TO: BOARD OF DIRECTORS

FROM: BRUCE BUEL BCB

DATE: MAY 15, 2009

AGENDA ITEM B
MAY 20, 2009

BASIS OF ASSESSMENT FOR FUNDING WIP CAPITAL COST

ITEM

Review the basis of assessment for financing the capital cost of the Waterline Intertie Project [PROVIDE POLICY GUIDANCE]

BACKGROUND

Your honorable Board has previously agreed, in concept, to use assessments to cover the WIP debt service and indicated that developed properties should pay a lower assessment than undeveloped and underdeveloped properties with a reduction in the Supplemental Water Capacity Charge for new development. On April 22, 2009, you directed staff to evaluate alternative formulas for spreading the assessment amongst developed and underdeveloped properties. Attached is a letter report from the Wallace Group providing this evaluation of alternatives. The letter report also evaluates the impact of pledging reserves instead of borrowing the full amount of the capital cost and evaluates the possibility of using assessment proceeds to pay for the capital portion of the Santa Maria Water Purchase instead of using rates and charges. Staff is seeking Board guidance on the following issues at this meeting:

1. How much of NCSD's Water Reserves should be pledged to offset borrowing?
2. What formula should be used to determine the split between developed and underdeveloped properties?
3. Should the assessment cover the WIP capital cost or should it cover both the WIP capital cost and the capital portion of the Santa Maria Water Purchase?
4. How much should the Supplemental Water Capacity Charge be reduced?

Kari Wagner from the Wallace Group is scheduled to present her report and to discuss the results with your Board.

FISCAL IMPACT

The letter report was paid with Supplemental Water Project funds out of the last authorization to the Wallace Group. Previously budgeted staff time and legal counsel time were also expended.

RECOMMENDATION

Staff recommends that the Board discuss each of the following four issues and provide policy direction.

1. How much of NCSD's Water Reserves should be pledged to offset borrowing?

Staff has previously recommended that the Board dedicate $6 million in reserves to the capital cost of the project. As of March 31, 2009 NCSD had already spent $1,907,152 on the project. As detailed in the attached Cash Balance of Each Fund as of March 31, 2009, the remaining COP proceeds total $2,045,394 and the Supplemental Water Capacity

Charges total $1,285,633. Adding these totals yields $5,238,179. The addition of $761,821 in property taxes would result in $6 million.

As detailed in the Wallace Group Letter Report, the cost per benefit unit is directly related to the amount of the borrowing. With no reserve contribution (and no Santa Maria Cost), the Scenario I cost per benefit unit would be $198.24 per year. With $6 million in reserves, the cost per benefit unit drops to $124.17 per year. The difference is $74.07 per year. With no reserve contribution (and no Santa Maria Cost), the Scenario II cost per benefit unit would be $237.55 per year. With $6 million in reserves, the cost per benefit unit drops to $148.81 per year. The difference is $88.74 per year.

The Board could opt to contribute additional property taxes, some or all of the Water Capacity fund, or some or all of the Funded Replacement, however, there are competing uses for these reserves and the District needs to retain some reserves in case the final cost of the Waterline Intertie Project is greater than $23 million.

It should be noted that if the Board does transfer $761,821 out of the Property Tax Reserve Fund, the remaining balance would be $573,436. In addition to this balance, staff expects that an additional $250,000 will be posted to the account by the end of June.

STAFF RECOMMENDATION

Staff recommends that the Board pledge $6 million of reserves toward the capital cost of the project.

2. What formula should be used to determine the split between developed and underdeveloped properties?

The Wallace Group Letter Report describes six alternatives for allocation of the WIP Capital Cost between developed and underdeveloped properties with two different scenarios. Scenario I assumes maximum build-out with no voluntary density reductions. Scenario II assumes that 50% of potential new growth is voluntarily restricted.

Alternative SA6 shows the cost per benefit unit if developed properties and underdeveloped properties are weighted equally. Case 2 shows the cost per benefit unit if $6 million in reserves are dedicated to drawing down the amount of the capital cost borrowed by NCSD, whereas Case 1 shows the cost per benefit unit if $0 reserves are dedicated.

Should NCSD charge a higher per benefit unit charge for Underdeveloped Property, then the Current Supplemental Water Capacity Charge should be decreased by a comparable amount. Please see issue #4 for a discussion and recommendation on the potential magnitude of such a reduction in the Supplemental Water Capacity Charge.

Alternative SA1 Case 2 shows the impact to the two classes of properties if the $6 million is posted to the repayment obligation of Developed Property. For Scenario I, the Cost per Benefit Unit of Developed Properties drops from $124.18 to $88.60 and the Cost per Benefit Unit of Underdeveloped Properties increases from $124.18 to $194.37. For Scenario II, the Cost per Benefit Unit of Developed Properties drops from $148.81 to $127.15 and the Cost per Benefit Unit of Underdeveloped Properties increases from $148.81 to $232.92.

Alternative SA2 Case 2 shows the impact to the two classes of properties if the Developed Properties pay 20% of the debt service and the Underdeveloped Properties pay 80% of the Debt Service. For Scenario I, the Cost per Benefit Unit of Developed Properties drops from

$124.18 to $37.43 and the Cost per Benefit Unit of Underdeveloped Properties increases from $124.18 to $295.33. For Scenario II, the Cost per Benefit Unit of Developed Properties drops from $148.81 to $37.43 and the Cost per Benefit Unit of Underdeveloped Properties increases from $148.81 to $581.33.

Alternative SA2 Case 3 shows the impact to the two classes of properties if the Developed Properties pay 25% of the debt service and the Underdeveloped Properties pay 75% of the Debt Service. For Scenario I, the Cost per Benefit Unit of Developed Properties drops from $124.18 to $46.78 and the Cost per Benefit Unit of Underdeveloped Properties increases from $124.18 to $276.88. For Scenario II, the Cost per Benefit Unit of Developed Properties drops from $148.81 to $46.78 and the Cost per Benefit Unit of Underdeveloped Properties increases from $148.81 to $545.

Alternative SA2 Case 4 shows the impact to the two classes of properties if the Developed Properties pay 33% of the debt service and the Underdeveloped Properties pay 67% of the Debt Service. For Scenario I, the Cost per Benefit Unit of Developed Properties drops from $124.18 to $62.31 and the Cost per Benefit Unit of Underdeveloped Properties increases from $124.18 to $246.31. For Scenario II, the Cost per Benefit Unit of Developed Properties drops from $148.81 to $62.31 and the Cost per Benefit Unit of Underdeveloped Properties increases from $148.81 to $484.69.

Alternative SA2 Case 5 shows the impact to the two classes of properties if the Developed Properties pay 50% of the debt service and the Underdeveloped Properties pay 50% of the Debt Service. For Scenario I, the Cost per Benefit Unit of Developed Properties drops from $124.18 to $93.56 and the Cost per Benefit Unit of Underdeveloped Properties increases from $124.18 to $184.58. For Scenario II, the Cost per Benefit Unit of Developed Properties drops from $148.81 to $93.56 and the Cost per Benefit Unit of Underdeveloped Properties increases from $148.81 to $363.33.

STAFF RECOMMENDATION

Staff recommends that the Board select Alternative SA1. Staff believes that SA1 logically relates the contribution of the developed properties to the amount of their assessment and that it is less judgmental that Alternatives SA2 through SA5.

3. Should the assessment cover the WIP capital cost or should it cover both the WIP capital cost and the capital portion of the Santa Maria Water Purchase?

As detailed in the Wallace Letter Report, NCSD has the option of using assessment proceeds to pay for the 69% of the $1,250 per acre foot charge for Santa Maria's water since this amount reflects Santa Maria's Capital Cost to deliver its water to NCSD. Should NCSD buy 2,000 acre feet at $1,250 per acre foot, then its annual cost would be $2.5 Million and if the capital portion of this purchase is 69% then the annual assessment necessary to pay for this share would be $1,725,000. Cases 3 and 4 of the analysis show the cost per benefit unit impact of adding the extra $1,725,000 to each of the Scenarios and each of the Alternatives.

Should NCSD use assessments to pay for the capital portion of Santa Maria Water, then the Current Supplemental Water Capacity Charge should be decreased by a comparable amount. Please see issue #4 for a discussion and recommendation on the potential magnitude of such a reduction in the Supplemental Water Capacity Charge.

For Scenario I, Alternative SCA1 (Staff's recommended distribution), adding the Santa Maria Debt Service Increases the annual assessment per benefit unit cost for developed properties by $140.14 from $88.60 to $228.74 and the annual assessment per benefit unit

cost for underdeveloped properties by $307.43 from $194.37 to 501.80. At the same time, however, this proposal would reduce the future annual average water bill by $431.25.

For Scenario II, Alternative SCA1 (Staff's recommended distribution), adding the Santa Maria Debt Service Increases the annual assessment per benefit unit cost for developed properties by $201.10 from $127.15 to $328.25 and the annual assessment per benefit unit cost for underdeveloped properties by $368.40 from $232.92 to $601.32. At the same time, however, this proposal would reduce the future annual average water bill by $431.25.

STAFF RECOMMENDATION

Staff recommends that the Board use Assessment Proceeds to pay for the capital portion of the Santa Maria Water Purchase Cost. Staff believes that the average annual cost per current customer will be lower and that the revenue stream to pay the City will be more secure. As witnessed by the recent absence of capacity charge payments, relying on Supplemental Water Charges to pay for 69% of the cost of purchasing water is extremely risky. The downside of adding this charge is that the Assessment appears to be more expensive and thus will be more difficult to pass.

4. How much should the Supplemental Water Capacity Charge be reduced?

NCSD's current Supplemental Water Capacity Charge for a 1" meter is $13,404 and this amount increases by the CPI every year on July 1. This basis of this charge is set forth in the attached spreadsheet from the August 21, 2008 Reed report titled NCSD Capacity Charges for Supplemental Water. Of the total, 23.76% of the charge relates to the cost of a future desalination project and $76.24 relates to the Waterline Intertie Project INCLUDING the cost of purchasing 69% of the $1,250 per acre foot cost of 2,000 acre feet per year of Santa Maria Water. Thus, $10,219.21 out of the $13,404 relates to the Waterline Intertie Project. Of the WIP $10,219.21 share of the Charge, 39.68% or $4,054.99 relates to the construction cost of the Waterline Intertie Project and 60.32% or $6,164.23 relates to the purchase of Santa Maria Water. Thus, the Supplemental Water Capacity Charge should be decreased by $4,054.99 if the Board uses assessment proceeds to pay for the capital cost of constructing the project instead of relying on Supplemental Capacity Charges. In addition, the Supplemental Water Capacity Charge should be reduced by another $6,164.23 if the assessment is used to pay for the purchase of the 69% of the purchase price of the Santa Maria Water.

STAFF RECOMMENDATION

If the Board agrees with Staff Recommendations 1, 2 and 3, then the Supplemental Water Capacity Charge should be reduced from $13,404 down to $3,184.79.

ATTACHMENTS

- Wallace Group Letter Report
- Printout of Reserve Balances as of 3/31/09
- Excerpt from August 21, 2008 Reed Report

MEMORANDUM

Date: April 15, 2009

To: Bruce Buel

From: Kari Wagner, P.E.

Subject: Sensitivity Analysis for the Basis of Assessment

Wallace Group submitted the Basis of Assessment Memorandum to the District on April 15, 2009 and was reviewed by the Board on April 22, 2009. This memorandum discussed the analysis of the database and the preliminary recommendations for the basis of assessment. Subsequently, Wallace Group has used this basis of assessment to assign benefit units to every assessor's parcel number (APN) within the District's boundary and determined the cost per benefit based on six different methodologies.

During this analysis, Wallace Group made some minor modifications to the Basis of Assessment Table. The revised Basis of Assessment Table is provided in Table 1. The changes to the table included:

- Changing the heading of "Zoning" to "Category".
- Adding a sub-category.
- Changed "Church" category to "Public Meeting" category. This allowed the category to include large meeting halls like the men's club.

SENSITIVITY ANALYSIS

Once the benefit units were assigned to every parcel within the District, Wallace Group completed a sensitivity analysis to determine the estimated cost per benefit. The cost per benefit unit was completed for six different methodologies with two different development potentials. They are as follows and described in further detail in the following sections:

- Methodologies
  - SA1: Discount to Developed Parcels Based on Reduction from Reserves
  - SA2: Developed Parcels Pay 20% of the Costs
  - SA3: Developed Parcels Pay 25% of the Costs
  - SA4: Developed Parcels Pay 33% of the Costs
  - SA5: Developed Parcels Pay 50% of the Costs
  - SA6: Costs are Equal to All
- Development Potential Analysis
  - Scenario I: Based on full potential of all parcels in the District
  - Scenario II: Based on an assumed reduction of development potential

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Table 1. Basis of Assessment

Group	Zoning	Description	Parcel Sizes Included	Recommendations
1	RSF	All residential parcels with one unit	0.10, 0.20, 0.30	Basis of Assessment, 1.0 Equivalent Benefit Unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 & Greater	2.00 benefit units
2	RSF-2	Second Unit	<1.0	0.00 benefit units
			1.0 & Greater	0.30 benefit unit for second unit
3	RSF>2	Greater than two units (includes triplex, fourplex. Does not include subdividable RSF parcels)	All Parcel Sizes	0.30 benefit unit for each additional unit beyond two units
4	RMF	Multi-family units w/ no land (i.e. condos, apartments, mobile homes)	<0.1	0.70 benefit units per unit
5	Com	Commercial Services, Office Professional, Commercial Retail	0.10, 0.20, 0.30	1.0 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 1.90	3.00 benefit units
			2.00 & Greater	6.00 benefit units
Special Cases				
6	Mini Storage	Storage units with physical storage structures	All Parcel Sizes	0.50 benefit units
7	School	School	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	3.00 benefit units
			2.01 & Greater	3.00 benefit units plus 1.0 benefit unit for every acre above 2.0 acres
8	Public Mtg	Includes churches, public meeting facilities, excluding schools	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	2.00 benefit units
			2.01 & Greater	1.00 benefit units per acre
9	Recreational	Parks, Fields, etc	All Parcel Sizes	1.00 benefit units per acre
10	Government	Government (i.e. Fire Station, Police, etc)	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	3.00 benefit units
			2.01 & Greater	3.00 benefit units plus 1.0 benefit unit for every acre above 2.0 acres
11	PF w/ No Irrig.	Public Facilties with no irrigation (i.e. wells, tanks, lift stations)	All Parcel Sizes	0.00 benefit units
12	PF w/ Irrig.	Public Facilities with irrigation	All Parcel Sizes	1.00 benefit units per acre
13	OS w/ No Irrig. Potential	Open Space w/ no potential for irrigation (i.e. medians, parking lots, etc)	All Parcel Sizes	0.00 benefit units
14	OS w/ Irrig.	Open Space w/ existing or potential for irrigation	All Parcel Sizes	1.00 benefit units per acre
15	WWTP	Wastewater Treatment Plant		1.00 benefit unit

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Background Data

The sensitivity analysis was based on the following:

- NCSD's apportioned cost of the project is estimated at $16,615,200. This is based on a total project cost of $23,000,000 and a 72.24% participation rate (66.67% for 1,667 AFY and 100% or 500AFY).
- The yearly costs for payment to Santa Maria operations and maintenance is $1,724,000.
- The District has $6,000,000 in reserves that can be used to pay down the bond amount.
- The total bond amount is estimated at $19.44 million. With use of the reserves, the total bond amount is $12.2 million.
- Based on the total project cost, the estimated annual bond payments are as follows:

Case 1 – NCSD Share of Total WIP Cost w/ no reserves and no Santa Maria Cost	**$1,740,000**	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w/ $6 mil reserves and no Santa Maria Cost	**$1,090,000**	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w/ no reserves and full Santa Maria Cost	**$3,464,000**	For Bonds estimate @ $19.44 million
Case 4 – NCSD Share of Total WIP w/ $6 mil reserves and full Santa Maria Cost	**$2,814,000**	For Bonds estimate @ $12.2 million

- Benefit units: The total number of developed benefit units is a fixed value. This is based on what is existing development on the parcel today. The total number of undeveloped benefit units is an unstable value. This value is based on the full potential build-out of all underdeveloped and undeveloped parcels. This number will most likely be lowered during the assessment process as those homeowners that do not want to develop any additional units on their parcel will record a deed restriction on their parcel.
- The total Developed benefit units are 5,825 benefit units.
- The total Undeveloped benefit units are 2,953 benefit units.

Methodologies

Wallace Group was requested to analyze several different methods of determining the cost per benefit unit. These methods provide various reasoning for apportioning the costs of the project the same or differently for developed and undeveloped parcels. Descriptions of each of the methodologies are as follows:

SA1: Discount to Developed Parcels Based on Reduction from Reserves

The first methodology equates the cost per benefit unit equal for developed and undeveloped parcels to start. Subsequently, the cost per benefit unit is reduced for developed parcels based on a credit of $6,000,000 from the reserves. The District's reserves were acquired through existing user rates and development fees. Therefore, this money should benefit only the developed parcels.

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SA2 through 5: Developed Parcels Pay 20%, 25%, 33%, 50% of the Costs

SA2, 3, 4, and 5 are all similar in the methodology, just the apportionment is different. This analysis assumes that the developed benefit units should pay a set percentage of the total cost of the project: 20%, 25%, 33%, or 50%. The reserves are taken away from the total project costs, not just the cost of the project apportioned to the developed benefit units.

SA6: Costs are Equal to All

SA6 is a simple analysis. The total project costs are equated equally to both the developed and undeveloped benefit units. The total project costs are divided by the total number of benefit units to determine the cost per benefit unit.

Scenario Analysis

As described above, the number of developed benefit units is a fixed value. This will not change unless the type of development that was identified on the parcel is not accurate, which there may be a handful of these cases. However, it is not anticipated to have a significant impact on the cost per benefit unit.

The number of undeveloped benefit units is not fixed. Property owners of those parcels that were assessed for future development potential because their parcel is either underdeveloped or undeveloped can reduce their assessment by signing a deed restriction against the property. It is anticipated that this action will be completed on a significant portion of the undeveloped and underdeveloped parcels. It is anticipated that there could be a reduction of up to 50% of the benefit units in this category. This could have a significant impact on the cost per benefit unit for both undeveloped and developed parcels. Therefore, Wallace Group completed the sensitivity analysis under two different scenarios.

The first scenario was with the full development potential. This equates to 2,953 benefit units. This is based on the research completed by Wallace Group on the full development potential of every parcel. The second scenario was will the undeveloped benefit units equate to only 1,500 benefit units. This provides a look at what the estimated maximum cost per benefit unit would be if roughly 50% of the benefit units were taken away.

Analysis and Conclusion

Based on the descriptions of the sensitivity and scenario analysis provided above, Appendix A has a summary of the results for the cost per benefit unit for both the developed and undeveloped benefit units and the backup calculations that determined the costs per benefit unit.

Completing the sensitivity analysis for both scenarios allows the District opportunity to determine a rational method of assessing both the developed and undeveloped parcels within the District and seeing the high and low range of what the cost per benefit unit is anticipated to be based on today's proposed costs of the project. At this time Wallace Group has provided the Board with the completed analysis and will require direction for developing the final costs per benefit unit for the Engineer's Report.

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WATER USE ANALYSIS

At this time, an estimate of the anticipated future water use can be determined using the number of benefit units identified in this analysis. The following table provides a summary of the existing and future water uses.

Estimated Water Use Per Benefit Unit	425 gpd
Existing Benefit Units	5,825
Total Existing Water Use	2,475,566 gpd
	2,773 AFY
Existing Water Use Based on NCSD 2008 Annual Production	2,755 AFY

Future Benefit Units (Maximum)	2,953
Incremental Future Water Use	1,254,849 gpd
	1,406 AFY
Total Water Use	4,179 AFY

Future Benefit Units (Minimum)	1,500
Incremental Future Water Use	637,500 gpd
	714 AFY
Total Water Use	3,487 AFY

Nipomo Community Services District
Summary of Sensitivity Analysis for Basis of Assessment

Annual Payment Scenarios			
Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million	
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million	
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000		
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000		

Scenario I - Maximum Development Potential

Developed Benefit Units	Undeveloped Benefit Units
5,824.86	2,952.59

	SA1 (Reserves)		SA2 (20%)		SA3 (25%)		SA4 (33%)		SA5 (50%)		SA6 (Equal)
	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	All Benefit Units
Case 1	$0.00	$0.00	$59.74	$471.45	$74.68	$441.99	$99.47	$393.07	$149.36	$294.66	$198.24
Case 2	$88.60	$194.37	$37.43	$295.33	$46.78	$276.88	$62.31	$246.23	$93.56	$184.58	$124.18
Case 3	$0.00	$0.00	$118.94	$938.57	$148.67	$879.91	$198.03	$782.53	$297.35	$586.60	$394.65
Case 4	$228.74	$501.80	$96.62	$762.45	$120.78	$714.80	$160.87	$635.69	$241.55	$476.53	$320.59

		Case 1	Case 2	Case 3	Case 4
SA1 (Reserves)	Developed	$0.00	$88.60	$0.00	$228.74
	Undeveloped	$0.00	$194.37	$0.00	$501.80
SA2 (20%)	Developed	$59.74	$37.43	$118.94	$96.62
	Undeveloped	$471.45	$295.33	$938.57	$762.45
SA3 (25%)	Developed	$74.68	$46.78	$148.67	$120.78
	Undeveloped	$441.99	$276.88	$879.91	$714.80
SA4 (33%)	Developed	$99.47	$62.31	$198.03	$160.87
	Undeveloped	$393.07	$246.23	$782.53	$635.69
SA5 (50%)	Developed	$149.36	$93.56	$297.35	$241.55
	Undeveloped	$294.66	$184.58	$586.60	$476.53
SA6 (Equal)	Total	$198.24	$124.18	$394.65	$320.59

Scenario II - Minimum Development Potential

Developed Benefit Units	Undeveloped Benefit Units
5,805.86	1,500.00

	SA1B (Reserves)		SA2B (20%)		SA3B (25%)		SA4B (33%)		SA5B (50%)		SA6B (Equal)
	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	Developed	Undeveloped	All Benefit Units
Case 1	$0.00	$0.00	$59.74	$928.00	$74.68	$870.00	$99.47	$773.72	$149.36	$580.00	$237.55
Case 2	$127.15	$232.92	$37.43	$581.33	$46.78	$545.00	$62.31	$484.69	$93.56	$363.33	$148.81
Case 3	$0.00	$0.00	$118.94	$1,847.47	$148.67	$1,732.00	$198.03	$1,540.33	$297.35	$1,154.67	$472.91
Case 4	$328.25	$601.32	$96.62	$1,500.80	$120.78	$1,407.00	$160.87	$1,251.29	$241.55	$938.00	$384.17

		Case 1	Case 2	Case 3	Case 4
SA1B (Reserves)	Developed	$0.00	$127.15	$0.00	$328.25
	Undeveloped	$0.00	$232.92	$0.00	$601.32
SA2B (20%)	Developed	$59.74	$37.43	$118.94	$96.62
	Undeveloped	$928.00	$581.33	$1,847.47	$1,500.80
SA3 (25%)	Developed	$74.68	$46.78	$148.67	$120.78
	Undeveloped	$870.00	$545.00	$1,732.00	$1,407.00
SA4B (33%)	Developed	$99.47	$62.31	$198.03	$160.87
	Undeveloped	$773.72	$484.69	$1,540.33	$1,251.29
SA5B (50%)	Developed	$149.36	$93.56	$297.35	$241.55
	Undeveloped	$580.00	$363.33	$1,154.67	$938.00
SA6B (Equal)	Total	$237.55	$148.81	$472.91	$384.17

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 1: Discount to Developed Parcels Based on Reduction from Reserves

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$11,026,123.73	$5,589,076	$16,615,200
Less Reserves	$6,000,000	$0	$6,000,000
Project Financed	$5,026,123.73	$5,589,076.27	$10,615,200
	47.35%	52.65%	
Approximate Annual Payment	$516,097.19	$573,902.81	$1,090,000
Annual Cost Per Benefit	**$88.60**	**$194.37**	

Case 4	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$11,026,123.73	$5,589,076	$16,615,200
Less Reserves	$6,000,000	$0	$6,000,000
Project Financed	$5,026,123.73	$5,589,076.27	$10,615,200
	47.35%	52.65%	100%
Approximate Annual Costs for Capital	$516,097.19	$573,902.81	$1,090,000
Approximate Annual Costs for SM	$816,285.83	$907,714.17	$1,724,000
	$1,332,383.01	$1,481,616.99	$2,814,000
Annual Cost Per Benefit	**$228.74**	**$501.80**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 2: Developed Parcels Pay 20% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	
Approximate Annual Payment	$348,000.00	$1,392,000.00	$1,740,000
Annual Cost Per Benefit	**$59.74**	**$471.45**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs (less Cash Reserves)	$2,123,040.00	$8,492,160	$10,615,200
	20.00%	80.00%	
Approximate Annual Payment	$218,000.00	$872,000.00	$1,090,000
Annual Cost Per Benefit	**$37.43**	**$295.33**	

Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 2: Developed Parcels Pay 20% of the Costs

Case 3

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	100%
Approximate Annual Costs for Capital	$348,000.00	$1,392,000.00	$1,740,000
Approximate Annual Costs for SM	$344,800.00	$1,379,200.00	$1,724,000
	$692,800.00	$2,771,200.00	$3,464,000
Annual Cost Per Benefit	**$118.94**	**$938.57**	

Case 4

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	100%
Approximate Annual Costs for Capital	$218,000.00	$872,000.00	$1,090,000
Approximate Annual Costs for SM	$344,800.00	$1,379,200.00	$1,724,000
	$562,800.00	$2,251,200.00	$2,814,000
Annual Cost Per Benefit	**$96.62**	**$762.45**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 3: Developed Parcels Pay 25% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	
Approximate Annual Payment	$435,000.00	$1,305,000.00	$1,740,000
Annual Cost Per Benefit	**$74.68**	**$441.99**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs (less Cash Reserves)	$2,653,800.00	$7,961,400	$10,615,200
	25.00%	75.00%	
Approximate Annual Payment	$272,500.00	$817,500.00	$1,090,000
Annual Cost Per Benefit	**$46.78**	**$276.88**	

Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 3: Developed Parcels Pay 25% of the Costs

	Case 3		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	100%
Approximate Annual Costs for Capital	$435,000.00	$1,305,000.00	$1,740,000
Approximate Annual Costs for SM	$431,000.00	$1,293,000.00	$1,724,000
	$866,000.00	$2,598,000.00	$3,464,000
Annual Cost Per Benefit	**$148.67**	**$879.91**	

	Case 4		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	100%
Approximate Annual Costs for Capital	$272,500.00	$817,500.00	$1,090,000
Approximate Annual Costs for SM	$431,000.00	$1,293,000.00	$1,724,000
	$703,500.00	$2,110,500.00	$2,814,000
Annual Cost Per Benefit	**$120.78**	**$714.80**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 4: Developed Parcels Pay 33% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	
Approximate Annual Payment	$579,420.00	$1,160,580.00	$1,740,000
Annual Cost Per Benefit	**$99.47**	**$393.07**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs (less Cash Reserves)	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	
Approximate Annual Payment	$362,970.00	$727,030.00	$1,090,000
Annual Cost Per Benefit	**$62.31**	**$246.23**	

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Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 4: Developed Parcels Pay 33% of the Costs

	Case 3		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	100%
Approximate Annual Costs for Capital	$579,420.00	$1,160,580.00	$1,740,000
Approximate Annual Costs for SM	$574,092.00	$1,149,908.00	$1,724,000
	$1,153,512.00	$2,310,488.00	$3,464,000
Annual Cost Per Benefit	**$198.03**	**$782.53**	

	Case 4		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	100%
Approximate Annual Costs for Capital	$362,970.00	$727,030.00	$1,090,000
Approximate Annual Costs for SM	$574,092.00	$1,149,908.00	$1,724,000
	$937,062.00	$1,876,938.00	$2,814,000
Annual Cost Per Benefit	**$160.87**	**$635.69**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 5: Developed Parcels Pay 50% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	
Approximate Annual Payment	$870,000.00	$870,000.00	$1,740,000
Annual Cost Per Benefit	**$149.36**	**$294.66**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs (less Cash Reserves)	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	
Approximate Annual Payment	$545,000.00	$545,000.00	$1,090,000
Annual Cost Per Benefit	**$93.56**	**$184.58**	

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Sensitivity Analysis - Alt 5: Developed Parcels Pay 50% of the Costs

Case 3

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	100%
Approximate Annual Costs for Capital	$870,000.00	$870,000.00	$1,740,000
Approximate Annual Costs for SM	$862,000.00	$862,000.00	$1,724,000
	$1,732,000.00	$1,732,000.00	$3,464,000
Annual Cost Per Benefit	**$297.35**	**$586.60**	

Case 4

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	100%
Approximate Annual Costs for Capital	$545,000.00	$545,000.00	$1,090,000
Approximate Annual Costs for SM	$862,000.00	$862,000.00	$1,724,000
	$1,407,000.00	$1,407,000.00	$2,814,000
Annual Cost Per Benefit	**$241.55**	**$476.53**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 6: Costs are Equal to All

Case 1

	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs			$16,615,200
Approximate Annual Payment			$1,740,000
Annual Cost Per Benefit			**$198.24**

Case 2

	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs (less Cash Reserves)			$10,615,200
Approximate Annual Payment			$1,090,000
Annual Cost Per Benefit			**$124.18**

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Sensitivity Analysis - Alt 6: Costs are Equal to All

Case 3

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs			$16,615,200
Approximate Annual Costs for Capital			$1,740,000
Approximate Annual Costs for SM			$1,724,000
			$3,464,000
Annual Cost Per Benefit			**$394.65**

Case 4

	Developed	Undeveloped	Total
Benefit Units	5,824.86	2,952.59	8,777.45
% of total Benefit Units	66.36%	33.64%	100.00%
Project Costs			$10,615,200
Approximate Annual Costs for Capital			$1,090,000
Approximate Annual Costs for SM			$1,724,000
			$2,814,000
Annual Cost Per Benefit			**$320.59**

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 1B: Discount to Developed Parcels Based on Reduction from Reserves

	Case 2		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$13,212,704.99	$3,402,495	$16,615,200
Less Reserves	$6,000,000	$0	$6,000,000
Project Financed	$7,212,704.99	$3,402,495.01	$10,615,200
	67.95%	32.05%	
Approximate Annual Payment	$740,621.79	$349,378.21	$1,090,000
Annual Cost Per Benefit	**$127.15**	**$232.92**	

	Case 4		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$13,212,704.99	$3,402,495	$16,615,200
Less Reserves	$6,000,000	$0	$6,000,000
Project Financed	$7,212,704.99	$3,402,495.01	$10,615,200
	67.95%	32.05%	100%
Approximate Annual Costs for Capital	$740,621.79	$349,378.21	$1,090,000
Approximate Annual Costs for SM	$1,171,405.47	$552,594.53	$1,724,000
	$1,912,027.27	$901,972.73	$2,814,000
Annual Cost Per Benefit	**$328.25**	**$601.32**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 2B: Developed Parcels Pay 20% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	
Approximate Annual Payment	$348,000.00	$1,392,000.00	$1,740,000
Annual Cost Per Benefit	**$59.74**	**$928.00**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs (less Cash Reserves)	$2,123,040.00	$8,492,160	$10,615,200
	20.00%	80.00%	
Approximate Annual Payment	$218,000.00	$872,000.00	$1,090,000
Annual Cost Per Benefit	**$37.43**	**$581.33**	

Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 2B: Developed Parcels Pay 20% of the Costs

	Case 3 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	100%
Approximate Annual Costs for Capital	$348,000.00	$1,392,000.00	$1,740,000
Approximate Annual Costs for SM	$344,800.00	$1,379,200.00	$1,724,000
	$692,800.00	$2,771,200.00	$3,464,000
Annual Cost Per Benefit	**$118.94**	**$1,847.47**	

	Case 4 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$3,323,040.00	$13,292,160	$16,615,200
	20.00%	80.00%	100%
Approximate Annual Costs for Capital	$218,000.00	$872,000.00	$1,090,000
Approximate Annual Costs for SM	$344,800.00	$1,379,200.00	$1,724,000
	$562,800.00	$2,251,200.00	$2,814,000
Annual Cost Per Benefit	**$96.62**	**$1,500.80**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 3B: Developed Parcels Pay 25% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	
Approximate Annual Payment	$435,000.00	$1,305,000.00	$1,740,000
Annual Cost Per Benefit	**$74.68**	**$870.00**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs (less Cash Reserves)	$2,653,800.00	$7,961,400	$10,615,200
	25.00%	75.00%	
Approximate Annual Payment	$272,500.00	$817,500.00	$1,090,000
Annual Cost Per Benefit	**$46.78**	**$545.00**	

Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 3B: Developed Parcels Pay 25% of the Costs

	Case 3 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	100%
Approximate Annual Costs for Capital	$435,000.00	$1,305,000.00	$1,740,000
Approximate Annual Costs for SM	$431,000.00	$1,293,000.00	$1,724,000
	$866,000.00	$2,598,000.00	$3,464,000
Annual Cost Per Benefit	**$148.67**	**$1,732.00**	

	Case 4 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$4,153,800.00	$12,461,400	$16,615,200
	25.00%	75.00%	100%
Approximate Annual Costs for Capital	$272,500.00	$817,500.00	$1,090,000
Approximate Annual Costs for SM	$431,000.00	$1,293,000.00	$1,724,000
	$703,500.00	$2,110,500.00	$2,814,000
Annual Cost Per Benefit	**$120.78**	**$1,407.00**	

Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 4B: Developed Parcels Pay 33% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	
Approximate Annual Payment	$579,420.00	$1,160,580.00	$1,740,000
Annual Cost Per Benefit	**$99.47**	**$773.72**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs (less Cash Reserves)	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	
Approximate Annual Payment	$362,970.00	$727,030.00	$1,090,000
Annual Cost Per Benefit	**$62.31**	**$484.69**	

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Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 4B: Developed Parcels Pay 33% of the Costs

	Case 3		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	100%
Approximate Annual Costs for Capital	$579,420.00	$1,160,580.00	$1,740,000
Approximate Annual Costs for SM	$574,092.00	$1,149,908.00	$1,724,000
	$1,153,512.00	$2,310,488.00	$3,464,000
Annual Cost Per Benefit	**$198.03**	**$1,540.33**	

	Case 4		
	Developed	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$5,532,861.60	$11,082,338	$16,615,200
	33.30%	66.70%	100%
Approximate Annual Costs for Capital	$362,970.00	$727,030.00	$1,090,000
Approximate Annual Costs for SM	$574,092.00	$1,149,908.00	$1,724,000
	$937,062.00	$1,876,938.00	$2,814,000
Annual Cost Per Benefit	**$160.87**	**$1,251.29**	

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Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 5B: Developed Parcels Pay 50% of the Costs

Case 1	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	
Approximate Annual Payment	$870,000.00	$870,000.00	$1,740,000
Annual Cost Per Benefit	**$149.36**	**$580.00**	

Case 2	**Developed**	**Undeveloped**	**Total**
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs (less Cash Reserves)	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	
Approximate Annual Payment	$545,000.00	$545,000.00	$1,090,000
Annual Cost Per Benefit	**$93.56**	**$363.33**	

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Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 5B: Developed Parcels Pay 50% of the Costs

	Case 3 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	100%
Approximate Annual Costs for Capital	$870,000.00	$870,000.00	$1,740,000
Approximate Annual Costs for SM	$862,000.00	$862,000.00	$1,724,000
	$1,732,000.00	$1,732,000.00	$3,464,000
Annual Cost Per Benefit	**$297.35**	**$1,154.67**	

	Case 4 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs	$8,307,600.00	$8,307,600	$16,615,200
	50.00%	50.00%	100%
Approximate Annual Costs for Capital	$545,000.00	$545,000.00	$1,090,000
Approximate Annual Costs for SM	$862,000.00	$862,000.00	$1,724,000
	$1,407,000.00	$1,407,000.00	$2,814,000
Annual Cost Per Benefit	**$241.55**	**$938.00**	

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Nipomo Community Services District
Sensitivity Analysis

Total Project Cost	$23,000,000.00	
Nipomo Community Services District	72.24%	$16,615,200
Woodlands Mutual Water Company	13.88%	$3,192,400
Golden State Water Company	6.94%	$1,596,200
Rural Water Company	6.94%	$1,596,200
	100.00%	$23,000,000
Reserves	$6,000,000	
Costs for Santa Maria	$1,724,000	

Annual Payment Scenarios

Case 1 – NCSD Share of Total WIP Cost w no reserves and no Santa Maria Cost	$1,740,000	For Bonds estimate @ $19.44 million
Case 2 – NCSD Share of Total WIP Cost w $6 mil reserves and no Santa Maria Cost	$1,090,000	For Bonds estimate @ $12.2 million
Case 3 – NCSD Share of Total WIP Cost w no reserve and full Santa Maria Cost	$3,464,000	
Case 4 – NCSD Share of Total WIP with $6 mil reserves and full Santa Maria Cost	$2,814,000	

Sensitivity Analysis - Alt 6B: Costs are Equal to All

Case 1

	Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs			$16,615,200
Approximate Annual Payment			$1,740,000
Annual Cost Per Benefit			**$237.55**

Case 2

	Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs (less Cash Reserves)			$10,615,200
Approximate Annual Payment			$1,090,000
Annual Cost Per Benefit			**$148.81**

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Nipomo Community Services District
Sensitivity Analysis

Sensitivity Analysis - Alt 6B: Costs are Equal to All

	Case 3 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs			$16,615,200
Approximate Annual Costs for Capital			$1,740,000
Approximate Annual Costs for SM			$1,724,000
			$3,464,000
Annual Cost Per Benefit			**$472.91**

	Case 4 Developed	Undeveloped	Total
Benefit Units	5,824.86	1,500.00	7,324.86
% of total Benefit Units	79.52%	20.48%	100.00%
Project Costs			$10,615,200
Approximate Annual Costs for Capital			$1,090,000
Approximate Annual Costs for SM			$1,724,000
			$2,814,000
Annual Cost Per Benefit			**$384.17**

CASH BALANCE OF EACH FUND
AS OF MARCH 31, 2009

FUND	FUND #	CASH BALANCE 3/31/2009
Administration	110	(48,260)
Town Water	120	1,936,498
Town Sewer	130	368,392
Blacklake Water	140	86,397
Blacklake Sewer	150	93,850
Blacklake Street Lighting	200	39,651
Street Landscape Maintenance	250	21,244
Solid Waste	300	581,098
Drainage Maintenance	400	14,970
Supplemental Water Capacity Fees(1)	500	3,331,027
Property Taxes	600	1,335,257
Town Water Capacity Fees	700	4,626,616
Town Sewer Capacity Fees	710	5,140,552
Funded Replacement-Town Water	800	2,912,140
Funded Replacement-Town Sewer	810	3,405,968
Funded Replacement-BL Water	820	268,685
Funded Replacement-BL Sewer	830	0
Sewer Sinking Fund	880	173,996
Funds Held in Trust -COP Reserve Funds		249,026
TOTAL		24,537,107

(1)

Supplemental Water Fees	1,285,633
COP Funds (held in Certificate of Deposit	2,045,394
	3,331,027

Exhibit II-11
Nipomo Community Services District
Supplemental Water Capacity Charge Calculation

Unit Cost of Supplemental Water from NCSD Intertie Pipeline			
Intertie Pipeline Capital Cost	$	31,720,000	
Financing Costs	$	-	
Total Cost	$	31,720,000	
Pipeline Capacity		3,000	AF
Pipeline Capacity Cost	$	10,573	per AF
Water Supply Capital Cost	$	16,071	per AF
Unit Cost of Intertie Project Supply	$	26,644	per AF
Unit Cost of Supplemental Water from Desalinization Project			
Desalinization Project Capital Cost	$	88,600,000	
Financing Costs	$	-	
Total Cost	$	88,600,000	
Project Capacity		6,300	AF
Unit Cost of Desalinization Project	$	14,063	per AF

NCSD Supplemental Water Capacity Charge

	Unit Cost ($/AF)	NCSD Capacity (AF)	Capacity Cost	
Intertie Project	$ 26,644	2,000	$ 53,288,000	
Desalinization Project	$ 14,063	1,181	$ 16,608,403	
Totals		3,181	$ 69,896,403	
			3,181	AF
Supplemental Water Capacity Charge -->			$ 21,973	per AF
Water required for single family (basis for 1" meter charge) -->			0.61	AF
Supplemental Water Capacity Charge for 1" meter -->			**$ 13,404**	

Using 2,000 AF of water from Santa Maria and 1,181 AF of desalinized water to meet the District's future water demands, the cost of supplemental water capacity is calculated to $21,973 per AF. Based on current water demands characteristics of single family customers, the District will need to produce about 0.61 AF of water for each residential customer. Using this as the basis for the supplemental water capacity charge for a 1" water meter, the proposed supplemental water capacity charge is $13,404.

The supplemental water capacity charge calculations shown in Exhibit II-11 do not include the costs associated with debt financing. Financing costs, including issuance and interest costs, are costs associated with constructing facilities using debt financing, and these costs can be included in capacity charge calculations. Financing costs are not included herein because the District has not yet committed to debt financing. At such time as the District issues debt to financing projects (or is initiating the issuance process) then financing costs should be added to the capacity charge calculation. If the District were to finance the Nipomo Waterline Intertie project and the desalinization project the proposed supplemental water capacity charge might increase from $13,404 to $18,834 for a 1" water meter.