



To: Board of Directors
From: Steve Leighton, Fire Chief
Date: June 28, 2023
Subject: Public Hearing - Approval of the Fire Protection and Emergency Response Services Assessment Annual Report 2023 and Related Items, and Continuation of the Assessment

Background

Resolution 2014-08 was adopted in October of 2014. With the adoption of the resolution, the assessment can be imposed and levied annually, after the Board of Directors approves an annual update to the Engineer's Report prepared by staff, budget for the assessment, services to be provided, and other specifics of the assessment. In addition, the Board must annually hold a public hearing to continue the assessment.

In order to conform with the requirements of the resolution and ensure the County can legally levy the assessment on property tax bills, the Board must hold a Public Hearing to review and approve the update of the Fire Protection and Emergency Response Services Assessment Annual Report; and authorize the continuation of the Assessment.

The Board also has the authority to adjust the Special Assessment based on the San Francisco Area Consumer Price Index (CPI) as of December the preceding year. December 2022, the CPI increased by 4.9%. The authorized maximum assessment to be levied in any fiscal year shall not exceed 4% per year, provided that any change in the CPI in excess of 4% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment to be adjusted by 4% for the CPI increase in any year in which the CPI is less than 4%. There was a 0.2% "Unused CPI" last fiscal year (2022/2023) that will not be used in 2023/2024. This year the increase will be 4%, with an "Unused CPI" of 0.9%. The total "Unused CPI" is 1.1%. The increase for a vacant parcel will be \$2.29 (from \$56.98 to \$59.26); for the average parcel with a standard home, the increase will be \$9.13 (from \$228.02 to \$237.14); the largest increase will be \$29.22 (from \$730.54 to \$759.76). The overall benefit to the District will be approximately \$469,162 (a 4% increase over 2022-2023). The actual special assessment total value will be calculated and submitted to the County by the August 10, 2023, deadline once the County sends the parcel data.

Recommendation

1. Approve the Fire Protection and Emergency Response Services Assessment Annual Report for 2023.
2. Approve the annual update of the budget, with an increase of 4%, and a total "Unused CPI" of 1.1%, based on the December 2022 San Francisco Area CPI-U, for the Assessment shown in the report.
3. Approve the annual update of the services to be provided shown in the report.
4. Approve the annual update of all other specifics of the Assessment shown in the report; and
5. Authorize the continuation of the Assessment.

MEEKS BAY FIRE PROTECTION DISTRICT



FIRE PROTECTION AND EMERGENCY RESPONSE SERVICES ASSESSMENT

ANNUAL REPORT

2023

PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 50078
ET SEQ. AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION

INTRODUCTION AND BACKGROUND

Meeks Bay Fire Protection District (the "District") was formed in 1961, primarily as a volunteer fire department. The District maintains and operates two fire stations. One (Stn. 67) with professional full-time firefighters, and the other (Stn. 68) is unstaffed at this time. The District provides fire suppression and prevention, emergency response and emergency services, as well as basic hazardous materials response, and other services relating to the protection of lives and property.

The District is located on the western shore of Lake Tahoe in northern El Dorado County, and its service area encompasses approximately 14 square miles. The District includes the community of Meeks Bay as well as the communities of Tahoma, Rubicon, Glenridge, Gold Coast and Tahoe Hills. The District also responds to 911 calls up to Tahoe Ski Bowl Way (Homewood) and down to Eagle Falls in Emerald Bay.

As a result of the limited amount of available funds, continued demand for fire suppression services, increasing costs of providing these services, and the District's desire to increase the level of service provided and improve response times to fight fires, the property owners elected in 2009 to form a Special Assessment pursuant to the provisions of Government Code 50087 et. Seq. ("Code") and the California Constitution Article XIID, which was enacted with the passage of Proposition 218 in 1996. The Code provides for the levy and collection of assessments by the District to pay for fire suppression services and equipment.

The Assessment funds a portion of the District's budget that is needed to maintain and enhance the level of fire protection services by providing a revenue stream dedicated to fund fire suppression services, salaries and benefits of firefighter personnel, and fire suppression equipment and apparatus.

The purpose of this annual report is to describe the fire suppression, safety and emergency response services and equipment that would be funded by the assessment; provide a detailed District budget for Fiscal Year 2023/2024, and allocated expenditures between fire and non-fire related activities in connection with the authorized expenses that may be funded through the District's Special Assessment.

DESCRIPTION OF SERVICES

Meeks Bay Fire Protection District provides a range of fire suppression protection, prevention, and other fire and emergency related services to properties within its boundaries. The Services proposed to be undertaken by the District and the cost thereof paid from the levy of the annual assessment provides special benefit to Assessor Parcels within the Assessment District.

In addition to the definitions provided by Government Code 50087, the Services to be funded by the Assessment District are generally described as follows: obtaining, furnishing, operating,

and maintaining fire suppression, protection and emergency services equipment and apparatus; payment of salaries, benefits and other compensation to fire fighting and fire prevention personnel; hazardous material response; disaster preparedness; community fire prevention education and fire inspection.

The Assessment District would also contribute to cover the general costs of administering the District, its facilities and operations, as well as the salaries and benefits of firefighting personnel who provide fire suppression, protection and emergency services to parcels, improvements or property in the Assessment District.

COST AND BUDGET

MEEKS BAY FIRE PROTECTION DISTRICT SPECIAL ASSESSMENT	
	Budget FY 2023/2024
Salaries and Benefits (includes PERS retirement unfunded liability)	\$ 261,214
Safety Clothing (includes all clothing)	\$ 23,601
Communications (includes phone service, dispatch, internet)	\$ 54,999
Household Expenses	\$ 2,890
Insurance (includes liability & director health)	\$ 28,640
Equipment Purchases & Maintenance (includes chains, shop supplies)	\$ 29,075
Apparatus Maintenance & Expenses (includes chippers, trailers, vehicles)	\$ 25,500
Building & Grounds Maintenance (includes both stations)	\$ 16,600
EMS Program	\$ 22,695
Memberships	\$ 1,280
Office & Computer Expenses	\$ 36,572
Professional Services	\$ 1,570,382
Publications	\$ 2,500
Travel & Meetings	\$ 3,400
Special Department Expenses	\$ 340
Fire Suppression	\$ 8,534
Utilities	\$ 28,500
Fire Prevention	\$ 47,584
Training	\$ 38,371
Total Fire Related Budget	\$ 2,202,677
Capital Expenditures	\$ 28,727
General Benefit (5%)	\$ (111,570)
Authorized Special Assessment Expenses	\$ 2,119,834
District Contribution for General Benefits	
Property Tax Revenue	\$ 1,116,290
Remaining Special Assessment Expenses	\$ 1,003,544
Amount to be Assessed	\$ 469,162
SHORTFALL	\$ (534,382)

The Special Assessment Budget is the total authorized amount that may be funded by the Special Assessment; however, the Special Assessment does not generate sufficient revenue to fund all authorized expenditures and the remaining expenditures are funded using District General Fund dollars.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

The Assessment District area consists of all Assessor Parcels within Meeks Bay Fire Protection District. The method used for apportioning the assessment is based upon the proportional special benefits from the Services to be derived by the properties in the assessment area over and above general benefits conferred on real property or to the public at large.

DISCUSSION OF BENEFIT

California Government Code Section 50078 et. seq. allows agencies which provide fire suppression services, such as Meeks Bay Fire Protection District, to levy assessments for fire suppression services. Section 50078 states the following:

"Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article."

In addition, California Government Code Section 50078.1 defines the term "fire suppression" as follows:

"(c) "Fire suppression" includes firefighting and fire prevention, including, but not limited to, vegetation removal or management undertaken, in whole or in part, for the reduction of a fire hazard."

The assessments can only be levied based on the special benefit to property. Special benefit means a particular and distinct benefit received by property over and above any general benefits conferred on real property located in the Assessment District or the public at large. With reference to the requirements for assessments, Section 50078.5 of the California Government Code states:

"(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit."

"The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used."

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."

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

BENEFIT FACTORS

In order to allocate the assessments, the Engineer identified the types of special benefit arising from the Services that will be provided to property in the Assessment District. These benefit factors must confer a direct advantage to the assessed properties; otherwise, they would be a general benefit.

The following benefit categories have been established that represent the types of special benefit conferred to residential, commercial, industrial, institutional, and other lots and parcels resulting from the improved fire protection and emergency response services that will be provided in the Assessment District. These types of special benefits are summarized as follows:

- ***Increased safety and protection of real property assets for all property owners within the Assessment District.***

The Assessments will fund improved fire protection and emergency response services, and thereby will reduce the risk of property damage associated with fires for property in the Assessment District. Among other Services, the Assessments will be used to hire and retain additional professional firefighters who will be ready and available to respond to fires within the Assessment District.

The Services funded by the Assessments will be directly provided for and received by property in the Assessment District. These Services will result in an improved and more effective response to fires and other emergencies, thereby enhancing the protection of property and reducing the risk of property damage associated with fires. Such improved fire protection services are a tangible and direct advantage that will be received by both improved properties and vacant properties in the Assessment District

- ***Protection of views, scenery, and other resource values for property in the Assessment District.***

The Assessment District will provide funding for improved fire protection and emergency response services to protect public and private resources in the Assessment District. This benefits even those properties that are not directly damaged by fire by maintaining and improving the aesthetics and attractiveness of

public and private resources in the Assessment District, as well as ensuring that such resources remain safe and well maintained.

- ***Enhanced access to properties in the Assessment District, and utility and desirability of such properties.***

As noted, the Assessments will fund improved fire protection and emergency response services in the Assessment District. In addition to preventing damage to property from fires, the Assessments will also protect access to property, because fires can impede or prevent access to property. In addition, the Services will enhance the utility and desirability of the properties in the Assessment District because safer properties are more desirable. These are additional direct benefits to property in the Assessment District that are not received by other properties or the public at large because the Services will only be provided for properties in the Assessment District.

GENERAL VERSUS SPECIAL BENEFIT

Article XIIC of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to "separate the general benefits from the special benefits conferred on a parcel." The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but cannot fund general benefits.

In other words:

$$\text{Total Benefit} = \text{Total General Benefit} + \text{Total Special Benefit}$$

The starting point for evaluating general and special benefits is the baseline level of services provided by the District. The assessment will fund Services "over and above" this general, baseline level of services. The general benefits estimated in this section are over and above the baseline.

A formula to estimate the general benefit is listed below:

General Benefit =

Benefit to Real Property Outside the Assessment District +
Benefit to Real Property Inside the Assessment District that is Indirect and
Derivative +
Benefit to the Public at Large

Special benefit, on the other hand, is defined in the state constitution as "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large." In this assessment, as noted, the improved Services are available when needed to all properties in the Assessment District, so the overwhelming

proportion of the benefits conferred to property is special and are only minimally received by property outside the Assessment District or the public at large.

Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit. (Art. XIID, sections 2(i) & 4(f).) Arguably, all of the Services being funded by the assessment would be a special benefit because the Services would particularly and distinctly benefit the properties in the Assessment District over and above the baseline benefits.

Nevertheless, arguably some of the Services would benefit the public at large and properties outside the Assessment District. In this report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

CALCULATING GENERAL BENEFIT

BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT

Properties within the Assessment District receive almost all of the special benefits from the Services because the Services will be provided solely in the Assessment District boundaries. (It should be noted that this Services may, at times, be used outside the District boundaries. However, this use is part of a mutual aid agreement and would be offset by the provision of Services by other agencies within the Assessment District boundaries.)

Properties proximate to, but outside of, the boundaries of the Assessment District receive some benefit from the proposed Services due to some degree of indirectly reduced fire risk to their property. These parcels that are proximate to the boundaries of the Assessment District are estimated to receive less than 50% of the benefits relative to parcels within the Assessment District because they do not directly receive the improved fire protection resulting from the Services funded by the Assessments.

At the time the Assessment was proposed, the Assessment Engineer, using the Geographic Information System parcel map from El Dorado and Placer Counties, counted the number of parcels proximate to the Assessment District boundary but outside the Assessment District, and thereby determined that there were approximately 127 of these "proximate" properties.

CRITERIA:

- 127 PARCELS OUTSIDE THE DISTRICT BUT PROXIMATE TO THE DISTRICT BOUNDARIES
- 2,820 PARCELS IN THE ASSESSMENT DISTRICT
- 50% RELATIVE BENEFIT COMPARED TO PROPERTY WITHIN THE ASSESSMENT DISTRICT

CALCULATION:

GENERAL BENEFIT TO PROPERTY OUTSIDE THE ASSESSMENT DISTRICT = $127/2,820 \cdot .5 = 2.25\%$

Although it can reasonably be argued that properties protected inside, but near the Assessment District boundaries are offset by similar fire protection provided outside, but near the Assessment District's boundaries, we use the more conservative approach of finding that 2.25% of the Services may be of general benefit to property outside the Assessment District.

BENEFIT TO PROPERTY *INSIDE* THE DISTRICT THAT IS *INDIRECT* AND *DERIVATIVE*

The "indirect and derivative" benefit to property within the Assessment District is particularly difficult to calculate. A solid argument can be presented that all benefit within the Assessment District is special because the Services are clearly "over and above" and "particular and distinct" when compared with the baseline level of fire suppression and fire protection services in the Assessment District.

In determining the proposed Assessment District area, the District has been careful to limit it to an area of parcels that will directly receive the benefit of the improved Services. All parcels will directly benefit from the use of the improved Services throughout the Assessment District in order to maintain the same improved level of fire suppression and protection throughout the area. Fire protection and suppression will be provided as needed throughout the area. The shared special benefit - reduced severity and number of fires - would be received on an equivalent basis by all parcels in the Assessment District. Furthermore, all parcels in the Assessment District would directly benefit from the ability to request service from the District and to have a District firefighter promptly respond directly to the parcel and address the owner's or resident's service need.

The District concludes that, other than the small general benefit to properties outside the Assessment District (discussed above) and to the public at large (discussed below), all of the benefits of the Services to the parcels within the Assessment District are special benefits and it is not possible or appropriate to separate any general benefits from the benefits conferred on parcels in the Assessment District.

BENEFIT TO THE PUBLIC AT LARGE

With the type and scope of Services to be provided to the Assessment District, it is very difficult to calculate and quantify the scope of the general benefit conferred on the public at large. Because the Services directly serve and benefit all of the property in the Assessment District, any general benefit conferred on the public at large would be small. Nevertheless, there would be some indirect general benefit to the public at large.

The public at large uses the public highways, and when traveling in and through the Assessment District and they may benefit from the services without contributing to the assessment. Although the protection of this critical infrastructure is certainly a benefit to all the property within the district, it is arguably "indirect and derivative" and possibly benefits people rather than property. A fair and appropriate measure of the general benefit to the public at large therefore is the amount of highway and street area within the Assessment District relative to the overall land area. An analysis of maps of the Assessment District

shows that approximately 1.1% of the land area in the Assessment District is covered by highways and streets. This 1.1% therefore is a fair and appropriate measure of the general benefit to the public at large within the Assessment District.

SUMMARY OF GENERAL BENEFITS

Using a sum of the measures of general benefit for the public at large and land outside the Assessment Area, we find that approximately 3.35% of the benefits conferred by the proposed Fire Protection and Emergency Response Assessment may be general in nature and should be funded by sources other than the assessment.

$$\begin{aligned}
 \text{GENERAL BENEFIT} &= \\
 &2.25 \% \text{ (OUTSIDE THE DISTRICT)} \\
 &+ 0.0 \% \text{ (INSIDE THE DISTRICT - INDIRECT AND DERIVATIVE)} \\
 &+ 1.1 \% \text{ (PUBLIC AT LARGE)} \\
 \\
 &= \mathbf{3.35 \% \text{ (TOTAL GENERAL BENEFIT)}}
 \end{aligned}$$

Although this analysis supports the findings that 3.35% of the assessment may provide general benefits, this measure is increased by the Assessment Engineer to 5% to conservatively ensure that no assessment revenue is used to support general benefit. This additional amount allocated to general benefit also covers general benefit to parcels in the Assessment Area if it is later determined that there is some general benefit conferred on those parcels.

BENEFIT FINDING

As noted, the assessment funds will be used to improve fire protection and emergency response services throughout the Assessment District. This Engineer's Report finds that the Services are a significant, tangible benefit that should reasonably and rationally confer more special benefit to properties in the Assessment District than the assessment rate of \$95.00 per benefit unit.

ASSESSMENT APPORTIONMENT

The Assessment Engineer determined that the appropriate method of assessment should be based on the type of property, the relative risk of fire by type of property, the relative size of the property, and the relative damage value (replacement cost) of fires by property type. This method is further described below.

METHOD OF ASSESSMENT

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a "benchmark" property, a single family detached dwelling on one parcel (one "Single Family Equivalent Benefit Unit" or "SFE"). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefits and is generally recognized as providing the basis for a fair and appropriate distribution of

assessments. In this Engineer's Report, all properties are assigned an SFE value, which is each property's relative benefit in relation to a single-family home on one parcel.

The relative benefit to properties from fire related services is:

EQUATION 1 - RELATIVE BENEFIT TO PROPERTIES

$$\text{Benefit} \approx \Sigma (\text{Fire Risk Factors}) * \Sigma (\text{Replacement Cost Factors})$$

That is, the benefit conferred to property is the "sum" of the risk factors multiplied by the "sum" of the replacement cost factors.

FIRE RISK FACTORS

Typical fire assessments are evaluated based upon the fire risk of a certain property type. These evaluations consider factors such as use of structure (e.g. used for cooking), type of structure (centralized heating), etc.

In 2003, the National Fire Protection Association ("NFPA"), one of the pre-eminent authorities on fire protection in the United States, published the 2003 US Fire Problem Overview Report. This report comprehensively tabulates the number of fires for each property type within the United States in the year 1999 and serves as a reasonable and rational basis to determine fire risk.

The number of fires for each property is then divided by the total number of that property type to determine un-normalized fire risk factor. Finally, the risk factors are normalized based upon a factor of 1.00 for a single-family property. Table 2 below tabulates the Fire Risk Factors for each property type.

TABLE 2 - FIRE RISK FACTORS

Property Type	Normalized Fire Risk Factors
Single Family	1.0000
Multi-Family	1.8081
Commercial/Industrial	3.4403
Office	2.4102
Institutional	6.9004
Storage	20.4131
Agriculture - Orchards & Vineyards	0.4130
Agriculture - Rice & Flood Irrigation	0.4130
Agriculture - Pasture & Row Crops	0.3754
Agriculture - Dairy, Livestock, Animals	0.3379
Range Land & Open Space	0.0650
Vacant	0.2416

Analysis based upon 2003 US Fire Problem Overview Report, NFPA

REPLACEMENT COST FACTORS

The relative value of different property types was evaluated within the District area to determine the Replacement Cost Factor according to the following formula:

EQUATION 2 - REPLACEMENT COST FACTORS

$$\sum (\text{Structure Replacement Cost Factors}) \approx \frac{(\text{Structure Weighting Factor} * \text{Average Structure Replacement Cost}) + (\text{Land Weighting Factor} * \text{Average Total Cost})}{(\text{Unity Density Factor})}$$

Where:

- "Structure Weighting Factor" = 10 to "weight" relative importance of structure over land.
- "Average Structure Replacement Cost" is the estimated average replacement and repair cost of all improvements (e.g. structures), per property type.
- Land Weighting Factor = 1
- (land weighting factor*average total cost) is the estimated weighted cost of fire damage to land and other improvements tied to land + improvements (e.g. structures), per property type.
- Unit Density Factor corresponds to values with units (i.e. "per residential unit" or "per acre") based upon effective density of structures on parcels. It is used to correlate relative sizes of lots for different property uses.

Table 3 below is a tabulation of the normalized replacement factors for each property type as defined by Equation 2, above.

TABLE 3 - REPLACEMENT COST FACTORS

Property Type	Normalized Replacement Cost Factor	Unit
Single Family	1.0000	each
Multi-Family	0.3545	res unit
Commercial/Industrial	0.9315	acre
Office	1.1643	acre
Institutional	0.2984	each
Vacant	0.5171	each
Storage	0.0614	acre
Agriculture - Orchards & Vineyards	0.0069	acre
Agriculture - Rice & Flood Irrigation	0.0063	acre
Agriculture - Pasture & Row Crops	0.0063	acre
Agriculture - Dairy, Livestock, Animals	0.0076	acre
Range Land & Open Space	0.0084	acre

The replacement cost is determined by analyzing the County Assessor's data and other property and construction cost data and adding the weighted average replacement cost to the weighted average total cost and normalizing the result in relation to a single-family home. The weighted average replacement cost per acre is determined by taking the total improved value for all commercial/industrial parcels in the benefit area and dividing that number by the total acres for all commercial/industrial parcels in that area to determine the

average improved replacement cost per acre and weighting the result by multiplying it by 10. Similarly, the weighted average land replacement/repair cost per acre is determined by taking the total estimated land cost for all commercial/industrial parcels in the benefit area and dividing that number by the total acres for all commercial/industrial parcels in that area and weighting the result by multiplying it by 1. The weighted average replacement cost is added to the weighted average land cost, and the resulting figure is normalized relative to the replacement cost factor for a single-family home by dividing it by the weighted average replacement/land cost per acre for single family homes.

$$\text{Replacement cost} = ((\text{Avg. Replacement cost} * 10) + (\text{Avg. Land Cost} * 1)) / (\text{normalization factor versus Single Family Homes}) * (\text{Avg. Unit Density (to convert to acreage)})$$

$$\text{Average Replacement cost for commercial/industrial} = \$1,015,467/\text{acre}$$

$$\text{Average Land Cost for commercial/industrial} = \$423,572/\text{acre}$$

$$\text{Weighted Average Replacement/Land Cost for Single Family Homes} = \$2,270,581$$

$$\text{Average Unit Density} = 0.37 \text{ acres}$$

$$\text{Replacement cost} = (((\$1,015,467 * 10) + (\$423,572 * 1)) / (\$2,270,581)) * (0.37)$$

$$\text{Replacement cost} = 1.7238/\text{acre}$$

Since the Benefit is the Fire Risk times the Replacement cost, the Commercial/Industrial single family equivalent benefit factor is 5.930:

$$\text{Benefit} = (3.4403) * (1.7238) = 5.930/\text{acre}$$

SUMMARY OF BENEFITS FOR EACH PROPERTY TYPE

Per Equation 1, the relative special benefit for each property type (the "SFE" or "Single Family Equivalent" Benefit Units) is determined as the product of the normalized Fire Risk Factors and the normalized Replacement cost Factors. Table 4 below summarizes the benefit for each property type.

TABLE 4 - BENEFIT SUMMARY PER PROPERTY TYPE

Property Type	Fire Risk Factors	Replacement Cost Factors	SFE Factors	Unit
Single Family	1.0000	1.0000	1.0000	each
Multi-Family	1.8081	0.3545	0.6410	res unit
Commercial/Industrial	3.4403	0.9315	3.2045	acre
Office	2.4102	1.1643	2.8063	acre
Institutional	6.9004	0.2984	2.0589	each
Storage	20.4131	0.0614	1.2524	acre
Vacant			0.2500	each
Agriculture - Orchards & Vineyards	0.4130	0.0069	0.0029	acre
Agriculture - Rice & Flood Irrigation	0.4130	0.0063	0.0026	acre
Agriculture - Pasture & Row Crops	0.3754	0.0063	0.0024	acre
Agriculture - Dairy, Livestock, Animals	0.3379	0.0076	0.0026	acre
Range Land & Open Space	0.0650	0.0084	0.0005	acre

*SFE factor has been converted from "Per Acre" to "Per Each Parcel" by multiplying by effective average area.

RESIDENTIAL PROPERTIES

All improved residential properties with a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Residential properties on parcels that are larger than one acre receive additional benefit and are assigned additional SFEs on an "Agricultural/Rangeland" basis. Detached or attached houses, zero-lot line houses and town homes are included in this category.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the Services in proportion to the number of dwelling units that occupy each property. The relative benefit for multi-family properties was determined per Equation 1 to be 0.1327 SFEs per residential unit. This rate applies to condominiums as well.

COMMERCIAL/INDUSTRIAL & OFFICE PROPERTIES

Commercial and industrial properties are assigned benefit units per acre, since there is a relationship between parcel size, structure size and relative benefits. The relative benefit for commercial and industrial properties was determined per Equation 1 to be 5.9302 SFEs per acre. The relative benefit for office properties was determined per Equation 1 to be 4.8458 SFEs per acre.

VACANT AND UNDEVELOPED PROPERTIES

The relative benefit for vacant properties was determined per Equation 1 to be 0.2500 SFEs per parcel.

RANGELAND & OPEN SPACE AND DUCK CLUB PROPERTIES

The relative benefit for range land & open space properties was determined per Equation 1 to be 0.0005 SFEs per acre.

AGRICULTURAL PROPERTIES

The relative benefit for agricultural properties requires additional analysis, as required by Government Code 50078 and the unique agricultural properties within the boundaries. This analysis considered how agricultural operations may mitigate risk, onsite or proximate water availability, response time, capability of the fire suppression service, and any other factors which reflect the benefit to the land resulting from the fire suppression service provided. Agricultural properties have been categorized as Agriculture - Orchards & Vineyards, Agriculture - Rice & Flood Irrigation, Agriculture - Pasture & Row Crops, Agriculture - Dairy, Livestock, Animals according to use and other attributes, and have been analyzed for fire risk and replacement cost per Equation 1. The relative benefit for agricultural properties was determined per Equation 1 to be 0.0029 SFEs per parcel for Agriculture - Orchards & Vineyards, 0.0026 SFEs per parcel for Agriculture - Rice & Flood Irrigation, 0.0024 SFEs per parcel for Agriculture - Pasture & Row Crops, and 0.0026 SFEs per parcel for Agriculture - Dairy, Livestock, Animals.

OTHER PROPERTIES

Institutional properties such as publicly owned properties (and are used as such), for example, churches, are assessed at 2.5900 SFEs per parcel. The relative benefit for storage properties was determined per Equation 1 to be 2.7115 SFEs per acre.

Article XIID, Section 4 of the California Constitution states that publicly owned properties shall not be exempt from assessment unless there is clear and convincing evidence that those properties receive no special benefit.

All public properties that are specially benefitted are assessed. Publicly owned property that is used for purposes similar to private residential, commercial, industrial, or institutional uses is benefitted and assessed at the same rate as such privately owned property.

Miscellaneous, small, and other parcels such as roads, right-of-way parcels typically do not have significant risk of fire damage. Moreover, for common area parcels, the fire benefits are assigned to the other improved parcels in the project that share common ownership of the common area. These miscellaneous parcels receive minimal benefit from the Services and are assessed an SFE benefit factor of 0.

CRITERIA AND POLICIES

This sub-section describes the criteria that shall govern the expenditure of assessment funds and ensures equal levels of benefit for properties of similar type. The criteria established in this Report, as finally confirmed, cannot be substantially modified; however, the Board may adopt additional criteria to further clarify certain criteria or policies established in this Report or to establish additional criteria or policies that do not conflict with this Report.

DURATION OF ASSESSMENT

It is proposed that the Assessment be levied for fiscal year 2009-10 and every year thereafter, so long as the risk of fire on property in the Assessment District remains in existence and Meeks Bay Fire Protection District requires funding from the Assessment for improved fire protection and suppression services.

APPEALS OF ASSESSMENTS LEVIED TO PROPERTY

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 or for any other reason may file a written appeal with the Fire Chief of Meeks Bay Fire Protection District or designee. Any such appeal is limited to correction of an assessment during the then current fiscal year. Upon the filing of any such appeal, the Chief or designee will promptly review the appeal and any information provided by the property owner. If the Chief or 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 Chief or designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the

decision of the Chief or designee shall be referred to Meeks Bay Fire Protection District Board of Directors and the decision of the Board shall be final.

ASSESSMENT FUNDS MUST BE EXPENDED WITHIN THE DISTRICT AREA

The net available assessment funds, after incidental, administrative, financing, and other costs, shall be expended exclusively for Services within the boundaries of the Assessment District, namely, the District area.

ASSESSMENT FUNDS CANNOT BE USED TO FUND SALARY INCREASES

The net available assessment funds, after incidental, administrative, financing, and other costs, shall not be used to fund increases in wages, salaries, or other compensation for the staff of the District that provides the current Baseline Level of Services, as defined in this Engineer's Report.