



# ENGINEER'S REPORT FOR YOSEMITE WEST ROADS

## Benefit Assessment Evaluation

December 2020

**ROUGH DRAFT**



### **BARTLE WELLS ASSOCIATES**

Independent Public Finance Consultants

2625 Alcatraz Ave #602

Berkeley, CA 94705

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

Tel: 510/653-3399

Date signed \_\_\_\_\_

## TABLE OF CONTENTS

SECTION 1:	Report Summary .....	2
SECTION 2:	History & General Description of District Services .....	2
1.1	Special Benefit Provided by the District .....	3
SECTION 3:	Proposition 218 Requirements .....	4
SECTION 4:	Method of Assessment Apportionment .....	5
SECTION 5:	Conclusion .....	6

## LIST OF FIGURES

Figure 1 – District General Services Provided .....	3
Figure 2 – 5 Year Average of Costs Recovered by the Roads Assessment .....	6

## **SECTION 1:        Report Summary**

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The Yosemite West Maintenance District (YWMD or District), located in Mariposa County, was formed in 1967 pursuant to the Street and Highway Code Section 5820 through 5856. The Mariposa County Board of Supervisors serves as the Board of Directors for the District

The Board of Directors is requesting that landowners approve an increase to their current road assessments. Currently, the District collects a \$8 monthly assessment on all parcels, developed and undeveloped, and condominium units within the District. Revenues are used to fund road maintenance costs such as equipment maintenance, professional services, labor, snowplowing, fuel expenses, and administrative costs.

The current special assessment of \$8 per month is insufficient to fully fund road maintenance costs, and the District has identified 3.5 miles of needed road repairs estimated to cost \$1.5 MM over a five-year period. To fully fund road maintenance and repairs the annual assessment is proposed to increase from \$8 per month to \$52 per month.

To approve the increased assessment, the District is required to follow the Proposition 218 process including: (1) adopting an engineer's report, (2) notifying all parcel owners of the date and time of a public hearing considering proposed rates, and (3) holding a public hearing. A more detailed list of requirements under Proposition 218 is listed on pg. 4 of this report.

## **SECTION 2:        History & General Description of District Services**

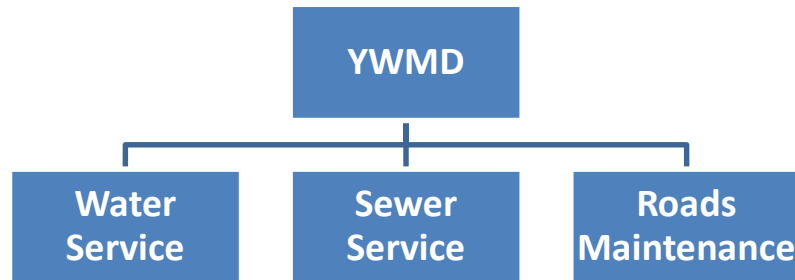
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The Mariposa County Board of Supervisors established the District by Resolution of Intention 67-49 in June 1967, which was initially formed to serve the Yosemite West Subdivision and Condominium project. The District currently composes 110 acres within the Yosemite West Town Planning Area, and the customer base is largely residential or vacation properties.

YWMD was established for the purposes of paying for and maintaining improvements. The Streets and Highways Code gives the District a broad range of services that can be provided including roads, water, sewer, and street lighting. The District presently provides three services: water, wastewater, and road maintenance.

**Figure 1** summarizes the general services YWMD provides.

Figure 1 – District General Services Provided



### 1.1 Special Benefit Provided by the District

The District must identify all parcels in YWMD that will have a "special benefit" conferred upon them, for which the proposed assessment will be levied. Under Proposition 218, a "special benefit" is defined as "a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large."

Within YWMD, the special benefit provided to all parcels from the District is road maintenance and repairs within the District service area. The main drivers of needed road repairs are 1) the annual freeze and thaw cycle and 2) the age of the roads. A list of District parcels is shown in **Appendix A**.

The proposed assessment will be used for the purpose of funding the following District expenses related to providing this special benefit:

1. Equipment maintenance
2. Building maintenance
3. Insurance
4. Professional services
5. Labor
6. Snowplowing
7. Fuel expenses
8. Administrative overhead
9. Road repairs
10. Debt service

## **SECTION 3:      Proposition 218 Requirements**

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In November 1996, the California voters approved Proposition 218, the "Right to Vote on Taxes Act", Articles XIII C and XIII D to the California Constitution. Proposition 218 imposes requirements for the levying of assessments by YWMD. Before a public agency can levy a new or increased assessment, the following requirements must be met:

- 1) Preparation of a detailed engineer's report by a registered engineer certified by the State of California which calculates the proposed assessment for each parcel.
- 2) The record owner of each parcel must be given written notice by mail of the proposed assessment, the total amount 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.
- 3) Notice to the record owner must include the time, date, and location of the public hearing on the assessment. Each notice must also include a summary of the procedures applicable to the completion, return, and tabulation of the ballots, and a disclosure statement that a majority protest will result in the assessment not being imposed.
- 4) Each notice mailed to parcel owners must contain a ballot including the agency's address for receipt of the completed ballot by any owner receiving the notice. The ballot form must include the owner's name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.
- 5) A public hearing to consider protests and tabulate the ballots must be conducted not less than 45 days after mailing the notice to landowners.
- 6) The agency shall not impose an assessment if there is a majority protest. A majority protest exists if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots must be weighted according to the proportional financial obligation of the affected property.
- 7) The assessment may include an annual adjustment tied to a cost inflator such as the Consumer Price Index (CPI).

The proposed assessment calculated in this engineer's report was developed pursuant to Article XIII D of the California Constitution.

## SECTION 4: Method of Assessment Apportionment

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Consistent with the requirements under Article XIII D, assessments are proposed to be apportioned upon all assessable lots or parcels of land and condominium units within the Assessment District. The following statutory requirements are met based on the proposed rate structure:

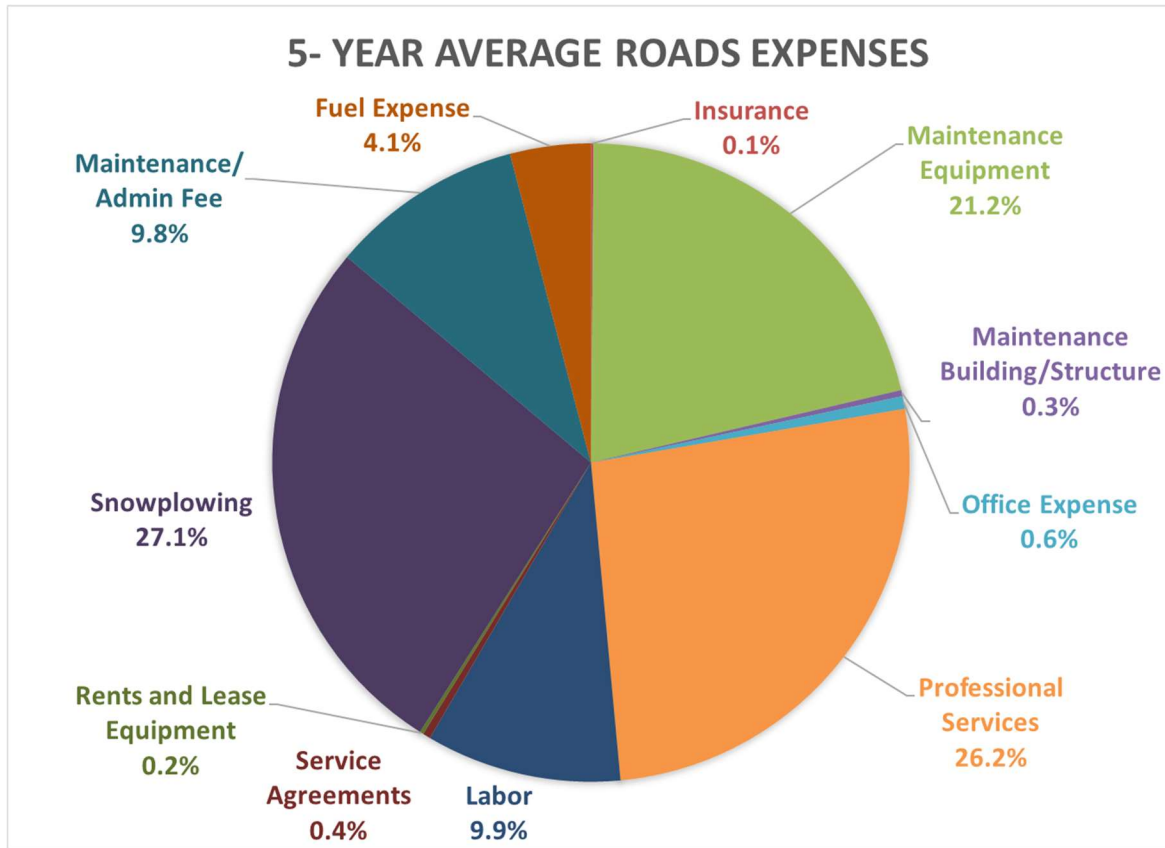
- 1) The charges are distributed in proportion to the estimated benefit attributable to each lot or parcel.
- 2) Each parcel's assessment shall not exceed the reasonable cost of the proportional benefit to each parcel.
- 3) Revenues derived from the fee or charge may only be used for the purpose for which the fee is imposed.
- 4) The charge is for a service that is immediately available to the property owner.

**Appendix B** shows District expenses related to maintenance and repairs of the road enterprise and the calculation of the proposed assessment. Expenses are projected to increase by 3% per year to account for cost inflation. A graphical representation of District operating expenses is shown in **Figure 3**.

The five-year historical average cost of operating the roads enterprise is approximately \$80,000 per year. To implement road repairs totaling \$1.5 MM, BWA projects the District will need to obtain \$900,000 of loans in Fiscal Year 2022/23, and an additional \$225,000 loan in Fiscal Year 2025/26. The additional loans are projected to increase annual costs by approximately \$90,273 per year in debt service payments. **Appendix C** shows the projected roads enterprise revenues and expenses.

**Appendix D** shows the assessment calculation. The assessment is recommended to increase from \$8 per month to \$52 per month.

Figure 2 – 5 Year Average of Costs Recovered by the Roads Assessment  
*Costs shown in Appendix B*



## SECTION 5: Conclusion

A District-wide \$52 monthly assessment is recommended for YWMD to recover costs associated with maintenance and repairs of the road enterprise. The proposed assessment as developed within this engineer's report is affirmed to be appropriate.

Sincerely,

Douglas R. Dove

Certified Independent Public Municipal Advisor (CIPMA)

Registered Professional Engineer (PE) in California (PE# 45642)

## Appendix A – Parcel Lists

### *Existing Non Standby*

<b>Parcel Number</b>	<b>Units</b>
Outside District (Pays Roads)	1
003-100-073-0	1
006-080-001-0	1
006-080-002-0	1
006-080-004-0	1
006-080-005-0	1
006-080-008-0	1
006-080-009-0	1
006-080-010-0	1
006-080-014-0	1
006-080-015-0	1
006-080-016-0	1
006-080-017-0	1
006-080-018-0	1
006-080-019-0	1
006-080-023-0	1
006-080-024-0	1
006-080-026-0	1
006-080-027-0	1
006-080-028-0	1
006-080-029-0	1
006-080-032-0	1
006-080-033-0	1
006-080-034-0	1
006-080-037-0	1
006-080-038-0	1
006-080-039-0	1
006-080-040-0	1
006-080-041-0	1
006-080-042-0	1
006-080-044-0	1
006-080-045-0	1
006-080-046-0	1
006-080-048-0	1
006-080-050-0	1
006-080-051-0	1
006-080-052-0	1

006-080-055-0	1
006-080-058-0	1
006-080-059-0	1
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006-130-044-0	1
006-130-045-0	1
006-130-050-0	1
006-140-001-0	24
006-143-004-0	<u>24</u>
	<b>219</b>

*Existing Standby Customers*

<b>Parcel Number</b>	<b>Units</b>
006-080-003-0	1
006-080-007-0	1
006-080-011-0	1
006-080-012-0	1
006-080-013-0	1
006-080-020-0	1
006-080-021-0	1
006-080-022-0	1
006-080-025-0	1
006-080-030-0	1
006-080-031-0	1
006-080-035-0	1
006-080-036-0	1
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006-080-062-0	1
006-080-067-0	1
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006-080-075-0	1
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006-090-003-0	1
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006-13-0-030-0	1

006-13-0-034-0	1
006-130-002-0	1
006-130-039-0	1
006-130-041-0	1
006-130-046-0	1
006-130-047-0	<u>1</u>
	<b>124</b>

*Additional Standby Parcels*

<b>Parcel Number</b>	<b>Units</b>
006-130-048-0	1
006-150-002-0	1
006-150-003-0	1
006-150-006-0	1
006-070-001-0	1
006-070-002-0	1
006-070-004-0	1
006-070-008-0	1
006-070-009-0	1
006-070-020-0	1
006-070-023-0	1
006-070-027-0	1
006-070-030-0	1
006-070-031-0	1
006-070-032-0	1
006-070-038-0	<u>1</u>
	<b>16</b>

Appendix B: Road Enterprise Historical Revenue and Expenses  
Yosemite West

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>5-Year Avg</u>
<u>Roads</u>						
<b>Total Revenue</b>	\$31,031	\$30,873	\$34,652	\$28,429	\$40,642	
<b>Road Expenses</b>						
Food	\$0	\$0	\$0	\$0	\$0	\$0
Insurance	88	67	101	121	151	\$106
Maintenance Equipment	11,601	17,756	18,907	12,089	24,112	\$16,893
Maintenance Building/Structure	627	16	469	0	111	\$245
Office Expense	456	495	596	667	331	\$509
Professional Services	6,280	30,739	25,856	10,890	30,573	\$20,868
Labor	0	0	36,225	3,233	0	\$7,892
Service Agreements	288	300	313	325	338	\$313
Rents and Lease Equipment	400	100	67	33		\$150
Snowplowing	23,871	33,681	12,504	20,882	16,989	\$21,586
Maintenance/Admin Fee	22,149	3,216	3,360	6,327	3,872	\$7,785
Fuel Expense	2,161	3,248	4,590	5,014	1,242	\$3,251
NSF Charge	0	0	0	20	0	\$4
Equipment	0	0	0	0	0	\$0
	\$67,921	\$89,619	\$102,988	\$59,602	\$77,719	\$79,600
<b>Total Expenses</b>	\$67,921	\$89,619	\$102,988	\$59,602	\$77,719	
<b>Net Road Revenue</b>	<b>(\$36,890)</b>	<b>(\$58,747)</b>	<b>(\$68,336)</b>	<b>(\$31,173)</b>	<b>(\$37,077)</b>	

Appendix C - Road Enterprise Financial Projections  
Yosemite West

	Actual	Projection					Extended Projection				
	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029
<b>Beginning Unrestricted Fund Balance</b>		\$0	(\$47,524)	\$92,045	\$792,971	\$555,178	\$314,698	\$287,422	\$23,267	\$56,176	\$86,059
<b>Beginning Capital Fund Balance</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>% Maintenance Fee Increase</b>		0.00%	550.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Growth - %</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>REVENUES</b>											
Road Maintenance Fees/Yosemite West		\$21,024	\$136,656	\$136,656	\$136,656	\$136,656	\$136,656	\$136,656	\$136,656	\$136,656	\$136,656
Road Standby Fees		13,440	87,360	87,360	87,360	87,360	87,360	87,360	87,360	87,360	87,360
<b>Loan</b>		\$0	\$0	\$900,000	\$0	\$0	\$225,000	\$0	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$40,642</b>	<b>\$34,464</b>	<b>\$224,016</b>	<b>\$1,124,016</b>	<b>\$224,016</b>	<b>\$224,016</b>	<b>\$449,016</b>	<b>\$224,016</b>	<b>\$224,016</b>	<b>\$224,016</b>	<b>\$224,016</b>
<b>EXPENSES</b>											
<b>Operating Expenses</b>											
Insurance	106	109	112	115	119	122	126	130	134	138	142
Maintenance Equipment	16,893	17,400	17,922	18,459	19,013	19,584	20,171	20,776	21,399	22,041	22,703
Maintenance Building/Structure	245	252	260	267	275	284	292	301	310	319	329
Office Expense	509	524	540	556	573	590	608	626	645	664	684
Professional Services	20,868	21,494	22,139	22,803	23,487	24,191	24,917	25,665	26,435	27,228	28,044
Labor	7,892	8,128	8,372	8,623	8,882	9,149	9,423	9,706	9,997	10,297	10,606
Service Agreements	313	322	332	342	352	363	374	385	397	409	421
Rents and Lease Equipment	150	155	159	164	169	174	179	184	190	196	202
Snowplowing	21,586	22,233	22,900	23,587	24,295	25,024	25,774	26,547	27,344	28,164	29,009
Maintenance/Admin Fee	7,785	8,018	8,259	8,507	8,762	9,025	9,295	9,574	9,862	10,157	10,462
Fuel Expense	3,251	3,349	3,449	3,553	3,659	3,769	3,882	3,998	4,118	4,242	4,369
NSF Charge	4	4	4	4	5	5	5	5	5	5	5
<b>Total Operating Expenses</b>	<b>\$79,600</b>	<b>\$81,988</b>	<b>\$84,447</b>	<b>\$86,981</b>	<b>\$89,590</b>	<b>\$92,278</b>	<b>\$95,046</b>	<b>\$97,898</b>	<b>\$100,835</b>	<b>\$103,860</b>	<b>\$106,976</b>
<b>Non Operating Expenses</b>											
<b>Transfer Out - Capital Fund</b>											
Roads Capital Project	\$0	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$0	\$0	\$0
<b>Loan (5% Interest, 20 Years)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,109</b>	<b>\$72,218</b>	<b>\$72,218</b>	<b>\$81,246</b>	<b>\$90,273</b>	<b>\$90,273</b>	<b>\$90,273</b>	<b>\$90,273</b>
<b>Total Non Operating Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,109</b>	<b>\$372,218</b>	<b>\$372,218</b>	<b>\$381,246</b>	<b>\$390,273</b>	<b>\$90,273</b>	<b>\$90,273</b>	<b>\$90,273</b>
<b>TOTAL EXPENSES</b>	<b>\$79,600</b>	<b>\$81,988</b>	<b>\$84,447</b>	<b>\$423,090</b>	<b>\$461,809</b>	<b>\$464,496</b>	<b>\$476,292</b>	<b>\$488,171</b>	<b>\$191,108</b>	<b>\$194,133</b>	<b>\$197,248</b>
<b>NET REVENUES</b>	<b>(\$38,958)</b>	<b>(\$47,524)</b>	<b>\$139,569</b>	<b>\$700,926</b>	<b>(\$237,793)</b>	<b>(\$240,480)</b>	<b>(\$27,276)</b>	<b>(\$264,155)</b>	<b>\$32,908</b>	<b>\$29,883</b>	<b>\$26,768</b>
<b>Ending Fund Balance</b>		(\$47,524)	\$92,045	\$792,971	\$555,178	\$314,698	\$287,422	\$23,267	\$56,176	\$86,059	\$112,826
<b>Ending Capital Fund Balance</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Unrestricted Fund Target (90 Days O&amp;M)</b>	<b>\$19,627</b>	<b>\$20,216</b>	<b>\$20,823</b>	<b>\$21,447</b>	<b>\$22,091</b>	<b>\$22,753</b>	<b>\$23,436</b>	<b>\$24,139</b>	<b>\$24,863</b>	<b>\$25,609</b>	<b>\$26,378</b>
<b>Debt Service Coverage (Min. 1.3x)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.80</b>	<b>1.86</b>	<b>1.82</b>	<b>1.59</b>	<b>1.40</b>	<b>1.36</b>	<b>1.33</b>	<b>1.30</b>

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Appendix D - Road Enterprise Assessment Apportionment  
Yosemite West

	<u>Current Equivalent</u>	<u>7/1/2021</u>
<b>Road Rate Structure</b>		
<i>% increase</i>	<i>Baseline</i>	<i>550.0%</i>
Total Revenue Requirement	\$34,464	\$224,016
Total Number of Units	359	359
<b>Fixed Annual Rate</b>	<b>\$96.00</b>	<b>\$624.00</b>
<b>Fixed Monthly Rate</b>	<b>\$8.00</b>	<b>\$52.00</b>
	\$34,464	\$224,016

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