

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

**AGENDA ITEM  
E-3  
FEBRUARY 29, 2012**

**BENEFIT ASSIGNMENT CHANGES FOR SUPPLEMENTAL WATER  
PROJECT ASSESSMENT DISTRICT**

**ITEM**

Receive update on benefit assignment changes requested by property owners [RECOMMEND APPROVE CHANGES]

**BACKGROUND**

The assignment of supplemental water project benefit to the nearly 8,000 parcels within the proposed assessment district requires a varying degree of interpretation depending on property complexity. The main area of ambiguity arises when a property is vacant or partially developed.

On January 11, 2012, your Board considered and approved a Supplemental Water Project Benefit Assignment Change Policy intended to provide clear guidance to staff on the review of requests for changes to benefit assignment based on development potential. The Assessment Engineer has processed numerous requests for benefit assignment change and has summarized the ongoing effort in the attached memorandum.

Proposed changes to benefit assignments in accordance with the District' policy are scheduled to be reviewed and considered for approval by your Board at the March 14, 2012 Regular Meeting.

**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 recommended benefit assignment changes, provide comment and direct staff.

**ATTACHMENT**

- February 24, 2012 Wallace Group Memo

## MEMORANDUM

Date: February 24, 2012  
To: Michael LeBrun, General Manager  
Nipomo Community Services District  
From: Kari Wagner, PE  
Subject: Status Update of Assessment District Proceedings

Per your Board of Director's authorization at the January 11<sup>th</sup>, 2012 Board meeting, Wallace Group mailed out over 8,000 mailers to the property owners within the proposed assessment district for the Supplemental Water Project on January 12, 2012. There were three direct reasons for sending out the letter to each property owner within the assessment district, which include:

- To notify each property owner of their assigned benefit units.
- To make any corrections to the database due to errors in the assigned benefit units.
- To allow property owners the opportunity to adjust their benefit unit assignment if capable based on future development potential.

Since this time, Wallace Group has answered over 830 phone calls, emails, and letters, met with several property owners one-on-one, and attended four workshops with over 600 attendees in total. We have tried our hardest to respond to all phone calls and emails within two to three days from the initial contact. A good majority of the phone calls and emails have very specific questions to the following:

- What is a benefit unit?
- Why do I have 2.0 benefit units when I only have one home?
- I only have one home, but the letter says I have two. Please correct.
- What is the cost of a benefit unit?
- Please explain what this is for.

My staff and I have been providing these property owners with the answers to these questions. In addition to these questions, we have been receiving emails, letters, and phone calls with good information pertaining to the individual properties that have resulted in numerous changes to the database that were required from an administrative level. These changes include:



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- Private well owners requesting to be exempted from the assessment district. WG researched these properties owners and are confirming that they do not receive water from their water purveyor before exempting the property.
- Parcels that are encumbered by easements, buffer zones, drainage basins, oak trees, bluff, etc have requested lowered benefit unit assignments. We worked with each of these property owners, reviewed aerial photographs, and identified the area that was encumbered and then agreed with the property owner to the revised benefit unit assignment if necessary.
- Properties were assigned wrong category, parcel size was incorrect, or current number of homes was incorrect. Wallace Group reviewed the information and made corrections as necessary.
- Property owners are requesting to increase their benefit unit assignment for secondary homes or other future development potential. Wallace Group has sent the waiver form to each of these property owners to be filled out. This list of requested increases will be available for review and approval at the March 14<sup>th</sup>, 2012 Board meeting.
- Property owners are requesting to decrease their benefit unit assignment to accommodate less development potential on their property. Wallace Group has sent out the deed restriction form to each of these property owners to be filled out. This list of requested decreases will be available for review and approval at the March 14<sup>th</sup>, 2012 Board meeting.
- A few areas are being identified as having deed restrictions that do not allow for secondary homes, which was not identified earlier. They include Ten Oaks Way, Summit Station, and Falcon Ridge Estates. Wallace Group is reviewing the deed restrictions and making adjustments to the benefit unit assignments if necessary.

In addition to the corrections from the property owners, Wallace Group, based on the phone calls and discussions with various property owners, have found a few additional properties that were miss-assessed and are correcting these errors even though the actual property owners have not contacted Wallace Group. Wallace Group will continue to review the database to eliminate any other inconsistencies and to accurately spread the benefit unit assignments equitably based on the engineer's report before the final engineer's report is published for the March 14, 2012 board meeting.