

**ENGINEER'S ANNUAL LEVY REPORT**

**STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1**

**FISCAL YEAR 2024-2025**

**Nipomo Community Services District  
County of San Luis Obispo  
State of California**

**MAY 8, 2024**

**Prepared By:**

**Nipomo Community Services District**

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The undersigned respectfully submits the enclosed Engineer's Report on the 8<sup>th</sup> day of May, 2024.



By: Peter Sevcik

Peter V. Sevcik, P.E.  
Director of Engineering and Operations  
RCE 60411, Expires 06-30-24

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was approved and confirmed by the Board of Directors of the Nipomo Community Services District on the 8<sup>th</sup> day of May, 2024.

By: Raymond Dujov

Secretary of the Nipomo Community  
Services District

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, was filed with the County Auditor of the County of San Luis Obispo on the 8 day of May, 2024.

By: Raymond Dujov

Secretary of the Nipomo Community  
Services District

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**OVERVIEW**

Nipomo Community Services District ("NCSD") annually levies and collects special assessments to maintain improvements within Street Landscape Maintenance District No. 1 ("District"). The District was formed and annual assessments are established pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "1972 Act").

This Engineer's Annual Report ("Report") describes the District and the proposed assessments for the Fiscal Year 2024-2025. The assessments are based on the historical and estimated future costs to maintain the improvements that provide a direct and special benefit to properties within the District.

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

**EFFECT OF PROPOSITION 218**

In November 1996, California voters approved Proposition 218 that established specific requirements for the on-going imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIIC and XIID.

All assessments described in this Report and approved by the Board of Directors are prepared in accordance with the 1972 Act and are in compliance with the provisions of the California Constitution Article XIID.

The assessments adopted include the District's annual inflationary adjustment to the maximum assessment rate. This annual inflationary adjustment to the maximum assessment rate is provided in this Report.

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**ENGINEER'S REPORT FORMAT**

This Engineer's Report consists of five (5) Parts as follows:

**PART A - Improvements to be Maintained and Services (Page 4) - This portion of the Engineer's Report describes the work to be done, including plans and specifications for the existing street landscape improvements. The Plans and Specifications are filed with the Secretary of the Board. Although separately bound, the plans and specifications are part of this Engineer's Report and are included in it by reference.**

**PART B - Budget Cost Estimate (Page 5) - Budget cost estimates associated with the operations and maintenance of the described landscape improvements. In addition to an overall budget summary, a detailed FY 2024-2025 Budget and Summary of Fund Balance sheet are provided.**

**PART C - Method of Apportionment of Assessment (Page 7) - A statement of the method used by the Engineer to determine the proposed amount to be assessed against each parcel within the Assessment District.**

**PART D - Assessment Roll (Page 9) - A spreadsheet listing of FY 2024-2025 assessments on each benefited parcel of land within the Assessment District. The FY 2024-2025 assessment amount is the cost each parcel (Assessor Parcel Number or APN) will contribute towards the operation and maintenance of the street landscaping within the Assessment District for FY 2024-2025 along with the addresses of each APN, as shown on the last equalized assessment roll for taxes.**

**PART E - Assessment Diagram (Page 10) - The Assessment Diagram (map) showing all of the parcels of real property within the Assessment District.**

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**PART A**

**IMPROVEMENTS TO BE MAINTAINED AND SERVICED**

The District (formed on April 9, 2003) provides and ensures the continued maintenance, servicing, administration and operation of street landscaping located within a portion of the public rights-of-way and dedicated landscape easements in Tract 2409, a 28-lot subdivision commonly known as Vista Verde Estates, located off of West Tefft across from Dana Elementary School.

Improvements within the District include the maintenance and operation and the furnishing of services and materials for landscaping which include trees, shrubs, grasses and other ornamental vegetation, and appurtenant facilities, including irrigation systems.

The landscape maintenance obligation is limited to the following:

- Landscaping bordering the frontage of lots 1 through 6 on Tefft Street
- Landscaping bordering the frontage of lots 1, 15, 16, and 28 on Tejas Place
- Landscaping bordering the southwest and northwest sides of lot 29 (drainage basin) on Tejas Place
- The pathway between lots 4 and 5 between Tefft Street and Vista Verde

No changes to the improvements are planned in FY 2024-2025.

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**PART B**

**BUDGET COST ESTIMATE SUMMARY**

**AND ANNUAL INFLATIONARY ADJUSTMENT**

Part B includes the detailed budget for FY 2024-2025 for all the costs associated with the operation and maintenance of the street landscaping within the District and a summary of the projected fund balance for the District. The total budget summary for FY 2024-2025 for the District is as follows:

| DESCRIPTION  |           | 2024-2025<br>BUDGET |
|--|-----------|---------------------|
| Beginning Estimated Fund Balance<br>(July 1, 2024)   |           | \$15,000            |
| <b>Proposed Assessment Levy</b>                      |           | <b>\$14,700</b>     |
| <b>Estimated Interest Income</b>                     |           | <b>\$550</b>        |
| <b>Estimated Expenditures</b>                        |           |                     |
| Contract Landscape Maintenance                       | (\$5300)  |                     |
| Water  | (\$6700)  |                     |
| Electricity  | (\$150)   |                     |
| Public Notifications                                 | (\$500)   |                     |
| Administration                                       | (\$1,500) |                     |
|  |           |                     |
| <b>Total Estimated Expenditures</b>                  |           | <b>(\$14,150)</b>   |
| Estimated Ending Fund Balance (1)<br>(June 30, 2025) |           | \$16,100            |

- (1) In accordance with the Reserve Policy adopted by the Nipomo Community Services District Board in 2012, the target fund balance reserve for Street Landscape Maintenance District No. 1 is \$20,000. Reserve is operating reserve as well as for capital expenditures for unplanned landscaping repair/replacement and irrigation system repair/replacement.

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**ANNUAL INFLATIONARY ADJUSTMENTS**

The maximum annual assessment that may be levied each fiscal year includes an annual inflationary adjustment to the maximum assessment rate based on the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers in San Francisco/San Jose for February 28 of the current year over the previous year's index on the same date. Although the maximum rate for the District may increase each year, the actual amount to be assessed is based on the annual budget and may be less than the maximum rate. The property owners must approve any proposed assessment that exceeds the adjusted maximum rate before it can be imposed.

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

$$\begin{array}{l}
 \text{(Prior Year's Annual Maximum Assessment x CPI)} \\
 \text{Plus} \\
 \text{Prior Year's Annual Maximum Assessment}
 \end{array}
 \left. \vphantom{\begin{array}{l} \text{(Prior Year's Annual Maximum Assessment x CPI)} \\ \text{Plus} \\ \text{Prior Year's Annual Maximum Assessment} \end{array}} \right\} = \begin{array}{l} \text{Current Year's} \\ \text{Annual} \\ \text{Maximum} \\ \text{Assessment} \end{array}$$

The percentage change used is the annual change for the preceding 12 months. The annual inflation factor applied for the fiscal year 2024-2025 is based on the percentage change from February 2023 to February 2024 and has been identified as 2.4% (annual percentage change currently available).

|   |                             |
|---|-----------------------------|
| <b>MAXIMUM ALLOWABLE ASSESSMENT PER PARCEL<br/>(APPLYING INFLATIONARY ADJUSTMENT)</b> |                             |
| 2023-2024 Maximum Assessment  | (A) \$601.18                |
| X CPI (2.4%)  | (B) \$14.43                 |
|   | -----                       |
| Maximum Assessment Allowable<br>2024-2025   | (A) + (B) \$615.61<br>===== |
| Proposed 2024-2025 Annual Assessment  | \$525.00<br>=====           |

The County of San Luis Obispo adds a \$2.00 per parcel handling fee for processing special district benefit assessments on the tax roll. Total amount of \$527.00 per parcel will be billed on tax roll.

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**PART C**

**METHOD OF APPORTIONMENT OF ASSESSMENT**

**GENERAL**

The District consists of all assessor parcels within the boundaries as defined by the Assessment Diagram and the parcels identified by the Assessor Parcel Numbers listed with the levy roll included with this Report. The parcel list includes all assessable privately-owned parcels within the boundaries. There are no assessable public properties within the District boundaries. The method used for apportioning the Assessment is based on the proportional special benefits to be derived by the properties in the 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 Improvements 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 improvements or a property owner's specific demographic status. With reference to the requirements for Assessments, Section 22573 of the Act states:

*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.*

Proposition 218, as codified in Article XIII D 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.*

**SPECIAL BENEFIT**

The associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the California Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within



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the District to their full potential, consistent with the development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties.

The special benefits associated with street landscape improvements are specifically:

- Enhanced desirability of properties through association with the improvements.
- Improved aesthetic appeal of properties providing a positive representation of the area.
- Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
- Environmental enhancement through improved erosion resistance, dust and debris control.
- Increased sense of pride in ownership of property within the District resulting in well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings.

Based on the preceding special benefits, it has been determined that the improvements provided through the District and for which parcels are assessed, contribute to aesthetic value and desirability of those properties. It has further been determined that these improvements, either individually or collectively are provided for the special benefit and enhancement of properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

**APPORTIONMENT FORMULA**

The method of apportionment (spread) is based on the premise that each assessed parcel within the District receives the same special benefit from the improvements provided by the District. The desirability of properties is enhanced by the presence of local improvements in close proximity to those properties.

|                             |          |
|-----------------------------|----------|
| Total Assessment Proceeds   | \$14,700 |
|                             |          |
| Number of Parcels           | 28       |
| Assessment per Parcel       | \$525    |
| County Charge               | \$2      |
| Total Assessment per Parcel | \$527    |

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**PART D**

**ASSESSMENT ROLL**

| Lot Number | Assessor Parcel Number | Annual Assessment  |
|------------|------------------------|--------------------|
| 1          | 092-512-001            | \$525.00           |
| 2          | 092-512-002            | \$525.00           |
| 3          | 092-512-003            | \$525.00           |
| 4          | 092-512-004            | \$525.00           |
| 5          | 092-512-005            | \$525.00           |
| 6          | 092-512-006            | \$525.00           |
| 7          | 092-512-007            | \$525.00           |
| 8          | 092-512-008            | \$525.00           |
| 9          | 092-512-009            | \$525.00           |
| 10         | 092-512-010            | \$525.00           |
| 11         | 092-512-011            | \$525.00           |
| 12         | 092-512-012            | \$525.00           |
| 13         | 092-512-013            | \$525.00           |
| 14         | 092-512-014            | \$525.00           |
| 15         | 092-512-015            | \$525.00           |
| 16         | 092-512-016            | \$525.00           |
| 17         | 092-512-017            | \$525.00           |
| 18         | 092-512-018            | \$525.00           |
| 19         | 092-512-019            | \$525.00           |
| 20         | 092-512-020            | \$525.00           |
| 21         | 092-512-021            | \$525.00           |
| 22         | 092-512-022            | \$525.00           |
| 23         | 092-512-023            | \$525.00           |
| 24         | 092-512-024            | \$525.00           |
| 25         | 092-512-025            | \$525.00           |
| 26         | 092-512-026            | \$525.00           |
| 27         | 092-512-027            | \$525.00           |
| 28         | 092-512-028            | \$525.00           |
|            | <b>TOTAL</b>           | <b>\$14,700.00</b> |

Annual assessment amount does not include the County of San Luis Obispo \$2.00 per parcel handling fee for processing special district benefit assessments on the tax roll.

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**PART E**

**ASSESSMENT DIAGRAM**

Attached is the Assessment Diagram (Map) for the Assessment District. Please note that the lines and dimensions of each parcel, as well as the distinctive assessment number, are shown on the Assessor's Maps available at the NCSD and the County of San Luis Obispo Assessor's Office.

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