



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PUBLIC WORKS

Noel King, Director

County Government Center, Room 207 • San Luis Obispo CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: pwd@co.slo.ca.us

MEMORANDUM

**TO: Michael Thomas, Assistant Executive Officer
Central Coast Regional Water Quality Control Board**

FROM: Paavo Ogren, Deputy Director of Public Works

VIA: Noel King, Director of Public Works

DATE: June 27, 2007

SUBJECT: Los Osos Wastewater Project, Status of Project Efforts

This report is intended to provide a summary of the status of the Los Osos wastewater project efforts by the County of San Luis Obispo under the authority of Assembly Bill 2701, which went into effect on January 1, 2007. AB 2701 provides the County with the sole discretion to develop a community wastewater project for Los Osos. It requires the County to propose assessments, and to conduct a property owner vote, in accordance with Article XIID of the California State Constitution.¹

Current County efforts are leading to that property owner vote, which must follow procedures established in California Government Code Section 53753² including a minimum 45 day mail-in ballot period. It is important to recognize that the Prop 218 vote is a vote on assessments to fund a wastewater project, without requirements specifying which technologies must be utilized by the County in developing a community wastewater project. Simply stated, the Prop 218 vote is a “funding vote” and not a “technology-selection” vote.

The project’s current schedule anticipates that the Prop 218 mail-in ballot period will occur in October and November 2007, with results confirmed by the Board of Supervisors in December 2007. Pursuant to AB 2701, if property owners support the Prop 218 assessments, County efforts will continue; if not, then AB 2701 establishes that the authority over community wastewater efforts will revert to the Los Osos Community Services District (LOCSD).

¹ Article XIID of the California State Constitution was established as a result of the passage of Proposition 218 by California voters in November 1996.

² See Attachment “F” – Draft Prop 218 Ballot

Existing Direction – San Luis Obispo County Board of Supervisors

On October 3, 2006, shortly after the approval of AB 2701 by Governor Arnold Schwarzenegger,³ the County Board of Supervisors appropriated \$2.0 million from County-wide taxpayer resources for the purpose of funding efforts of the County Public Works Department based on policy direction (project strategies)⁴ previously established on June 19, 2006. The board had approved the strategies prior to the passage of AB 2701, and as part of the same agenda item when staff also recommended legislative policies supporting the development of AB 2701. As a result, the County's project strategies and the legislative policies align with each other. In addition, by adopting the strategies prior to the approval of AB 2701, the County Public Works Department was able to begin developing its project team shortly after budget approval. Consequently, upon the January 1st effective date of AB 2701, the project team was substantially assembled and ready to embark upon project efforts.

Current Milestone

On May 30, 2007 the project team's public draft Fine Screening Report was released and is currently in a public review process. The report is an engineering driven analysis of project options. A Technical Advisory Committee (TAC), appointed by the Board of Supervisors on March 20, 2007 is preparing a separate "Pro/Con" analysis on the project options, including a detailed review of the project team's Fine Screening report and other information contained in historical project reports. The final version of the Fine Screening report is scheduled to be presented to the Board of Supervisors on August 14, 2006, but it is likely that the actual date will be moved to August 28, 2006.

Attachment "A" includes a list of upcoming milestones, including formal action by the Board of Supervisors. Those actions cover assessment district issues, the Fine Screening report, the TAC's Pro/Con Analysis, proposed project selection and overall implementation strategies, fiscal impact analysis, Proposition 218, and other project issues.

The Fine Screening Report

The County's preliminary engineering analysis is being prepared utilizing a common process that includes a Rough Screening report and a Fine Screening report. The Rough Screening report was complete March 26, 2007. It provides an updated evaluation of several engineering assumptions for the project, and it provided a general comparison of technologies that can be utilized to accomplish project objectives which include (but not limited to) collecting, treating, and disposing of waste which is currently discharging into most of the community's privately owned septic tanks, pits and leach

³ AB 2701 was approved by a combined unanimous vote of 111-0 by the California State Legislation and signed by the Governor on September 20, 2006.

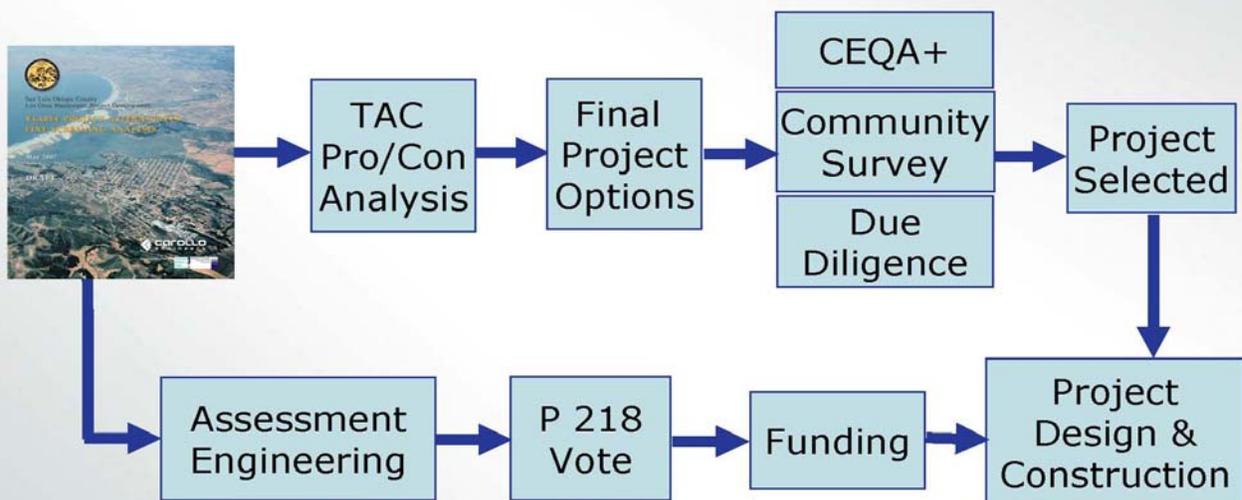
⁴ See Attachment "D"

fields contrary to requirements of the Central Coast Regional Water Quality Control Board. Sea water is also intruding into the groundwater basin underlying Los Osos as a result of water production and consumption that cannot be sustained over a long term period of time. Consequently, the draft Fine Screening report provides specific updated analysis on groundwater supply scenarios and it identifies benefits that should result from disposal of properly treated wastewater under those scenarios. Attachment “C” describes 5 levels of water supply benefits defined in the report, which should help in developing recommendations with the water purveyors, identifying who benefits, and developing equitable approaches for cost sharing.

Overall, the screening process reflects a multiple step process of reviewing technical options and preparing progressively more detailed analysis, including cost estimates, on technologies that pass through the screening process. Public review and comment is a continuous effort and we are conducting an open end transparent process that enhances public and peer review of our work products, encourages constructive criticism, and allows challenges to our technical estimates, assumptions and conclusions. Illustration “A” depicts the parallel paths, and uses, of the Fine Screening report.

Illustration “A”

The Fine Screening Report Will Be the Basis for Parallel Efforts



The Fine Screening Report is intended for dual specific uses.

First, the Fine Screening Report is the preliminary engineering efforts by the County leading to project selection decisions. Ultimately, the project selection is concluded with the "Notice of Determination" or "NOD," which is a legally required action of the Board of Supervisors pursuant to California Environmental Quality Act (CEQA). Conducting an objective and impartial evaluation is important to the validity of the current County efforts leading to project selection. The NOD creates a 30 day period if persons choose to litigate the County's CEQA efforts. The Fine Screening Report initiates project selection efforts but does not conclude project selection efforts. Several additional steps are necessary to comply with environmental and permitting laws and regulations, including the preparation of appropriate environmental reports. Final project selection is anticipated in 2008 after the additional efforts identified in Illustration "A" are complete.

Second, the Fine Screening Report is useful because it provides cost estimates that are needed for developing "special benefit" estimates. Special benefit analysis is required pursuant to Prop 218 and is a feature of an Assessment Engineers Report. Special benefit analysis is important because it determines the maximum amount of the proposed assessments that, if approved, would act as liens on properties within the community. The proposed assessments also determine the "weighing" of property owner votes, with each property owner's vote weighed in proportion to the assessments proposed on that owner's property.

The Fine Screening report does not indicate how cost estimates translate into special benefits. That analysis is instead a function of the assessment engineer's report.

Article XIID states that a "Special Benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

The Fine Screening Report evaluates the following five components of a community wastewater project:

1. Treatment Plant Sites
2. Treatment Technology Options
3. Collection System Options
4. Effluent Disposal/Reuse Options
5. Solids Disposal/Handling Options

Proposition 218 – a Property Owner vote

As a requirement of AB 2701, the County is required to conduct an assessment vote pursuant to Prop 218, but for all practical purposes, the assessment vote would be required of any local agency solution to the Los Osos wastewater dilemma. Assessments utilize land-based security (via liens) to assure the repayment of loans or other sources of funds obtained to finance capital and construction costs. Technically, assessments are not required for public works projects (notwithstanding AB 2701) but with the costs and history of the project, they will be needed to fund and implement any local agency project. It should also be recognized that assessments cannot support 100% of the project costs (only the “special benefits”) and supplemental “revenue-based” funding will be needed for a portion of the project costs. Nevertheless, assessments are the “cornerstone” to developing funding for a local agency solution.

Future Efforts

Attachment “B” illustrates the draft schedule being developed by the project team. As illustrated, the schedule is very aggressive and may only be possible as a result of the vast amount of historical information that has been developed during prior project efforts. The schedule also assumes that no significant delays will be encountered as a result of litigation of permitting efforts which, recognizing the history of the Los Osos wastewater project, may instead continue to create future uncertainties.

If the project efforts can be implemented within the draft schedule, construction will commence in early 2010, or about 3 years after the effective date of AB 2701. In contrast, the LOCSD efforts took nearly 6.5 years from their inception until they commenced construction, and the previous County effort took approximately 15 years and was still awaiting a Coastal Development Act permit at the time that the LOCSD was approved by Los Osos voters.

The following is a summary of some of the future major work issues and efforts that will be pursued by the County with property owner support via a successful Proposition 218 assessment vote.

California Environmental Quality Act (CEQA)

The County must comply with CEQA, with appropriate reporting, and a NOD that directs the project technologies to carry-out. We have been posed several questions including the following:

- Can the County amend the LOCSD Environmental Impact Report (EIR) to simplify CEQA reporting and quickly implement a project?

- What is the effect of the LOCSD decision to rescind its overriding considerations associated with their conclusions to implement the Tri-W project?
- Can the County adopt a “Negative Declaration” to address changes that may be made to the project from the LOCSD Tri-W project?

The answer to these questions, and other similar questions, is that the County must comply with CEQA and that the nature of environmental impacts will require a County EIR. Of the two types of amendments to an existing EIR, we do not believe that an “addendum” is appropriate since significant changes may have occurred since the LOCSD EIR was prepared. Whether we approach the County EIR as a “supplement” (the second type of possible amendment) to the LOCSD EIR, or whether we prepare a separate County EIR, both approaches will take substantially the same time and level of effort.

The existing technical information on the project is extensive, and most continue to be valid, which will reduce the amount of new technical efforts needed for the County’s efforts. We cannot “tier” a negative declaration onto previous EIR efforts. We are also anticipating a co-equal alternatives evaluation (based on the National Environmental Policy Act (NEPA) requirements) which will provide maximum flexibility during final technology selection efforts. Since the Board of Supervisors must adopt a NOD, the “window period” for litigation will re-open. Some exposure to new litigation will exist, but the extent of past litigation on the project has also provided conclusions to many issues, which limits future exposure to litigation.

Lastly, it is important to recognize that the CEQA process will provide the final evaluation of wastewater project alternatives. While the current screening efforts provide a significant step forward, and the work effort will be incorporated into the CEQA alternatives analysis, additional alternatives analysis will be necessary for a legally compliant EIR. At minimum, the County will address regional issues such as possible connection to the City of Morro Bay, regional water supply options, and the potential for a regional septage facility. We must also keep the process open for technologies that we have not initially deemed viable – especially if new or additional information becomes available before or during the CEQA efforts.

Due Diligence

AB 2701 provides the County with a “due diligence” period after the Prop 218 vote (assuming it passes) and before the Board of Supervisors adopts a resolution to either implement a project, or not implement a project. Until the adoption of the resolution, the Board of Supervisors decision to work on project efforts remains a discretionary decision.

The due diligence period is important for the County. It provides the County with the ability to determine whether, after the Prop 218 vote, the project is actually possible to implement. The following is a list of issues that will be addressed in greater detail during the due diligence period:

- Permit requirements
- The ability to fund the project, and State Revolving Fund requirements
- The need for special implementing legislation (if any)
- Other issues that will be identified and evaluated prior to staffs' development of recommendations to the Board of Supervisors.

During 2007, it will be important for staff to gain an understanding from permitting agencies of their expectations of the County. We have met numerous times with staff of the various permitting agencies and have found those discussions productive.

The Community Survey

A community survey is planned in 2008 to determine the community's overall wastewater preferences. We originally characterized the community survey as an "advisory vote" but that is a term defined in the California elections code and more limited than our intent. Our intent remains the same, which is to understand the wastewater preferences of the entire community – property owners, residents, and business owners – not just registered voters (which would be the result of an advisory vote under the elections code). Consequently, the community survey is still intended as an advisory action by the community for the Board of Supervisors, and for the Public Works Department in our development of recommendations to the Board.

The County's efforts may be best described as a community-driven decision making process, or participatory government. Although the decision on which technologies to utilize for the project remains with the Board of Supervisors, consistent with the authority (and responsibility) of boards that govern local agencies throughout California, developing community and property owner support is critically important especially considering the project's fiscal impacts.

Significant Project Issues

In addition to future project efforts, the following is a brief summary of some of the project issues.

Water Resources

Current groundwater overdraft is resulting in sea water intrusion. The County is involved in groundwater litigation with the three water purveyors in the community. It is our goal that solutions to the water resource issues be developed in a cooperative

manner with the water purveyors, including appropriate cost sharing, so that the fiscal impacts of water resource measures are paid on a community-wide basis and not by only those properties connected to the wastewater system. In addition, on March 27, 2007 the Board certified a Level of Severity III to the Los Osos water supply situation, which under the County's Resource Management System (RMS) is the highest determination of severity. The County Planning Department has been directed on several points relating to the RMS determination (see Attachment "E").

As a result of the draft Fine Screening report, the County and the water purveyors can re-initiate discussions on necessary water management efforts – which are important for several reasons, including compliance with conditions of the Coastal Development Permit (CDP) issued by the Coastal Commission.

Land Use Planning

The County's update to the Estero Area General Plan is currently under review by the Coastal Commission, but with the previous proposed language for Los Osos removed and replaced with existing language for the Los Osos urban area. An update to the Area Plan addressing the Los Osos urban area will be needed once the resource issues are better known. Those efforts are anticipated to be re-initiated once wastewater and water supply issues are more certain.

Habitat Conservation Plan (HCP)

A habitat conservation plan is also required under the CDP as a result of secondary impacts of a wastewater facility as well as for other needs. The County Department of Planning and Building is scheduled to request authorization from the Board of Supervisors to apply for grants from the California Department of Fish and Game to further HCP efforts.

Sustainability

Sustainability concerns are important in Los Osos. Specific sustainability issues can compete with each other - i.e. treating wastewater to higher standards is beneficial for the water cycle but can also result in higher energy usage. Methane discharges from septic tanks can have greater greenhouse effects than carbon dioxide emissions at wastewater treatment facilities. Several issues complicate sustainability evaluations and we look forward to the California State Air Resources Board development of guidelines under Assembly Bill 32 to help us develop a scope of work for evaluating sustainability.

Affordability

Affordability is a key community concern. Separately we have provided some of the public outreach materials sent to the community on this topic, and we very much appreciate the efforts of Regional Board staff in furthering our efforts.

Methods of Project Delivery

Several methods exist for “project delivery” and we are considering design-build, and other similar approaches. The County’s legislative authority is not as flexible as we would prefer, but we do believe that some statutory authorization exists in Government Code Section 5956 – which was utilized by Sacramento Regional County Sanitation District for their biosolids facilities. We are currently working on project selection strategies considering design build options (which are allowable under State Revolving Fund guidelines) since the selection approach may be the best mechanism to resolving the debate on the cost of different technologies. In other words, the sooner that we can get private industry to provide firm contractual commitments on project costs, the sooner we can make final technology comparisons and conclude project selection determinations.

Household Impacts

With the recent release of the draft Fine Screening report, we have initiated our fiscal impact analysis. The monthly impact on households is the “common denominator” we are utilizing to compare technical options. Our life cycle cost analysis will focus on estimated household impacts in the following time scenarios:

- Years 1 – 5
- Years 6 – 10
- Years 11 – 15
- Years 16 – 20
- Years 20 - 30

Summary

This report is intended to provide the Regional Water Quality Control Board with a summary of the efforts being pursued by the County of San Luis Obispo. The work that lies ahead is much greater than what has been completed over the past 6 months, and the issues involved are much greater in detail than covered by this brief. Nevertheless, we hope it provides a good framework for questions and answers at the upcoming Regional Water Board meeting, and we look forward to presenting our work efforts at that time, including an overview of the contents of the public draft Fine Screening report.

Attachments: “A” – Upcoming Milestones
 “B” – Draft Schedule
 “C” – Water Resource Benefits
 “D” – Report on Policy and Legislative Considerations
 “E” – Los Osos Resource Capacity Study Determinations
 “F” – Draft Prop 218 Ballot

L:\LOS OSOS WWP\JUN07\Los Osos Wastewater Project RWQCB July 2007.doc.pao.taw

Attachment "A"

Upcoming Milestones

The following is a list of upcoming milestones (dates are subject to change):

July 17, 2007 - Policy Direction on Assessment Issues

- Approach to special benefits (wastewater, water, habitat conservation)
- Developed vs. undeveloped lots

August 14, 2007 (Anticipated to occur August 28, 2007) – Presentation of Fine Screening Report

- Review of report
- A) Policy Direction on Project Selection Activities
 - CEQA and other environmental/archeological efforts
 - Community survey
 - Regional options
- B) Cost Estimates
 - Basis of Assessment Engineer's report (Special benefits only)
 - Total projected cost estimates (Special and general benefits)
- Review of Public Comments submitted on draft report
- Review of Technical Advisory Committee Pro/Con Report
- Policy direction on project selection efforts

August 28, 2007 (Anticipated in September 2007) - Approval of Assessments

- Direction to conduct Prop 218 property owner vote
- Set protest hearing (Anticipated November 20, 2007)

September 21, 2007 (No later than October 5, 2007) – Mail Property Owner Ballots

November 20, 2007 – Protest Hearing

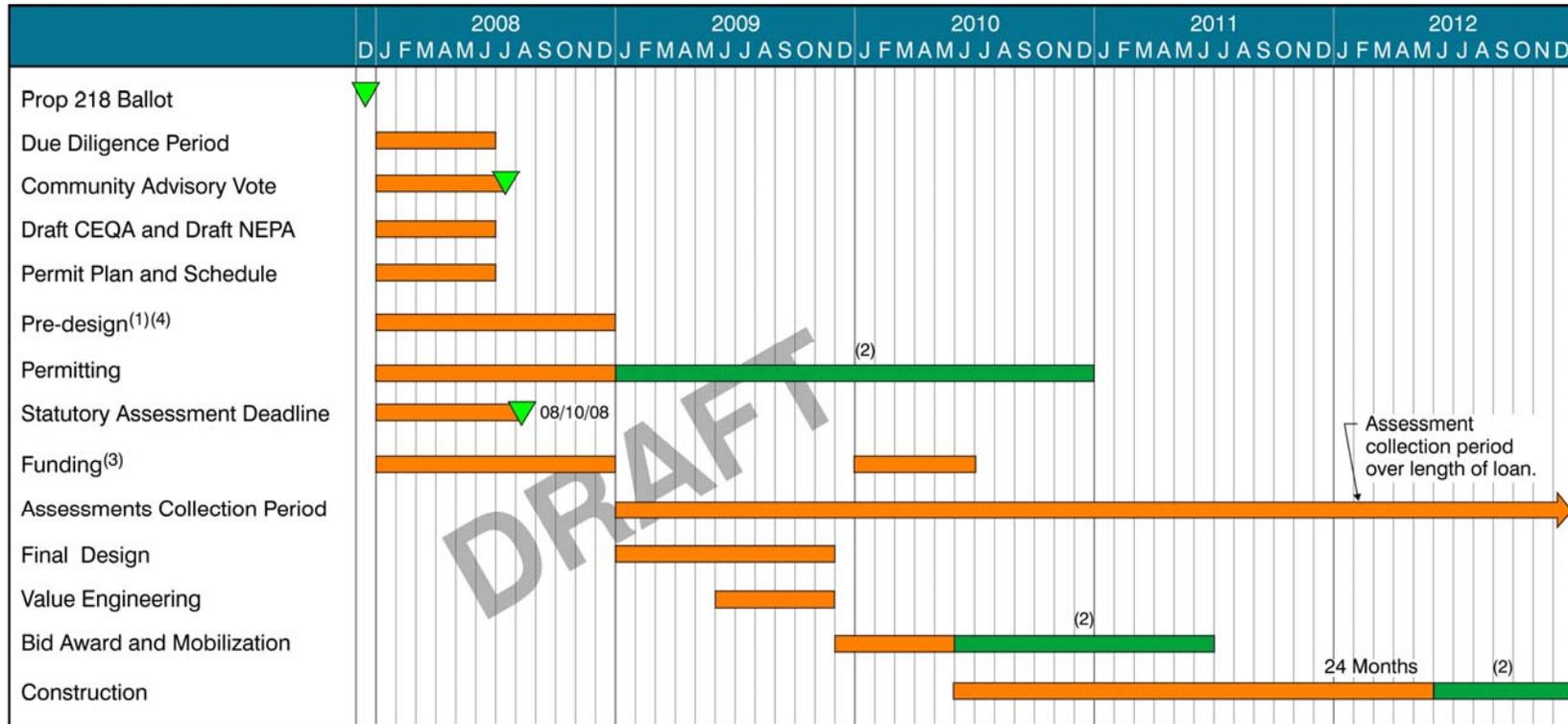
- Final date for property owners to submit ballots
- Votes may be changed up until the close of the protest hearing

December 11, 2007 - Confirmation of Results of Prop 218 Vote

January 2008

- If Prop 218 fails, then wastewater authority reverts to the Los Osos Community Services District
- If Prop 218 passes, County initiates project selection, environmental, funding and other project implementation efforts

Attachment "B" Draft Schedule



NOTES:

1. Early predesign effort to support EIR, permitting and funding including interactions with water purveyors.
2. Permitting could be as short as 12 months or as long as 36 months to complete.
Bid, award and construction would **not** take place until permitting task is complete.
3. Funding may take place in more than one phase.
4. DOES NOT include potential litigation.

Figure ES.3
DRAFT PROJECT SCHEDULE⁽⁴⁾
LOS OSOS WASTEWATER PROJECT DEVELOPMENT
SAN LUIS OBISPO COUNTY



Attachment “C”

Water Resource Benefits

**Table ES.1 Levels of Seawater Intrusion Mitigation (Project Benefits)⁽¹⁾
Los Osos Wastewater Project Development
San Luis Obispo County**

Level	Absolute Volume Mitigated (AFY)⁽²⁾	Project Impact, Relative to Current Conditions (AFY)	Overall Basin Balance (at Current Pumping Rates) (AFY)	Description
Level 0	0	-90	-550	No mitigation of seawater intrusion
Level 1	90 to 140	0 to 50	-460 to -410	Mitigation of seawater intrusion similar to current conditions
Level 2	190 to 240	100 to 150	-360 to -310	Maximum mitigation of seawater intrusion possible without purveyor participation
Level 3	550 to 600	460 to 510	0 to 50	Achievement of a balanced basin at present water use rates
Level 4 ⁽³⁾	780 to 830	690 to 740	230 to 280	Achievement of a balanced basin at buildout

Notes:

- (1) In addition to the benefits associated with complying with the WDR.
- (2) One acre-foot/year (AFY) is equal to 892 gallons per day (GPD).
- (3) Level 3 and level 4 are possible to achieve, but only with extensive infrastructure reconfiguration by the water purveyors.

Attachment “ D “

Report on Policy and Legislative Considerations Related to the Los Osos Community Wastewater Project – June 2006

County Project Objectives and Strategies

The County's project objectives for its involvement, if any, in the Los Osos wastewater project are those recommended for inclusion in special legislation for the project. The following list was included in correspondence from Gail Wilcox to Assemblyman Sam Blakeslee dated June 9, 2006 in response to his request for comments about a possible legislative solution to the Los Osos wastewater issue. The following objectives and project specific strategies if implemented by the County, are essential for controlling County taxpayer risk and for creating the highest probability for a successful project.

County project objectives for inclusion in special legislation:

1. An opportunity for property owners within the affected area to demonstrate (via a Proposition 218 election) their willingness to fund, through property assessments, the cost of this project
2. Agreement that, in the absence of property owners' commitment to pay for this project, **the County has no responsibilities or obligations in relation to this project**
3. State water board agreement to expedite processing of a low-interest loan
4. State and/or regional water boards agreement to hold enforcement actions in abeyance based on an agreed upon schedule for completion of this project
5. Agreement that the District's current liabilities remain their obligation (i.e. not transferred to the County)
6. Agreement that the District immediately suspend further actions on this project to avoid duplicative or cross purpose efforts and, in the event the Board agrees to assume project responsibility, the County will develop the project in the manner that it deems appropriate within the confines of applicable laws and regulations

County project strategies for inclusion in Board policy and/or an agreement with the District when specified:

- A. County expenditures prior to a Prop 218 hearing - not to exceed \$2.0 million.
- B. Scope strategies:
 - a. **Based on District's Fall 2005 compromise:**
 - i. Conventional gravity collection; essentially as designed
 - ii. Analysis of alternative treatment plant sites
 1. Conventional technologies
 2. Confer with District Board on developing objectives for alternatives review

**Report on Policy and Legislative Considerations Related to the Los Osos
Community Wastewater Project – June 2006**

- b. Supplemental Scope strategies:
 - i. Community input –
 - 1. Utilize technical advisory committee (FTAC) for alternatives site review with representation from community and the District by including the District's engineer
 - 2. Conduct a community advisory election on top site alternatives
 - 3. With FTAC providing pro/con evaluations but not a final recommendation;
 - 4. Board of Supervisors makes final site and technology determination while considering community advisory election
 - ii. Co-equal analysis under CEQA for top site alternatives;
 - 1. Anticipate a supplemental Environmental Impact Report (EIR)
 - 2. Findings developed so that any of the top alternatives may be carried out (i.e. implemented).
 - iii. Discharge alternatives
 - 1. Input from District board on water management objectives;
 - 2. Timeliness in obtaining Regional Water Board permit approvals;
 - 3. Timeliness in other agency approvals.
 - iv. Prop 218 assessments proceedings
 - 1. Based on prohibition zone
 - 2. Substantially utilizing methodologies established by District's assessment engineer.
 - 3. Boundaries may be expanded through separate hearings
 - v. Employment of consultants:
 - 1. Will need sole source contracting to proceed quickly
 - 2. Intent to utilize District consultants through County professional services agreements, and District contractors through assignment agreements, if possible, for the following:
 - a. Assessment engineering
 - b. Collection system
 - c. Environmental Review
 - d. Municipal Finance team
 - e. District Engineer – for representation on technical advisory committee
 - 3. Intent to utilize existing or additional County consultants for the following:
 - a. Alternatives analysis, updated cost estimates and overall project management
 - b. Property acquisition and disposition evaluations
 - c. Other needed services
 - vi. Utilize County staff – need for additional position(s) to be determined

Report on Policy and Legislative Considerations Related to the Los Osos Community Wastewater Project – June 2006

C. Schedule Strategies

- a. Proceed as expeditiously as reasonably possible
- b. Attached schedule based on the following:
 - i. Concurrent efforts
 1. Prop. 218 proceedings
 2. Alternative site review
 3. CEQA
 4. Permitting
 5. Other agency involvement
 - ii. Sequence of milestones
 1. Sequence of Legislative and Policy milestones (timing is currently indeterminable but could proceed relatively quickly with mutual cooperation by District)
 - a. Special legislation approved
 - b. Confer with District board on scope related objectives stipulated above
 - c. Confer with District board on County/District agreement; adopted by District then County if recommended
 - d. Technical advisory committee formation
 2. Sequence of consultant and technical milestones
 - a. Prop. 218 assessment vote and re-initiate collection system construction when first possible (subject to funding – i.e. SRF or Assessment bonds); approach to employing contractors to be determined
 - b. Supplemental EIR with top alternatives treated co-equally; appropriate findings; ability to carry-out any of top alternatives
 - c. Community Advisory Election
 - d. Final Project Implementation Recommendations

D. Budget Strategies

- a. Do not exceed \$2.0 million in “at-risk” County funds
- b. Full recovery of County funds
- c. Develop detailed project approach so that consultant efforts, compensation and County costs are minimized if the Prop. 218 election fails.
- d. Pursue grant revenues to
 - i. Specifically seek funding for disadvantaged constituents;
 - ii. Utilize District resources where possible;
 - iii. Cooperate where possible to minimize District project and other administrative and legal costs

Attachment "E"

Los Osos Resource Capacity Study Determinations

Excerpt from the minutes of the Board of Supervisors meeting of March 27, 2007 while considering a **Resource Capacity Study for Los Osos Water Supply**

...the Board directs staff to:

- 1) develop a water consumption reduction plan including: best practices for agriculture, holding meetings with the water purveyors to come up with a plan that includes incentives and regulations, and the County joining in the adjudication process;
- 2) investigate the nature of a groundwater management ordinance and its implications;
- 3) investigate changes to Title 19 to offset water use;
- 4) prepare a proposal regarding new development and remodels over a certain value be included in the retrofit program;
- 5) prepare a recommendation regarding subdivisions and its potential to offset water use;
- 6) outline a study to confirm the current situation to establish base data;
- 7) give the Board a read on the question of build-out reduction; and
- 8) consider an interim urgency ordinance based on the findings of threats to health, safety and welfare, that if progress isn't seen, findings could be made for an interim ordinance; and return to the Board as soon as possible.

Further, the Board directs staff to provide public notice of these upcoming regulations in a newspaper of general circulation.

Attachment "F"

Draft Prop 218 Ballot

REQUIRED CONTENTS OF THE BALLOT PACKAGE

SAMPLE ASSESSMENT BALLOT

SAN LUIS OBISPO COUNTY LOS OSOS WASTEWATER PROJECT

Assessor Parcel Number: «XXX-XXX-XXX»
 «Owner of Record»
 «Street»
 «City», «ST» «ZIP»

Proposed Total Los Osos Wastewater Project Annual Assessment for Fiscal Year <20XX/XX>:

<\$XX,XXX,XXX.XX>

This Assessment Ballot is for the use of the property owner of the parcel identified herein, as identified on the last equalized secured tax assessment roll, whose parcel is subject to the Los Osos Wastewater Project Property Assessment for capital costs associated with the construction of a wastewater collection system and treatment/disposal facility. All parcels within the map contained in this package are being included in this proposed assessment.

The proposed assessment, if approved, will continue for the duration of the debt issued, not to exceed <XX> years. The debt may also be retired early. The interest rate on the debt is anticipated to not exceed <XX.XX%>

Mail Delivery: If by mail, place this ballot in the mail, in the enclosed envelope, with sufficient time to be received no later than the close of the Public hearing on <XXXXXXXX, 20XX>. If this ballot is not received by this time it will not be counted.

Personal Delivery: If in person, deliver this ballot to the County Clerk at any time up to the close of the Public Hearing on <XXXXXXXX, 20XX>, in the Government Center Board Chamber, 1055 Monterey Street, San Luis Obispo.

Mail or Hand Deliver the Entire Page in the Enclosed Envelope to:

County Clerk, 1055 Monterey Street Suite D120, San Luis Obispo, CA 93408

There will be a Public Hearing at X:XX AM on <XXXXXXXX, 20XX> in the Government Center Board Chamber, 1055 Monterey Street, San Luis Obispo. At the Public Hearing, the San Luis Obispo County Board of Supervisors shall consider all objections or protests, if any, to the proposed assessment. Any interested person shall be permitted to present written or oral testimony.

The assessment shall not be imposed if the ballots submitted in opposition to the assessment exceed, by simple majority, the ballots submitted in favor of the assessment, with the ballots weighted according to the proportional financial obligation of the affected property.

The assessment of each parcel was determined by an Assessment Engineer licensed by the State of California. The basis for determining each assessment is based on benefit to the property. The total cost of the special benefit for the collection, treatment and disposal of sewer waste will be assessed to the various parcels in the prohibition zone in proportion to the estimated Benefit Units (BU) assigned to a parcel in relationship to the total BU's of all the parcels in the zone. BU's for each parcel have been determined as a function of a Land Use Factor.

Assessor's Parcel Number: «XXX-XXX-XXX»
Proposed Yearly Assessment Amount for this Parcel: «Annual_Assessment_»
Owner Name: «Owner of Record»
Proportional Ownership for this Owner: <<Owner Portion>>

Please check a box below, sign in the place provided and return the entire ballot on or before <XXXXXXXX, 20XX>. by a method described above. Only returned ballots will be counted and contributed towards the weighted total.

YES, I SUPPORT the levying of the Proposed Assessment upon parcels for the Los Osos Wastewater Project

NO, I am OPPOSED to the levying of the Proposed Assessment upon parcels for the Los Osos Wastewater Project

DATE _____
PRINT OWNER'S NAME _____
OWNER'S SIGNATURE _____

Total proposed amount for the entire district CA Govt. Code 53753(b)

The reason for the assessment CA Govt. Code 53753(b)

A reasonable identification of the parcel (APN) CA Govt. Code 53753(c)

The duration of the payments CA Govt. Code 53753(b)

A statement that the assessment shall not be imposed if weighted total ballots submitted in opposition of the assessment exceed those submitted in favor CA Govt. Code 53753(b)

Agency's address for receipt of ballot (either mail or hand delivery) CA Govt. Code 53753(c)

A place to indicate property owner's name CA Govt. Code 53753(c)

The date, time and location of the public hearing on the proposed assessment CA Govt. Code 53753(b)

The amount chargeable to the record owner's parcel CA Govt. Code 53753 (b)

The basis upon which the amount of the proposed assessment was calculated CA Govt. Code 53753(b)

A place for the property owner to mark support or opposition to the proposed assessment CA Govt. Code 53753(c)

A summary of the procedures for the completion, return & tabulation of the ballots CA Govt. Code 53753(b)

This sample was prepared by the Public Works Department & contents are subject to change
Please forward any questions to the County website at: LOWWP@co.slo.ca.us