

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/22/2012	(3) CONTACT/PHONE John Diodati, Department Administrator (805) 788-2832	
(4) SUBJECT Hearing to consider protests regarding the proposed CSA 23 Drought Reliability Assessment District (2012) in the community of Santa Margarita.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Hold a Public Hearing of Protests (Public Hearing), in accordance with California Government Code Section 53753, regarding the proposed CSA 23 Drought Reliability Assessment District (2012); and 2. Open a Public Testimony period to allow any interested person to present oral or written testimony and to allow ballots to be submitted, changed, or withdrawn; and 3. Deliberate and act on the County of San Luis Obispo ballots received; and 4. Authorize ballots for County Parcels to vote in the affirmative; and 5. Close the Public Hearing and direct the Clerk of the Board to collect and tabulate the ballots and report the results of the ballot tabulation at the regularly scheduled meeting of June 5, 2012. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>30 min.</u>) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 3/20/12, Item # 15	
(18) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) District 5 -			

Reference: 12MAY22-H-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
John Diodati, Department Administrator

VIA: Paavo Ogren, Director of Public Works

DATE: 5/22/2012

SUBJECT: Hearing to consider protests regarding the proposed CSA 23 Drought Reliability Assessment District (2012) in the community of Santa Margarita.

RECOMMENDATION

It is our recommendation that your Honorable Board:

1. Hold a Public Hearing of Protests (Public Hearing), in accordance with California Government Code Section 53753, regarding the proposed CSA 23 Drought Reliability Assessment District (2012); and
2. Open a Public Testimony period to allow any interested person to present oral or written testimony and to allow ballots to be submitted, changed, or withdrawn; and
3. Deliberate and act on the County of San Luis Obispo ballots received; and
4. Authorize ballots for County Parcels to vote in the affirmative; and
5. Close the Public Hearing and direct the Clerk of the Board to collect and tabulate the ballots and report the results of the ballot tabulation at the regularly scheduled meeting of June 5, 2012.

DISCUSSION

In 2008, County Service Area 23 (CSA 23) received a \$3,000,000 loan/grant package from the United States Department of Agriculture (USDA) to fund waterline improvements, a new water tank, connection to a regional water supply to improve reliability in case of drought or other emergencies that your Board may declare. The waterline improvements and new tank have been completed. Your Board has certified the "Final" Supplemental Environmental Impact Report for the Santa Margarita Drought Reliability Project (SEIR) and the connection to the State Water Project is the preferred alternative.

Drought Reliability Program

The Drought Reliability Program consists of a physical connection between the State Water Pipeline and Santa Margarita domestic water supply system, the establishment of a five-acre foot annual allocation of State Water, and the implementation of an agreement to exchange water between CSA 23 and other State Water participants. The concept of the exchange agreement provides that in non-emergency years, CSA 23's annual allocation of State Water (5 acre feet) is made available to a banking partner for their storage or use. In an emergency year, when Santa Margarita needs the supplemental water pursuant to a water supply emergency declaration as determined by your Board pursuant to Water Code Section 350 - 359, up to 80 acre feet will be available to CSA 23 from its banking partner. The SEIR identifies multiple banking partner options, including some that require only your Board's approval. Staff will proceed with the next steps of formalizing recommendations on these options if the proposed assessments pass.

Proposition 218 Proceedings

The Proposition 218 proceeding, before your Board today, will determine if the Public Works Department continues with the drought reliability program as currently proposed. On March 20, 2012, your Board initiated the Proposition 218 proceedings by preliminarily approving the Assessment Engineer's Report (which established an assessment amount for each parcel), directing the Clerk of the Board to mail ballots, and setting the date of the Public Hearing for the CSA 23 Drought Reliability Assessment District (2012) for May 22, 2012.

The Clerk of the Board subsequently mailed the assessment ballots on March 23, 2012, in compliance with the minimum required 45 day noticing period. A phone number for John Diodati, Department Administrator, was printed on the assessment ballot so property owners could contact him with any questions. The mailing also included an invitation to a town hall meeting, which was held on April 5, 2012, and allowed interested property owners to receive more information on the proposed assessments and the drought reliability program.

Property owners have returned assessment ballots to the Clerk's office by mail and hand delivery. These ballots will not be opened until after the close of this Public Hearing. At this Public Hearing, your Board will receive all written and oral testimony in opposition and in favor of the proposed assessment from members of the public. During the public testimony, property owners may submit ballots, withdraw their ballots, or ask for a new ballot to change their vote. The Clerk will be able to accept ballots up until the conclusion of the public testimony period.

Ballots For County Owned Parcels

Proposition 218 requires that governmental property be subject to the same assessments as privately owned property. Within CSA 23, there are four (4) County owned properties. The properties and their proposed assessments are illustrated in the following table.

APN	Assesse	Total Assessment for Capital Costs	Property Description
069062007	SLO COUNTY - PUBLIC WORKS DEPT (939)	\$0.00	Community Well
069114005	COUNTY OF SAN LUIS OBISPO (937)	\$839.66	Library/Community Building
069082003	COUNTY OF SAN LUIS OBISPO (937)	\$839.66	Santa Margarita Park
069161018	SLO COUNTY - PUBLIC WORKS DEPT (939)	\$0.00	Community Well

The two County parcels with assessments are managed by the General Services Agency (GSA). GSA has indicated that they have budgeted for the full payment of both parcels should the assessment pass and staff recommends your Board authorize submitting these ballots in the affirmative vote for assessment. Together, these two assessments represent 0.47% of the total proposed assessments. Since the two well sites are assigned a zero assessment, and Proposition 218 weights ballots according to the amount of the proposed assessment, your Board does not need to act on the two zero assessment ballots.

Close Of The Public Hearing

Following the close of the Public Hearing, the Clerk will open and count the ballots on May 23, at 10:00 AM in the Clerk’s office at 1055 Monterey Street, Room D120, San Luis Obispo, CA 93408. The results of the ballot tabulation will be reported at the regularly scheduled Board of Supervisors meeting on June 5, 2012.

OTHER AGENCY INVOLVEMENT/IMPACT

County Service Area No. 23 Advisory Group, County Service Area No. 16, USDA, Zone 3 Lopez Reservoir Advisory Committee. On September 3rd, 2009, the CSA 23 Advisory Group voted to recommend presenting a State Water connection project to the community for a Proposition 218 proceeding. Town hall meetings were conducted for CSA 23 on May 13, 2010, and during the Proposition 218 period on April 5, 2012. The Zone 3 Advisory Group (Lopez) voted in support of being considered as a possible banking partner with CSA 23 at their meeting in November 2011. County Counsel, the Tax Collector and the Clerk’s office have all been involved.

FINANCIAL CONSIDERATIONS

The recommended actions do not have any financial implications at this time. However, if the ballots do not establish a majority protest, the County may levy assessments on the properties in the district and proceed with the planning, design and construction of the proposed State Water facility.

RESULTS

The proposed actions will close the Proposition 218 ballot proceedings, which will determine if the property owners support or oppose the funding for a connection to State Water and development of a drought reliability program which will bolster water supply reliability during a significant drought; thus promoting a well governed and livable community.

File: CF 320.580.02 CSA 23 - Santa Margarita

Reference: 12MAY22-H-2

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ATTACHMENTS

1. Vicinity Map
2. Assessment Ballot (County Parcels)
3. Certificate of Mailing