

SAN LUIS OBISPO COUNTY WASTEWATER ASSESSMENT DISTRICT NO. 1
COUNTY OF SAN LUIS OBISPO

Notice of Public Hearing and Ballot Procedure

Pursuant to the provisions of the Municipal Improvement Act of 1913 (Sections 10000 and following, California Streets and Highways Code; hereafter referred to as the "1913 Act") and California Government Code Section 53753, the County of San Luis Obispo (the "County") hereby gives notice as follows:

1. At 9:00 a.m. or as soon thereafter as the matter may be heard, on October 23, 2007, in the Board Chambers of the San Luis Obispo County Board of Supervisors at 1055 Monterey Street, San Luis Obispo, California, the Board of Supervisors (the "Board") will hold a public hearing respecting the proposed San Luis Obispo County Wastewater Assessment District No. 1 (the "Assessment District").

2. The public wastewater system improvements and incidental costs and expenses of the project design and implementation, legal proceedings, and bond financing which are the subject of the proposed Assessment District, together with a detailed statement of the method of determining the proposed allocation of a prescribed portion of the costs and expenses among the benefited parcels in proportion to the special benefit, are described in detail in the Engineer's Report (the "Engineer's Report") for the proposed Assessment District, which report is now on file with the Clerk of the Board (the "Clerk") at 1055 Monterey Street, Room D120, San Luis Obispo, California 93408, where said Engineer's Report is available for examination by any interested person.

3. The total amount of the assessment chargeable to the entire Assessment District is \$154,444,000, of which a total amount of \$127,146,618 is being levied in these current proceedings on the developed parcels only. The remaining \$27,297,382 represents special benefits which will accrue to the currently undeveloped parcels once the issues which preclude them from becoming developable have been resolved. Please see the enclosed Official Property Owner Assessment Ballot for the amount of the assessment proposed for the your parcel. The reason that an assessment is proposed for your parcel is that the Engineer's Report recommends and the Board has determined, preliminarily, that such property is specially benefited by the proposed public improvements. The basis upon which the amount of the proposed assessments was calculated is set forth in Part VI of the Engineer's Report, entitled "Method of Assessment Apportionment," a copy of which Part VI is attached to this notice.

4. The Board intends, pursuant to subparagraph (f) of Section 10204 of the 1913 Act, to authorize an annual assessment upon each of the parcels of land in the proposed Assessment District to pay various costs and expenses incurred from time to time by the County and not otherwise reimbursed to the County which result from the administration and collection of assessment installments or from the administration or registration of the improvement bonds and the various funds and accounts pertaining thereto, in an amount per year not to exceed \$6.00 per parcel, subject to an increase in said maximum amount of 2.0% per year. This annual assessment shall be in addition to any fee charged pursuant to Section 8682 and 8682.1 of the Streets and Highways Code.

F 1
11

5. Assuming the Board levies assessments as intended, property owners will be provided an opportunity to pay all or any part of such assessments in cash, without interest, prior to issuance of bonds. Following the termination of the cash payment period, the Board intends to provide for issuance of the improvement bonds or other debt instruments in the amount of the unpaid assessments. The period of repayment for the bonds or other debt instruments will establish the duration of annual installments on account of unpaid assessments, provided that the duration of annual installments will not exceed 40 years.

6. For further particulars, you may refer to the Engineer's Report, which is on file with the Clerk. Inquiries about the assessment proceedings will be answered by John Diodati, Administrative Services Officer for the Public Works Department of the County, at (805) 788-6633.

7. Pursuant to Section 53753 of the California Government Code, the following procedure will be followed by the Board to determine whether a "majority protest" exists at the close of the public hearing of protests. An "Official Property Owner Assessment Ballot" (the "Assessment Ballot") has been enclosed with this notice.

NOTE: This Official Property Owner Assessment Ballot is THE official assessment ballot! It is not a sample ballot. You will not receive any other or additional assessment ballot. In order to make this assessment ballot count in determining whether a "majority protest" exists, you must

(1) mark it ["Yes" or "No"],

(2) date it,

(3) sign it, and

(4) submit it to the Clerk

no later than the close of the public hearing. If for any reason an assessment ballot has not been received by the Clerk prior to the close of the public hearing, it will not be considered.

After the Assessment Ballot has been marked "Yes" or "No", dated and signed, it may returned to the Clerk at the address set forth in paragraph 2 above. This Assessment Ballot may be used by the owner or owners of any parcel to express either support for or opposition to the proposed assessment. Please see the Assessment Ballot for instructions respecting the alternative methods for submitting the Assessment Ballot either by mail or by personal delivery, either prior to or at the time of the public hearing. See the enclosed Assessment Ballot for further instructions.

8. In accordance with Section 53753 of the California Government Code, each property owner who submits a ballot is requested to fold the ballot and insert it in an envelope so as to conceal the contents of the ballot. In the event that any ballot is submitted without being sealed, the Clerk will seal it, using the procedure set forth in the foregoing sentence. Once sealed, the ballot is to remain sealed until the public hearing is closed and the ballots are opened to be tallied.

F1
12

9. Following the close of the public hearing and at such times and locations as shall be established by the Clerk and set forth in a published notice pertaining thereto, the returned Assessment Ballots will be publicly opened and tabulated, both in support of and in opposition to the assessment, with the ballots being weighted in accordance with the amount of the proposed assessment, and the results will be announced upon completion and Board action taken accordingly.

In the event that Assessment Ballots in opposition exceed those in support, there will be a “majority protest”, and the Board will be precluded from proceeding with the proposed assessment.

10. Property owners wishing to preserve the opportunity to file a lawsuit challenging the assessment, if levied, are required by the 1913 Act to file a written protest and to state therein the specific grounds of protest. Any grounds of protest not stated in a written protest filed prior to the close of the public hearing of protests are deemed waived in any subsequent lawsuit and may not be raised in such lawsuit.

DATED: August 29, 2007

JULIE L. RODEWALD
Clerk of the Board of Supervisors
County of San Luis Obispo

By: /s/ Vicki M. Shelby
Deputy Clerk of the Board
County of San Luis Obispo

Attachment: Part VI – Method of Assessment Apportionment

See separate enclosures: Official Property Owner Assessment Ballot

Return envelope

L:\LOS OSOS WWP\AUG07\BOS\FINAL NOTICE.doc.JD:CAH

F 1
13