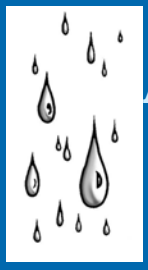
Welcome to the Santa Margarita

Town Hall Meeting

On
The State Water Connection
for Drought Reliability
and
Assessment District Formation



April 5, 2012

Welcome and Introductions

Your Supervisor for District 5 – Jim Patterson

CSA 23 Advisory Group

The Public Works "Team"

Outline of Topics

- The Project
- Purpose and Need
- Assessment District Costs
- Alternatives Considered
- Environmental Impact Report
- USDA Grant and Loan
- Prop 218 Ballot Process

The Project

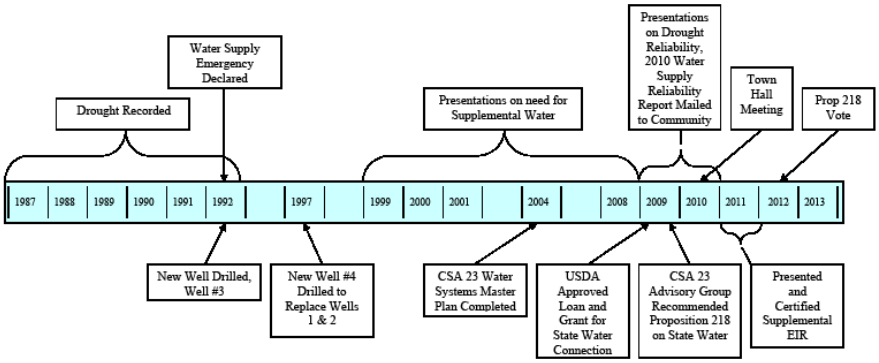
Construct State Water Turnout
to connect CSA 23 with
the State Water System

Drought Reliability Program:

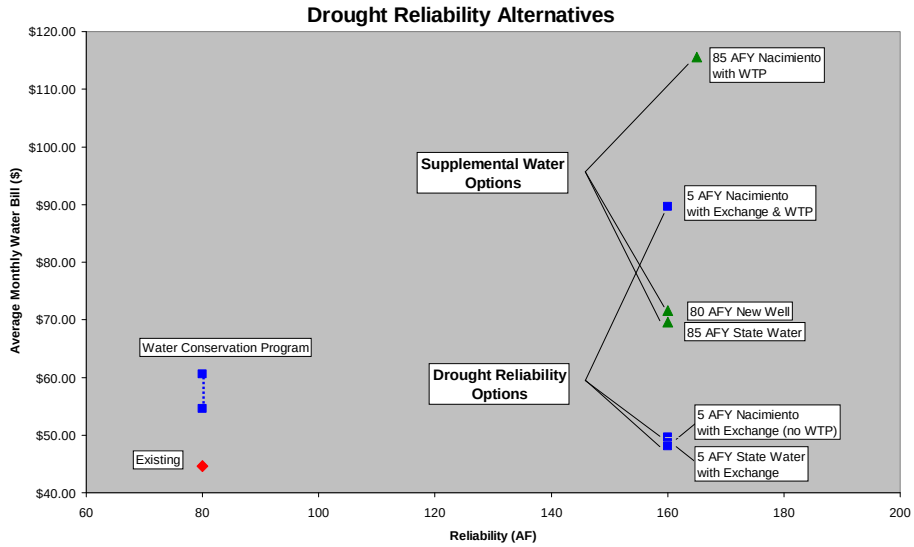
- Obtain 5 AFY allocation with drought buffer
- Exchange Agreement with Banking Partner for 80 AFY emergency supply

Project Location

CSA 23 Drought Reliability Timeline



Santa Margarita (CSA 23)



Water Banking Partners

Option A: County Operations Center

How It Works:

- CSA 23 pays for 5 AFY
- County Operations Center continues current State Water usage 50 AFY of 425 AFY allocation
- In drought years, County Operations redirects 80 acre feet to CSA 23 at Santa Margarita from exchange with CMC

Pro's	Con's
Current allocation exceeds long term needs	Existing allocation includes 3rd party commitments
Decision making is purview of BOS	Does not have multiple water resources

Option B:
Zone 3 State Water Sub-Contractor

How It Works:

- CSA 23 pays for 5 Acre Feet/Year
- Zone 3 Water Sub-contractor takes all 5 in lieu of Lopez water
- In drought years, Zone 3 water sub-contractor uses Lopez water and CSA 23 takes 80 acre feet of State Water at Santa Margarita

Pro's	Con's
May also utilize Lopez reservoir to store water until needed	Decision making is not wholly under purview of BOS
Existing allocation exceeds long term projected needs	
Zone 3 agencies currently have multiple water resources	

Purpose and Need for Water Reliability

- Drought of 1987-1991
- Reliance on sole source – groundwater (wells)
- USDA Funding available to improve water reliability

Assessment District Financing:

Capital Costs

Cost of Turn Out:		615,000
Financing Cost:		30,000
One Time Buy-In Fee:		15,000
USDA Grant:		(300,000)
Amount Financed :	$	360,000

(with USDA Loan)

Proposed Assessments based on Financing $360,000

Assessment for a typical residential parcel (1 benefit unit) *One-time amount* **$671.73**

If financed over 40 years
Annual payment @ 4.375% = **$ 35.85**

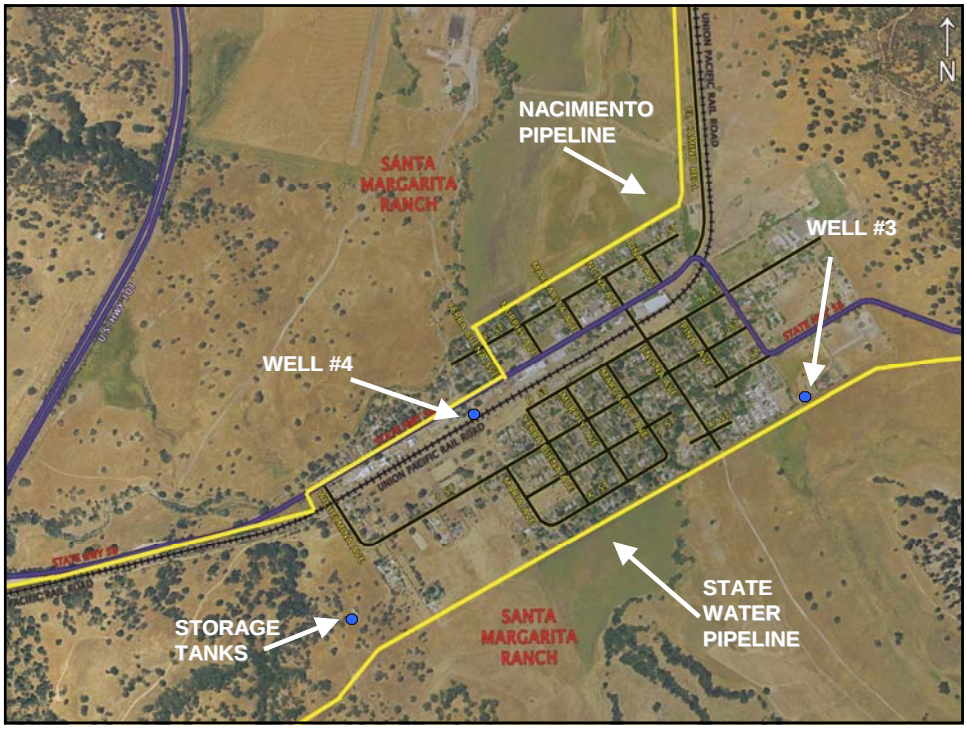
with a monthly equivalent **$ 2.98**

Assessment for a commercial parcel **$ 839.66**
Annual payment @4.375% = **$ 44.82**
with a monthly equivalent **$ 3.75**

Components of the Project		Project Estimate
Capital Cost (Funded by USDA Loan and Grant)		
State Water Turnout	$	630,000.00
Finance Costs	$	30,000.00
One Time Buy-in Fee per AF of Water	$	15,000.00
Monthly Equivalent of Capital Cost (Property Tax Bill)	$	2.98
Annual O&M Cost (Funded by Rates and Charges)		
Cost per AF (includes drought buffer)	$	1,296
No. of acre feet		5
Total Annual Cost	$	6,480
Monthly Equivalent of O & M Cost	$	1.02
Total Monthly Equivalent Costs for a Residential Parcel	$	4.00

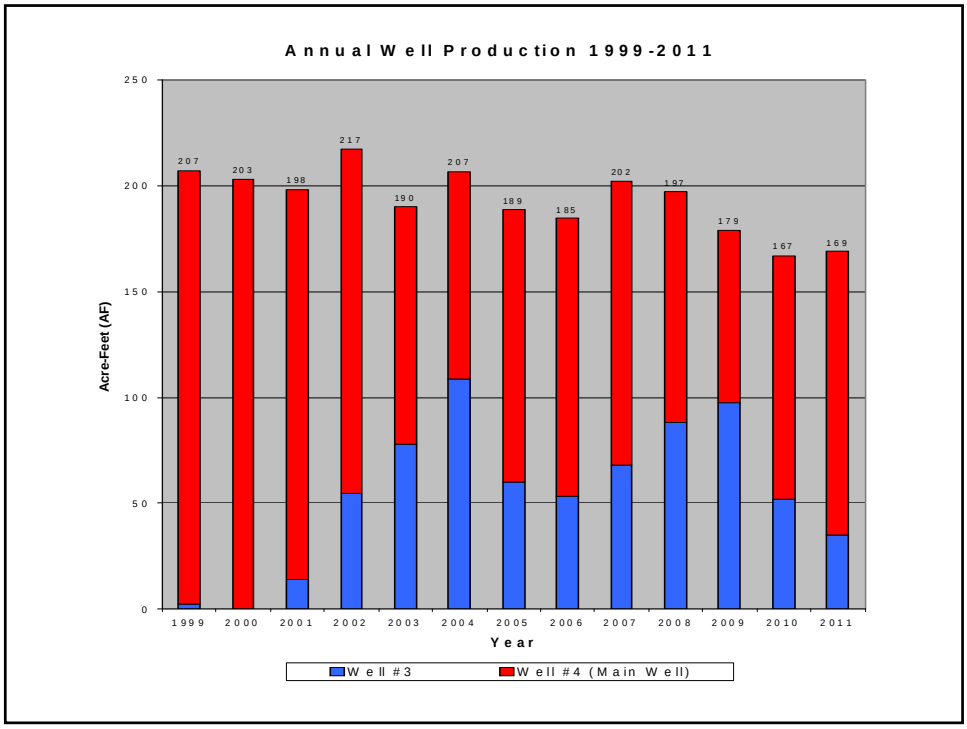
Alternatives Considered for Drought Reliability

- State Water Connection
- Nacimiento Water Connection
- New Well Development



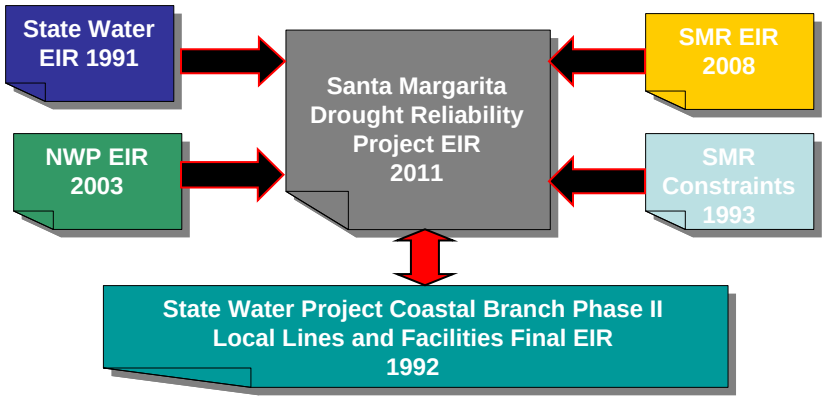
The Drought Scenario

- 3 to 5 years of lower than average rainfall
- Highest producing well (well #4) is unable to be used; only one well (well #3) is available to meet the water needs of the community



Environmental Impact Report

Supplemental EIR



Impact Analysis Areas

- Growth Inducement
- Hydrology & Water Quality
- Geology, Seismicity & Soils
- Drainage, Erosion & Sedimentation
- Air Quality
- Noise
- Hazards & Hazardous Materials
- Biological Resources
- Cultural & Paleontological Resources
- Land Use
- Utilities & Public Services
- Transportation & Circulation
- Aesthetics & Visual Resources
- Agricultural Resources

Alternatives

- Rejected Alternatives (No further analysis):
  - Enlarge Salinas Dam
  - Reclamation of Wastewater
  - Join Atascadero Mutual Water Company

Alternatives in EIR

- No Project
- Water Conservation (Stand Alone)
- Join Nacimiento Water Project
  - New Pipeline to AMWC
  - Exchange w/ Ranch
  - New Water Treatment Plant
- Groundwater
  - New Bedrock Well
  - New School Area Well
  - New Alluvial Well

EIR Results

- Proposed project is the “Environmentally Superior Alternative”
- Alternatives involving local groundwater have significant, unavoidable adverse impacts
- “No Project” alternative results in significant environmental impacts
- Growth inducing impacts for all alternatives are adverse, but not significant

The USDA Loan and Grant Program

Santa Margarita
Water System Improvements

Funded By the USDA

17 New Hydrants and New Valves

New 500,000 Gallon Water Storage Tank

Pipeline Upgrades

AND

A State Water Connection to CSA 23 Water System

Summary of funds received

	USDA Funding		
	Loan	**Grant**	**Total**
Water System Improvements	$ 631,153	$ 283,255	$ 914,408
New Tank	$ 999,347	$ 417,145	$ 1,416,492
State Water Connection	$ 358,500	$ 300,000	$ 658,500
Totals	$ 1,989,000	$ 1,000,401	$ 2,989,400

The Ballot Process

- Ballots must be received by the end of the public hearing on May 22, 2012
- *Public* Hearing at BOS on May 22, 2012
- The 218 will pass if a majority protest is not received
- Weighting of ballots

Questions?