

**LOS OSOS WASTEWATER PROJECT
QUESTIONS AND ANSWERS**

1.	<p>Q. Who approved this?</p> <p>A. <i>The property owners within the assessment district approved the property assessment through Proposition 218 proceedings. On October 23, 2007 the County Board of Supervisors held a public hearing, which allowed property owners to submit their ballots. 80% of the ballots submitted were in favor of the assessment.</i></p>
2.	<p>Q. Is there someone from the Board of Supervisors I can discuss this with?</p> <p>A. <i>You may call Supervisor Bruce Gibson's Legislative Analyst, Cherie Aispuro, at 781-4338. In addition, Supervisor Gibson holds office hours in Los Osos the second and fourth Thursday of every month.</i></p>
3.	<p>Q. How many parcels does this affect?</p> <p>A. <i>There are over 5,000 parcels in the San Luis Obispo County Wastewater Assessment District No. 1.</i></p>
4.	<p>Q. Can I choose not to have the assessment?</p> <p>A. <i>No, the Board of Supervisors have determined, and the property owners have approved (via the Proposition 218 proceedings), that the parcels within the Assessment District benefit from the construction of a community wastewater facility.</i></p>
5.	<p>Q. Why is my neighbor's assessment different from mine?</p> <p>A. <i>Property assessments were determined by land use. If you and your neighbor have identical land use (residential) then your assessment should be the same. However, some assessments were lower for properties which already have part of the infrastructure established. Commercial property assessments were based on square footage of the parcel, which would result in different assessment per commercial parcel.</i></p>
6.	<p>Q. What am I getting for this assessment?</p> <p>A. <i>Your property is receiving the ability to connect to a community wastewater system and cease its septic tank discharges, to comply with the requirements of Central Coast Water Quality Control Board Resolution No. 83-13.</i></p>
7.	<p>Q. How much will it be each year?</p> <p>A. <i>The amount collected on your property tax bill will be tiered to coincide with the development phase of the project. The phases will be pre-design, design and construction. Assuming no prepayment was made on a property, for single family homes with a total assessment of \$24,941.19, it is anticipated that the property tax bill will incrementally increase through the above-mentioned phases until the final phase, which will result in a property tax bill of \$1,800/year for thirty years. The \$1,800 is the maximum amount anticipated, but this amount is subject to the interest rate on the municipal bonds. State law allows for interest rates to be up to 12%, however, current rates are in the 5 – 6% range. This rate range was used to establish the \$1,800 estimate.</i></p>
8.	<p>Q. What is being charged on my current tax bill?</p> <p>A. <i>Currently, there is no charge on your property tax bill. The first collection on the property tax bill is anticipated to be in December 2009.</i></p>
9.	<p>Q. Is the property that was originally planned to be the wastewater processing site paid for? If so, what will the project do with it if a decision is made to use another site?</p> <p>A. <i>The property originally planned to be a wastewater processing site (previously referred to as Tri-W) is still in consideration as a processing site. The site is currently owned by the Los Osos Community Services District. Please contact the Community Services District at 805-528-9370 for information regarding to the financing and current outstanding debt on this parcel.</i></p>
10.	<p>Q. When will I start paying for this, and how will I be billed each year?</p> <p>A. <i>Your first payment is anticipated to be in the December 2009 property tax bill. You will be billed on your property tax bills.</i></p>

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11.	Q. Who do I pay this to in the future? A. <i>Payments will be made to the County Treasurer-Tax Collector.</i>
12.	Q. If I am a tenant, do I have to pay this assessment? A. <i>It depends. Property tax bills are mailed to the property owner; who pays depends on the agreement between tenant and owner.</i>
13.	Q. If I live in a mobile home, do I have to pay a property assessment? A. <i>It depends. Mobile home parks are owned in different ways; who pays depends on how the mobile home park is owned and on applicable agreements.</i>
14.	Q. When will this project begin and end? A. <i>The County is currently undergoing the Environmental Impact Report and should conclude this process in late 2008 or early 2009. In 2009 the design phase would begin. Construction is anticipated to begin in 2010 – 2012, with the facility going “online” in 2013.</i>
15.	Q. What is the entire amount of this project? A. <i>The entire estimated amount is approximately \$150 million. Numerous factors exist that can still impact project costs, end costs estimates will be updated as the County continues its project efforts.</i>
16.	Q. How much interest will I pay? A. <i>Interest will depend on the type of financing secured. The State Loan Program has an interest rate of approximately 2.5%. Municipal Bonds have an interest rate at, or above 5%, but actual interest rates can only be known once loans are obtained. The project will most likely use a combination of both types of financing.</i>
17.	Q. If I pay cash now, what will my discount be? A. <i>Your discount will be the elimination of future interest payments.</i>
18.	Q. Can I pay more in a year if I have the money? A. <i>Yes. You may pay any of the outstanding principal amounts at any time.</i>
19.	Q. Can I pay off this assessment in the future and where? A. <i>Yes. You would need to contact the County Treasurer-Tax Collector.</i>
20.	Q. Can I get any assistance to pay this? A. <i>Grant assistance is currently being sought. The Public Works Department will be contacting residents regarding available assistance in the future.</i>
21.	Q. Is it better for me to go out and borrow the money to pay for this? A. <i>There are numerous methods available to pay for the assessment and each method should be carefully reviewed and discussed with a professional advisor. .</i>
22.	Q. Will this increase the assessment value of my property? A. <i>Properties may only have their assessments increased from their base year value by an inflation factor that cannot exceed 2%. There is no way to predict property values in 2013 and what role the wastewater project will have in determining value. For example, current market conditions are creating a decline in market values.</i>
23.	Q. Is this assessment tax deductible? A. <i>Please contact a Certified Public Accountant or other tax professional to determine if the assessment provides any tax benefits.</i>
24.	Q. Does the assessment include all costs including hook up to the sewer line? A. <i>No. State law specifically provides that the assessment may only be used to pay for “special benefits”. General benefits, the cost of connecting to the wastewater collection system and the cost of using the facility are additional costs you or your parcel will be subject to. In aggregate, these costs are estimated to be range of \$200 - 250/month for the typical single family residence.</i>
25.	Q. What about the assessment I am paying to the Los Osos Community Services District? A. <i>This assessment was levied by the Los Osos Community Services District and is separate</i>

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	<i>and independent from the County's current assessment and project efforts. The Los Osos Community Services District can be contacted at 805-528-9370 to obtain all the facts about this assessment.</i>
26.	Q. Why is there a lien on my property?
	A. <i>Section 3114 Streets and Highway Code, which is the relevant State Code for forming assessment districts, states that these individual assessments approved by the property owners on October 23, 2007 shall become liens upon the respective lots assessed. The lien provides security for issuing the municipal bonds.</i>
27.	Q. If I prepay early, and the County does not construct the project, do I get my payment back?
	A. <i>The County Board of Supervisors adopted a policy that states that the current property owner at the time of the refund receives the returned payment. The amount returned includes any accumulated interest.</i>
28.	Q. If I sell my property, who pays the assessment?
	A. <i>State law indicates that the assessment is upon the property, and may remain upon the property. However, the County recognizes that real estate transactions between two parties can involve multiple items that are negotiable, and assumes that the two parties will determine this issue through the terms of their transaction.</i>