

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL LEBRUN *MLL*  
 INTERIM GENERAL MANAGER  
 DATE: MARCH 18, 2011

**AGENDA ITEM  
 E-5**

**MARCH 23, 2011**

**REVIEW PUBLIC EMPLOYEE RETIREMENT BENEFITS**

**ITEM**

Review public employee retirement benefits [consider information, direct staff]

**BACKGROUND**

The Finance and Audit Committee met on March 1 and 15, 2011 to review the CalPERS Actuarial Valuations.

CalPERS Retirement Formula

The District has been member of the California Public Employees' Retirement System (CalPERS) since 1975 and contracts with CalPERS to provide retirement benefits for its employees. The District does not participate in Social Security.

The District's current retirement formula is 3% @ 60, 1 year Final Average Compensation (FAC). In December 2010, the Board of Directors directed Staff to request actuarial valuations from CalPERS to review the fiscal impact of creating a second tier plan for new hires. By law, the retirement formula for current employees (first tier) cannot be changed.

CalPERS provided the District with three actuarial valuations (attachments E-5a – E-5f). Each actuarial compares the existing retirement formula of 3% @ 60, 1 year final compensation to the optional second tier plans as summarized below. See the attached actuarial for complete information.

Option 1 (remain at 3% @ 60, but change to 3 year final average compensation)

As of June 30, 2008	Existing Plan	New First Tier Plan	New Second Tier Plan
<b>(see Page 4a)</b>	3% @ 60, 1-year FAC	3% @ 60, 1-year FAC	3% @ 60, 3 year FAC
Total Employer Contribution Rate	18.015%	18.015%	15.187%
2010-2011 Employee Contribution Rate (1)	8%	8%	8%

***Option 1 - For 2010-2011 the annual dollar savings is 0.673% times the second tier fiscal year payroll.***

Option 2 (Change to 2% @ 60, but remain at 1 year final average compensation)

As of June 30, 2008	Existing Plan	New First Tier Plan	New Second Tier Plan
<b>(see Page 4c)</b>	3% @ 60, 1-year FAC	3% @ 60, 1-year FAC	2% @ 60, 1 year FAC
Total Employer Contribution Rate	18.015%	18.015%	8.902%
2010-2011 Employee Contribution Rate (1)	8%	8%	7%

***Option 2 - For 2010-2011 the annual dollar savings is 5.872% times the second tier fiscal year payroll.***

- (1) Also referred to as Employer Paid Member Contribution (EPMC). Currently the District is paying 100% of this contribution. The District may elect to pay a lesser portion or none of this contribution.

Option 3 (Change to 2% @ 60, and change to 3 year final compensation)

As of June 30, 2008 (see Page 4e)	Existing Plan	New First Tier Plan	New Second Tier Plan
	3% @ 60, 1-year FAC	3% @ 60, 1-year FAC	2% @ 60, 3 year FAC
Total Employer Contribution Rate	18.015%	18.015%	8.438%
2010-2011 Employee Contribution Rate (1)	8%	8%	7%

**Option 3 - For 2010-2011 the annual dollar savings is 6.326% times the second tier fiscal year payroll.**

(1) Also referred to as Employer Paid Member Contribution (EPMC). Currently the District is paying 100% of this contribution. The District may elect to pay a lesser portion or none of this contribution.

All Options allow the District to elect to pay a lesser portion of the EPMC which would directly shift cost burden from the District to the employee. As an example, if the District selected Option 3 for Tier II employees and decided to pay no portion of the 7% EPMC, the cost savings would be 6.326% plus 7% for a total cost savings of 13.326%. The Tier II savings presented above will apply to only new hires eligible to participate in CalPERS after the date of the adoption of the resolution.

Since the Finance and Audit Committee meeting held on March 1, 2011, Staff confirmed with CalPERS that the District may reduce the EPMC. If the District chooses to fund the EMPC at a different percentage than its first tier employees, CalPERS will require the District to adopt a Resolution. The Resolution will state the amount of EMPC the District is funding for first tier employees and how much it will fund for its second tier employees.

CalPERS Medical Benefits

The District has been contracting with California Public Employees' Retirement System (CalPERS) to provide its employees and dependents with medical coverage since 1990. In 2005, the Board of Directors adopted Resolution 2005-959 to create a second tier of employees for medical coverage upon retirement. A retiree must work for the District at least five years and have a total of 20 years in the CalPERS system to be fully vested for medical coverage.

CalPERS does not offer further tiering of medical benefits. All employees – current, retirees and new hires – must be treated equally when it comes to medical benefits. This means the Board of Directors may make changes to the funding, however, it will affect all participants equally. In discussion with CalPERS Staff, they have indicated this very question has arisen quite frequently recently and that CalPERS may look into sponsoring legislation to change these requirements in the future.

The Finance and Audit Committee directed Staff to place the medical benefits review on a future Committee agenda.

**STRATEGIC PLAN**

Strategic Plan Item 4.1 – Retain long-term employees and attract new employees by providing industry competitive salary/benefits.

**RECOMMENDATION**

At the March 1 and 15, 2011 Finance and Audit Committee, your Committee unanimously agreed to recommend to the Board of Directors to implement Option 3 with the District funding 50% of the EPMC for new hires (second tier). This option would represent a nearly 10% (6.32% + 3.5%) annual dollar savings compared to Tier I employees.

Tentative Schedule for Adoption (refer to CalPERS schedule on page E-5g):

- March 23, 2011 – Board of Directors select Option
- March 24, 2011 – Staff contacts CalPERS to initiate Contract Amendment
- Adopt CalPERS Resolution of Intent on May 11, 2011
- Adopt CalPERS Final Resolution on June 8, 2011

**ATTACHMENTS**

- CalPERS Actuarial Valuations (E-5a – E-5f)
- Schedule of Agency Actions for Planning Your Amendment to Contract (E-5g)
- CalPERS Tables for Percentage of Final Compensation for 3% @ 60 and 2% @ 60 (E-5h – E-5i)
- CalPERS Formulas for other agencies in SLO County (E-5j)

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Actuarial Office  
 P.O. Box 1494  
 Sacramento, CA 95812-1494  
 TTY for Speech and Hearing Impaired - (916) 795-3240  
 (888) CalPERS (or 888-225-7377) FAX (916) 795-3005

December 9, 2010

Employer Number: 1067  
 New Rate Plan Name: NIPOMO COMMUNITY SERVICES DISTRICT MISCELLANEOUS SECOND TIER PLAN

Re: New Second Tier Plan for Pooled Plans (Section 20475: Different Level of Benefits Provided for New Employees)

Dear Requestor:

Enclosed is the June 30, 2009 Section 2 Risk Pool actuarial valuation report applicable to your new second tier plan.

In the tables below, we show your 2010-2011 and 2011-2012 employer contribution rates before and after opening a second tier.

Of the five rate components, the first three are specific to the pool to which the plan belongs and the last two are specific to your agency. However, the Phase out of Normal Cost Difference will be 0% beginning with rates established for 2011-2012, so it has no impact from that time on.

The Side Fund will continue to be paid off by the first tier plan since all the past service on which it is based belongs to those current members who will continue in the first tier. The scheduled dollar amounts payable will continue as before. However, because newly hired members will be covered by the second tier, the number of members and payroll in the first tier will (after several years) gradually decline. The Amortization of Side Fund rate component is the dollars needed to pay off the side fund divided by the payroll. So as long as the Side Fund remains, **the first tier rate will increase as its payroll decreases.** The first tier side fund is scheduled to be paid off after 7 years from June 30, 2011.

Therefore, in determining the employer contributions savings, Amortization of Side Fund should be excluded. For your agency, the ultimate annual employer savings equals the difference between the pool-specific rates times the second tier payroll. For 2010-2011 the percentage savings is  $(10.492\% + 1.560\% + 1.815\%) - (10.492\% + 1.560\% + 1.142\%) = 0.673\%$ . **The annual dollar savings is then 0.673% times the second tier fiscal year payroll.**

As of June 30, 2008	Existing Plan	New First Tier Plan	New Second Tier Plan
	3% @ 60, 1-YEAR FAC	3% @ 60, 1-YEAR FAC for continuing members	3% @ 60, 3-YEAR FAC for newly hired members
2010-2011 Employer Contribution Rate:			
Risk Pool's Net Employer Normal Cost	10.492%	10.492%	10.492%
Risk Pool's Payment on Amortization Bases	1.560%	1.560%	1.560%
Surcharges for Class 1 Benefits	1.815%	1.815%	1.142%
Phase out of Normal Cost Difference	0.000%	0.000%	0.000%
Amortization of Side Fund	4.148%	4.148%	0.000%
<b>Total Employer Contribution Rate</b>	<b>18.015%</b>	<b>18.015%</b>	<b>13.194%</b>
2010-2011 Employee Contribution Rate	8.000%	8.000%	8.000%

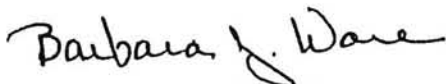
For 2011-2012 the percentage savings is  $(10.257\%+3.896\%+1.707\%) - (10.257\%+3.896\%+1.034\%) = 0.673\%$ .  
**The annual dollar savings is then 0.673% times the second tier fiscal year payroll.**

As of June 30, 2009	Exlting Plan	New First Tier Plan	New Second Tier Plan
	<b>3% @ 60, 1-YEAR FAC</b>	<b>3% @ 60, 1-YEAR FAC for continuing members</b>	<b>3% @ 60, 3-YEAR FAC for newly hired members</b>
<b>2011-2012 Employer Contribution Rate:</b>			
Risk Pool's Net Employer Normal Cost	<b>10.257%</b>	<b>10.257%</b>	<b>10.257%</b>
Risk Pool's Payment on Amortization Bases	<b>3.896%</b>	<b>3.896%</b>	<b>3.896%</b>
Surcharges for Class 1 Benefits	<b>1.707%</b>	<b>1.707%</b>	<b>1.034%</b>
Phase out of Normal Cost Difference	<b>0.000%</b>	<b>0.000%</b>	<b>0.000%</b>
Amortization of Side Fund	<b>4.436%</b>	<b>4.436%</b>	<b>0.000%</b>
<b>Total Employer Contribution Rate</b>	<b>20.296%</b>	<b>20.296%</b>	<b>15.187%</b>
<b>2011-2012 Employee Contribution Rate</b>	<b>8.000%</b>	<b>8.000%</b>	<b>8.000%</b>

To Initlate an amendment to the contract, please complete the attached election form and mail or FAX (916) 795-3005 the form with a letter to the Contracts Maintenance Unit, indicating your wish to contract for Section 20475 (Different Level of Benefits) and Identifying the group(s) to which the benefit reduction applies.

In sections 20463 (b) and (c), the California Public Employees' Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.

If you have questions, please call (888) CalPERS (225-7377).



Barbara J. Ware, FSA, MAAA  
 Enrolled Actuary  
 Senior Pension Actuary, CalPERS

E-5b





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Therefore, in determining the employer contributions savings, Amortization of Side Fund should be excluded. For your agency, the ultimate annual employer savings equals the difference between the pool-specific rates times the second tier payroll. For 2010-2011 the percentage savings is  $(10.492\% + 1.560\% + 1.815\%) - (6.553\% + 0.202\% + 1.240\%) = 5.872\%$ . **The annual dollar savings is then 5.872% times the second tier fiscal year payroll.**

As of June 30, 2008	Existing Plan	New First Tier Plan	New Second Tier Plan
	<b>3% @ 60, 1-YEAR FAC</b>	<b>3% @ 60, 1-YEAR FAC for continuing members</b>	<b>2% @ 60, 1-YEAR FAC for newly hired members</b>
2010-2011 Employer Contribution Rate:			
Risk Pool's Net Employer Normal Cost	10.492%	10.492%	6.553%
Risk Pool's Payment on Amortization Bases	1.560%	1.560%	0.202%
Surcharges for Class 1 Benefits	1.815%	1.815%	1.240%
Phase out of Normal Cost Difference	0.000%	0.000%	0.000%
Amortization of Side Fund	4.148%	4.148%	0.000%
<b>Total Employer Contribution Rate</b>	<b>18.015%</b>	<b>18.015%</b>	<b>7.995%</b>
2010-2011 Employee Contribution Rate	8.000%	8.000%	7.000%

NIPOMO COMMUNITY SERVICES DISTRICT MISCELLANEOUS SECOND TIER PLAN (EMPLOYER # 1067)

December 9, 2010

Page 2

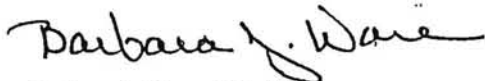
For 2011-2012 the percentage savings is  $(10.257\%+3.896\%+1.707\%) - (6.622\%+1.111\%+1.169\%) = 6.958\%$ .  
**The annual dollar savings is then 6.958% times the second tier fiscal year payroll.**

As of June 30, 2009	Existing Plan	New First Tier Plan	New Second Tier Plan
	3% @ 60, 1-YEAR FAC	3% @ 60, 1-YEAR FAC for continuing members	2% @ 60, 1-YEAR FAC for newly hired members
<b>2011-2012 Employer Contribution Rate:</b>			
Risk Pool's Net Employer Normal Cost	10.257%	10.257%	6.622%
Risk Pool's Payment on Amortization Bases	3.896%	3.896%	1.111%
Surcharges for Class 1 Benefits	1.707%	1.707%	1.169%
Phase out of Normal Cost Difference	0.000%	0.000%	0.000%
Amortization of Side Fund	4.436%	4.436%	0.000%
<b>Total Employer Contribution Rate</b>	<b>20.296%</b>	<b>20.296%</b>	<b>8.902%</b>
<b>2011-2012 Employee Contribution Rate</b>	<b>8.000%</b>	<b>8.000%</b>	<b>7.000%</b>

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In sections 20463 (b) and (c), the California Public Employees' Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.

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E-5d



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Therefore, in determining the employer contributions savings, Amortization of Side Fund should be excluded. For your agency, the ultimate annual employer savings equals the difference between the pool-specific rates times the second tier payroll. For 2010-2011 the percentage savings is  $(10.492\% + 1.560\% + 1.815\%) - (6.553\% + 0.202\% + 0.786\%) = 6.326\%$ . **The annual dollar savings is then 6.326% times the second tier fiscal year payroll.**

As of June 30, 2008	Existing Plan	New First Tier Plan	New Second Tier Plan
	3% @ 60, 1-YEAR FAC	3% @ 60, 1-YEAR FAC for continuing members	2% @ 60, 3-YEAR FAC for newly hired members
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Phase out of Normal Cost Difference	0.000%	0.000%	0.000%
Amortization of Side Fund	4.148%	4.148%	0.000%
<b>Total Employer Contribution Rate</b>	<b>18.015%</b>	<b>18.015%</b>	<b>7.541%</b>
2010-2011 Employee Contribution Rate	8.000%	8.000%	7.000%



NIPOMO COMMUNITY SERVICES DISTRICT MISCELLANEOUS SECOND TIER PLAN (EMPLOYER # 1067)

December 9, 2010

Page 2

For 2011-2012 the percentage savings is  $(10.257\%+3.896\%+1.707\%) - (6.622\%+1.111\%+0.705\%) = 7.422\%$ .

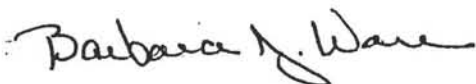
The annual dollar savings is then 7.422% times the second tier fiscal year payroll.

As of June 30, 2009	Existing Plan	New First Tier Plan	New Second Tier Plan
	3% @ 60, 1-YEAR FAC	3% @ 60, 1-YEAR FAC for continuing members	2% @ 60, 3-YEAR FAC for newly hired members
2011-2012 Employer Contribution Rate:			
Risk Pool's Net Employer Normal Cost	10.257%	10.257%	6.622%
Risk Pool's Payment on Amortization Bases	3.896%	3.896%	1.111%
Surcharges for Class 1 Benefits	1.707%	1.707%	0.705%
Phase out of Normal Cost Difference	0.000%	0.000%	0.000%
Amortization of Side Fund	4.436%	4.436%	0.000%
<b>Total Employer Contribution Rate</b>	<b>20.296%</b>	<b>20.296%</b>	<b>8.438%</b>
2011-2012 Employee Contribution Rate	8.000%	8.000%	7.000%

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In sections 20463 (b) and (c), the California Public Employees' Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.

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E-5f

**SCHEDULE OF AGENCY ACTIONS  
FOR PLANNING YOUR AMENDMENT TO CONTRACT**

CalPERS will prepare the documents necessary to amend your contract and provide them to you within 30 days of receipt of the Contract Amendment Request in our office. The contracting agency must have a current Amendment Cost Analysis before proceeding with an amendment to the contract.

1. \_\_\_\_\_ ENTER A DATE THAT IS 30 DAYS FROM THE DATE YOU EXPECT CalPERS TO RECEIVE THE CONTRACT AMENDMENT REQUEST FORM YOU SUBMITTED OR WILL BE SUBMITTING. This is the date you may expect to receive the documents from CalPERS that you will need to amend the Contract.
2. \_\_\_\_\_ THE DATE AN ACTUARY WILL BE PRESENT TO PROVIDE INFORMATION REGARDING THE ACTUARIAL IMPACT UPON FUTURE ANNUAL COSTS. (The presence of an actuary is required if future costs of the benefit changes exceed  $\frac{1}{2}$  of 1% of the future annual costs of the existing benefits.)
3. \_\_\_\_\_ ENTER THE DATE THE GOVERNING BODY WILL ADOPT THE RESOLUTION OF INTENTION DOCUMENT. Allow the necessary time after the date you expect to receive the needed documents from CalPERS (#1 above) to include adoption of the Resolution of Intention on the Governing Body's meeting agenda.
4. \_\_\_\_\_ ENTER THE DATE THE EMPLOYEE ELECTION WILL BE HELD. An employee election is required only if the employee contribution rate will change. If required, this election must follow the Governing Body's adoption of the Resolution of Intention (#3 above) and must be prior to the Adoption of the Final Resolution (#5 below).
5. \_\_\_\_\_ ENTER THE DATE THE GOVERNING BODY WILL ADOPT THE FINAL RESOLUTION. This date must be at least 20 days after the date the Governing Body adopts the Resolution of Intention (#3 above).
6. \_\_\_\_\_ ENTER THE EFFECTIVE DATE OF THE AMENDMENT TO CONTRACT. If there is no change in the employee or the employer contribution rates this date may be as early as the day after the date the final Resolution is adopted (#5 above). If there is a change in the employee and/or the employer contribution rates, this date must be the first day of a payroll period and may not be earlier than the day after the date the final Resolution is adopted (#5 above).

THIS FORM IS USED FOR PROPERLY PLANNING AND SCHEDULING THE AGENCY ACTIONS TO AMEND THE CONTRACT WITH CalPERS. CAREFULLY FOLLOWING THE GUIDELINES IN THIS FORM CAN PREVENT THE NEED TO RESCIND ACTIONS TAKEN BY YOUR GOVERNING BODY AND REPEATING THE PROCESS AS WELL AS AVOIDING UNNECESSARY DELAYS IN THE AMENDMENT EFFECTIVE DATE. THIS FORM SHOULD BE COMPLETED AND A COPY RETURNED TO THIS OFFICE WITH THE CONTRACT AMENDMENT REQUEST. PLEASE CALL YOUR CONTRACT ANALYST AT (888) 225-7377 IF YOU HAVE QUESTIONS.

E-5g

PERCENTAGE OF FINAL COMPENSATION

3<sup>percent</sup>  
@60

Age Benefit Factor	50 2.00	51 2.10	52 2.20	53 2.30	54 2.40	55 2.50	56 2.60	57 2.70	58 2.80	59 2.90	60 3.00
Years of Service	Percentage of Final Compensation										
5	10.00	10.50	11.00	11.50	12.00	12.50	13.00	13.50	14.00	14.50	15.00
6	12.00	12.60	13.20	13.80	14.40	15.00	15.60	16.20	16.80	17.40	18.00
7	14.00	14.70	15.40	16.10	16.80	17.50	18.20	18.90	19.60	20.30	21.00
8	16.00	16.80	17.60	18.40	19.20	20.00	20.80	21.60	22.40	23.20	24.00
9	18.00	18.90	19.80	20.70	21.60	22.50	23.40	24.30	25.20	26.10	27.00
10	20.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00	30.00
11	22.00	23.10	24.20	25.30	26.40	27.50	28.60	29.70	30.80	31.90	33.00
12	24.00	25.20	26.40	27.60	28.80	30.00	31.20	32.40	33.60	34.80	36.00
13	26.00	27.30	28.60	29.90	31.20	32.50	33.80	35.10	36.40	37.70	39.00
14	28.00	29.40	30.80	32.20	33.60	35.00	36.40	37.80	39.20	40.60	42.00
15	30.00	31.50	33.00	34.50	36.00	37.50	39.00	40.50	42.00	43.50	45.00
16	32.00	33.60	35.20	36.80	38.40	40.00	41.60	43.20	44.80	46.40	48.00
17	34.00	35.70	37.40	39.10	40.80	42.50	44.20	45.90	47.60	49.30	51.00
18	36.00	37.80	39.60	41.40	43.20	45.00	46.80	48.60	50.40	52.20	54.00
19	38.00	39.90	41.80	43.70	45.60	47.50	49.40	51.30	53.20	55.10	57.00
20	40.00	42.00	44.00	46.00	48.00	50.00	52.00	54.00	56.00	58.00	60.00
21	42.00	44.10	46.20	48.30	50.40	52.50	54.60	56.70	58.80	60.90	63.00
22	44.00	46.20	48.40	50.60	52.80	55.00	57.20	59.40	61.60	63.80	66.00
23	46.00	48.30	50.60	52.90	55.20	57.50	59.80	62.10	64.40	66.70	69.00
24	48.00	50.40	52.80	55.20	57.60	60.00	62.40	64.80	67.20	69.60	72.00
25	50.00	52.50	55.00	57.50	60.00	62.50	65.00	67.50	70.00	72.50	75.00
26	52.00	54.60	57.20	59.80	62.40	65.00	67.60	70.20	72.80	75.40	78.00
27	54.00	56.70	59.40	62.10	64.80	67.50	70.20	72.90	75.60	78.30	81.00
28	56.00	58.80	61.60	64.40	67.20	70.00	72.80	75.60	78.40	81.20	84.00
29	58.00	60.90	63.80	66.70	69.60	72.50	75.40	78.30	81.20	84.10	87.00
30	60.00	63.00	66.00	69.00	72.00	75.00	78.00	81.00	84.00	87.00	90.00
31	62.00	65.10	68.20	71.30	74.40	77.50	80.60	83.70	86.80	89.90	93.00
32	64.00	67.20	70.40	73.60	76.80	80.00	83.20	86.40	89.60	92.80	96.00
33	66.00	69.30	72.60	75.90	79.20	82.50	85.80	89.10	92.40	95.70	99.00
34	—	71.40	74.80	78.20	81.60	85.00	88.40	91.80	95.20	98.60	102.00
35	—	—	77.00	80.50	84.00	87.50	91.00	94.50	98.00	101.50	105.00
36	—	—	—	82.80	86.40	90.00	93.60	97.20	100.80	104.40	108.00
37	—	—	—	—	88.80	92.50	96.20	99.90	103.60	107.30	111.00
38	—	—	—	—	—	95.00	98.80	102.60	106.40	110.20	114.00
39	—	—	—	—	—	—	101.40	105.30	109.20	113.10	117.00
40	—	—	—	—	—	—	—	108.00	112.00	116.00	120.00

PERCENTAGE OF FINAL COMPENSATION

2<sup>percent</sup>  
@60

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.092	1.156	1.224	1.296	1.376	1.460	1.552	1.650	1.758	1.874	2.000	2.134	2.272	2.418
Years of Service	Percentage of Final Compensation													
5	5.46	5.78	6.12	6.48	6.88	7.30	7.76	8.25	8.79	9.37	10.00	10.67	11.36	12.09
6	6.55	6.94	7.34	7.78	8.26	8.76	9.31	9.90	10.55	11.24	12.00	12.80	13.63	14.51
7	7.64	8.09	8.57	9.07	9.63	10.22	10.86	11.55	12.31	13.12	14.00	14.94	15.90	16.93
8	8.74	9.25	9.79	10.37	11.01	11.68	12.42	13.20	14.06	14.99	16.00	17.07	18.18	19.34
9	9.83	10.40	11.02	11.66	12.38	13.14	13.97	14.85	15.82	16.87	18.00	19.21	20.45	21.76
10	10.92	11.56	12.24	12.96	13.76	14.60	15.52	16.50	17.58	18.74	20.00	21.34	22.72	24.18
11	12.01	12.72	13.46	14.26	15.14	16.06	17.07	18.15	19.34	20.61	22.00	23.47	24.99	26.60
12	13.10	13.87	14.69	15.55	16.51	17.52	18.62	19.80	21.10	22.49	24.00	25.61	27.26	29.02
13	14.20	15.03	15.91	16.85	17.89	18.98	20.18	21.45	22.85	24.36	26.00	27.74	29.54	31.43
14	15.29	16.18	17.14	18.14	19.26	20.44	21.73	23.10	24.61	26.24	28.00	29.88	31.81	33.85
15	16.38	17.34	18.36	19.44	20.64	21.90	23.28	24.75	26.37	28.11	30.00	32.01	34.08	36.27
16	17.47	18.50	19.58	20.74	22.02	23.36	24.83	26.40	28.13	29.98	32.00	34.14	36.35	38.69
17	18.56	19.65	20.81	22.03	23.39	24.82	26.38	28.05	29.89	31.85	34.00	36.28	38.62	41.11
18	19.66	20.81	22.03	23.33	24.77	26.28	27.94	29.70	31.64	33.73	36.00	38.41	40.90	43.52
19	20.75	21.96	23.26	24.62	26.14	27.74	29.49	31.35	33.40	35.61	38.00	40.55	43.17	45.94
20	21.84	23.12	24.48	25.92	27.52	29.20	31.04	33.00	35.16	37.48	40.00	42.68	45.44	48.36
21	22.93	24.28	25.70	27.22	28.90	30.66	32.59	34.65	36.92	39.35	42.00	44.81	47.71	50.78
22	24.02	25.43	26.93	28.51	30.27	32.12	34.14	36.30	38.68	41.23	44.00	46.95	49.98	53.20
23	25.12	26.59	28.15	29.81	31.65	33.58	35.70	37.95	40.43	43.10	46.00	49.08	52.26	55.61
24	26.21	27.74	29.38	31.10	33.02	35.04	37.25	39.60	42.19	44.98	48.00	51.22	54.53	58.03
25	27.30	28.90	30.60	32.40	34.40	36.50	38.80	41.25	43.95	46.85	50.00	53.35	56.80	60.45
26	28.39	30.06	31.82	33.70	35.78	37.96	40.35	42.90	45.71	48.72	52.00	55.48	59.07	62.87
27	29.48	31.21	33.05	34.99	37.15	39.42	41.90	44.55	47.47	50.60	54.00	57.62	61.34	65.29
28	30.58	32.37	34.27	36.29	38.53	40.88	43.46	46.20	49.22	52.47	56.00	59.75	63.62	67.70
29	31.67	33.52	35.50	37.58	39.90	42.34	45.01	47.85	50.98	54.35	58.00	61.89	65.89	70.12
30	32.76	34.68	36.72	38.88	41.28	43.80	46.56	49.50	52.74	56.22	60.00	64.02	68.16	72.54
31	33.85	35.84	37.94	40.18	42.66	45.26	48.11	51.15	54.50	58.09	62.00	66.15	70.43	74.96
32	34.94	36.99	39.17	41.47	44.03	46.72	49.66	52.80	56.26	59.97	64.00	68.29	72.70	77.38
33	36.04	38.15	40.39	42.77	45.41	48.18	51.22	54.45	58.01	61.84	66.00	70.42	74.98	79.79
34	—	39.30	41.62	44.06	46.78	49.64	52.77	56.10	59.77	63.72	68.00	72.56	77.25	82.21
35	—	—	42.84	45.36	48.16	51.10	54.32	57.75	61.53	65.59	70.00	74.69	79.52	84.63
36	—	—	—	46.66	49.54	52.56	55.87	59.40	63.29	67.46	72.00	76.82	81.79	87.05
37	—	—	—	—	50.91	54.02	57.42	61.05	65.05	69.34	74.00	78.96	84.06	89.47
38	—	—	—	—	—	55.48	58.98	62.70	66.80	71.21	76.00	81.09	86.34	91.88
39	—	—	—	—	—	—	60.53	64.35	68.56	73.09	78.00	83.23	88.61	94.30
40	—	—	—	—	—	—	—	66.00	70.32	74.96	80.00	85.36	90.88	96.72

Source: Heritage Ranch Community Services District

February 2009

Agency	CalPERS		Employee Representation
	Formula	Employer paid Employee contribution	
Heritage Ranch Community Services District	2.5% @ 55	8%	Employee Association
Cambria Community Services District	3% @ 60	8%	Union
City of Morro Bay	2.7% @ 55	7%	Union
City of Paso Robles	2.5% @ 55	7%	Union
City of Pismo Beach	2.5% @ 55	5.85% (Remaining 2.15% was added to posted salaries)	Union
City of San Luis Obispo	2.7% @ 55	8%	Union
Nipomo Community Services District	3% @ 60	8%	None
Oceano Community Services District	2% @ 55	7%	None
San Miguel Community Services District	2.5% @ 55	8%	Unavailable-office closed
Templeton Community Services District	3% @ 60	8%	Memorandum of Understanding



TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *ML*  
INTERIM GENERAL MANAGER  
DATE: MARCH 18, 2011

**AGENDA ITEM  
E-6  
MARCH 23, 2011**

**REVIEW MEMORANDUM OF UNDERSTANDING WITH COUNTY  
REGARDING JIM O. MILLER PARK AND LOCAL AREA FORMATION  
COMMISSION CONDITIONS OF APPROVAL FOR ACTIVATION OF  
PARK POWERS**

**ITEM**

Discuss the 2009 Memorandum of Understanding with San Luis Obispo County Regarding Jim O. Miller Park and LAFCO's August 2009 Conditional Approval of Park Powers Activation [Review and Direct staff].

**BACKGROUND**

In May 2009, the District entered into a Memorandum of Understanding with the County of San Luis Obispo (Attached) to facilitate the development of Jim O. Miller Memorial Park. In August of 2009, the Local Agency Formation Commission granted the District conditional activation of Park Powers (Attached) to facilitate future District operation of the proposed park.

On December 16, 2009, the District held a protest hearing for Park Maintenance District No. 1. The protest *succeeded* and therefore the Assessment *failed*. The Assessment would have covered 60% of the estimated annual operations and maintenance costs of the proposed park. Your Board previously committed the remainder of operation costs and \$500,000.00 to initiate construction of the park to the park project. The source of these funds is District property tax funds. Since 2006, the District has incurred approximately \$118,000.00 in cost attributable to developing park powers and conducting the protest vote, including a May of 2007 phone survey conducted by a consulting firm. These costs do not reflect the staff time dedicated to this effort over the past four years.

In January 2010, the District's Phase I environmental investigation of the proposed park property revealed surface and subsurface contamination related to past practices on site. The District shared the information with County Property Services (Property Owner) and County Environmental Health (Regulatory Lead). Investigation of the extent of contamination at the property is ongoing.

At this time, District staff and financial resources are focused on numerous ongoing capital improvement projects including a 12-million dollar sewer plant upgrade and 25-million dollar water supply reliability project.

LAFCO's conditional approval of District park powers expired after one year (August 2010) A one-time 1-year extension is allowed and requires Commission action. It appears that LAFCO's conditional approval has expired however. If a 1-year extension were granted, the conditional approval would expire on August 20, 2011. LAFCO staff indicated a reapplication would be required.

The County MOU includes a three-year time period constraint for commencement of construction once the park property is transferred from the County to the District. The property transfer will not occur until certain conditions of the MOU are met, including LAFCO activation

of District park powers. The District has completed property transfer requirements of the MOU related to the property surrounding the Tefft Street lift station. Investigation of property contamination is expected to take a number of months.

Your Board may consider directing staff to draft a letter to the County and LAFCO updating the agencies on District position concerning the proposed Jim O. Miller Park.

**RECOMMENDATION**

Staff recommends your Board consider the information presented and provide staff direction.

**ATTACHMENTS**

- 2009 MOU Between County and District
- August 20, 2009 LAFCO Conditional Approval

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2011\110323 MILLER PARK MOU.DOCX

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
REGARDING THE TRANSFER OF OWNERSHIP IN  
COUNTY-OWNED REAL PROPERTY

This Memorandum of Understanding (“MOU”) is entered by and between the County of San Luis Obispo (hereinafter “County”) and the Nipomo Community Services District (hereinafter “District”) with reference to the following Recitals:

RECITALS

- A. The District is a Community Services District formed and operated pursuant to California Government Code, Sections 61000 et seq. Pursuant to said code, the District is authorized to acquire, construct, improve, maintain, and operate recreational facilities, including, but not limited to, parks and open space; and
- B. The District is considering the activation of Park Powers pursuant to the Cortese-Knox-Hertzberg Act and the rules and regulations of the Local Agency Formation Commission (hereinafter “LAFCO”); and
- C. The County is the owner of certain real property consisting of approximately one (1) acre located at the northeast corner of West Tefft and Carrillo Street (APN 090-141-006) along with the adjacent 60-foot-wide strip of land to the west of this parcel, formerly a railroad right-of-way (a portion of APN 090-151-008), hereinafter referred to as “Property”, as depicted in Exhibit “A”; and
- D. The District has requested the County to transfer ownership of the Property to the District, without compensation, for the purpose of constructing and operating a park; and
- E. The District has a 75’ by 75’ easement for water well purposes on County land across the street from said Property on APN 090-142-007, recorded on May 29, 1984 as Document No. 27332; and
- F. The District has not developed this site for water well purposes and no longer requires the easement; and
- G. The District requires an easement for a sewer lift station and sewer lines installed in the early 1980’s on County-owned land, APN 090-142-007; and
- H. District requests a grant of easement from County for the sewer lift station and sewer lines and offers, in lieu of monetary compensation, to quitclaim the 75’ x 75’ water well easement currently held by District, described in Paragraph E above; and

- I. Pursuant to Government Code, Section 56824.14, in order to maintain a public park, the District's exercise of Park Powers must be approved by LAFCO; and
- J. Pursuant to Government Code, Section 25365, the Board of Supervisors may, upon determination that said Property is not required for County use and with a four-fifths vote of the Board, transfer fee title of said Property to District; and
- K. It is the purpose of this MOU to identify the responsibilities of the parties in developing the Property for use as a park and the transfer of the property to the District as well as the trading of easements.
- L. County wishes to cooperate with District's request to transfer the property to the District in order to provide a park to the community of Nipomo.

NOW, THEREFORE, the parties agree as follows:

1. County hereby determines that subject Property is not required for County use.
2. In lieu of monetary compensation and in consideration of District's offer to construct and maintain a public park on the Property, County intends to transfer ownership of the Property to District free of charge following completion of the steps outlined below. Nothing contained in this MOU shall be interpreted to predetermine the transfer of the property or to restrict County's full review and implementation of environmental review related to the transfer of this Property pursuant to CEQA. Said transfer shall require a future public hearing before the Board of Supervisors pursuant to Government Code Section 25365 after the environmental determination and General Plan Conformity Report are completed.
3. District will develop a plan identifying park features and improvements for approval by County Planning and Building Department.
4. District will provide County an analysis of the costs and the funding sources for construction of park improvements and for ongoing operation and maintenance. If such funding shall require the formation of an assessment district, transfer of ownership of the Property shall not occur prior to approval of the assessment district by the affected property owners.
5. Transfer of the property shall not occur prior to LAFCO activation of the District's Park Powers.
6. If required, District shall apply for a public lot split with County Planning and Building Department and provide all documentation necessary to obtain approval of the County Subdivision Review Board prior to recordation of the Quitclaim Deed. District shall provide, at District's expense, a legal description of the property to be transferred, which shall be an original exhibit to the Quitclaim



Deed. District agrees to submit a Voluntary Merger or Certificate of Compliance Application and processing fees, if required, to County Planning and Building Department.

7. County shall process a General Plan Conformity Report and Environmental Determination for the transfer of the Property. Transfer of the property shall not occur prior to filing of the General Plan Conformity Report and Environmental Determination with the County Planning Commission or, if appealed, approval by the County Board of Supervisors.
8. The Property shall be improved in substantial conformity to development plans as submitted to County and shall be open to the public within three years following date of recordation of the Quitclaim Deed.
9. The Property must be used for public park purposes. The property may not be used to provide a parking in-lieu program for nearby commercial development.
10. The Quitclaim Deed shall contain a reversionary clause giving County the right to require the Property to be transferred back from District to the County if the requirements of paragraphs 7 and 8 are not fulfilled.
11. District shall, at District's sole cost and expense, prepare an Easement Deed with original stamped legal description attached describing easement to be granted by County to District for sewer lift station area and sewer lines.
12. District shall, at District's sole cost and expense, provide an Environmental Determination for said sewer lift station and sewer line easement for review and approval by County Environmental Coordinator. Said Environmental Determination must be reviewed by the County Board of Supervisors prior to granting of the easement.
13. District shall, at District's sole cost and expense, prepare an Easement Quitclaim Deed to release the 75' x 75' water well easement on APN 090-142-007, recorded on May 29, 1984 as Document No. 27332.
14. Easement Quitclaim Deed for water well shall be signed by District in a timely manner and delivered to County along with a signed Certificate of Acceptance for the Easement Deed for sewer lift station and sewer lines. This action shall proceed independently of actions related to transfer of Property for park purposes. County staff shall present the Easement Quitclaim Deed to the County Board of Supervisors concurrently with the Easement Deed for sewer lift station and sewer lines in District's name. Subject to approval by the County Board of Supervisors, both documents shall be recorded concurrently. In the event that County Board of Supervisors does not approve the Easement Deed, Easement Quitclaim deed shall be returned by County to District



15. District does not object to County's intention to develop their vacant land across the street from the Property (APN 090-142-007 and adjacent 60-foot-wide strip of land to the west of this parcel, formerly a railroad right-of-way, portion of APN 090-151-008) for future County facilities, so long as said development is consistent with the County's existing General Plan, General Plan policies, and zoning regulations.
16. Good Faith and Fair Dealing: Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of either party hereto, such terms are not intended to and shall never be construed to permit such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable. The County and the District shall each act in good faith in performing their respective obligations as set forth in this Agreement.

/////////////////////////////////NOTHING FURTHER PAST THIS POINT EXCEPT SIGNATURES/////////////////////////////////

**COUNTY OF SAN LUIS OBISPO:**

By: *Russ S. Lohan*  
 Chairperson of the Board of Supervisors

Approved by the Board of Supervisors this  
24th day of MARCH, 2009.

ATTEST:  
**JULIE L. RODEWALD**  
 \_\_\_\_\_  
 Clerk of the Board of Supervisors

By: *Sandy Curran*  
 Deputy Clerk

**APPROVED AS TO FORM AND LEGAL EFFECT:**

WARREN R. JENSEN  
 County Counsel  
 By: *Kathy A. ...*  
 Assistant County Counsel

Date: 1/13/09

**NIPOMO COMMUNITY SERVICES DISTRICT:**

By: *Jim Harrison*  
 Jim Harrison, President

Dated: \_\_\_\_\_

ATTEST:  
*[Signature]*  
 District Secretary

**APPROVED AS TO FORM AND LEGAL EFFECT:**

*[Signature]*  
 Jon S. Seitz, District Legal Counsel  
 Nipomo Community Services District

Dated: 1-28-09

LAFCO • The Local Agency Formation Commission  
*Serving the Area of San Luis Obispo County*



TO: MEMBERS, FORMATION COMMISSION

FROM: PAUL L. HOOD, EXECUTIVE OFFICER *PH*

DATE: AUGUST 20, 2009

SUBJECT: CONSIDER ACTIVATION OF PARKS POWER -  
NIPOMO COMMUNITY SERVICES DISTRICT #1-E-09

COMMISSIONERS

DAVID L. BROOKS  
CHAIR, Special District  
Member

DUANE PICANCO  
Vice-Chair,  
City Member

K.H. "KATCHO" ACHADJIAN  
County Member

BRUCE GIBSON  
County Member

BARBARA MANN  
Special District Member

Richard Roberts  
Public Member

ALLEN SETTLE  
City Member

ALTERNATES

Ed Eby  
Special District Member

TOM MURRAY  
Public Member

JAMES R. PATTERSON  
County Member

KRIS VARDAS  
City Member

STAFF

PAUL L. HOOD  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

DAVID CHURCH  
Deputy Executive Officer

DONNA J. BLOYD  
Commission Clerk

**Recommendation:** It is respectfully recommended that the Commission: 1) Approve the attached Notice of Exemption from CEQA, and 2) Approve the Nipomo Community Services District request to add the Parks Power (61100(e)) to its list of active powers with the following conditions:

- 1) Prior to the Executive Officer filing the Certificate of Completion, the Nipomo CSD shall conduct a successful proposition 218 vote. Documentation confirming the successful vote approving the formation of an Assessment District shall be submitted to LAFCO.
- 2) Prior to the Executive Officer filing the Certificate of Completion, the NCSD shall adopt appropriate CEQA documentation, including the Notice of Determination, and submit such documentation to SLO LAFCO.
- 3) NCSD shall comply with the provisions set forth in the Memorandum of Understanding between San Luis Obispo County and NCSD relative to development and operation of Miller Park.
- 4) The Nipomo CSD and San Luis Obispo County shall enter into an agreement prior to the District providing Park services other than Miller Park within the District's Service Area.

**Discussion:** This is a request by the Nipomo Community Services District (NCSD) to add the Parks power to its list of active services pursuant to 61100(e). The authority to provide for parks currently resides with the County of San Luis Obispo. The power is requested for activation so the district can eventually construct and operate the Jim O. Miller Park. The District intends to fund the construction and development of the park using existing reserve funds. The maintenance and operation of the park would be

Exhibit A: CEQA Notice of Exemption

Exhibit B: Resolution of Application/Plan for Services

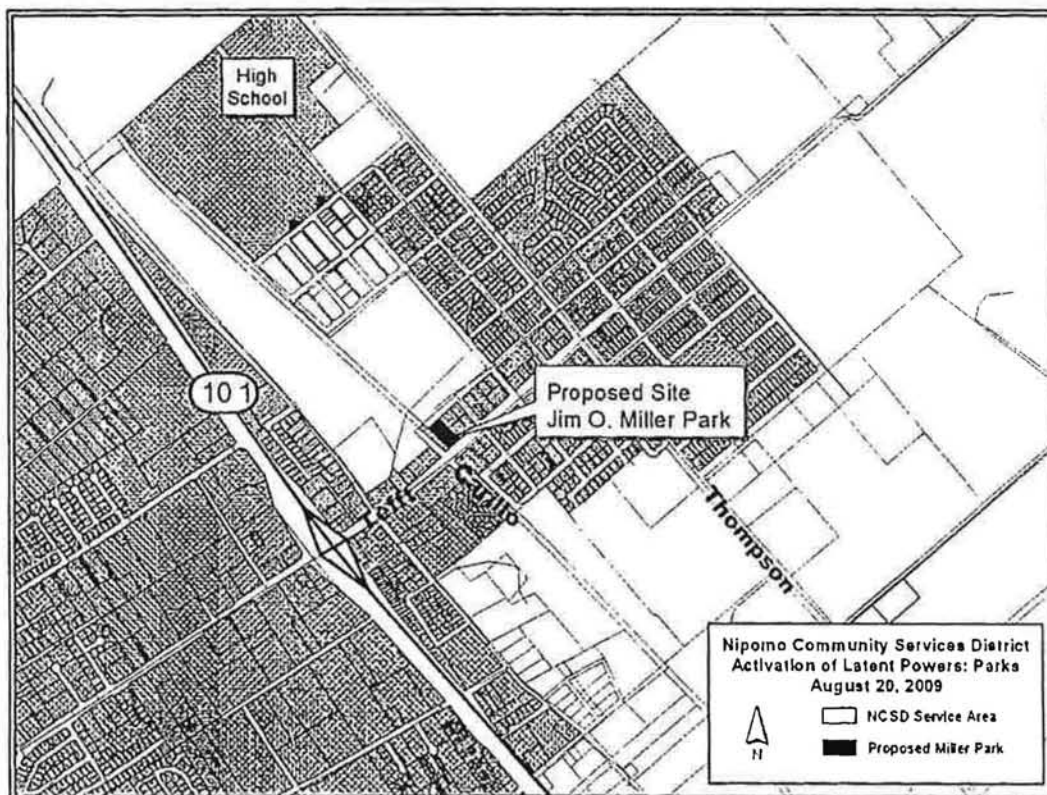
Exhibit C: Miller Park Assessment District Formation Report County/District Agreement

1042 Pacific Street, Suite A • San Luis Obispo, California 93401  
Tel: 805.781.5795 Fax: 805.788.2072  
www.slolafco.com

funded in part by property taxes received by the District and an assessment to property owners in the area. The assessment area is divided into two zones around the park. Upon successful completion of a proposition 218 action and approval of the Environmental Determination, the NCSD shall have the power to provide Parks services as described under Government Code 61100(e). If the proposition 218 vote is unsuccessful, or the Environmental Determination not approved, the Parks Power will not be added to the District. The Nipomo Community Services District requests the activation of the Parks power pursuant to 61100(e) of the Government Code:

*61100(e) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.*

The 1.4 acre Jim O. Miller park is to be located at the North-East corner of West Tefft Street and Carrillo Street in Nipomo and is shown in the map below. Under an agreement with the County, the land would be transferred from the County to the District. The NCSD is in the planning process for developing the park and is preparing to complete a proposition 218 vote to form an assessment district which would fund construction, maintenance and operation of the park.



Any district wishing to exercise a latent power is required to receive LAFCO approval prior to providing the service. The law governing Community Services Districts provides that the LAFCO approval is the final action for activating a latent power.

The proposed Park is within the NCSD's existing Service Area and is located in close proximity to downtown Nipomo. The design for the Park includes restrooms, parking, paths, a gazebo, a pole barn, a rose garden, and a community Christmas tree. The NCSD is using existing property tax reserves to pay for the planning, design, environmental review, approvals and formation of an assessment district. The NCSD is also funding \$500,000 of the estimated construction cost of \$922,022 using property tax reserves. The balance of the construction funding is expected to come from public facility fee grants, donations, and sponsorships by groups and service clubs.

The estimated annual cost to maintain and operate the Park is \$20,766. The NCSD has agreed to pay 40% of these costs, \$8,306 using property tax revenues. The Park Assessment District would pay for 60% of costs associated with the operation and maintenance of the park (\$12,460). The property owners within a primary and a secondary zone of benefit would pay the remaining 40% of the operation and maintenance costs. The remaining 60% would be paid with the property assessments collected within the primary and secondary zones of benefit. The 125 parcels in the primary zone would be assessed 40% of the annual operation costs. The 297 parcels located in the secondary zone would be assessed 20% of the annual cost.

On July 8, 2009, the NCSD Board formed a Zone of Benefit for the Assessment. The District provided notice of the opportunity to protest to each of the 417 property owners in June. By the end of the Protest Hearing on July 8, 2009 only 5 protests were received. The Board determined that there was not a majority protest and adopted the Zone of Benefit. When the District is ready to collect the assessment a separate vote of the property owners will be conducted. Every property owner in the Zone of Benefit will be provided with a ballot. The NCSD Board will have the discretion to collect the assessment if a majority of the weighted value of the ballots are returned in favor of collecting the assessment.

A copy of the NCSD's Resolution of Application is attached in Exhibit B. The required Plan for Services can be found in Exhibit B. Background Information, including the NCSD's Miller Park Assessment District Formation Report and the County/District agreement to transfer the park to the NCSD are found in Exhibit C. The Plan for Services is required by the Cortese-Knox-Hertzberg Act and addresses a variety of factors. The NCSD's Plan for Services to activate a latent power includes the following information pursuant to Government Code Sections 56824.12 and 56653:

(1) Description of Service(s)

- Description of the services to be extended to the affected territory.

- Indicate when services can be extended to the affected area(s)
  - An indication of any improvement of structures, roads, sewer or water facilities, or other conditions the local agency would require within the affected territory if the latent power is activated.
- (2) An identification of existing providers, if any, of the new or different function or class of services proposed to be provided and the potential fiscal impact to the customers of those existing providers.
- (3) A written summary of whether the new or different function or class of services to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district.
- (4) A plan for financing the establishment of the new or different function or class of services within the special district's jurisdictional boundaries.
- The total estimated cost to provide the new or different function or class of services within the special district's boundaries.
  - The estimated cost of the new or different function or class of services to customers within the special district's jurisdictional boundaries. The costs may be identified by customer class.
  - Identify and describe the revenue sources. Discuss the stability of the revenue sources and future availability.
  - Provide an initial budget that describes anticipated expenses associated with the service to be provided
  - Indicate if a prop 218 action will be required.
  - Other information with respect to how services will be financed.
- (5) Alternatives for the establishment of the new or different functions or class of services within the special district's jurisdictional boundaries.

With the exception of the County of San Luis Obispo, there is no other agency that can provide the Parks Services. In addition, the area is not included within the sphere of influence of any other city or special district that currently provides Park service. The County is unlikely to undertake the operation and maintenance of the Park given the current fiscal situation. The Park may not be constructed if the District does not step forward with this plan and resources.

**Environmental Determination (CEQA):** The activation of the Parks Power as conditioned will not result in any significant environmental impacts and qualifies for a General Rule Exemption under CEQA. It has been determined with certainty that



there is no possibility that the proposal would have significant environmental effects on the environment and therefore it is found to be exempt from CEQA pursuant to section 15061(b)(3) of the State Guidelines. LAFCO approval of the proposed annexation does not involve, authorize or permit any type of development or construction activity associated with the subject property. The proposed project only provides for the activation of the Parks Power. LAFCO has no authority to grant approval or permits for development of the Park or construction of facilities associated with this project. LAFCO's approval is strictly limited to the activation of the Parks Power. Several steps remain in obtaining approval including; approval of the Assessment District, approval of Initial Study/Negative Declaration by the NCSD, and building/grading permits issued by the County. The District scheduled a hearing to consider adopting a Mitigated Negative Declaration on August 26, 2009.

**Summary.** The NCSD has submitted the needed documentation for the activation of the Parks Power pursuant to Government Code Section 61100(e). The District's Plan for Services is adequate for activation of the Parks Power. In addition, the District has consented to waive the protest proceedings pursuant to (GC 56663 (b). The LAFCO hearing is the final action regarding this matter. Activating the Parks Power enables the NCSD to undertake a service that the community needs. The conditions of approval require that several steps be completed before the power is activated. This requires a majority vote of the people within the Assessment District boundaries. The District must also complete the Environmental Review process pursuant to CEQA prior to the power being activated. These conditions ensure that the District is prepared to provide park services to the community of Nipomo.

TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *MGL*  
INTERIM GENERAL MANAGER  
DATE: MARCH 18, 2011

**AGENDA ITEM  
E-7  
MARCH 23, 2011**

**CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS**

**ITEM**

CSDA Board call for nominations to Region 4, Seat C

**BACKGROUND**

Attached is a memorandum from CSDA Board of Directors calling for nominations to Region 4, Seat C. The nomination is due by May 27, 2011.

**FISCAL IMPACT**

Submission of the application involves minor staff time and postage.

**RECOMMENDATION**

Staff recommends that the Board consider forwarding a nomination to CSDA Board of Directors.

**ATTACHMENTS**

- March 2, 2011 CSDA Memorandum

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2011\110323 CSDA NOMINATION.DOCX



**California Special Districts Association**  
*Districts Stronger Together*

RECEIVED

MAR 1 0 2011

NIPOMO COMMUNITY  
SERVICES DISTRICT

**DATE:** March 2, 2011  
**TO:** CSDA Voting Member Presidents and General Managers  
**FROM:** CSDA Elections and Bylaws Committee  
**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS  
SEAT C**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2011-2014 term.

The leadership of CSDA is elected from its six geographical regions. Each of the six regions has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic region that they seek to represent. (See attached Region Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration.

**Commitment:** Serving on the Board requires one's interest in the issues confronting special districts statewide. A board member is expected to attend all board meetings held every other month, usually on the second Friday of the month, at CSDA's office in Sacramento. Besides serving on the Board, each Board Member is expected to participate on at least one committee, which usually meets 3-4 times a year in Sacramento. CSDA reimburses directors for their related expenses for Board and Committee meetings as outlined in Board Policy. In addition, all Board Members are expected to attend CSDA's two annual events: Special Districts Legislative Days (held in the spring) and the Annual Conference (held in the fall) as part of their obligation to the CSDA membership; expenses for these two events are not reimbursed by CSDA, even if a board meeting or committee meeting is held in conjunction with the event.

**Nomination Procedures:** Any regular member Independent Special District is eligible to nominate one person, a board member or managerial employee (as

defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action must accompany the nomination. The deadline for receiving nominations is May 27, 2011.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 10<sup>th</sup>. The ballots must be received by CSDA no later than 5:00 p.m. August 5, 2011 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 9<sup>th</sup>. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in October.

### Expiring Terms

(See enclosed map for regional breakdown)

<b>Region 1</b>	Seat C	Phil Schoefer, Western Shasta Resource Conservation District **
<b>Region 2</b>	Seat C	Pete Kampa, Tuolumne Utilities District **
<b>Region 3</b>	Seat C	Stanley Caldwell, Mt. View Sanitary District *
<b>Region 4</b>	Seat C	Tim Unruh, Kern County Cemetery District #1 **
<b>Region 5</b>	Seat C	Jim Acosta, Saticoy Sanitary District *
<b>Region 6</b>	Seat C	Dewey Ausmus, North County Cemetery District *

\* = Incumbent is running for re-election

\*\* = Incumbent may run again

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or [charlottel@cdda.net](mailto:charlottel@cdda.net).

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION  
BOARD OF DIRECTORS

**NOMINATION FORM**

PLEASE BE SURE THE CANDIDATE'S PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE

Name of Candidate: \_\_\_\_\_

District: \_\_\_\_\_

Mailing  
Address: \_\_\_\_\_

\_\_\_\_\_

Region: \_\_\_\_\_ (see attached map)

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Nominated by (optional): \_\_\_\_\_

Return this **form and a Board resolution/minute action** supporting  
the candidate by fax or mail to:

CSDA  
Attn: Charlotte Lowe  
1112 I Street, Suite 200  
Sacramento, CA 95814  
(916) 442-7887 (916) 442-7889 fax

***DEADLINE FOR RECEIVING NOMINATIONS – May 27, 2011***





## 2011 CSDA Board of Directors by Region

### Region 1

Mark Bryant, *Garberville Sanitary District*  
 Norman Shopay, *McKinleyville CSD*  
 Phil Schoefer, *Western Shasta RCD*

### Region 3

James Kohnen, *Alameda County Mosquito AD*  
 Sherry Sterrett, *Pleasant Hill RPD*  
 Stanley Caldwell, *Mt. View Sanitary District*

### Region 5

Jack Curtis, *Ojai Valley Sanitary District*  
 Kathy Tiegs, *Cucamonga Valley Water*  
 Jim Acosta, *Saticoy Sanitary District*

### Region 2

Noelle Mattock, *El Dorado Hills CSD*  
 Ginger Root, *Tuxedo Country Club FPD*  
 Pete Kampa, *Tuolumne Utilities District*

### Region 4

Adrienne (Ann) Mathews, *Kern County Water Agency*  
 Tim Ruiz, *East Niles CSD*  
 Tim Unruh, *Kern County Cemetery District No. 1*

### Region 6

Jo MacKenzie, *Vista Irrigation District*  
 William Nelson, *Orange County Cemetery District*  
 Dewey Ausmus, *North County Cemetery District*

TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *ML*  
DATE: MARCH 18, 2011

**AGENDA ITEM  
E-8  
MARCH 23, 2011**

## **LOCAL AREA FORMATION COMMISSION BALLOT FOR SPECIAL DISTRICT COMMISSIONER**

### **ITEM**

Consider the individuals nominated to fill the Special District seat of the Local Agency Formation Commission [DIRECT STAFF TO CAST BALLOT FOR SELECTED SPECIAL DISTRICT REPRESENTATIVE]

### **BACKGROUND**

Five individuals are nominated to fill the Special District alternate seat vacancy to LAFCO. The seat expires December 2014.

### **FISCAL IMPACT**

Staff time was expended preparing these materials.

### **RECOMMENDATION**

Consider LAFCO materials, decide District vote, and direct staff to file completed ballot with LAFCO no later than April 8, 2011.

### **ATTACHMENTS**

LAFCO Ballot Materials

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2010\110323 LAFCO BALLOT.DOCX



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: EACH INDEPENDENT SPECIAL DISTRICT  
FROM: DAVID CHURCH, EXECUTIVE OFFICER  
DATE: MARCH 4, 2011 DUE DATE: APRIL 8, 2011  
SUBJECT: BALLOT FOR LAFCO SPECIAL DISTRICT MEMBER

Five individuals have been nominated for the Special District position currently filled by Ed Eby of the Nipomo CSD. The term for this position would expire in December 2014. Please vote for one of the nominees:

- Ed Eby Nipomo Community Services District
- Rosie Flynn San Miguel Cemetery District
- Brian Kreowski Port San Luis Harbor District
- Lisa Marrone California Valley Community Services District
- Greg O'Sullivan Templeton Community Services District

Agenda Date of Action: \_\_\_\_\_

General Manager or President: \_\_\_\_\_

The Government Code (56332 (c)(1)) states that "at the end of the nomination period, the Executive Officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions." The Government Code also allows for the ballot and instructions to be sent electronically if the special district selection committee agrees and written evidence of receipt of the ballot and instructions is retained by the executive officer. The local California Special District Association (CSDA) chapter of Special Districts has agreed that completing the election electronically is appropriate because attaining a quorum is not possible.

**Ballot Instructions.** Each Independent Special District may vote for one nominee. The vote by a District must be considered by the District's Board of Directors as an item on its agenda. Please schedule this matter for a vote at your Board of Directors meeting as soon as possible. The District's selection should be returned to the LAFCO office no later than **April 8, 2011** via one of the following ways:

**1) An email indicating the date the item was on the Board of Directors agenda and the selected nominee,**

COMMISSIONERS

RICHARD ROBERTS  
Chair, Public Member

DUANE PICANCO  
Chair, City Member

JAMES R. PATTERSON  
County Member

MURIL CLIFT  
Special District Member

ED EBY  
Special District Member

BRUCE GIBSON  
County Member

KRIS VARDAS  
City Member

ALTERNATES

VACANT  
Special District Member

Roberta Fonzi  
City Member

TOM MURRAY  
Public Member

FRANK MECHAM  
County Member

STAFF

DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Analyst

DONNA J. BLOYD  
Commission Clerk

**2) A scanned pdf of this ballot attached to an email with one of the nominees selected and the date it was considered on the Board's agenda, or**

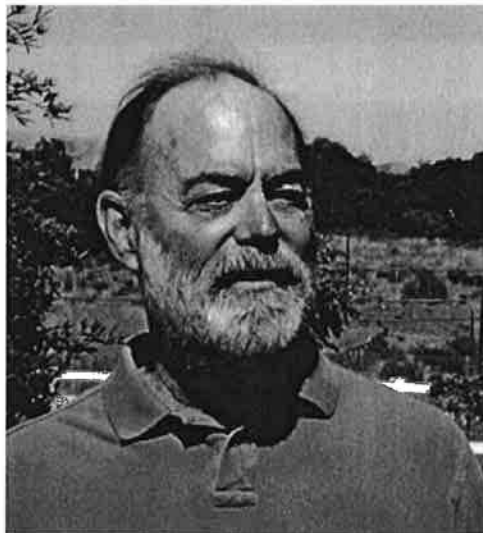
**3) A fax with a cover memo sent to LAFCO with one of the nominees selected and the agenda date of the Board's decision. FAX number 805-788-2072.**

Please contact me at 781-5795 or [Dchurch@slolafco.com](mailto:Dchurch@slolafco.com) if you have any questions.

cc: Members, Formation Commission

# Ed Eby

## Nominee for LAFCO Special District Member



### San Luis Obispo County Activities

- LAFCO Commissioner and LAFCO Alternate Commissioner representing Special Districts - Ed has held elected positions on LAFCO since 2006, attending all LAFCO meetings during his terms.
- Director, Nipomo Community Services District since 2004 - Reappointed in 2008 with no opposing candidates
- Chairman NCSO Waterline Intertie Project Committee
- Chairman, 2006-2007 South County Advisory Council
- Past Elected Representative, Nipomo Community Advisory Council
- Past NCSO Delegate, Nipomo Community Advisory Council
- Member and Alternate Member of, Water Resources Advisory Committee since 2005
- Former Member, Technical Review Committee, South County Air Quality Mitigation Program
- Advisory Board Member, Dana Adobe Nipomo Amigos
- Member, The Land Conservancy of San Luis Obispo County

### Background

Prior to his 1999 retirement from Hughes Space and Communications Co., Ed spent 35 years as a design engineer and program manager in Southern California's aerospace industry. Ed is a UCLA graduate with Bachelor of Science and Master of Science in Engineering degrees, and post-graduate studies in technical and management programs. He has lived in Nipomo for the nearly 10 years. In his spare time, he enjoys hiking and growing fruits, vegetables, and native plants.



**Rosie Flynn  
San Miguel Cemetery District  
P.O. Box 237  
San Miguel, CA 93451**

I was the office manager at the Paso Robles District Cemetery (PRDC) for 20 years, from 1987 to 2007. In 2001 I was certified as a Special District Administrator. After stepping down as office manager at PRDC I stayed on as an IT consultant. Currently I am a Trustee of the San Miguel Cemetery District. Our family has been the management company in charge of all aspects of the PRDC since 1986. I have lived in SLO County since 1979. I feel I have considerable experience with special districts and have a passion for San Luis Obispo County as a whole and would like to serve on LAFCO as a special district commissioner.

BOARD OF COMMISSIONERS

JIM BLECHA *President*  
BRIAN KREOWSKI *Vice President*  
JACK SCARBROUGH *Secretary*  
DREW BRANDY *Commissioner*  
CAROLYN MOFFATT *Commissioner*



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STEPHEN A. McGRATH *Harbor Manager*  
THOMAS D. GREEN *Legal Counsel*  
PHILLIP J. SEXTON, CPA *Treasurer*

Commissioner Brian Kreowski, known to his family and friends by his middle name "Craig", is a graduate of Arroyo Grande High School and his family has resided in San Luis Obispo County for more than 30 years. In the 80's, while attending Cuesta College and Cal Poly, Commissioner Kreowski worked at Port San Luis as a Sport Launch Operator and Maintenance Worker for the District.

Brian is one of the founding members of the Central Coast Aquarium Society, and helped facilitate the establishment and continuation of a mobile, interactive sea life educational program *Tidepool Treasures*, which has served in educating countless children and adults about our Ocean environments. He has participated in fostering many collaborative activities and programs with other marine organizations and was instrumental in facilitating the initial discussions for the Cal Poly take over of the Unocal Pier at Port San Luis.

In 1996, Brian was appointed to the Dinosaur Caves Task Force for the City of Pismo Beach. He served for over one year as vice-chairperson and was instrumental in the formulation of the Task Force recommendation to establish the property as an "open space" park.

Following the dissolution of the Task Force, Brian, and three other members created the Dinosaur Caves Preservation Society (DCPS), a non-profit 501(c)(3) organization, dedicated to preserving the Dinosaur Caves Property. He continues to serve as vice president of the society. Together with the City of Pismo Beach, the society has raised close to \$900,000 to develop the park.

In addition to practicing law, Commissioner Kreowski has taught at Cuesta College for the past 15 years and was the first part-time professor to receive the prestigious M'may Diffley Teaching award.

In 2003, Brian was appointed as a Commissioner to the Port San Luis Harbor Commission, by his fellow Commissioners, and then subsequently affirmed in his position as a Commissioner by an election of the people of the District. Since becoming a Commissioner, Brian has traveled to Washington, DC to represent the District and assist in the lobbying effort to acquire Federal Funding for the District's breakwater, which suffered earthquake damage in 2003. In 2008, Brian became President of the San Luis Obispo County Historical Society, and currently serves in that capacity, as well as a Commissioner for the Port San Luis Harbor District, Professor of Political Science at Cuesta College and managing member of the Shell Beach Law Group.

**Biography for Greg O'Sullivan**  
**Candidate for Special District's representative for LAFCO**

My wife and I Rose moved to Templeton in 1998 to raise our two daughters in a better environment. I worked 26 years in the Fire Service in the Los Angeles area before taking the position of the Templeton Fire Chief, retiring from the fire service after 38 years of public service in 2010.

After moving to Templeton both of us immediately became involved in the community; Rose volunteering in the classroom and in PTA and I began coaching in Templeton's recreational leagues in Basketball, Soccer and Softball (over 34 teams over a 10 year period) serving on each of the three sports' Boards. Rose and I were recognized by the Templeton Education Foundation in 2001 by being presented the organization's *Community Service Award*.

I was elected to the Templeton School Board in 2006, however had to resign when it was determined I could not serve both as Templeton's Fire Chief and on the School Board. However, I have continued my involvement in the School District, including attending all School Board meetings.

I serve as the Treasurer for the Templeton Eagles Athletic Boosters; Chair the 2011 THS Graduation Committee; and a member of the Historical Society's Board of Directors.

I hold a BA in Management from Azusa Pacific University and an Associates degree in Fire Science. I am past president of San Luis Obispo Fire Chiefs Association. I was a 14-year volunteer for the American Red Cross and was Vice Chairman of the Board for the Pasadena Chapter, receiving San Gabriel Valley Volunteer of the Year and the Reeve Award.

To the best of my abilities I will ensure the ideals identified in LAFCO's Mission and Purpose statements, first reflect the wishes of those we serve and then work toward their implementation in a professional and methodical manner, while ensuring budget expenditures are appropriate and within appropriations.

I would ask for your vote, but more importantly, for your District's involvement in those issues for which LAFCO is responsible by maintaining a communication link between your District and the appropriate LAFCO representative.