

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

(1) DEPARTMENT General Services	(2) MEETING DATE 3/13/2012	(3) CONTACT/PHONE Curtis Black, Deputy Director – County Parks Katie Perez, Deputy Director- General Services (805) 781-5200 lvf	
(4) SUBJECT Request to approve an Agreement Restricting Future Water Service to Real Property for Nipomo Community Park and Nipomo Native Garden to reduce the county's cost of the Nipomo Mesa Supplemental Water Project Assessment District.			
(5) RECOMMENDED ACTION The General Services Agency recommends your Board approve the attached Agreement Restricting Future Water Service ("Water Service Agreement") and instruct the Chairperson to sign the agreement.			
(6) FUNDING SOURCE(S) FC 305 County Parks	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$6,157.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input 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 checked="" type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) District 4 -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Curtis Black, Deputy Director – County Parks
Katie Perez, Deputy Director- General Services

DATE: 3/13/2012

SUBJECT: Request to approve an Agreement Restricting Future Water Service to Real Property for Nipomo Community Park and Nipomo Native Garden to reduce the county's cost of the Nipomo Mesa Supplemental Water Project Assessment District.

RECOMMENDATION

The General Services Agency recommends your Board approve the attached Agreement Restricting Future Water Service ("Water Service Agreement") and instruct the Chairperson to sign the agreement.

DISCUSSION

The Nipomo Community Services District ("NCSD") is considering the establishment of an assessment district to pay for the Nipomo Mesa Supplemental Water Project. The NCSD has informed property owners that there is a serious water shortage on the Nipomo Mesa, and the district recommends the construction of a pipeline to bring additional water from the city of Santa Maria.

Each parcel within the district is assigned a number of benefit units that are estimated to be sufficient for future development of the parcel based on its land use classification. The County owns 45 parcels that are located within the boundaries of the proposed assessment district, but most of the parcels would not incur an assessment because they are drainage basins or have other purposes that do not require water service. Only eight County-owned parcels have been allocated benefit units for a total of approximately 142 benefit units in the district. If the NCSD adopts a Resolution of Intention to form the district on March 14, 2012, ballots will be mailed to the property owners and staff will return to the Board for direction on voting the county's ballots.

Two park parcels, Nipomo Community Park (121.53 acres, APN 092-121-086) and Nipomo Native Garden (12.57 acres, APN 092-121-085), comprise the vast majority of the county's allocation. Parcels such as these, in the Recreational Land Use Category, have been allocated one benefit unit per acre, which would result in approximately 134 benefit units out of the county's entire allocation of 142 units. The cost of the assessment for the two parks parcels would be approximately \$202,286 if paid in lump sum, or the cost may be paid over a term of 30 years at annual cost of approximately \$17,567. The annual payment is based on the NCSD's assumption of a 7% bond rate, although it is likely that the rate will be lower.

The allocation and the cost of the assessment may be reduced if the property owner signs a Water Service Agreement limiting future water service. The agreement must be received by the NCSD before their March 14th vote on the resolution of intention to form the assessment district. The Water Service Agreement would not be recorded against the property unless the assessment district vote passes and the vote is upheld if it is legally challenged.

The DRAFT Nipomo Community Park master plan proposes development and water service to a maximum area of 47 acres at Nipomo Community Park and only one acre at the Nipomo Native Garden parcel. If the County were to sign a Water Service Agreement for Nipomo Community Park limiting water service to 47 acres of landscaping or structures (see

Attachment 1), the annual cost for that property would be reduced from approximately \$15,920 per year to approximately \$6,157. At the Nipomo Native Garden parcel, the cost of the assessment would be reduced from approximately \$1,647 per year to approximately \$131 per year, which would be paid by the Nipomo Native Garden in accordance with the terms of their lease. The Nipomo Native Garden currently waters less than an acre of the property and supports a Water Service Agreement limiting water service to one acre (see Attachment 2).

The County Parks and Recreation Commission discussed the Water Service Agreement at their meeting on February 23, 2012 and supported it as a method to reduce the cost of the water assessment while securing water for the planned build out. The agreement allows for flexibility in park planning because the specific locations in the park that will receive future water service do not need to be identified within the agreement.

OTHER AGENCY INVOLVEMENT/IMPACT

The NCS D has worked with County staff on the terms of the Water Service Agreement. County Counsel has reviewed the agreement as to form and legal effect. The County Parks and Recreation Commission supports the use of the agreement to reduce the cost of the water assessments for the park properties at their February 23, 2012 meeting. The Nipomo Native Garden supports the use of a Water Service Agreement on the parcel they lease from the County and will pay the assessment in accordance with their lease. The County Public Works Department has assisted the General Services Agency to evaluate the county's options and to communicate with the assessment district engineer for the NCS D.

FINANCIAL CONSIDERATIONS

If the assessment district vote passes and the Board approves the Water Service Agreement, the cost of the assessment district for Nipomo Community Park will be reduced from approximately \$15,920 per year to approximately \$6,157 per year, with payments starting in FY 2012-13. If the assessment district passes this amount would be provided from FC 305 County Parks operating funds and a similar amount would be reduced in anticipated spending for materials, supplies and/or services. Although a lump sum payment receives a discount of approximately 15% (total approximately \$70,951 due FY 2011-12), County Parks does not have this amount budgeted and proposes to pay the cost annually rather than in a lump sum. Since the County Library and L'il Bits Preschool share the site, they have been informed that County Parks will be assigning their share of the assessment (one unit each at approximately \$131/year) to them if the assessment district passes. The Nipomo Native Garden will be responsible for the annual assessment at an estimated cost of \$131 per year for their leased parcel. If the assessment district vote does not pass, no costs will be incurred.

RESULTS

Approval of the Water Service Agreement for Nipomo Community Park will reduce the cost of the proposed assessment from approximately \$15,920 per year to approximately \$6,157 per year, if the assessment district vote is passed. Approval of the agreement for the Nipomo Native Garden parcel will reduce the cost of the assessment from approximately \$1,647 per year to approximately \$131 per year, which will be paid by the Nipomo Native Garden. The agreement will allow flexibility of future park planning for water service for up to 47 acres at Nipomo Community Park and satisfies the projected needs for the Nipomo Native Garden for water service to one acre. These actions contribute to the community-wide goal of a "Well Governed Community" by reducing future costs of park operations in Nipomo if the assessment district passes.

ATTACHMENTS

1. Agreement Restricting Future Water Service to Real Property
2. Letter from Nipomo Native Garden
3. Vicinity Map