the proposed Assessment District. In order to relate costs to the parcels benefitting from the development of the proposed infrastructure, the historical water usage was evaluated and used to establish the relative benefit between the residential and commercial land use categories, as well as other special cases. Given that residential uses account for approximately 90% of all water consumed in CSA 23, this land use category was used as the baseline for allocating costs to all other categories. Averaging water usage records by property type provides the most equitable allocation of costs for all parcels within the CSA 23 boundaries because the project will provide the availability of water for all properties, regardless of the current development on each individual parcel.

All parcels, including undeveloped parcels, stand to benefit from the availability of an auxiliary source of potable water in the event of a significant drought or other emergency and have been assessed a portion of the costs for facilities that connect CSA 23's potable water system to the State Water pipeline (SWP). Each parcel's assessment computation is directly proportional to the special benefit received from the improvements by use of a benefit unit (BU). In addition to the costs for connection to the SWP, the drought reliability program will also create annual non-capital costs to the CSA 23 operating fund, for purposes such as purchasing State Water, which will not be funded from assessment proceeds, but instead through water rates. Undeveloped parcels, which benefit from the development of the construction of the facilities and are therefore subject to the assessment, will not be subject to those annual non-capital costs until they develop their parcels and begin purchasing potable water. The establishment of assessments for undeveloped parcels is further defined under the section entitled *Assessment Categories*.

#### **Separation of Special and General Benefits**

Classification of these benefits is defined by who receives the benefit. If the public-at-large receives the benefit, it is classified as a "general benefit." If only specific parcels receive the benefit, it is classified as a "special benefit." The ability to access water in the event of a significant drought or other emergency provides both general and special benefits. However, only the portion of the project costs attributed to the special benefits received are subject to assessment. As identified below, the proposed assessments are less than the estimated cost of the special benefits.

Overall, the existing parcels within CSA 23 receive a special benefit from the availability of emergency water during droughts and in other circumstances through the construction of the facilities, which provides an increased assurance that potable drinking water will continue to be available for health, safety and other needs.

The allocation of costs to special benefits recognizes three important considerations. First, less than 100% of water acquired by CSA 23 will be transmitted into the CSA 23 system. Second, some of that water actually transmitted will be used for purposes other than delivery to parcels within CSA 23. Third, additional annual operating costs are incurred.

First, in the event of a drought, CSA 23 will only receive 90% of the water while 10% is retained by the partner providing the water as outlined in the banking partner exchange agreements. Therefore, only 90% of the project costs are considered a special benefit as only 90% of the water will be received.

Second, when CSA 23 receives emergency water, a portion is presumed used by others for firefighting or other reasons. That amount is less than the system losses, calculated below:

**Table 3**

**CSA 23 FY 1999/00 – FY 2010/11 System Losses**

Fiscal Year	Production Total (acre feet)	Consumption Total (acre feet)	System Losses (acre feet)	% of Total Production
FY 99/00	212	186	26	12.26%
FY 00/01	199	174	25	12.56%
FY 01/02	201	186	15	7.46%
FY 02/03	198	180	18	9.09%
FY 03/04	218	187	31	14.22%
FY 04/05	186	164	22	11.83%
FY 05/06	187	167	20	10.70%
FY 06/07	203	175	28	13.79%
FY 07/08	197	170	27	13.71%
FY 08/09	186	161	25	13.44%
FY 09/10	172	144	28	16.28%
FY 10/11	167	144	23	13.77%
			Average Losses	12.43%

Notes:

<sup>1</sup> Total consumption includes residential, commercial and public authority water use from meter reading reports.

<sup>2</sup> System Losses are those due to leaks, Fire Department usage for trainings, fire suppression, unaccounted for water (construction) and well maintenance activities.

Total system losses do not differentiate between the various factors that combine to create the total. Some losses are a function of the minor inaccuracy of meters. Some are a result of leaks. Others are not losses, but may be better characterized as unaccounted uses. For example, water that may be used for fire-fighting purposes. Overall, a portion of the system losses illustrated in Table 3 reflect general benefits, and a portion may be special benefits. This assessment engineer might propose a greater allocation to special benefits in proceedings specific to the development of system-wide infrastructure. In the case here, where reliability water is a programmatic special benefit and the infrastructure is not system-wide, but is limited to a connection between the State Water Project and the CSA 23 water supply system, then a fair conclusion is that water conveyed to the CSA 23 system but not actually delivered to parcels reduces the special benefit of the drought reliability program. Consequently, no “system losses” are considered special benefits.

The third consideration results from increased annual operating costs. These costs are incurred as part of participating in the State Water Project and may be considered to include both special benefits and general benefits. Certainly the costs must be incurred to create a reliability program, but whether those costs could be allocated to the banking/exchange partners in contract negotiations would be an outcome based on factors independent of assessment benefit determinations. In addition, since the resolution of intention for the proposed assessments only relates to the costs of the State Water Intertie, none of the annual operating costs are allocated to special benefits in this report.

Table 4 illustrates the allocation of costs to general benefits.

**Table 4**  
**Allocation of Capital Costs to General Benefits**

Estimated Capital Costs	\$ 615,000
10% of Allocation of General Benefit due to Estimated Exchange	<\$ 61,500>
Net	\$ 553,500
12.43% System Losses	<\$ 68,800>
Net	\$ 484,700
General Benefits <sup>1</sup>	\$ 130,300
Percent of Capital Costs Distributed to General Benefits <sup>2</sup>	21.187%

**Notes:**

<sup>1</sup> Referenced in Table 2.

<sup>2</sup> General Benefits / Estimated Capital Costs.

The proposed drought reliability project will provide infrastructure which can provide auxiliary water to the parcels within the Assessment District, thereby providing these parcels with a special benefit. And since these parcels within the Assessment District will receive a special benefit from the proposed project, they will be assessed a portion of the special benefit costs.

**Assessment Categories**

The assessment categories which are included within the boundaries of the assessment district are defined as Residential, Commercial and Special Cases. Special Cases are parcels that are not zoned and/or used as Residential or Commercial.

Parcels are assessed based on the current use of the parcel, regardless of its zoning. In other words, if a parcel zoned as Commercial is currently being used as a residence, then the parcel is assessed as a Residential assessment category. If a parcel is a mixed use, the main use of the parcel is used for its assessment category.

If a parcel is vacant, it is assessed based on its current land use zoning. Given that historical water use information did not exist for vacant parcels, the water use pattern established for developed properties was used as the basis for projecting future water use by land use category. Additionally, undeveloped parcels were assigned a Benefit Unit (BU) based on the following reasons:

1. Construction of the physical connection to State Water provides these parcels an assurance of availability for water during emergencies and thereby enhances the usability of the property.
2. Undeveloped parcels will most likely not remain vacant for the useful life of the facilities being constructed or assessment collection period.
3. Special benefit is determined by establishing the benefit of the project to the property, not the current property owner and their current lack of use of the property.
4. There are no other known limitations to development preventing an undeveloped property from developing, with the exception of certain identified parcels. The County's current Land Use Ordinance minimum building site requirements is 6,000 square feet with 50 feet of frontage, which none of these identified parcels meet. The inability to meet these requirements suggests there are significant limitations to their future development and results in these identified parcels receiving zero BUs.

### **Benefit Unit (BU)**

To establish the benefit assessment amount for each individual parcel, a Benefit Unit (BU) system has been developed. Each parcel is assigned Benefit Units in proportion to the estimated special benefit the parcel will receive from the construction of facilities which can provide an auxiliary source of potable water in the event of a severe drought or other emergency.

The residential parcel has been selected as the basic unit for calculation of assessments as these parcels represent about 90% of the water consumed within County Service Area 23. Therefore, the residential parcel is defined as one BU. All other parcel uses are compared to the residential parcel and assigned a proportionate number of BUs in accordance with average water use records from the last five fiscal years. Undeveloped parcels, while not having a water usage record, receive benefit from construction of infrastructure that provides the availability of

drought reliability water and were therefore assigned a benefit unit based on current land use zoning.

Utilizing the five year water usage records, the average residence consumed 255 gallons per day, and the average commercial establishment consumed 318 gallons per day. All other uses, or Special Cases as they are referred to in this Engineer's Report, vary greatly and consumption was reviewed for each particular use.

### **Assessable Parcels**

#### **Residential**

A parcel with an existing residence is assessed one 1.0 BU. If a parcel is vacant and is zoned Residential Single-Family (RSF), Residential Suburban (RS), or Residential Multi-Family (RMF) it is assessed one (1) BU. This is based on the average residence consumption of 255 gallons per day over the last five fiscal years.

#### **Commercial**

A parcel with an existing commercial use is assessed 1.25 BUs. If a parcel is vacant and is zoned Commercial Retail (CR), or Commercial Services (CS) it is assessed 1.25 BUs. This is based on the average commercial establishment consumption of 318 gallons per day over the last five fiscal years.

#### **Special Cases**

##### **School, Ball Field**

**Assessment No. 175 and 326**

These parcels include an elementary school serving grades kindergarten through six and a ball field. The parcel including the school (No. 326) is assessed 12.24 BUs based on the average consumption over the last five fiscal years of 3,120 gallons per day. The parcel including the ball field (No. 175) is assessed 0 BUs based on the average consumption over the last five years of 0 gallons per day. The ball field parcel utilizes a private well.

##### **Park and Senior Citizens Club**

**Assessment No. 278 and 279**

These parcels include the Santa Margarita Community Park (No. 279) and the Santa Margarita Senior Citizens Club (No. 278). These parcels share a water meter. The average consumption over the last five fiscal years was 2,310 gallons per day. Assuming 25 percent of this consumption would occur during times of drought when irrigation of the landscaping in the park would not occur, results in an average consumption of 577 gallons per day for park facilities (restrooms) and the Senior Club or about 289 gallons per day per parcel. This consumption is

close to the average commercial establishment consumption. Therefore, each parcel is assessed 1.25 BUs.

Fire Station

Assessment No. 128

This parcel contains a structure utilized for the all-volunteer Santa Margarita Fire Department and does not include amenities such as sleeping quarters and kitchen facilities. The parcel is assessed 0.03 BUs based on the average consumption over the last five fiscal years of 7 gallons per day.

Library

Assessment No. 261

This parcel includes the Santa Margarita Library. The average consumption over the last five fiscal years was 300 gallons per day. This consumption is close to the average commercial establishment consumption. Therefore, the parcel is assessed 1.25 BUs.

Railroad

Assessment No. 176

This parcel includes the Union Pacific Railroad. The average consumption over the last five fiscal years was 557 gallons per day. Therefore, the parcel is assessed 2.18 BUs.

Mobile Home Park

Assessment No. 483, 492 and 493

These parcels include a mobile home park consisting of 50 coaches. The average consumption over the last five fiscal years was 7,135 gallons per day (which includes the 2 master meters) or about 143 gallons per day per coach. The parcels are assessed based on the number of coaches contained on the parcel at 0.56 BU per coach.

Churches

Assessment No. 221 and 260

These parcels include the Santa Margarita Community Church (No. 260) and the Santa Margarita de Cortona Catholic Church (No. 221). These churches are assessed based on a combined average consumption over the last five fiscal years of 263 gallons per day between the two parcels. This consumption is close to the average residential consumption of 255 gpd. Therefore, the parcels are assessed at 1.0 BU each.

The number of Benefit Units assigned to each Assessment Category within the assessment district is summarized below in Table 5:

**Table 5**  
**Benefit Units by Assessment Category**

Assessment Category	Benefit Unit (BU)
Residential	1.00
Commercial	1.25
<u>Special Cases</u>	
School, Ball Field (2 parcels)	12.24
Santa Margarita Community Park	1.25
Senior Citizens Club	1.25
Fire Station	0.03
Library	1.25
Railroad	2.18
Mobile Home Park – Developed (3 parcels)	27.98
Community Church	1.00
Catholic Church	1.00

**B. ASSESSMENT RATE CALCULATION**

The estimate of costs for the assessment district as shown in Part IV of this report is \$360,000 for capital costs. Again it should be noted, as it is in Part IV of this report, that the amount of capital costs to the assessment district is the remaining balance after the USDA grant is applied.

Dividing the estimated project costs by the total number of Benefit Units in the Assessment District sets the assessment rate for capital costs at \$671.73 per Benefit Unit ( $\$360,000 / 535.93 \text{ BUs} = \$671.73 \text{ per BU}$ ).

The assessment rates for the various Assessment Categories are shown in Table 6:

**Table 6**  
**Total Assessment Rates**  
**for Various Assessment Categories**

Assessment Category	Benefit Unit (BUs) Assigned	Total Assessment (Capital)
Residential	1.00	\$ 671.73
Commercial	1.25	\$ 839.66
<u>Special Cases</u>		
School, Ball Field (2 parcels)	12.24	\$ 8,221.97
Santa Margarita Community Park	1.25	\$ 839.66
Senior Citizens Club	1.25	\$ 839.66
Fire Station	0.03	\$ 20.15
Library	1.25	\$ 839.66
Railroad	2.18	\$ 1,464.37
Mobile Home Park – Developed (3 parcels)	27.98	\$ 18,794.99
Community Church	1.00	\$ 671.73
Catholic Church	1.00	\$ 671.73

To obtain the assessment for each parcel, the cost per BU was multiplied by the BU assignment as described in Table 5. As an example, a commercial parcel is calculated as follows:

	<u>BU</u>	x	<u>Cost Per BU</u>	=	<u>Assessment</u>
Commercial (Capital)	1.25		\$ 671.73		\$ 839.66