

RESOLUTION NO. 9-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT DETERMINING BENEFIT ASSESSMENT TO FINANCE MAINTENANCE, OPERATION AND INSTALLATION OF THE TEHACHAPI WATERSHED PROJECT IN FISCAL YEAR 2014-2015

A. Recitals.

(i) This District, the City of Tehachapi, the Kern County Water Agency and the Tehachapi Resource Conservation District are the local co-sponsors of the Tehachapi Watershed Project ("Project"), a flood control project constructed by the District under the Water Protection and Flood Prevention Act (Pub. Law 83-566; 16 U.S.C., § 1001 *et seq.*; "Public Law 83-566") with financial assistance from the Soil Conservation Service, United States Department of Agriculture ("SCS").

(ii) As a condition of obtaining federal funds for construction of the Project under Public Law 83-566, this District assumed full responsibility for operation, maintenance and replacement of all structural measures of the Project pursuant to an Operation and Maintenance Agreement dated July 7, 1983 between the District and the SCS (the "Agreement").

(iii) By Resolution No. 5-84, this District determined the area benefited by the Project, denominated such area "Zone No. 1," and established a method of assessing non-exempt real property, utility right-of-way and improvements within Zone No. 1 to raise necessary revenue for annual operation, maintenance and replacement costs, plus non-reimbursed capital costs, of the Project.

(iv) At a special election of all eligible voters within Zone No. 1 conducted on Tuesday, June 5, 1984, a majority of the voters approved the levy of annual assessments beginning with fiscal year 1984-1985 on all non-exempt parcels of land, utility rights-of-way and improvements within Zone No. 1.

(v) On June 18, 2014, the District's General Manager presented to the Board a Preliminary Fiscal Year 2014-2015 budget for the Project; after taking into account other sources of revenue, the District must raise by means of benefit assessments within Zone No. 1 \$106,000 for operation and maintenance costs, including reserves for repair and replacement of facilities in such fiscal year. Also on May 21, 2014, the Board directed the District's staff to update the Engineer's Report for the 2014-2015 assessment proceedings and to propose specific assessments on all non-exempt parcels of land, utility rights-of-way and improvements within Zone No. 1, the aggregate of which equals \$106,000. The Board also scheduled a public hearing for 4:00 p.m. on July 16, 2014 to consider the assessment report and to consider and hear all protests to the assessment proposed therein.

(vi) The Office Manager of this District, Lori Bunn, on July 2, 2014 posted notice of the July 16, 2014 hearing in three public places within the District, namely at the office of the Tehachapi-Cummings County Water District, 22901 Banducci Road, Tehachapi, California, at the Tehachapi City Hall, 129 East F Street, Tehachapi, California and at the Golden Hills Community Services District, 21415 Reeves Street, Tehachapi, California; a true and correct copy of the General Manager's Declaration of Posting is attached hereto as Exhibit A. The Office Manager of this District published on July 2, 2014 and July 9, 2014 notice of such July 16, 2014 hearing in The Tehachapi News, a newspaper of general circulation, printed and published weekly within Zone No. 1; a true and correct copy of the Proof of Publication is attached hereto as Exhibit B.

(vii) On July 2, 2014, the Secretary of the Board filed the "Written Report of Proposed Benefit Assessment for Tehachapi Watershed Project Fiscal Year 2014-2015 (the "2014-2015 Assessment Report"), which has been available since its filing for public inspection at this District's office during normal office hours.

(viii) At 4:00 p.m. on July 16, 2014, the Board held a public hearing, as noticed, at the District's office at which hearing the District's staff presented the 2014-2015 Assessment Report and the Board heard and considered all comments and protests to the 2014-2015 Assessment Report and the assessments proposed therein.

(ix) Under section 5(a) of Article XIID of the California Constitution ("Proposition 218"), the aggregate amount to be assessed and the methodology of spreading the assessment proposed herein remain the same as imposed by the District prior to the enactment of Proposition 218 and, therefore, the assessment proposed herein is exempt from the procedures and approval process set forth in section 4 of Proposition 218.

B. Resolution.

NOW, THEREFORE, BE IT RESOLVED AND FOUND by the Board of Directors of Tehachapi-Cummings County Water District as follows:

1. Each of the above recitals is true and correct and the Board so finds and determines.

2. The Board adopts and approves the 2014-2015 Assessment Report which is incorporated herein by reference with the following corrections to the proposed assessment roll, Exhibit A thereto:

<u>Page</u>	<u>Parcel No.</u>	<u>Correct Zoning</u>	<u>Correct Land Use Factor</u>
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and determines that the assessment proposed in Exhibit C hereto, the revised assessment roll reflecting the above-noted corrections in zoning and land use factors, if any, shall be, and the same is hereby levied as, the 2014-2015 fiscal year assessment within Zone No. 1 for the Project.

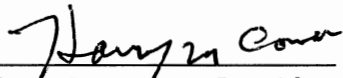
3. The assessment determined and adopted hereby complies with all applicable provisions of Proposition 218.

4. The assessment determined and adopted hereby shall be collected in the same manner and subject to the same penalties and priority of lien as other charges and taxes fixed and collected by or on behalf of this District by the County of Kern. The County of Kern may deduct its reasonable costs incurred for such collection service before remitting the balance of the assessment to this District.

5. All exhibits attached hereto are incorporated herein by reference.

6. The Secretary of this District is directed to deliver certified copies of this resolution to the Auditor-Controller of the County of Kern on or before August 10, 2014.

ADOPTED AND APPROVED this 16th day of July, 2014.



Harry M. Cowan, President

Attest:



Lori Bunn, Secretary

SECRETARY'S CERTIFICATE

I, LORI BUNN, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the District duly and legally held at the regular meeting place thereof on July 16, 2014. All of the members of the Board of Directors received due notice of the meeting and a majority thereof was present. At the meeting the resolution was adopted by the following vote:

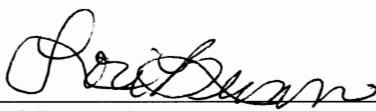
AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:



Lori Bunn, Secretary

(SEAL)

DIRECTORS:
HARRY M. COWAN
DAVID HADLEY
JONATHAN HALL
JEAN PREL
ROBERT R. SCHULTZ

OFFICERS:
HARRY M. COWAN, PRESIDENT
ROBERT R. SCHULTZ, VICE PRESIDENT
JOHN A. MARTIN, GENERAL MANAGER
LORI BUNN, SECRETARY

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

22901 BANDUCCI RD.
POST OFFICE BOX 326
TEHACHAPI, CALIFORNIA 93561
(661) 822-5504 - (661) 325-3733 - FAX (661) 822-5122
E-MAIL: tccwd@tccwd.com

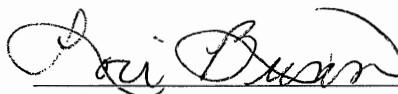
DECLARATION OF POSTING NOTICE

I, LORI BUNN, state and declare as follows:

I am currently and have at all times herein mentioned been Secretary to the Board of Directors of the Tehachapi-Cummings County Water District. On July 2, 2014, I personally caused the attached Notice to be posted at the Tehachapi City Hall, Tehachapi-Cummings County Water District Office and the Golden Hills Community Services District in Tehachapi.

The Notice posted at the above locations is, "The Proposed Benefit Assessment for Tehachapi Watershed Project," executed at Tehachapi, California this 2nd day of July 2014.

I declare under the penalty of perjury that the foregoing is true and correct.



Lori Bunn, Secretary

PROOF OF PUBLICATION

The TEHACHAPI NEWS
411 N. MILL STREET
TEHACHAPI, CA 933561

Ad Number:

PO #:

Edition:
Class Code

Account
Run Times

Start Date

Stop Date

Billing Lines

Inches

Total Cost

Billing

Address

RECEIVED

JUL 09 2014

TEHACHAPI CUMMINGS
COUNTY WATER DISTRICT

STATE OF CALIFORNIA
COUNTY OF KERN

I AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE COUNTY AFORESAID : I AM OVER THE AGE OF EIGHTEEN YEARS, AND NOT A PARTY TO OR INTERESTED IN THE ABOVE ENTITLED MATTER. I AM THE ASSISTANT PRINCIPAL CLERK OF THE PRINTER OF THE TEHACHAPI NEWS, A NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED WEEKLY IN THE CITY OF TEHACHAPI COUNTY OF KERN,

AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF KERN, STATE OF CALIFORNIA, THAT THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY, HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT:

Pub Dates

7/2/2014

7/9/2014

First Text

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Stephanie M. Usua

DATED AT TEHACHAPI CALIFORNIA

7/2/2014

EXHIBIT B TO RESOLUTION 9-14

DIRECTORS:
HARRY M. COWAN
DAVID HADLEY
NATHAN HALL
N PREL
BERT R. SCHULTZ



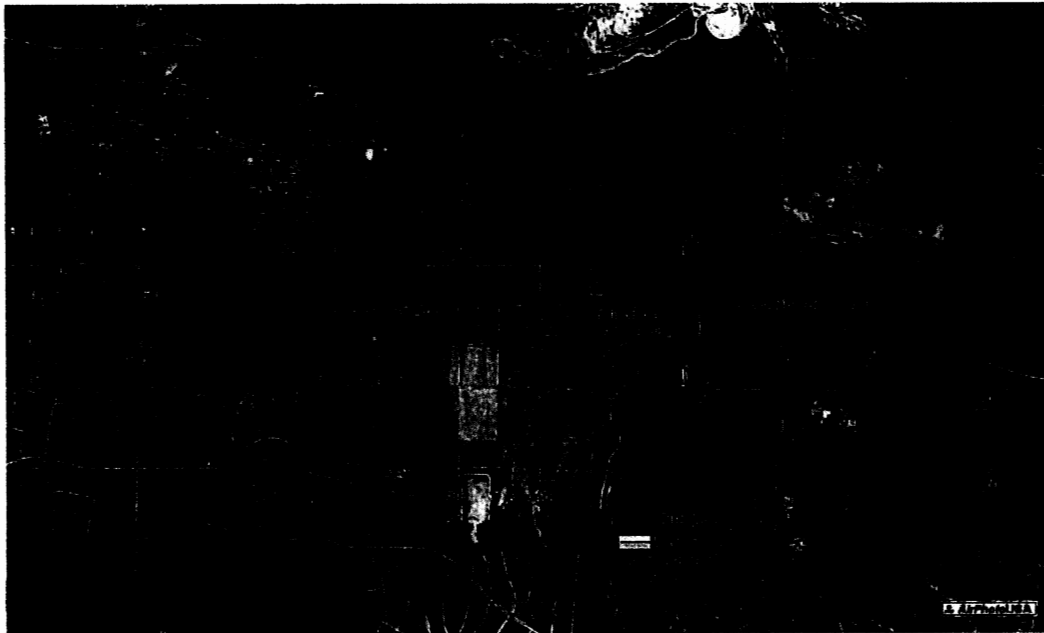
OFFICERS:
HARRY M. COWAN, PRESIDENT
ROBERT R. SCHULTZ, VICE PRESIDENT
JOHN A. MARTIN, GENERAL MANAGER
LORI BUNN, SECRETARY

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

22901 BANDUCCI RD., POST OFFICE BOX 326
TEHACHAPI, CALIFORNIA 93561
(661) 822-5504 -(661) 325-3733 -FAX (661) 822-5122
E-MAIL: TCCWD@TCCWD.COM

TO OWNERS OF REAL PROPERTY AND UTILITY RIGHTS-OF-WAY WITHIN ASSESSMENT ZONE NO.1, THE AREA BENEFITED BY THE TEHACHAPI WATERSHED PROJECT ("PROJECT"):

PLEASE TAKE NOTICE that the Board of Directors of Tehachapi-Cummings County Water District ("District") will hold a public hearing at 4:00 p.m. on Wednesday, July 16, 2014 at the District's office, 22901 Banducci Road, Tehachapi, California, at which time and place the Board will hear and consider protests before the Board determines and imposes an assessment on all non-exempt parcels of real property and utility rights-of-way within Assessment Zone No. I (see attached map for boundaries or view the map on the District's Website, www.tccwd.com/assessment) in an aggregate amount sufficient to finance operation, maintenance and replacement costs, and non-reimbursed capital costs of the Project in fiscal year 2014-2015, as recommended by the District's staff in the "Report Of Proposed Benefit Assessment For Tehachapi Watershed Project Fiscal Year 2014-2015," which report sets forth the proposed assessments for each parcel and utility rights-of-way. Such report will be available for public inspection during normal business hours at the District's office beginning July 2, 2014.



All owners of real property and utility rights-of-way within Assessment Zone No. 1 are invited to attend this hearing.

Dated: June 25, 2014

A handwritten signature in black ink, appearing to read "John Martin". The signature is fluid and cursive, written over a horizontal line.

John Martin
General Manager

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

**WRITTEN REPORT OF PROPOSED BENEFIT ASSESSMENT
FOR TEHACHAPI WATERSHED PROJECT
FISCAL YEAR 2014-2015**

1.00 INTRODUCTION

Tehachapi-Cummings County Water District (the "District"), the City of Tehachapi, the Kern County Water Agency (the "Agency") and the Tehachapi Resource Conservation District are co-sponsors of the Tehachapi Watershed Project, a flood control project which was constructed by the District with the assistance of the Soil Conservation Service of the United States Department of Agriculture (the "Project"). The physical structures and operation of the Project are set forth in the Tehachapi Watershed Plan and Environmental Impact Statement dated July 1980 (the "Plan") which is incorporated herein by reference.

As a condition of obtaining federal funds for construction of the Project under the Watershed Protection and Flood Prevention Act (Pub. Law 83-566; 16 U.S.C., § 1001 *et seq.*), the District assumed full responsibility for operation, maintenance and replacement of all structural measures of the Project pursuant to the Operation and Maintenance Agreement dated July 7, 1983 between the District and the Soil Conservation Service.

On December 21, 1983, the District's Consulting Engineers, Rickett, Ward & Delmarter, filed with the Secretary of the District their "Written Report of Proposed Benefit Assessments for Tehachapi Watershed Project" (the "Engineer's Report"), which identified the area benefited by the Project and recommended a method of assessing land and utility rights-of-way within the area benefited pursuant to the Benefit Assessment Act of 1982 (Stats. 1982, ch. 489; Gov. Code, § 54701 *et seq.*; the "Act"). By Resolution No. 37-83, the Board formally instituted proceedings under the Act and ordered that public hearings on the Engineer's Report be held on February 14, 1984. Following two duly noticed hearings on February 14, 1984 and a further hearing on February 28, 1984, the Board adopted Resolution No. 5-84 and established assessments on all non-exempt property within Zone No. 1 for fiscal year 1984-1985. By Resolution No. 6-84, also adopted by the Board on February 28, 1984, the Board called a special election to be held on June 5, 1984 on the proposition as to whether the District should levy an annual assessment beginning with fiscal year 1984-1985 on all non-exempt parcels of land and utility rights-of-way benefited by the Tehachapi Watershed Project as determined and in the manner set forth in Resolution No. 5-84. At such election, the proposition passed by a vote of 367 votes in favor, 209 against. Upon approval by the voters, the fiscal year 1984-1985 assessment took effect as provided in the Act and the assessments were thereafter collected on the County of Kern's 1985 general tax bills. As provided by the Act, the Board has set assessments for subsequent fiscal years after considering subsequent assessment reports. By Resolution No. 19-87, the Board made minor boundary adjustments to Zone No. 1.

2.00 PREVIOUSLY ADOPTED AND VOTER APPROVED METHOD OF SPREADING THE ASSESSMENT

On June 18, 2014, the Board adopted the Preliminary Fiscal Year 2014-2015 budget for the Project. After taking into account other sources of revenue, the District must raise by means of benefit assessments on assessable property within Zone No. 1 \$106,000 for operation and maintenance, including reserves for repair and replacement of facilities. Although the Act empowers the Board to determine and impose written assessments in years following the first levy without a written assessment report and without a prior hearing, the Board directed the District's staff to update the Assessment Report and to recommend specific assessments on all assessable property within Zone No. 1 for fiscal year 2014-2015. The Board also scheduled a public hearing for 4:00 p.m. on July 16, 2014 at the District's office to hear and consider all protests to the assessments proposed to be levied within Zone No. 1 for fiscal year 2014-2015.

In updating the fiscal year 2014-2015 Assessment Report, the District's staff has reviewed all zone changes, lot splits, changes of ownership and new construction within Zone No. 1 so as to update the land use categories and land use factors for locally assessed parcels within Zone No. 1. Because the State utility roll is no longer broken down by tax code area, the District's staff mailed to each utility owning property within Zone No. 1 a questionnaire as to what changes have occurred in utility rights-of-way and improvements over the last year. Each utility was asked to update the previous year's utility roll and inform the District of any changes in values for existing improvements, values of property deleted and values of new property constructed within utilities rights-of-way within Zone No. 1. The utilities were further advised that if they did not respond the District would presume that there have been no changes since last year and the District would increase valuations by two percent. Based upon the responses received by the District to the questionnaires, the total assessed value of all utility rights-of-way and improvements located therein is \$26,154,257. The assessed value of land and improvements on the local roll has increased in the last year from \$376,941,156 to \$383,861,375. The total valuation of all assessable land and improvements within Zone No. 1, therefore, is \$410,015,632, of which 6% is attributable to utility rights-of-way and improvements located thereon. It is recommended, then, that 6% of the 2014-2015 fiscal year benefit assessment be levied against utility rights-of-way and improvements within Zone No. 1 and 94% of the total assessment be levied against locally assessed real property and improvements.

The method of spreading the aggregate amount required to be raised to operate and maintain the Project as adopted by prior District resolutions approved by the voters is as follows:

State Assessed Utility Rights-of-Way Property and Improvements

Each item of right-of-way property within Zone No. 1 listed on the state roll shall be assessed for fiscal year 2014-2015 an amount determined by the following formula:

$$A_1 = \frac{av_1}{\sum AV} (A)$$

where A_1 = assessment against each item of right-of-way property within Zone No. 1, based on utility questionnaires and staff investigation, expressed in dollars;

av_1 = the valuation of such item, based on utility questionnaires and staff investigation, expressed in dollars;

$\sum AV$ = the summation of the valuations of all items of right-of-way property within Zone No. 1, based on utility questionnaires and staff investigation, expressed in dollars;

A = total assessment in Zone No. 1 for the annual operation, maintenance and replacement component and the annual capital component, expressed in dollars.

Locally Assessed Property

Resolution No. 5-84, 6-85, 18-86, and 24-88 established seven land use categories with varying land use factors as follows:

<u>Land Use Category</u>	<u>Land Use Factor</u>
(1) Undevelopable Land	0
(2) Agriculture	1
(3) Agriculture/Commercial or Industrial Transitional	3-1/3
(4) Agriculture/Residential Transitional	5
(5) Rural Residential	5
(6) Commercial/Industrial and Other	24
(7) Residential	36

The amount to be assessed for fiscal year 2014-2015 against each assessable parcel within Zone No. 1 shown on the local secured roll, is determined according to the following formula established by Resolution No. 5-85 and approved by the voters on June 5, 1984:

$$A_1 = \% (A) \quad \frac{a_1 f_1}{\sum af}$$

where A_1 = assessment against parcel, expressed in dollars;

a_1 = area of parcel, expressed in acres to the nearest one hundredth of an acre;

f_1 = land use factor for the parcel;

$\sum af$ = the summation of the area multiplied by the applicable land use factor for all parcels in Zone No. 1, expressed in acres to the nearest one hundredth acre; and

A = total assessment in Zone No. 1 for the annual operation, maintenance and replacement component and the annual capital component, expressed in dollars.

3.00 RECOMMENDED FISCAL YEAR 2014-2015 ASSESSMENTS

1. Description of the Service Proposed to be Financed Through Revenue Derived From the Assessment:

It is proposed to raise revenues for the annual costs of operation, maintenance and replacement of the Project in fiscal year 2014-2015 and any capital costs of the Project (not reimbursed by the State of California, paid for by federal funds, or met from the sale of surplus Project lands) as determined in the tentative fiscal year 2014-2015 budget, through a benefit assessment levied pursuant to the Act on all non-exempt parcels of land and utility rights-of-way property benefited by the Project. The area benefited by the Project, as previously determined by the Soil Conservation Service and the District as Zone No. 1 in Resolution No. 5-84, as modified in Resolution 19-87, is more specifically described in Exhibit A to the Fiscal Year 1987-1988 Engineer's Report, which exhibit is incorporated herein by reference.

2. A Description of Each Lot or Parcel of Property Proposed to be Subject to the Benefit Assessment:

The Assessor's Parcel Number for each lot or parcel of assessable land and the description of each item of utility right-of-way property within Zone No. 1 subject to the proposed benefit assessment, are set forth in Exhibit A hereto.

3. The Amount of the Proposed Assessment for Each Parcel and Each Item of Utility Right-of-Way Property:

The aggregate amount of the proposed assessment for fiscal year 2014-2015 is \$106,000. This amount does not exceed the cost of providing flood control protection through the Project in fiscal year 2014-2015. The amount of the proposed assessment for each parcel of land and each item of utility right-of-way are also set forth in Exhibit A hereto. The amount of the assessment imposed on each parcel of land and each item of utility right-of-way property is directly related to the benefit, which will be derived from the Project in fiscal year 2014-2015. The aggregate amount of the proposed assessment and the methodology or formula for spreading the assessment over benefited parcels of land and utility right-of-way property remain the same as imposed by the District prior to the enactment of Article XIID of the California Constitution (Proposition 218). Therefore the assessment proposed herein is exempt from the procedures and approval process set forth in section 4 of Article XIID.

4. The Basis and Schedule of the Assessment.

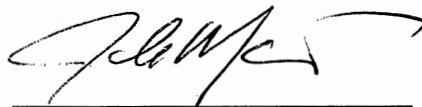
Utility rights-of-way and improvements located thereon within Zone No. 1 shall be assessed 6% of the total assessment. The amount to be assessed to each item of utility right-of-way property in fiscal year 2014-2015 has been calculated according to the formula set forth in section 2.00 above. The amount of the proposed assessment for each item of utility right-of-way property for fiscal year 2014-2015 is shown on Exhibit A hereto.

The balance of the assessment (94%) shall be levied on non-exempt locally assessed land and improvements within Zone No. 1. The amount to be assessed on each parcel of locally assessed land within Zone No. 1 in fiscal year 2014-2015 has been calculated according to the formula set forth in section 2.00 hereof. Current land use factors, based on present zoning of each parcel within Zone No. 1, together with the amount of the proposed assessment for each locally assessed parcel of land within Zone No. 1 for fiscal year 2014-2015, are also shown on Exhibit A hereto.

It is respectfully recommended that the Board fix assessments within Zone No. 1 for the operation, maintenance, replacement and non-reimbursed capital costs of the Project in fiscal year 2014-2015 as set forth in this report.

Dated: July 2, 2014

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John Martin", written over a horizontal line.

John Martin
General Manager