



Moreno Valley Community Services District

Lighting Maintenance District No. 2014-01

2018/2019 ENGINEER'S REPORT

Intent Meeting: May 1, 2018

Public Hearing: June 19, 2018

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ANNUAL ENGINEER'S REPORT STATEMENT

Fiscal Year 2018/19

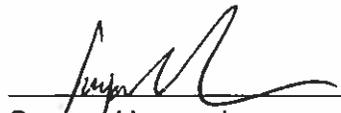
Moreno Valley Community Services District

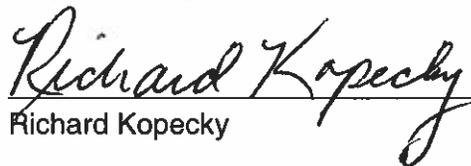
Lighting Maintenance District No. 2014-01

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Lighting Maintenance District 2014-01 for fiscal year 2018/19, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this 19th day of June, 2018

Willdan Financial Services
Assessment Engineer
On Behalf of the Moreno Valley Community Services District

By: 
Susana Hernandez
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By: 
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INTRODUCTION

The Moreno Valley Community Services District (“CSD”) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas (“CSAs”) to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone B of the CSD was established and responsible for providing residential street lighting in certain residential subdivisions. These street lighting services were funded through a charge on the annual property tax roll to parcels served by the street lighting.

In November 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as “charges”, the charges imposed by Zone B of the CSD were categorized under Proposition 218 as real-property assessments.

Street lighting is a maintenance and operation expense for sidewalks and streets. Consequently, the Zone B charges imposed prior to November 5, 1996 were “grandfathered” under Article XIII D, Section 5(a) of the Constitution, which permitted the continuation of assessments existing prior to the effective date of Proposition 218 so long as those assessments were imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. These grandfathered Zone B charges continued to be levied annually by the CSD without additional property-owner approval.

Since the adoption of Proposition 218, territories (and associated street lights) were added to CSD Zone B. When this occurred, the CSD conducted a mail ballot assessment proceeding with respect to the levy of the Zone B charges as required by Article XIII D, Section 4(e) of the Constitution. Beginning in December 1999, the CSD’s practice when balloting for Zone B charges in new territory, was generally to present the charge with an incorporated automatic inflation adjustment. This was not done for the “grandfathered” territory nor much of the territory added to Zone B between November 1996 and December 1999. Therefore, in some parts of CSD Zone B, the charge was imposed annually at a level rate, whereas in other parts of Zone B, the maximum charge was increased each year based on inflation.

In May 2014, the CSD, formed Lighting Maintenance District No. 2014-01 (“District”), pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 et seq.) (the “1972 Act”) replacing the previous CSD Zone B. Parcels that had been charged an

annual Zone B charge for street lighting services are instead assessed an annual assessment for those services as part of Lighting Maintenance District No. 2014-01 as real property assessments with a procedural device designed for the levy of such assessments. This transition did not increase the amount paid annually by any property owner and did not change the nature or extent of the street lighting services provided. The assessments levied in connection with the assessment district, in every way serves as a continuation of the charges levied in connection with Zone B.

Each fiscal year, an Engineer's Report ("Report") is prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board will hold a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year and the public hearing is noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If, in any year, the proposed annual assessments for the District exceed the maximum assessments previously approved in a Proposition 218 proceeding (or grandfathered under Proposition 218), such an assessment would be considered a new or increased assessment and be confirmed through a mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report is the detailed engineer's report for fiscal year 2018/19 regarding the District and the proposed assessments to be levied on the properties therein to provide ongoing funding for the costs and expenses required to service and maintain lighting improvements associated with and resulting from development of properties within the District, in accordance with the proportional special benefits the properties receive from the improvements.

The improvements, the method of apportionment, and special benefit assessments described in this Report are based on the improvements and development of properties within the District and represent an estimate of the direct expenditures and incidental expenses that will be necessary to maintain, service, and operate such improvements for fiscal year 2018/19. The improvements to be maintained in connection with the development of properties within the District and described herein are based on the development plans and specifications for the properties in the District and by reference these plans and specifications are made part of this Report.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the improvements associated with the District. The District has three zones of benefit (hereafter referred to as “Zones”), which are described in more detail in this section of the Report as well as in Part II (Method of Apportionment). A diagram showing the exterior boundaries of the CSD, of the District, and the Zones established within the District, is attached and incorporated herein in Part IV (District Diagram). The plans for the street light installations (if available), including the City’s standard specifications are on file with the Public Works Department. The location of each street light can be found by using the Moreno Valley Map Viewer located on the City’s website.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall street lighting improvements provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property’s proportional special benefit and annual assessment utilizing a weighted benefit apportionment.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the maintenance, servicing, and operation of street lighting improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated annual expenses to service, maintain, and operate existing street lighting improvements within the District for fiscal year 2018/19 including, but not limited to, servicing of the street lights and related facilities, energy costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust), as applicable.

Part IV

District Diagram: A diagram showing the boundaries of the District and the Zones therein is provided in this Report and includes all parcels that receive special benefits from the improvements. Reference is hereby made to the Riverside County Assessor’s maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel’s calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2018/19.

PART I - PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within the District consists of all lots and parcels of land that receive special benefits from the street light improvements funded by the District assessments. The boundaries of the District are comprised of three benefit zones ("Zones"). Parcels within the District are identified and grouped into one of the three designated Zones based on the special benefits properties receive from the District improvements and the authorized maximum assessments established. The three Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition, the District Diagram in Part IV of the Report provides a visual representation of the District showing the boundaries of the District Zones.

DISTRICT FACILITIES AND IMPROVEMENTS

The street lights funded by the District are primarily low-intensity residential street lights located within the District, generally provided via 9,500-lumen lights (8,325 of the total lights) spaced approximately every 125 feet within a subdivision, but also includes some lights with lesser lumens (approximately 315 lights) and some with greater lumens (approximately 120 lights). Generally, high-intensity lights outside the subdivisions (which are typically 22,000 lumen lights and greater) are funded through other revenue sources and not part of the District assessments.

The maintenance, operation, and servicing of the District lighting improvements generally include the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City. These activities include, but are not limited to:

- Furnishing of electric current or other illuminating agent.
- Maintenance, repair, and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric self repair or replacement, and repairing damage cause by accidents, vandalism, time, and weather.
- Electrical conduit and pull-box repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service, maintenance, repair, and replacement including replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Periodic repair and rehabilitation of the street lighting system including replacement of old equipment with new or reconditioned equipment; and repair, removal or replacement of related equipment as required including but not limited to lighting fixtures, poles, meters, conduits, electrical cable and relocation of street light facilities as necessary including the purchase and installation of related equipment and facilities.

- Street light inventory database, pole numbering, and mapping to establish the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Responding to citizens and Council member inquiries and complaints regarding street lighting.

PART II - METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation, and servicing of street lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“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 formulas used for calculating assessments reflect the composition of parcels within the District (which are all residential properties) and the improvements and activities to be provided, and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2018/19 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are public street lighting improvements. These improvements generally were installed in connection with the development of the properties within the District and were required by the City as a condition of development. Article XIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2(i) defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The street lighting in the District is primarily low-intensity street lighting that is useful for illuminating the sidewalks and parking lanes in the District. This lighting is distinct from the high-intensity lights installed on major streets which serve in part to enhance traffic safety. Residential street lights are of lower intensity, but more closely spaced, than the high-intensity (22,000-lumen) street lights. These sorts of low-level, low-intensity residential street lights provide three main special benefits: (i) residential security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic in the District is largely limited to local traffic consisting of residents and residents' guests traveling to and from property within the District, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with an assessed dwelling unit.

With the exception of the development that comprises Zone 03 (discussed below), the street lights within the District are consistent with the City's typical intensity and spacing standards for residential lighting and each parcel to be assessed is served directly by the system of street lights providing appropriate lighting within the subdivision. Consequently, we conclude that each residential parcel within the District receives substantially similar benefit from the improvements regardless of their location within the District. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of the location of the light within the District.

General Benefit

Approximately 5% of the street lights funded by the District are located at the perimeter/entryway of a residential development. These perimeter/entryway lights, in contrast to the remainder of the lights funded by the District, arguably provide some illumination that extends beyond the boundaries of the developments and parcels being assessed within the District, that enhances the safety of members of the public unassociated with an assessed parcel, that illuminates traffic or parking on major thoroughfares, or that otherwise provides services to the general public. Although, in general, these street lights exist solely because of the development of assessed parcels, and although the primary purpose of these lights is to provide illumination for assessed parcels, they may provide some level of general benefit in addition to the special benefits provided to the assessed parcels. We estimate that this general benefit constitutes not more than 25% of the total benefit from perimeter/entryway lights. As 25% of the benefit from 5% of the lights constitutes not more than 2% of the total benefit from all improvements operated and maintained by the District, we determine that the total general benefit from operation and maintenance activities will not exceed 2% of operations and maintenance costs.

ZONES OF BENEFIT

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones (“Zones”) as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

There are three (3) zones within the District. The bulk of the parcels in the District are located in either Zone 01 or Zone 02. These Zones are defined separately, largely for administrative convenience, as the level of service is substantially identical in the two zones and the ratio of the number of lights to the number of parcels is substantially the same. Zone 01 consists of those parcels that, as a result of Proposition 218, are subject to an assessment that is not annually adjusted for inflation. Zone 02 consists of those parcels for which the assessment can be adjusted annually for inflation.

Zone 03 consists of 65 residential parcels located in Tract 21958. This tract is unique within the District because it was developed with a substantially lower street light density (street lights are spaced farther apart than the residential street lights typically found in the residential tracts of Zone 01 and Zone 02). As a result, the parcels in Tract 21958 generally receive less lighting than parcels elsewhere in the District, and the per parcel cost of providing street light special benefits to these Tract 21958 parcels is substantially less than the cost of providing benefits elsewhere in the District.

For Fiscal Year 2018/19:

- Zone 01 includes 32,706 assessed parcels and has 7,178 street lights.
- Zone 02 includes 7,194 assessed parcels and has 1,579 street lights.
- Zone 03 includes 65 assessed parcels and 3 street lights.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the street lighting improvements and the allocation of those costs between the three zones (which is based on the number of lights in each Zone) as well as those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office of Public Works Department, Special Districts Division and by reference these documents are made part of this Report. A diagram showing the boundaries of the three Zones outlined above is attached and incorporated herein under Part IV (District Diagram) of this Report.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of Equivalent Benefit Units (EBUs) based on its land use. One EBU is defined as the special benefit allocable to a single family home. In each case, a parcel is only allocated EBUs in a fiscal year if the street lights serving the parcel (or serving the perimeter of the complex in the case of apartments or condominiums) has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. This land use is assigned 1.0 EBU per lot or parcel.

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor's Parcel Number by the County. EBUs are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Parks — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit per parcel. The proportional special benefit and EBUs for these parcels is based on acreage, at 4.0 EBUs per acre.

Vacant Parcels — This land use classification identifies properties that are identified as undeveloped property that is not fully subdivided, but is served by a street light improvement. This land use is assigned 1.0 EBU per lot or parcel.

Approved Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Planned Residential Development — This land use is defined as a property that is currently considered vacant or undeveloped land that is to be subdivided into a known number of residential lots, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but that has not yet occurred. Until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Exempt — means a lot, parcel of land or Assessor's Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets and other roadways; public easements or right-of-ways including; landscaped parkways or easements and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins; and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor's Parcel Number by the County).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel.

PART III - ESTIMATE OF COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the proportional “General Benefit Costs” which establishes the “Special Benefit Costs”;

Total Amount Budgeted - General Benefit Costs = Special Benefit Costs

To the resulting “Special Benefit Costs”, various “Other Available Funding” adjustments are applied. For further information please reference line items in the budget on the following page under “Other Available Funding.”

These adjustments to the Special Benefit Costs result in the “Net Assessment Budget” or “Balance to Levy” (the amount to be collected as Assessments);

Special Benefit Costs +/- Other Available Funding = Net Assessment Budget

The amount identified as the “Net Assessment Budget” is divided by the total number of EBU’s of parcels to be assessed to establish the “Assessment Rate” or “Assessment per EBU” for the fiscal year. The Assessment Rate is then applied to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment obligation for the improvements.

Net Assessment Budget / Total EBU (to be assessed) = Assessment per EBU

DISTRICT BUDGET

The following budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for fiscal year 2018/19. Operation and maintenance costs were allocated amongst the zones proportionately to the number of street lights serving the zones.

Description	Total District Budget	Zone 01	Zone 02	Zone 03
Operation and Maintenance(O&M)				
Operations & Personnel	\$ 170,350	\$ 139,588	\$ 30,704	\$ 58
Utilities	1,363,450	1,117,236	245,747	467
Total O&M Expenses	\$ 1,533,800	\$ 1,256,824	\$ 276,451	\$ 525
Incidental/Administrative Expenses				
District Administration	\$ 34,829	\$ 28,540	\$ 6,278	\$ 12
County Fees	19,000	15,569	3,425	7
Miscellaneous Administration Expenses	2,250	1,844	406	1
Total Incidental/Administrative Expenses	\$ 56,079	\$ 45,952	\$ 10,108	\$ 20
Contribution to Reserves	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL ANNUAL EXPENSES	1,589,879	1,302,776	286,558	545
General Benefit Costs	(31,798)	(26,056)	(5,731)	(11)
SPECIAL BENEFIT COSTS	\$ 1,558,081	\$ 1,276,720	\$ 280,827	\$ 534
Other Available Funding				
Other Revenue Sources ⁽¹⁾	(94,700)	(82,485)	(12,192)	(23)
Additional Agency Contribution ⁽²⁾	(468,202)	(407,811)	(60,279)	(112)
Use of Reserve Funds ⁽³⁾	(39,249)	(34,186)	(5,053)	(9)
Total Contributions/Adjustments	\$ (602,151)	\$ (524,482)	\$ (77,525)	\$ (144)
NET ASSESSMENT BUDGET	\$ 955,930	\$ 752,238	\$ 203,302	\$ 390
(Balance to Levy)				
District Statistics				
Total Parcels		32,717	7,254	65
Total Assessed Parcels		32,706	7,194	65
Total EBU		32,706	7,194	65
Proposed Assessment per EBU		\$23.00	\$28.26	\$6.00
Maximum Assessment per EBU		\$23.00	\$28.26	\$6.00
Reserve Fund/Fund Balance				
Estimated Beginning Fund Balance as of July 1, 2018	\$ 532,179	\$ 418,781	\$ 113,181	\$ 217
Revenues and City Contributions.	\$ 1,558,081	1,276,720	280,827	534
Contribution to/Use of Reserve Funds ⁽³⁾	(39,249)	(34,186)	(5,053)	(9)
Expenditures Less General Benefit Costs	(1,558,081)	(1,276,720)	(280,827)	(534)
Estimated Ending Fund Balance as of June 30, 2019	\$ 492,930	\$ 384,595	\$ 108,128	\$ 208

(1) "Other Revenue Sources" includes property taxes, interest income, advanced energy fees, and unrealized gains/losses.

(2) "Additional Agency Contribution", which is a contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.

(3) Additional funds are being used to meet proposed levy amount.

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2018/19 based on the budget and the method of apportionment presented above.

Fiscal Year 2018/19 Assessment Rates

Zone	Maximum Rate	Proposed Rates for FY 2018/19
Zone 01	\$ 23.00	\$ 23.00 per EBU
Zone 02	\$ 28.26 ⁽¹⁾	\$ 28.26 per EBU
Zone 03	\$ 6.00	\$ 6.00 per EBU

⁽¹⁾ The Maximum Assessment Rate includes an inflationary adjustment previously balloted and approved by the property owners

Note that for fiscal year 2018/19 there are:

- 32,706.00 EBUs in Zones 01 sharing \$1,276,720 in proportional special benefit.
- 7,194.00 EBUs in Zones 02 sharing \$280,827 in proportional special benefit.
- 65.00 EBUs in Zones 03 sharing \$534 in proportional special benefit.
- The proposed assessment rates in each Zone do not exceed the cost of the proportional special benefits per EBU for that Zone.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

The following inflation adjustment applies to the maximum rate permissible in Zone 02 only:

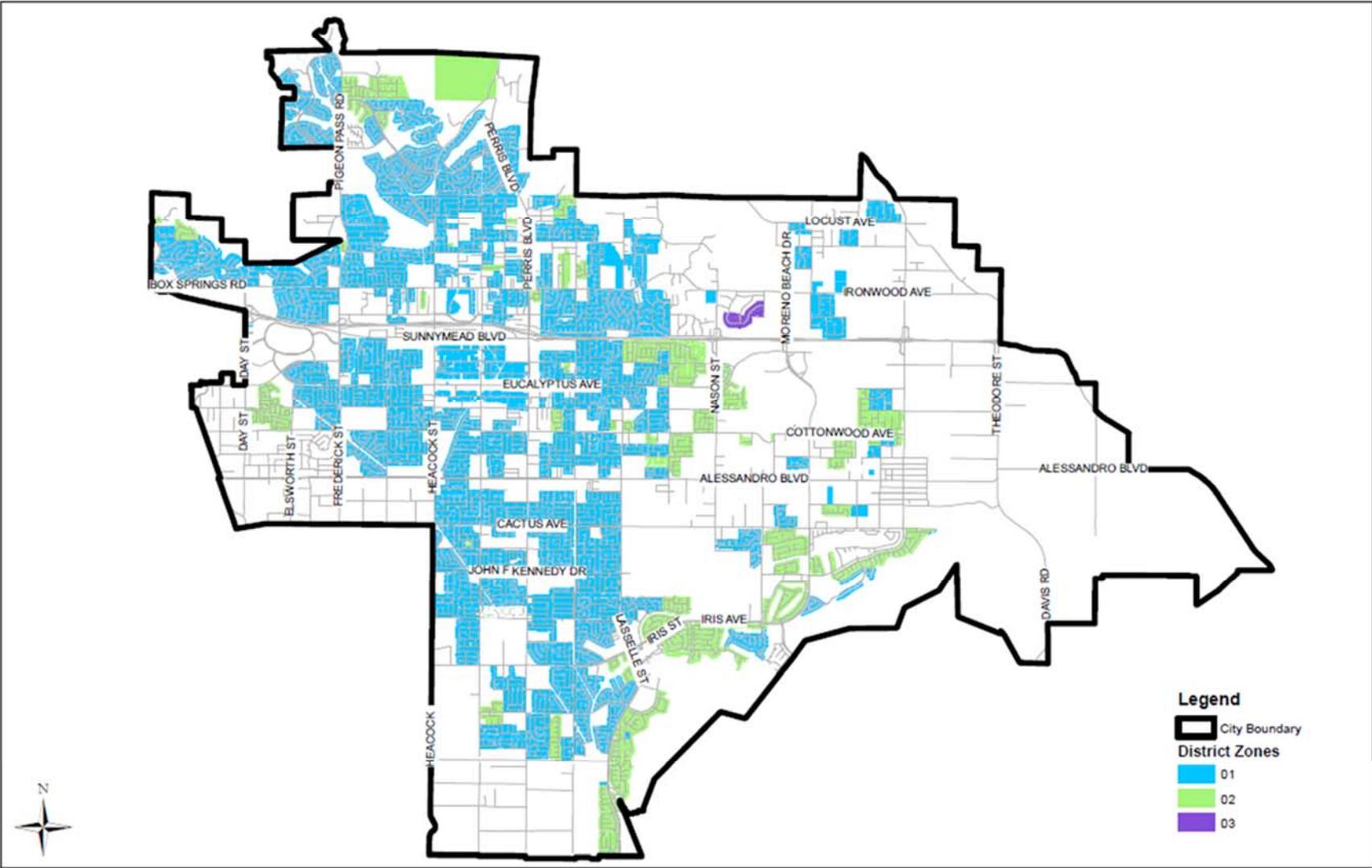
The Maximum Assessment per EBU (Assessment Rate) for Zone 02 established for the improvements in the previous fiscal year may be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics.

The "All Urban Consumers" Index for Los Angeles-Riverside-Orange County is used to calculate the annual inflation adjustment. The inflation adjustment from December 2016 to December 2017, is 3.61%.

PART IV - DISTRICT DIAGRAMS

The following boundary map depicts the parcels within the three zones that make up the District, which are those that existed at the time this Report was prepared. The combination of this map and the Assessment Roll referenced by this Report constitute the Assessment Diagram for the District.

Moreno Valley Community Services District Street Light Maintenance District No. 2014-01



PART V - ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor's Office. A listing of the APNs to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2018/19 has been provided electronically to the Secretary of the CSD Board (City Clerk). The listing is incorporated herein by reference. The Report can also be found online at the City's website at www.moval.org/sd. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board.