

RESOLUTION NO. CSD 19-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA COMMUNITY SERVICES DISTRICT OF THE CITY OF TEMECULA ADOPTING RATES AND CHARGES (ASSESSMENTS) FOR SERVICE LEVEL B – RESIDENTIAL STREET LIGHTING, SERVICE LEVEL C – PERIMETER LANDSCAPING, SERVICE LEVEL D – RECYCLING AND REFUSE COLLECTION, AND SERVICE LEVEL R – EMERGENCY UNPAVED ROAD MAINTENANCE SERVICES FOR FISCAL YEAR 2019-20

THE BOARD OF DIRECTORS OF THE TEMECULA COMMUNITY SERVICES DISTRICT OF THE CITY OF TEMECULA DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Upon incorporation of the City of Temecula, effective December 1, 1989, voters approved the formation of the Temecula Community Services District (“TCSD”), to provide specified services to properties within its jurisdiction.

Section 2. Pursuant to Government Code Section 61115, the Board of Directors of the TCSD has prescribed, revised and collected rates and charges for the services furnished by the TCSD, being the operation, maintenance, service and administration of residential street lighting (Service Level B), perimeter landscaping (Service Level C), recycling and refuse collection (Service Level D), and emergency unpaved road maintenance services (Service Level R), and has elected to have these rates and charges collected on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, property taxes collected within the TCSD.

Section 3. Pursuant to Government Code Section 61115, the Board of Directors of the TCSD caused a written report (“Report”) to be prepared and filed with the Secretary of the TCSD, which Report contains a description of each parcel of real property and the proposed amount of the rates and charges for Fiscal Year 2019-20. The Report is based upon the budgets for the proposed services for specific areas where such services are provided including necessary staff and administrative expenses. A copy of the Report is on file in the office of the Secretary of the TCSD, and is available for public inspection. The rates and charges for Fiscal Year 2019-20 set forth in the Report do not exceed the rates and charges levied in Fiscal Year 2018-19, except that (i) for Zones 6 and 29 of Service Level C, the rates and charges for Fiscal Year 2019-20 increase in accordance with the percentage increase in the Consumer Price Index (“CPI”), and (ii) for Service Level D, the rates and charges for Fiscal Year 2019-20 increase in accordance with the percentage increase in the CPI, the Extraordinary Cost increase, and the increase in the landfill tipping fees (taking into account a decrease to maintain the fund balance in Fund 194) as provided in the Franchise Agreement.

Section 4. By its Resolution CSD No. 19-03, adopted on May 28, 2019, the Board of Directors acknowledged the filing of the Report, and appointed July 23, 2019 at 7:00 p.m., or as soon thereafter as feasible, as the time and place for a public hearing on the Report and the proposed rates and charges for Fiscal Year 2019-20. Notice of the public hearing was mailed and

published as required by law and affidavits of publication and mailing are on file with the Secretary of the TCSD.

Section 5. Pursuant to Article XIII D of the California Constitution, the Board of Directors of the TCSD also caused a preliminary engineer's report ("Engineer's Report") to be prepared and filed with the Secretary of the TCSD, which Engineer's Report contains a description of each parcel of real property in Service Level C, Zones 1, 4, 7, 10, 11, 14, 15, 17, 22, and 27 and the proposed amount of the rates and charges (also referred to as "assessments") to be levied against such parcels for Fiscal Year 2019-20, 2020-21 and 2021-22 in the absence of a majority protest in the respective zone. The proposed amount of the rates and charges (assessments) for Fiscal Years 2019-20, 2020-21 and 2021-22 are increased over the rates and charges levied against these parcels in Fiscal Year 2018-19. In addition, commencing in Fiscal Year 2020-21, and for each subsequent Fiscal Year, the amount of the maximum annual assessment is proposed to increase by the percentage increase in the Consumer Price Index, All Items, Riverside-San Bernardino-Ontario, All Urban Consumers, not to exceed three percent. The Engineer's Report is based upon the budgets for the proposed services for specific areas where such services are provided including necessary staff and administrative expenses. A copy of the Engineer's Report is on file in the office of the Secretary of the TCSD, and is available for public inspection.

Section 6. By its Resolution CSD No. 19-04, adopted on May 28, 2019, the Board of Directors appointed July 23, 2019 at 7:00 p.m., or as soon thereafter as feasible, as the time and place for a public hearing regarding the proposed increased rates and charges (assessments) for Service Level C, Zones 1, 4, 7, 10, 11, 14, 15, 17, 22, and 27, commencing in Fiscal Year 2019-20. Notice of the public hearing was mailed in accordance with law and an affidavit of mailing is on file with the Secretary of the TCSD.

Section 7. On July 23, 2019, the Board of Directors held a duly noticed public hearing at which the Board of Directors heard and considered all oral and written objections, protests and comments by interested persons concerning the Report, the Engineer's Report, the proposed rates and charges set forth in the Report, the proposed increases to the rates and charges (assessments) for Service Level C, Zones 1, 4, 7, 10, 11, 14, 15, 17, 22, and 27 set forth in the Engineer's Report, and the method of collection of such rates and charges (assessments). Subject to the existence of any majority protest as described in Section 9, the Board of Directors hereby overrules any and all objections and protests.

Section 8. The Board of Directors hereby adopts the rates and charges for Service Level B, Service Level C (Zones 2, 3, 5, 6, 8, 9, 12, 13, 16, 18, 19, 20, 21, 23, 24, 25, 26, 28, 29) Service Level D and Service Level R for Fiscal Year 2019-20 as set forth in the Report and hereby finds that, based on the Report and the District budgets, the rates and charges as set out in the Report do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

Section 9. With respect to Service Level C (Zones 1, 4, 7, 10, 11, 14, 15, 17, 22, and 27) the Secretary of TCSD, together with such assistants as she deemed necessary, tabulated all properly completed and returned assessment ballots submitted and not withdrawn. The Board of Directors hereby finds and determines as follows:

A. For Zone 1, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges (assessments) for Service Level C, Zone 1 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

B. For Zone 4, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 4 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

C. For Zone 7, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 7 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

D. For Zone 10, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 10 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

E. For Zone 11, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 11 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

F. For Zone 14, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 14 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

G. For Zone 15, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 15 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and

charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

H. For Zone 17, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 17 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

I. For Zone 22, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 22 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

J. For Zone 27, a majority protest [does/does not] exist as defined in Section 4(e) of Article XIII D of the California Constitution, and the Board of Directors hereby adopts the rates and charges for Service Level C, Zone 27 as set out in the [Report/Engineer's Report] and hereby finds that, based on the [Report/Engineer's Report] and the District budget, the rates and charges as set out in the [Report/Engineer's Report] do not exceed the reasonable cost of the services to be provided by the TCSD for Fiscal Year 2019-20.

Section 10. The Board of Directors of the TCSD hereby modifies the Report and Engineer's Report in accordance with this Resolution and hereby approves and confirms the Report and the Engineer's Report, as modified, the assessment diagram, and the rates and charges (assessments) set forth in the Report and Engineer's Report as modified. The adoption of this Resolution constitutes the levy of the rates and charges (assessments) for Fiscal Year 2019-20.

Section 11. The Board of Directors hereby orders the services described in the Report and Engineer's Report, as modified, to be performed.

Section 12. The TCSD shall collect such rates and charges (assessments) at the same time and in the same manner and by the same persons as, together with and not separately from, the property taxes collected within the TCSD. These rates and charges (assessments) shall be delinquent at the same time and thereafter be subject to the same delinquency penalties as such property taxes. All laws applicable to the levy, collection, and enforcement of property taxes, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund and redemption, are applicable to these rates and charges (assessments), except for California Revenue and Taxation Code Section 4831. However, if for the first year the rate and charge (assessment) is levied, the real property to which the rate and charge (assessment) relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien or a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of such taxes appear on the roll, then the rate and charge (assessment) shall not result in a lien against the property, but instead shall be transferred to the unsecured roll for collection.

Section 13. If a property owner subject to these rates and charges (assessments) questions the classification of the owner's property for Fiscal Year 2019-20, or claims that an error has been made with respect to the implementation of the rates and charges (assessments) or the application of the rates and charges (assessments) to the owner's property for that fiscal year, such property owner must appeal the levy by filing an appeal with the Secretary of the TCSD before 5:00 p.m. on December 1, 2019, pursuant to procedures established by the TCSD, in order to be considered under the appeal of classification or correction of errors program.

Section 14. If a property owner subject to these rates and charges (assessments) believes that payment of the rates and charges (assessments) for Fiscal Year 2019-20 would create a hardship for that property owner during that fiscal year, such property owner must appeal the levy by filing a hardship appeal with the TCSD Secretary before 5:00 p.m. on December 1, 2019, pursuant to procedures established by the TCSD, in order to be considered under the hardship appeal program.

Section 15. The TCSD Secretary is hereby ordered to transmit or cause to be transmitted to the County Auditor of the County of Riverside, California before August 10, 2019, the Report and the Engineer's Report, as modified, as applicable, the property tax roll with such rates and charges (assessments) enumerated for each parcel not exempt therefrom; and the County Auditor is hereby designated, required, empowered, authorized, instructed, directed and ordered to make collection of such rates and charges (assessments) as shown on that roll and to perform any and all duties necessary therefor.

Section 16. Pursuant to the California Environmental Quality Act (CEQA), the levy and collection of these rates and charges (assessments) is exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and Section 15273 of the State Guidelines because the rates and charges (assessments) are necessary to maintain existing improvements within the TCSD. In addition, the levy and collection of the rates and charges (assessments) is categorically exempt from the provisions of the CEQA pursuant to Section 15301(c) and (h) of the State Guidelines because the rates and charges (assessments) are necessary to repair and maintain existing public facilities and topographical features, including landscaping.

Section 17. The staff and officers of the TCSD are hereby authorized to take such actions as they deem necessary to implement this Resolution and any such actions previously taken are hereby ratified.

Section 18. The District Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the Temecula Community Services District of the City of Temecula this 23rd day of July, 2019.

James Stewart, President

ATTEST:

Randi Johl, Secretary

[SEAL]

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss
CITY OF TEMECULA)

I, Randi Johl, Secretary of the Temecula Community Services District of the City of Temecula, do hereby certify that the foregoing Resolution No. CSD 19- was duly and regularly adopted by the Board of Directors of the Temecula Community Services District of the City of Temecula at a meeting thereof held on the 23rd day of July, 2019, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

Randi Johl, Secretary