

ENGINEER'S REPORT

DATE: MAY 1, 2018
TO: CITY COUNCIL
FROM: CITY ENGINEER
RE: DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT FISCAL YEAR 2018-19

This Engineer's Report has been prepared in accordance with the requirements of the Landscaping & Lighting Act of 1972 (Section 22500 et seq. of the Government Code).

HISTORICAL REVIEW

In 2012, at the request of Toll Brothers, the developer of the Diablo Estates at Clayton project (Subd. 8719), the City Council formed the Diablo Estates at Clayton Benefit Assessment District ("District" per Resolution No. 04-2012). The purpose of the District is to generate funds for the maintenance of various improvements constructed as part of the development which solely benefit the real property owner(s). The duties specified in the original Engineer's Report (prepared by SCI Consulting Group, dated March 2012) included maintenance of landscaping and irrigation, weed abatement, storm drainage facilities, and private street lighting. In addition to maintenance, the District is responsible for the repair or replacement of any facilities due vandalism, accidents, or age.

The District was formed under the auspices of the Landscaping and Lighting Act of 1972 (Section 22500 et seq. of the Government Code) and the Benefit Assessment Act of 1982 (Section 54703 et seq. of the Government Code). The initial per lot annual assessment, approved by the property owner (Toll Bros.), was \$3,027.62. The approval also allowed for an annual increase in the assessment amount equal to the annual increase in the Consumer Price Index ("CPI"; San Francisco-Oakland-San Jose CA MSA, All Urban Consumers), not to exceed 4% in any one year. The annual CPI multiplier for Apr. 2017 – Apr. 2018 is 3.22%

While the Benefit Assessment Act of 1982 does not require further action prior to the levy of annual assessments, the Landscaping and Lighting Act of 1972 requires the preparation of an Engineer's Report and notice to property owners of a public hearing each year. Since no increase, other than the already authorized and approved CPI increase, is proposed, the provisions of Proposition 218 do not apply.

DETERMINATION OF SPECIAL BENEFIT, METHOD OF ASSESSMENT AND DESCRIPTION OF DISTRICT IMPROVEMENTS

See original Engineer's Report attached hereto and made a part hereof.

ESTIMATED COSTS

The original budget included maintenance and District administrative costs, as well as reserve funds for future replacement of the maintained items. See Attachment 2 for the District's expenditures for FY 2017-18.

The relevant CPI increase for this past year (Apr. 2017 – Apr. 2018) is 3.22%. Following is a breakdown of the District's FY 2017-18 and FY 2018-19 budgeted costs incorporating the allowable CPI increase:

Item	FY 2017-18 Budget	CPI Increase (3.22%)	FY 2018-19 Budget
District Maintenance:			
Common Area Landscape	\$21,716.48	\$699.27	\$22,415.75
Weed Abatement	\$13,590.01	\$437.60	\$14,027.61
Storm Drain System	\$6,275.82	\$202.08	\$6,477.91
Private Street Lighting	\$1,665.95	\$53.64	\$1,719.59
District Administration*	\$19,283.90	\$620.94	\$19,904.84
District Reserves	\$20,380.60	\$656.26	\$21,036.85
Total Annual Budget	\$82,912.76	\$2,669.79	\$85,582.55

* Includes Matrix Management fees (monthly site inspections, maintenance oversight and contract services management), City Engineer services, legal notices and mailing costs, County fees for levying and collection of the assessment.

RESERVE FUNDS

The reserve fund balance at the end of FY 2017/18 will be approximately \$113,947. This balance will increase to approximately \$134,938 at the end of FY 2018/19. The purpose of the Reserve is for both scheduled and unexpected replacement of the capital investments, per the original Engineer's Report.

See Attachment 1 for a more detailed discussion of the reserve funds and balances.

PER UNIT ALLOCATION

Based upon the proposed budget, the per-unit assessment will be \$3,565.94 (\$85,582.54 / 24 units).

ASSESSMENT HISTORY

Proposed FY 18-19	\$3,565.94
FY 17-18	\$3,454.64
FY 16-17	\$3,328.82
FY 15-16	\$3,241.00
FY 14-15	\$3,162.00
FY 13-14	\$3,100.26
FY 12-13	\$3,027.62

ATTACHMENT 1
RESERVE FUND ACCOUNTS

**DIABLO ESTATES AT CLAYTON
BENEFIT ASSESSMENT DISTRICT ("District")
RESERVE FUNDS**

The purpose of the various reserve accounts is to ensure the District will have funds available to repair or reconstruct the facilities that are the responsibility of the District.

The fund amounts were established using the initial cost of construction and amortizing them over the anticipated life of the facilities. In addition, there is a general reserve fund set aside to act as a contingency reserve for any of the District's responsibilities.

The funds as initially established are as follows:

ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST	SERVICE LIFE (YRS)	INITIAL ANNUAL DEPOSIT
Tree Replacement	33	EA	\$285	\$9,405	40	\$235
Entry Monument Replacement	1	EA	\$4,000	\$4,000	25	\$160
V-ditch Repair/Replacement	2038	LF	\$50	\$101,900	25	\$4,076
Vortsentry Replacement	1	EA	\$100,000	\$100,000	100	\$1,000
Stormwater Basin Replacement*	48	EA	\$2,000	\$96,000	10	\$9,600
CB/MH/SD Pipe Replacement	1	LS	\$79,000	\$79,000	100	\$790
General						\$2,000
				Total**		\$17,861

* Removal and replacement of plants and filter material only

** First year assessment (increased each following year by the CPI increase)

Following are reserve analysis sheets showing each year's contribution to the various funds and the current balance of each fund.

**DIABLO ESTATES AT CLAYTON
BENEFIT ASSESSMENT DISTRICT
RESERVE FUNDS ANALYSIS**

FY 2012/2013 (INITIAL YEAR)

RESERVE FUNDS - FACILITIES						
ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST	SERVICE LIFE (yrs)	ANNUAL DEPOSIT
Tree Replacement	33	EA	\$285.00	\$9,405.00	40	\$235.13
Entry Monument Replacement	1	EA	\$4,000.00	\$4,000.00	25	\$160.00
V-Ditch Repairs	2038	LF	\$50.00	\$101,900.00	25	\$4,076.00
Vortsentry Replacement	1	EA	\$100,000.00	\$100,000.00	100	\$1,000.00
Stormwater Basin Replacement/Repair	48	EA	\$2,000.00	\$96,000.00	10	\$9,600.00
CB/MH/SD Pipe replacement	1	LS	\$79,000.00	<u>\$79,000.00</u>	100	<u>\$790.00</u>
				\$390,305.00		\$15,861.13
RESERVE FUNDS - GENERAL						
Annual General Reserve						<u>\$2,000.00</u>
BAD RESERVE FUNDS - TOTAL AS OF 06/30/2013:						\$17,861.13

FY 2013/14 (CPI = 2.4% INCREASE)

RESERVE FUNDS - FACILITIES					
ITEM	FY 2012/13 ASSESS.	INCR.	FY 2013/14 ASSESS.	AMT. PRIOR TO FY 2013/14	AMT. @ END FY 2013/14
Tree Replacement	\$235.13	2.40%	\$240.77	\$235.13	\$475.89
Entry Monument Replacement	\$160.00	2.40%	\$163.84	\$160.00	\$323.84
V-Ditch Repairs	\$4,076.00	2.40%	\$4,173.82	\$4,076.00	\$8,249.82
Vortsentry Replacement	\$1,000.00	2.40%	\$1,024.00	\$1,000.00	\$2,024.00
Stormwater Basin Replacement/Repair	\$9,600.00	2.40%	\$9,830.40	\$9,600.00	\$19,430.40
CB/MH/SD Pipe replacement	\$790.00	2.40%	<u>\$808.96</u>	\$790.00	<u>\$1,598.96</u>
			\$16,241.79		\$32,102.92
RESERVE FUNDS - GENERAL					
Annual General Reserve	\$2,000.00	2.40%	<u>\$2,048.00</u>	\$2,000.00	<u>\$4,048.00</u>
	FY 2013-14 Assess.:		\$18,289.79		

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2014: \$36,150.92

Check #: **\$18,289.79**

Check #: **\$36,150.92**

FY 2014/15 (CPI = 2.0% INCREASE)

RESERVE FUNDS - FACILITIES					
ITEM	FY 2013/14 ASSESS.	INCR.	FY 2014/15 ASSESS.	AMT. PRIOR TO FY 2014/15	AMT. @ END FY 2014/15
Tree Replacement	\$240.77	2.00%	\$245.58	\$475.89	\$721.48
Entry Monument Replacement	\$163.84	2.00%	\$167.12	\$323.84	\$490.96
V-Ditch Repairs	\$4,173.82	2.00%	\$4,257.30	\$8,249.82	\$12,507.12
Vortsentry Replacement	\$1,024.00	2.00%	\$1,044.48	\$2,024.00	\$3,068.48
Stromwater Basin Replacement/Repair	\$9,830.40	2.00%	\$10,027.01	\$19,430.40	\$29,457.41
CB/MH/SD Pipe replacement	\$808.96	2.00%	<u>\$825.14</u>	\$1,598.96	<u>\$2,424.10</u>
			\$16,566.63		\$48,669.54
RESERVE FUNDS - GENERAL					
Annual General Reserve	\$2,048.00	2.00%	<u>\$2,088.96</u>	\$4,048.00	<u>\$6,136.96</u>
	FY 2014-15 Assess.:		\$18,655.59		

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2015: \$54,806.50

Check #: **\$18,655.59**

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FY 2015/16 (CPI = 2.5% INCREASE)

RESERVE FUNDS - FACILITIES					
ITEM	FY 2014/15 ASSESS.	INCR.	FY 2015/16 ASSESS.	AMT. PRIOR TO FY 2015/16	AMT. @ END FY 2015/16
Tree Replacement	\$245.58	2.50%	\$251.72	\$721.48	\$973.20
Entry Monument Replacement	\$167.12	2.50%	\$171.29	\$490.96	\$662.25
V-Ditch Repairs	\$4,257.30	2.50%	\$4,363.73	\$12,507.12	\$16,870.86
Vortsentry Replacement	\$1,044.48	2.50%	\$1,070.59	\$3,068.48	\$4,139.07
Stromwater Basin Replacement/Repair	\$10,027.01	2.50%	\$10,277.68	\$29,457.41	\$39,735.09
CB/MH/SD Pipe replacement	\$825.14	2.50%	<u>\$845.77</u>	\$2,424.10	<u>\$3,269.87</u>
			\$16,980.79		\$65,650.34
RESERVE FUNDS - GENERAL					
Annual General Reserve	\$2,088.96	2.50%	<u>\$2,141.18</u>	\$6,136.96	<u>\$8,278.14</u>
	FY 2015-16 Assess.:		\$19,121.98		

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2016: \$73,928.48

Check #: **\$19,121.98**

Check #: **\$73,928.48**

FY 2016/17 (CPI = 2.7% INCREASE)

RESERVE FUNDS - FACILITIES					
ITEM	FY 2015/16 ASSESS.	INCR.	FY 2016/17 ASSESS.	AMT. PRIOR TO FY 2016/17	AMT. @ END FY 2016/17
Tree Replacement	\$251.72	2.70%	\$258.52	\$973.20	\$1,231.72
Entry Monument Replacement	\$171.29	2.70%	\$175.92	\$662.25	\$838.17
V-Ditch Repairs	\$4,363.73	2.70%	\$4,481.55	\$16,870.86	\$21,352.41
Vortsentry Replacement	\$1,070.59	2.70%	\$1,099.50	\$4,139.07	\$5,238.57
Stromwater Basin Replacement/Repair	\$10,277.68	2.70%	\$10,555.18	\$39,735.09	\$50,290.27
CB/MH/SD Pipe replacement	\$845.77	2.70%	<u>\$868.60</u>	\$3,269.87	<u>\$4,138.47</u>
			\$17,439.27		\$83,089.61
RESERVE FUNDS - GENERAL					
Annual General Reserve	\$2,141.18	2.70%	<u>\$2,199.00</u>	\$8,278.14	<u>\$10,477.14</u>
	FY 2016-17 Assess.:		<u>\$19,638.27</u>		

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2017: \$93,566.75

Check #: \$19,638.27

Check #: \$93,566.75

FY 2017/18 (CPI = 3.78% INCREASE)

RESERVE FUNDS - FACILITIES					
ITEM	FY 2016/17 ASSESS.	INCR.	FY 2017/18 ASSESS.	AMT. PRIOR TO FY 2017/18	AMT. @ END FY 2017/18
Tree Replacement	\$258.52	3.78%	\$268.29	\$1,231.72	\$1,500.01
Entry Monument Replacement	\$175.92	3.78%	\$182.57	\$838.17	\$1,020.74
V-Ditch Repairs	\$4,481.55	3.78%	\$4,650.96	\$21,352.41	\$26,003.37
Vortsentry Replacement	\$1,099.50	3.78%	\$1,141.06	\$5,238.57	\$6,379.63
Stromwater Basin Replacement/Repair	\$10,555.18	3.78%	\$10,954.17	\$50,290.27	\$61,244.44
CB/MH/SD Pipe replacement	\$868.60	3.78%	<u>\$901.44</u>	\$4,138.47	<u>\$5,039.91</u>
			\$18,098.48		\$101,188.09
RESERVE FUNDS - GENERAL					
Annual	\$2,199.00	3.78%	<u>\$2,282.12</u>	\$10,477.14	<u>\$12,759.26</u>
	FY 2017-18 Assess.:		<u>\$20,380.60</u>		

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2018: \$113,947.35

Check #: \$20,380.60

Check #: \$113,947.35

FY 2018/19 (CPI = 3.22% INCREASE)**RESERVE FUNDS - FACILITIES**

ITEM	FY 2017/18 ASSESS.	INCR.	FY 2018/19 ASSESS.	AMT.PRIOR TO FY 2018/19	AMT. @ END FY 2018/19
Tree Replacement	\$268.29	3.22%	\$276.93	\$1,500.01	\$1,776.94
Entry Monument Replacement	\$182.57	3.22%	\$188.45	\$1,020.74	\$1,209.19
V-Ditch Repairs	\$4,650.96	3.22%	\$4,800.72	\$26,003.37	\$30,804.09
Vortsentry Replacement	\$1,141.06	3.22%	\$1,177.80	\$6,379.63	\$7,557.43
Stromwater Basin Replacement/Repair	\$10,954.17	3.22%	\$11,306.89	\$61,244.44	\$72,551.33
CB/MH/SD Pipe replacement	\$901.44	3.22%	<u>\$930.46</u>	\$5,039.91	<u>\$5,970.37</u>
			\$18,681.25		\$119,869.34

RESERVE FUNDS - GENERAL

Annual	\$2,282.12	3.22%	<u>\$2,355.60</u>	\$12,759.26	<u>\$15,114.86</u>
	FY 2018-19 Assess.: \$21,036.85				

BAD RESERVE FUNDS - TOTAL AS OF 06/30/2019: \$134,984.20

Check #: \$21,036.85

Check #: \$134,984.20

ATTACHMENT 2

BAD EXPENDITURES IN FY 2017-18

City of Clayton
General Ledger Report (7/1/2017 - 5/2/2018)
Diablo Estates Benefit Assessment District (Fund 231)

Date	Trans.	Journal	Reference	Debit Amount	Credit Amount	Balance
231-4611-00						
Account: 231-4611-00 (Fiduciary Fund Assessment)						
7/1/2017				Account Beginning Balance		\$0.00
12/18/2017	3790-227	Cash Receipts	State of California-1952-12319		\$45,601.25	
1/30/2018	3802-472	Cash Receipts	Contra Costa County-1998-12478		\$6,632.91	
				Account Subtotals	\$0.00	\$52,234.16
6/30/2018				Account Net Change		(\$52,234.16)
6/30/2018				Account Ending Balance		(\$52,234.16)
231-5601-00						
Account: 231-5601-00 (Interest)						
7/1/2017				Account Beginning Balance		\$0.00
9/30/2017	3771-48	Journal Entry	FY 2018 Q1 interest allocation		\$306.15	
12/31/2017	3797-48	Journal Entry	FY 2018 Q2 interest allocation		\$372.17	
3/31/2018	3825-50	Journal Entry	FY 2018 Q3 interest allocation		\$456.86	
				Account Subtotals	\$0.00	\$1,135.18
6/30/2018				Account Net Change		(\$1,135.18)
6/30/2018				Account Ending Balance		(\$1,135.18)
231-7335-00						
Account: 231-7335-00 (Gas & Electricity)						
7/1/2017				Account Beginning Balance		\$0.00
8/1/2017	3748-217	Accounts Payable	PG&E-Energy for 6/21/17-7/20/17	\$11.25		
9/19/2017	3763-840	Accounts Payable	PG&E-Electricity 7/22/17-8/22/17	\$12.11		
10/3/2017	3770-64	Accounts Payable	PG&E-Electricity 8/22/17-9/22/17	\$11.10		
11/7/2017	3780-464	Accounts Payable	PG&E-Electricity/Gas 9/23/17-10/21/17	\$10.77		
12/5/2017	3785-148	Accounts Payable	PG&E-Energy 10/22/17-11/22/17	\$10.84		
12/31/2017	3799-441	Accounts Payable	PG&E-Energy 11/19/17-12/20/17	\$12.05		
2/6/2018	3806-145	Accounts Payable	PG&E-Energy 12/20/17-1/18/18	\$11.25		
3/6/2018	3812-151	Accounts Payable	PG&E-Energy 1/19/18-2/20/18	\$11.98		
4/3/2018	3821-111	Accounts Payable	PG&E-Energy 2/21/18-3/20/18	\$10.99		
				Account Subtotals	\$102.34	\$0.00
6/30/2018				Account Net Change		\$102.34
6/30/2018				Account Ending Balance		\$102.34

City of Clayton
General Ledger Report (7/1/2017 - 5/2/2018)
Diablo Estates Benefit Assessment District (Fund 231)

Date	Trans.	Journal	Reference	Debit Amount	Credit Amount	Balance
231-7338-00						
Account: 231-7338-00 (Water Services)						
7/1/2017			Account Beginning Balance			\$0.00
7/1/2017	3756-101	Journal Entry	<Reversal>CCWD 5/6/17-7/10/17 (84.8% FY 17)		\$2,385.00	
9/19/2017	3763-344	Accounts Payable	CCWD-Water 5/6/17-7/10/17	\$2,812.42		
9/19/2017	3763-362	Accounts Payable	CCWD-Water 7/1/17-9/10/17	\$1,931.59		
11/21/2017	3781-345	Accounts Payable	CCWD-Water/Irrigation 9/14/17-11/9/17	\$948.53		
2/6/2018	3806-55	Accounts Payable	CCWD-Water 11/8/17-1/10/18	\$317.34		
3/20/2018	3815-527	Accounts Payable	CCWD-Water 1/14/18-3/1/18	\$134.82		
			Account Subtotals	\$6,144.70	\$2,385.00	
6/30/2018			Account Net Change			\$3,759.70
6/30/2018			Account Ending Balance			\$3,759.70
231-7381-00						
Account: 231-7381-00 (Property Tax Admin. Costs)						
7/1/2017			Account Beginning Balance			\$0.00
12/18/2017	3790-74	Cash Receipts	Deposit 1952 - Summarized Cash Receipts Receipt	\$148.72		
			Account Subtotals	\$148.72	\$0.00	
6/30/2018			Account Net Change			\$148.72
6/30/2018			Account Ending Balance			\$148.72
231-7419-00						
Account: 231-7419-00 (Other Professional Services)						
7/1/2017			Account Beginning Balance			\$0.00
7/18/2017	3743-210	Accounts Payable	Matrix Associat-Diablo Estates management for July	\$4,332.50		
8/1/2017	3748-181	Accounts Payable	PERMCO, Inc.-Staffe report for assessment levy, Diablo Estates	\$323.00		
9/19/2017	3763-41	Accounts Payable	Matrix Associat-Diablo Estates Mgmt for August	\$4,332.50		
9/19/2017	3763-992	Accounts Payable	Matrix Associat-Diablo Estates Mgmt Svcs for September	\$4,332.50		
11/7/2017	3780-373	Accounts Payable	Matrix Associat-Diablo Estates Management for November	\$4,332.50		
12/31/2017	3799-118	Accounts Payable	Matrix Associat-Diablo Estates management for October	\$4,332.50		
12/31/2017	3799-244	Accounts Payable	Matrix Associat-Diablo Estates management for December	\$4,332.50		
1/16/2018	3799-463	Accounts Payable	Matrix Associat-Diablo Estates management for January	\$4,332.50		
3/6/2018	3812-193	Accounts Payable	Matrix Associat-Diablo Estates management for January	\$4,332.50		
3/20/2018	3815-559	Accounts Payable	Harris & Associ-Engineering services for February	\$190.00		
4/17/2018	3822-43	Accounts Payable	Matrix Associat-Diablo Estates management for April	\$4,332.50		

City of Clayton
General Ledger Report (7/1/2017 - 5/2/2018)
Diablo Estates Benefit Assessment District (Fund 231)

Account: 231-7419-00 (Other Professional Services)

	<i>Account Subtotals</i>	<u>\$41,507.50</u>	<u>\$0.00</u>
6/30/2018	<i>Account Net Change</i>		<u>\$41,507.50</u>
6/30/2018	<i>Account Ending Balance</i>		<u>\$41,507.50</u>
7/1/2017		<i>Grand Total Beginning Balance</i>	<u>\$0.00</u>
6/30/2018		<i>Grand Total Net Change</i>	<u>(\$7,851.08)</u>
6/30/2018		<i>Grand Total Ending Balance</i>	<u>(\$7,851.08)</u>

ATTACHMENT 3

BAD PROJECTED BUDGET FOR 2018/2019

City of Clayton
Diablo Estates Benefit Assessment District - Fund 231
Proposed Budget 18-19

Account Number	Account Name	2016-17 Actual	2017-18 Adopted Budget	2017-18 YTD 4/11/2018	2017-18 Projected	2018-19 Proposed Budget
7335	Gas & Electric Serv.	137	400	102	140	300
7338	Water Service	8,713	9,400	3,760	9,000	9,600
7381	Property Tax Admin Cost	270	270	149	271	280
7384	Legal Notices	-	100	-	100	100
7411	Legal Services Retainer	-	-	-	-	-
7413	Special Legal Services	-	-	-	-	-
7419	Other Prof. Services	54,570	58,390	41,508	58,390	59,390
7420	Administrative Costs	2,044	2,044	-	2,121	2,196
Total Expenditures		65,734	70,604	43,519	70,022	71,866
4611	Fiduciary Fund Assessment	79,892	82,912	52,234	82,911	85,862
5601	Interest Income	1,208	600	678	1,350	1,200
5606	Unrealized Investment Gain/Loss	(871)	-	-	-	-
Total Revenue		80,229	83,512	52,912	84,261	87,062
Increase (Decrease) in Fund Balance		14,495	12,908	7,393	14,239	15,196
Beginning Fund Balance		83,685	82,351	98,180	98,180	112,419
Ending Fund Balance		98,180	95,259	105,573	112,419	127,615

For financial reporting purposes, the Diablo Estates Benefits Assessment District Fund (No. 231) meets the definition of and is reported as an *Agency Fund*. In accordance with GASB Statement No. 34, no fund balance is reported for Agency Funds. For budgeting purposes, however, this fund is reported on a modified accrual basis to better reflect the cash position of the fund as well as debt service transactions which would otherwise be excluded from expenditures following GASB 34.

7419	Other Professional Services					
	Matrix Association Management	53,445	54,390	40,793	54,390	54,390
	District Engineer Mgt. Fees	1,125	4,000	715	4,000	5,000
		54,570	58,390	41,508	58,390	59,390
		-	-	-	-	-

ATTACHMENT 4

INITIAL ENGINEER'S REPORT (19 pp)



CITY OF CLAYTON

DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT FOR LANDSCAPE AND LIGHTING AND BENEFIT ASSESSMENT

ENGINEER'S REPORT FISCAL YEAR 2012-13

MARCH 2012

PURSUANT TO
THE LANDSCAPING AND LIGHTING ACT OF 1972,
THE BENEFIT ASSESSMENT ACT OF 1982, AND
ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:
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CITY OF CLAYTON

MAYOR

Howard Geller

CITY COUNCIL

Joseph A. Medrano

Julie K. Pierce

David T. Shuey

Hank Stratford

CITY MANAGER

Gary Napper

CITY ENGINEER

Rick Angrisani

CITY ATTORNEY

Malathy Subramanian

CITY CLERK

Laci Jackson

ENGINEER OF WORK

SCI Consulting Group

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INTRODUCTION

BACKGROUND

Formation of the "Diablo Estates at Clayton Benefit Assessment District" (the "Assessment District") within the City of Clayton (the "City") is proposed to provide funding for the maintenance, operation and improvement of the landscaping, street lighting, drainage and stormwater treatment facilities to benefit the properties in the Diablo Estates at Clayton subdivision that forms the Assessment District. The Diablo Estates at Clayton subdivision consists of 24 parcels east of Regency Drive and north of Rialto Drive with an approximate area of 19 acres.

This Engineer's Report (the "Report") was prepared to establish the budget for the services and improvements that would be funded by the proposed 2012-13 assessments and to determine the benefits received from the maintenance and improvements by property within the Assessment District and the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been made pursuant to the Landscaping and Lighting Act of 1972 and the Benefit Assessment Act of 1982 (the "Acts") and Article XIID of the California Constitution (the "Article").

Following submittal of this Report to the City of Clayton City Council (the "City Council") for preliminary approval, the City Council may call for an assessment ballot proceeding and Public Hearing on the proposed establishment of assessments for the improvements.

If it is determined at the public hearing that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property for which ballots are submitted), the City Council may take action to form the Assessment District and approve the levy of the assessments for fiscal year 2012-13. If the assessments are so confirmed and approved, the levies would be submitted to the County Auditor/Controller in August 2012 for inclusion on the property tax roll for Fiscal Year 2012-13.

LEGISLATIVE ANALYSIS

PROPOSITION 218

The Right to Vote on Taxes Act was approved by the voters of California on November 6, 1996, and is now Article XIII C and XIII D of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property. This Assessment District will be balloted and approved by property owners in accordance with Proposition 218.

SILICON VALLEY TAXPAYERS ASSOC., INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. vs. Santa Clara County Open Space Authority (SVTA). This ruling is the most significant court case in further legally clarifying the substantive assessment requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefits to property, not general benefits.
- The services and/or improvements funded by assessments must be clearly defined.
- Assessment districts must be drawn to contain all parcels that receive a special benefit from a proposed public improvement.
- Assessments paid in the assessment district must be proportional to the special benefit received by each such parcel from the improvements and services funded by the assessment.

This Engineer's Report and the process used to establish these proposed assessments for fiscal year 2012/2013 are consistent with the SVTA decision and with the requirements of Article XIII C and XIII D of the California Constitution based on the following factors:

1. The Assessment District is narrowly drawn to include only the properties that receive special benefit from the specific improvements and Services. Thus, zones of benefit are not required and the assessment revenue derived from real property in each Assessment District is extended only on the Services in the Assessment District.
2. The improvements which are constructed and/or maintained with assessment proceeds in the Assessment District are located in close proximity to the real property subject to the assessment. The improvements and Services provide illumination to streets and sidewalks

enabling improved access to the owners, residents, and guests of such assessed property. The proximity of the Improvements to the assessed parcels and the improved access and increased safety provided to of the residents of the assessed parcels by the Improvements provides a special benefit to the parcels being assessed pursuant to the factors outlined by the Supreme Court in that decision.

3. Due to their proximity to the assessed parcels, the Improvements and Services financed with assessment revenues in the Assessment District benefit the properties in the Assessment District in a manner different in kind from the benefit that other parcels of real property in the City derive from such Improvements and Services, and the benefits conferred on such property in the Assessment District are more extensive than a general increase in property values.
4. The assessments paid in the Assessment District are proportional to the special benefit that each parcel within that Assessment District receives from the Services because:
 - a. The specific lighting Improvements and maintenance Services and utility costs thereof in the Assessment District and the costs thereof are specified in this Report; and
 - b. The cost of the Services in the Assessment District is allocated among different types of property located within the Assessment District, and equally among those properties which have similar characteristics, such as single-family residential parcels, multi-family residential parcels, commercial parcels, or industrial parcels.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona. On July 22, 2009, the California Supreme Court denied review. On this date, Dahms became good law and binding precedent for assessments. In Dahms the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of

the Town of Tiburon. The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside ("Beutz") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIII C and XIII D of the California Constitution and with the SVTA decision because the improvements to be funded are clearly defined; the improvements are directly available to and will directly benefit property in the Assessment District; and the improvements and services provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with Beutz and Dahms because the improvements and services will directly benefit property in the Assessment District and the general benefits have been explicitly calculated and quantified and excluded from the Assessments. The Engineer's Report is consistent with Bonander because the Assessments have been apportioned based on the overall cost of the improvements and services and proportional special benefit to each property.

PLANS & SPECIFICATIONS

The work and improvements proposed to be undertaken by the City of Clayton and the Diablo Estates at Clayton Benefit Assessment District (the "Assessment District"), and the costs thereof paid from the levy of the annual assessments, provide special benefit to Assessor Parcels within the Assessment District as defined in the Method of Assessment herein. Consistent with the Landscaping and Lighting Act of 1972 and the Benefit Assessment Act of 1982 (the "Acts"), the work, services and improvements are generally described as follows:

Maintenance and servicing of public improvements, including but not limited to, storm drain system, landscaping and lighting and all necessary appurtenances, and labor, materials, supplies, utilities and equipment, and incidental costs as applicable, for property within the Assessment District that is owned or maintained by the City of Clayton (the "Improvements"). Any plans and specifications for these improvements will be filed with the City Engineer of the City of Clayton and are incorporated herein by reference. More specifically the improvements and associated plans are the storm drain system in the Improvement Plans, Diablo Pointe by David Evans and Associates Inc., the lighting in the Joint Trench Composite Plan, Diablo Pointe by Lighthouse Design Inc., and the shared landscaping, fencing, irrigation and entry monument in the Diablo Estates at Clayton Landscape Improvements plan by Thomas Bank and Associates LLP.

As applied herein, "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste; the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti; the cleaning and replacement of storm drain pipes, drop inlets, catch basins and manholes.

"Servicing" means the cost of maintaining any facility used to provide any service, the furnishing of electric current, or energy, gas or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements; or water for the irrigation of any landscaping, or the maintenance of any other improvements.

The figure shown below displays the improvements, maintenance, replacement costs and services to be provided with the Diablo Estates at Clayton Benefit Assessment District.

FIGURE 1 -- SUMMARY OF ESTIMATED ANNUAL COSTS FOR DIABLO ESTATES AT CLAYTON

CITY OF CLAYTON		
Diablo Estates at Clayton Benefit Assessment District		
Summary of Estimated Annual Cost		
Fiscal Year 2012-13		
Installation, Maintenance & Servicing Costs		
Common Landscaping	\$19,426.99	
Weed Abatement (On- lot)	\$11,910.00	
Storm Drain System	\$27,966.00	
Street Lighting	\$1,460.00	
Subtotal - Installation, Maintenance and Servicing		\$60,762.99
Incidental Expenses and Administration Costs		\$11,900.00
Totals for Installation, Maintenance, Servicing and Incidentals		\$72,662.99
Net Cost of Maintenance, Servicing and Incidentals (Net Amount to be Assessed)		\$72,662.99
Budget Allocation to Property		
Total Assessment Budget		\$72,662.99
Single Family Equivalent Benefit Units		24
Assessment per Single Family Equivalent Unit		\$3,027.62

ESTIMATE OF COST AND BUDGET – FISCAL YEAR 2012-13

FIGURE 2 – COST ESTIMATE BREAKDOWN FOR DIABLO ESTATES AT CLAYTON

CITY OF CLAYTON					
Diablo Estates at Clayton Benefit Assessment District					
Estimate of Maintenance, Replacement, and Administrative Costs					
Item	Units	Unit Cost	Service Life (years)	Annual Cost	Annual Cost per Lot
Common Landscaping					
Landscape Maintenance	24,600 SF	\$0.30		\$7,380.00	
Landscape Replacement	24,600 SF	\$0.05		\$1,230.00	
Tree Maintenance	33 EA	\$85.00		\$3,135.00	
Tree Replacement - Materials	33 EA	\$285.00	40	\$235.13	
Water Usage	1,476 100CF	\$2.86		\$4,221.36	
Water Charges	12 Mo	\$51.00		\$612.00	
Irrigation Maintenance & Repair	24,600 SF	\$0.03		\$738.00	
Fence Maintenance & Repair	1,870 LF	\$0.65		\$1,215.50	
Entry Monument Maintenance	1 EA	\$600.00		\$600.00	
Entry Monument Repair	1 LF	\$4,000.00	25	\$160.00	
				\$19,426.99	\$609.46
Weed Abatement (On-lot)					
Weed Abatement	397,000 SF	\$0.03		\$11,910.00	
				\$11,910.00	\$495.25
Storm Drain System					
Ditch - debris removal & maint	1 LS	\$1,000.00		\$1,000.00	
Ditch Repair	2,038 LF	\$50.00	25	\$4,076.00	
Vorsantty Maintenance	1 LS	\$1,600.00		\$1,600.00	
Vorsantty Replacement	1 LS	\$100,000.00	100	\$1,000.00	
Bio-Retention Basin Maintenance*	48 EA	\$		\$0.00	
Bio-Retention Basin Replacement	48 EA	\$2,000.00	10	\$9,600.00	
Stormwater Reporting Fee	1 LS	\$5,000.00		\$5,000.00	
Annual City Report Fee	1 LS	\$2,000.00		\$2,000.00	
Catch Basin/Manhole Cleaning	15 EA	\$200.00		\$3,000.00	
CBMH/pipe repair	1 LS	\$79,000.00	100	\$790.00	
				\$27,968.00	\$1,165.25
Street Lighting					
Maintenance and Repair	1 LS	\$500.00		\$500.00	
Electricity	4 EA	\$240.00		\$960.00	
				\$1,460.00	\$60.83
Annual Administration					
Property Manager	12 Mo	\$600.00		\$7,200.00	
Annual City Engineer Services	1 LS	\$2,500.00		\$2,500.00	
Legal Notice/Mailing	1 LS	\$100.00		\$100.00	
County Collection	1 LS	\$100.00		\$100.00	
General Reserve	1 LS	\$2,000.00		\$2,000.00	
				\$11,900.00	\$495.83
Total				\$72,662.99	\$3,027.62
Number of Lots:				24	
Cost per Lot:					\$3,027.62
*homeowner responsibility					
**assumes agreement with Ted Brothers, Inc. for 5-year maintenance period					
Unit costs per direction of City of Clayton City Engineer					

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

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

The Diablo Estates at Clayton Benefit Assessment District consists of all Assessor Parcels within the boundaries as defined by the Assessment Diagram included within this Report and the Assessor Parcel Numbers listed within the included Assessment Roll. The method used for apportioning the assessments is based upon the proportional special benefits to be derived by the properties in the Diablo Estates at Clayton Benefit 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 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 District's storm drain system, streets and sidewalks, corridor landscaping, lighting, or a property owner's specific demographic status. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 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."

The Benefit Assessment Act of 1982 states in Government Code Section 54711:

"The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of service"

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."

The following benefit categories summarize the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing of the Improvements to be provided with the assessment proceeds. These categories of special benefit are derived in part from the statutes passed by the California Legislature and other studies which describe the types of special benefit received by property from the installation, maintenance and servicing of improvements such as those proposed by the City of Clayton and the Diablo Estates at Clayton Benefit Assessment District. These types of special benefit are summarized as follows:

- Creation of individual lots for residential use that, in absence of the services and improvements to be funded by the assessments, would not be created.
- Improved utility and usability of property
- Improved safety and security lighting for property
- Enhanced visual experience, and desirability of the area.
- Protection of views, scenery and other resources values and environmental benefits enjoyed by residents and guests and preservation of public assets maintained by the City
- Moderation of temperatures, dust control, and other environmental benefits.

These benefit factors, when applied to property in the Assessment District, specifically increase the utility of the property within the Assessment District. For example, the assessments will provide funding to maintain lighting that improves safety and access to the property after dark and landscaping that provides visual and environmental benefits to the properties within the Assessment District. Such improved and well-maintained public facilities enhance the overall usability, quality, desirability and safety of the properties. Moreover, funding for the maintenance and servicing of such public facilities is a condition of development of Diablo Estates at Clayton that is needed to mitigate the negative impacts of this development on the City. Without the Assessment District, this condition of development would not be satisfied, which could affect the approval of new homes on the property. This is another special benefit to the properties in the Assessment District.

GENERAL VERSUS SPECIAL BENEFIT

The proceeds from the Diablo Estates at Clayton Benefit Assessment District would be used to fund improvements and increased levels of maintenance to the public facilities that serve and benefit the properties in the Assessment District. In absence of the Diablo Estates at Clayton Benefit Assessment District, such improvements would not be properly maintained. Therefore, the Assessment District is specifically proposed to ensure that the necessary and beneficial public facilities for property in the Assessment District are properly maintained and repaired over time. The assessments will ensure that landscaping and street lighting within and adjacent to the Assessment District are functional, well maintained, clean and safe. These public resources directly benefit the property in the Assessment District and will confer distinct and special benefits to the properties within the Assessment District.

In absence of the assessments, a condition of development would not be met and future home construction in the Assessment District could be denied. The creation of residential lots and the approval for the construction of homes in Diablo Estates at Clayton is the overriding clear and distinct special benefit conferred on exclusively on property in the Assessment District and not enjoyed by other properties outside the Assessment District. Moreover, benefits to the public at large, if any, will be offset by benefits residents within the Assessment District receive from the use of other similar public facilities not funded by the Assessment District. Therefore, the assessments solely provide special benefit to property in the Assessment District (100% special benefit) over and above the general benefits conferred to the public at large or properties outside the Assessment District.

METHOD OF ASSESSMENT

This process of apportioning assessments for each property 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 Equivalent dwelling units (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 an 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 unit or one SFE.

ASSESSMENT APPORTIONMENT

The proposed assessments for the Diablo Estates at Clayton Benefit Assessment District would provide direct and special benefit to properties in the Assessment District. Diablo Estates at Clayton is a residential single family development project consisting of a total of 24 single family homes, each on a separate parcel. As such, each residential property receives similar benefit from the proposed improvements. Therefore, the Engineer has determined that the appropriate method of apportionment of the benefits derived by all parcels is on a dwelling unit or single family residence basis. All improved properties or properties proposed for development are assigned an SFE factor equal to the number of dwelling units developed or planned for the property. In other words, developed parcels and vacant parcels with proposed development will be assessed 1 SFE. The assessments are listed on the Assessment Roll in Appendix A.

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 City of Clayton City Engineer or his or her designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the City of Clayton City Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the City of Clayton City Engineer or his or her 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 City of Clayton City Engineer or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the City of Clayton City Engineer or her or his designee may refer their appeal to the City Council of the City of Clayton and the decision of the City Council of the City of Clayton shall be final.

CERTIFICATES**DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT**

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 City Council of the City of Clayton.


 Engineer of Work, License No. C052091

2. I, the City Clerk, City of Clayton, County of Contra Costa, 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 March 14, 2012.


 City Clerk

3. I, the City Clerk, City of Clayton, County of Contra Costa, California, hereby certify that the Assessment in this Engineer's Report was approved and confirmed by the City Council on _____, 2012, by Resolution No. _____.

 City Clerk

4. I, the City Clerk of the City of Clayton, County of Contra Costa, 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 Contra Costa, California, on _____, 2012.

 City Clerk

5. I, the County Auditor of the County of Contra Costa, California, hereby certify that a copy of the Assessment Roll and Assessment Diagram for fiscal year 2012-13 was filed with me on _____, 2012.

 County Auditor, County of Contra Costa

And 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 Diablo Estates at Clayton Benefit 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 assessments are made upon the parcels or lots of land within the Diablo Estates at Clayton Benefit Assessment District in proportion to the special benefits to be received by the parcels or lots of land, from said Improvements.

The assessments are subject to an annual adjustment tied to the Consumer Price Index for Urban Consumers (CPI-U) for the San Francisco Bay Area as of April of each succeeding year, with the maximum annual adjustment not to exceed 4%. In the event that the annual change in the CPI exceeds 4%, any percentage change in excess of 4% can be cumulatively reserved and can be added to the annual change in the CPI for years in which the CPI change is less than 4%.

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 Contra Costa for the fiscal year 2012-13. 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.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Rolls, the amount of the assessment for the fiscal year 2012-13 for each parcel or lot of land within the said Diablo Estates at Clayton Benefit Assessment District.

Dated: March 6, 2012



Engineer of Work

By [Signature]
John W. Bliss, License No. C052091

ASSESSMENT

WHEREAS, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the assessment districts and an assessment of the estimated costs of the improvements upon all assessable parcels within the assessment district;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Acts and the order of the City Council of the City of Clayton, hereby make 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 amounts to be paid for said improvements and the expense incidental thereto, to be paid by the Diablo Estates at Clayton Benefit Assessment District for the fiscal year 2012-13, are generally as follows:

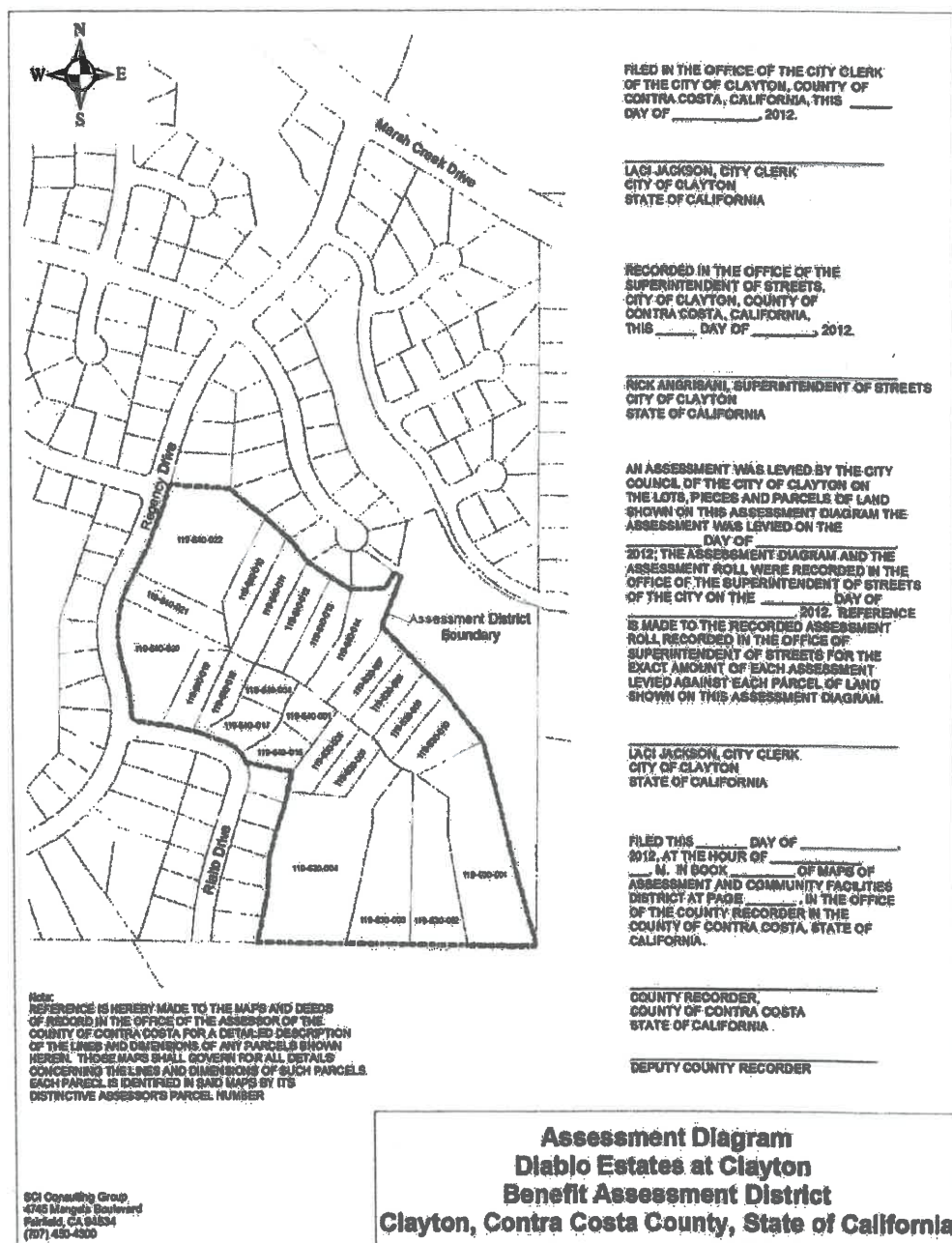
FIGURE 3 – SUMMARY COST ESTIMATES – FISCAL YEAR 2012-13

CITY OF CLAYTON	
Diablo Estates at Clayton Benefit Assessment District	
Summary Cost Estimate FY 2012-13	
Installation, Maintenance & Servicing Costs	\$60,763
Incidental Costs	\$11,900
Total Budget	\$72,663
Budget to Assessment	
Total Budget	\$72,663
Total SFE Units	24
Rate per SFE Unit	\$3,027.62

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

ASSESSMENT DIAGRAM

The boundaries of the Diablo Estates at Clayton Benefit Assessment District are displayed on the following Assessment Diagram.



APPENDICES

APPENDIX A - ASSESSMENT ROLL, FISCAL YEAR 2012-13

An Assessment Roll (a listing of all parcels assessed within the Assessment District and the amount of the assessment) will be filed with the City Clerk 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.

FIGURE 4 - ASSESSMENT ROLL

CITY OF CLAYTON Diablo Estates at Clayton Assessment District Assessment Roll				
PARCEL NUMBER	OWNER	SITUS	SFE Units	ASSESSMENT
119-830-001	TOLL CA XIX L P	27 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-002	TOLL CA XIX L P	26 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-003	TOLL CA XIX L P	22 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-004	TOLL CA XIX L P	19 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-005	TOLL CA XIX L P	14 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-006	TOLL CA XIX L P	10 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-007	TOLL CA XIX L P	9 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-008	TOLL CA XIX L P	15 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-009	TOLL CA XIX L P	18 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-830-010	TOLL CA XIX L P	23 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-840-001	TOLL CA XIX L P	6 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-840-004	TOLL CA XIX L P	7 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-010	TOLL CA XIX L P	18 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-011	TOLL CA XIX L P	12 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-012	TOLL CA XIX L P	8 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-013	TOLL CA XIX L P	4 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-014	TOLL CA XIX L P	5 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-840-016	TOLL CA XIX L P	2 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-840-017	TOLL CA XIX L P	3 SEMINARY RIDGE PL CLAYTON CA 94517	1	\$3,027.82
119-840-018	TOLL CA XIX L P	11 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-019	TOLL CA XIX L P	17 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-020	TOLL CA XIX L P	21 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-021	TOLL CA XIX L P	24 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
119-840-022	TOLL CA XIX L P	10 PROMONTORY PL CLAYTON CA 94517	1	\$3,027.82
			24	\$72,668.88

CITY OF CLAYTON

DIABLO ESTATES AT CLAYTON BENEFIT ASSESSMENT DISTRICT
ENGINEER'S REPORT, FISCAL YEAR 2012-13

SCI Consulting Group

ATTACHMENT 5

MAINTENANCE MANAGEMENT SCOPE OF SERVICES

EXHIBIT "A"
SCOPE OF SERVICES

PROPERTY MANAGEMENT SERVICES

The property management duties to be included in this contract shall generally include, but not necessarily limited to, the following:

- a) Contracting with, overseeing and being responsible for, various State-licensed contractors as needed to complete the maintenance services specified below. Consultant shall provide copies of all executed contracts (including detailed scopes of work, and work, manpower and payment schedules) and contractor insurance certificates;
- b) Periodic inspections of the property and improvements to verify current conditions and to ensure satisfactory performance of the various contractors hired by the Proposer to complete the maintenance duties specified in the maintenance document;
- c) Periodic inspections of the property and improvements to ensure satisfactory performance of the homeowners in providing the maintenance services specified below as being the homeowners' responsibility.;
- d) Preparation and submittal of a monthly report to the City Engineer describing the findings of the periodic inspections, the maintenance work completed that month and anticipated for the following month;
- e) Satisfaction of Regional Water Quality Control Board requirements relating to the operation and maintenance of stormwater treatment facilities, including the preparation and submittal of annual reports.

COMMON LANDSCAPING (ALONG REGENCY AND RIALTO DRIVES)

DESCRIPTION AND DETAILED SCOPE OF WORK

Description

As part of the projects approval conditions, the Developer was required to install landscaping and irrigation over a strip of land adjacent to the sidewalks along the project's frontage on Regency and Rialto Drives. The strip of land is variable in width (but generally 25 feet wide, more or less, from the back of sidewalk) and is delineated by an open wire fence except along the frontage of Lot 9 where it is delineated by a wooden "Good Neighbor" fence.

Along with the perimeter fencing, the improvements include trees, shrubs, groundcover and a complete automatic irrigation system. In addition, a subdivision entry monument has been constructed on Lot 8. All of the land covered by the improvements has been encumbered by a recorded landscape maintenance easement in favor of the City of Clayton.

Detailed Scope of Work – City's Responsibility

Maintenance of the Common Landscaping shall occur twice a month by a maintenance crew comprised of at least 3 men for a period of at least 4 hours on each visit.

Trees

The scope of normal tree care shall include, but not be limited to, the following:

- Pruning will be performed under the direction of a qualified maintenance supervisor using appropriate tools and equipment in general accordance with industry standards.

- Pruning shall promote structural strength and accentuate the plants natural forms and features within the limitation of space.
- Trees stakes and guides will be checked regularly and removed or replaced as necessary.
- Minor pesticide application.
- Tree pruning over the 12 foot height.
- Insect and disease control including pest control spraying.
- Deep root feeding on an annual basis.
- Replacement of dead trees.

Shrubs and Groundcover

The scope of shrub and groundcover care shall include, but not be limited to, the following:

- On a continual basis, shrubs shall be checked for appropriate pruning and thinning, shearing or hedging. Hard pruning or cutting back will be done in winter to allow new growth or flushing out during the oncoming spring season.
- On a continual basis, ground covers shall be checked for proper coverage within the planting areas, and general health and condition. Required mowing or shearing of ground covers will be done in the winter to allow new growth during the spring season.
- Shrub pruning, thinning and trimming shall be accomplished on a regular basis to maintain a neat appearance.
- Shrubs shall be pruned to promote strength and accentuate the shrubs natural forms and features, minimize balling, shearing, etc.
- Ground covers shall be mowed on an annual basis as necessary.
- Plant material shall be fertilized on a regular basis before showing any sign of nutritional deficiencies.
- Minor pesticide application.
- Replacement of dead shrubs and groundcover plantings.

Irrigation

The scope of the irrigation check shall include, but not be limited to, the following:

- The system shall be routinely checked twice each month.
- Adjust programming to apply water in accordance with plant requirements based upon weather and soil conditions, and to minimize water runoff.
- Clean and adjust the sprinkler heads and nozzles as needed. Adjust spray patterns to insure coverage and prevent overspray on to the paved areas and buildings.
- Remote control valves shall be checked for proper operation. Valve boxes shall be cleared on top and clean on the inside.
- Minor irrigation repairs (e.g., pipe cracks, joint leaks, damaged spray heads or nozzles, etc.) shall be repaired immediately. The need for more significant repairs shall be brought to the attention of the City for authorization prior to the work being undertaken.

WEED ABATEMENT

DESCRIPTION AND DETAILED SCOPE OF WORK

Description

The City has placed significant restrictions on the use of the large sloped areas within each of the lots. These areas are intended to remain unimproved and covered with "native" vegetation installed by the Developer. Such vegetation tends to become a fire hazard during the summer months if left unchecked.

The Contra Costa Fire District requires that all vegetation be maintained at a height of no more than 3 inches. Weeds and grasses must be mowed with the material raked, bagged, and removed from the

property. This work must be accomplished by the end of June, at the very latest. Re-growth could necessitate additional abatement during the fire season.

Detailed Scope of Work – City's Responsibility

The scope of weed abatement work shall include, but not be limited to, the following:

- Each spring, prior to the date established by the Contra Costa Fire District, all sloped areas between the open wire fences at the rear of each building pad and the lot property line, shall be mowed by hand to a height of less than 3 inches. The excess materials generated by the mowing shall be raked, placed in bags, and legally disposed of offsite.
- When needed due to re-growth of the vegetation, the process as specified shall be repeated.

STORM DRAINAGE FACILITIES

DESCRIPTION AND DETAILED SCOPE OF WORK

Description

As part of the subdivision construction, a storm drainage system has been constructed within the streets of the project. The system includes concrete collection ditches (known as "J" and "V" ditches), storm drain pipes interconnecting and running between manholes and catch basins. The system also includes five large storage pipes (36" and 48" in diameter with a total length of 728 feet). The storage pipes also include observation structures for inspection and cleaning, if required. These storage pipes have been designed to collect the storm runoff from the streets and delay the discharge of the runoff into the remainder of the storm drain system by metering the discharge flows. The intent of this delay is to keep the peak flow rate of the storm water discharge leaving the project at the same or lower rate that existed prior to construction of the project.

In order to continue to work as designed, the system must be kept clear of sediment, trash and debris.

Detailed Scope of Work – City's Responsibility

The scope of storm drain facility maintenance work shall include, but not be limited to, the following:

- Each year, by October 15th, each storm drain structure and facility (concrete ditches, manholes, catch basins, and storage pipes) shall be inspected for build-up of sediment and debris.
- Each structure shall be cleaned as necessary using a truck-mounted vacuum system.
- The concrete ditches shall be cleaned of all weeds and trash by hand. The materials generated shall be placed in bags, and legally disposed of offsite.
- Cracks in the concrete ditches and structures shall be repaired.
- If necessary, the structures shall be treated for vector (mosquitoes) infestation as necessary with Larvicide dunks.
- Upon completion of the inspection and work, the contractor shall file a written report, including photos of the findings and maintenance work, with the City indicating the results of the inspection and work, including a description of amount and type of debris removed, depth of sediment observed in the structures, and a description of repairs that the Contractor believes necessary to maintain the integrity of the storm drainage facilities.
- Any major repairs deemed necessary by the City shall be performed under separate written authorization.

STORMWATER TREATMENT FACILITIES

DESCRIPTION AND DETAILED SCOPE OF WORK

Description

As part of the subdivision construction, stormwater treatment facilities have been constructed both in the street and on each lot. The in-street facility consists of a single Vortech 3000 Hydrodynamic Separator unit located near Rialto Drive. The on-lot treatment facilities consist of one or two bioretention filtration planters ("planters") on each lot as well as small collection pipes which convey the runoff to the planters. In addition, the collection systems on some lots may include trench drains adjacent to the end of the driveways to collect runoff from the driveways.

The planters have been sized to accept and treat all of the on-lot runoff from impervious surfaces. The planters include 18" of filter soils placed on top of a thick layer of permeable rock. The runoff that enters the planter is cleaned as it percolates through the filter soils and into the permeable rock. The permeable rock layer includes a 24" storage pipe and smaller perforated drains to collect the runoff. The outflow from the storage pipes is metered by a small orifice opening to limit the rate of discharge as required by the latest stormwater regulation.

In addition to the filter soils, treatment of the runoff is accomplished by the vegetation planted in the filter soils. It is the responsibility of the individual property owners to maintain the vegetation and surface condition of the planters as well as the on-lot collection pipe system. It should be understood that the types of plantings installed by the Developer were selected from a pre-approved list of plant materials published by the Contra Costa Clean Water Program. Any vegetation that must be replaced, at any time, can only be replaced with the same or another pre-approved plant.

The stormwater treatment regulations require routine and annual inspections of all facilities, the results of which are required to be reported to the Regional Water Quality Control Board. If these inspections note that the property owner has not properly maintained the on-lot collection system, planters or vegetation, or replaced any plantings with non-approved types, a notice of deficiency will be issued to the property owner. If the property owner fails to satisfy the notice of deficiency within the time period specified on the notice, such failure shall be reported to the Regional Water Quality Control Board and may subject the property owner to fines as high as \$10,000 per day.

Detailed Scope of Work – Homeowners' Responsibility

The scope of the property owners' responsibility shall include, but not be limited to, the following routine work:

- Inspect the driveway trench drain, its entrances (grates) and exits. Look for obstructions, vegetation, debris, litter, sediment, etc., blocking the entrances and exits of the trench drain. If necessary, clear trench drain, exits and entrances by hand and with hand tools. Ensure that water flows freely into and out of the trench drain.
- Inspect for large vegetation growing within 4" of the trench drain entrance or exit. Remove any invasive plants, weeds, shrubs, or any plant with a woody stem within 4" of trench drain entrance or exit.
- Inspect the outlets of the collection system in each of the planters for plugging caused by debris. Look for evidence of erosion in the planter surface. Inspect side soils and/or rocks placed around the edges of the planters. Repair and/or replace any erosion or missing rocks. Clear outlets as necessary.
- Examine vegetation to ensure it is healthy and dense enough to provide filtering and to protect soils from erosion, Replenish mulch as necessary, remove fallen leaves and debris, prune large

shrubs or trees. Replace dead plants and remove invasive vegetation. Confirm that the irrigation is adequate and not excessive.

Detailed Scope of Work – City's Responsibility

The scope of the City's responsibility shall include, but not be limited to, the following:

- Each year, prior to the rainy season, the City, or its contractor, shall undertake a complete inspection and testing of the in-street and on-lot stormwater treatment systems in accordance with the project's Stormwater Control Operation & Maintenance Manual.
- Maintain Vortech 3000 Hydrodynamic Separator unit in accordance with the manufacturer's operation and maintenance requirements. This work shall include removal and disposal of accumulated sediment. Monitor and treat for vector (mosquitoes) infestation as necessary with Larvicide dunks.
- Upon completion of the inspection and work, the contractor shall file a written report, including photos of the findings and the maintenance work, with the City indicating the results of the inspection and work, including a description of amount and type of debris removed, depth of sediment observed in the structures, and a description of repairs that the Contractor believes necessary to maintain the integrity of the stormwater treatment facilities.
- Standard City fees will be paid to the City directly by the BAD and are not a part of this contract.
- Any major repairs deemed necessary by the City shall be performed under separate written authorization.

STREET LIGHTING FACILITIES

DESCRIPTION AND DETAILED SCOPE OF WORK

Description

As part of the subdivision construction, a street lighting system, consisting of four street lights and associated wiring and boxes, was installed.

Detailed Scope of Work – City's Responsibility

The scope of streetlighting system work shall include, but not be limited to, the following:

- Routinely inspect and replace parts as needed
- Payment for the supply of electricity from PG&E. (Note: the electrical billing for the street lights will be paid by the City directly to PG&E and is not a part of the contract)