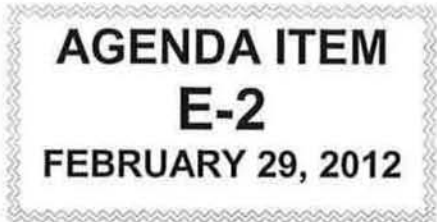


TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: FEBRUARY 23, 2012



**REVIEW DRAFT ASSESSMENT ENGINEER'S REPORT AND DRAFT
BALLOT FOR SUPPLEMENTAL WATER PROJECT ASSESSMENT
DISTRICT FORMATION**

ITEM

Review draft Assessment Engineers Report and draft Ballot for Supplemental Water Project Assessment District Formation [RECOMMEND REVIEW DRAFT REPORT AND BALLOT, PROVIDE COMMENT, BY MOTION AND ROLL CALL VOTE DIRECT STAFF TO SCHEDULE APPROVAL OF ENGINEER'S REPORT ON MARCH 14, 2012 REGULAR MEETING AGENDA]

BACKGROUND

Pursuant to the provisions of the Municipal Improvement Act of 1913, being Division 12 of the Streets and Highways Code of the State of California (the "Improvement Act"), Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931, being Division 4 of the Streets and Highways Code of the State of California (the "Investigations Act"), Article XIID of the California Constitution ("Article XIID"), and the Proposition 218 Omnibus Implementation Act, being Article 4.6 of Chapter 4 of Part 1 of Division 2 of the Government Code of the State of California (the "Implementation Act"), and in connection with the financing, acquisition and construction of certain public improvements, together with appurtenances and appurtenant work in connection therewith, Kari E. Wagner, P.E. duly-authorized representative of Wallace Group, a California Corporation, is under contract with the District to develop and submit a report for the special assessment district known and designated as Nipomo Community Services District, Assessment District No. 2012-1 (Nipomo Mesa Supplemental Water Supply Project) Assessment District No. 1 (the "Assessment District").

Ms. Wagner has prepared a draft Engineer's Report supporting the formation of Assessment District No. 2021-1. The draft Report is attached for your Board's review. Ms. Wagner will be present to discuss the draft report and answer questions.

A draft Ballot and Notice for the proposed Assessment District is under-development as well. The draft Ballot is attached for Board review and comment. Bond Counsel drafted a Notice and this document is under review and further development by your Board's Ad Hoc Outreach Committee. The Engineer's Report, Ballot, and Notice are scheduled for review and approval by your Board on March 14, 2012.

FISCAL IMPACT

Staff time and professional consulting services related to supplemental water project development are included in the 2011-2012 budget. These costs are capitalized and included in the project cost and are recoverable following a successful financing vote.

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that your Honorable Board review the draft Report and Ballot, provide comment and staff direction, by motion and roll call vote direct staff to schedule approval of Engineer's Report and Ballot on March 14, 2012 Regular Meeting agenda.

ATTACHMENT

- DRAFT Engineer's Report, Proposed Assessment District No. 2012-1
- Draft Ballot

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