

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The main title is centered in the upper half of the slide.

BLACKLAKE SEWER CONSOLIDATION

FEBRUARY 27, 2020

TOWN HALL MEETING



PROGRAM SCHEDULE

2:00/6:00 Introductions & Welcome

2:10/6:10 Presentations

2:45/6:45 Panel Format Question and Answer





BLACKLAKE\NCSD OVERSIGHT COMMITTEE

- COMMITTEE CHAIR – MR. DAN HALL
 - COMMITTEE MEMBER – MR. DON DANA
 - COMMITTEE MEMBER – MR. KEN PACOFSKY
 - COMMITTEE MEMBER – MS. SANDY CAUGHILL
 - COMMITTEE MEMBER – MR. STEPHEN SWINBURNE
 - COMMITTEE MEMBER – MR. JESSE MCGRAW
- 



PRESENTATIONS

CONSOLIDATION – MARIO IGLESIAS, NIPOMO CSD

ASSESSMENT DISTRICT ENGINEER – MICHAEL MEDVE – WILLDAN ENGINEERING

FINANCING – KHALEN DWYER, COLUMBIA CAPITAL MANAGEMENT, LLC.

BOND COUNSEL – MARYANN GOODKIND, NORTON ROSE FULBRIGHT

PANEL QUESTION AND ANSWER



CONSOLIDATION

- **MARIO IGLESIAS | GENERAL MANAGER**

NIPOMO COMMUNITY SERVICES DISTRICT

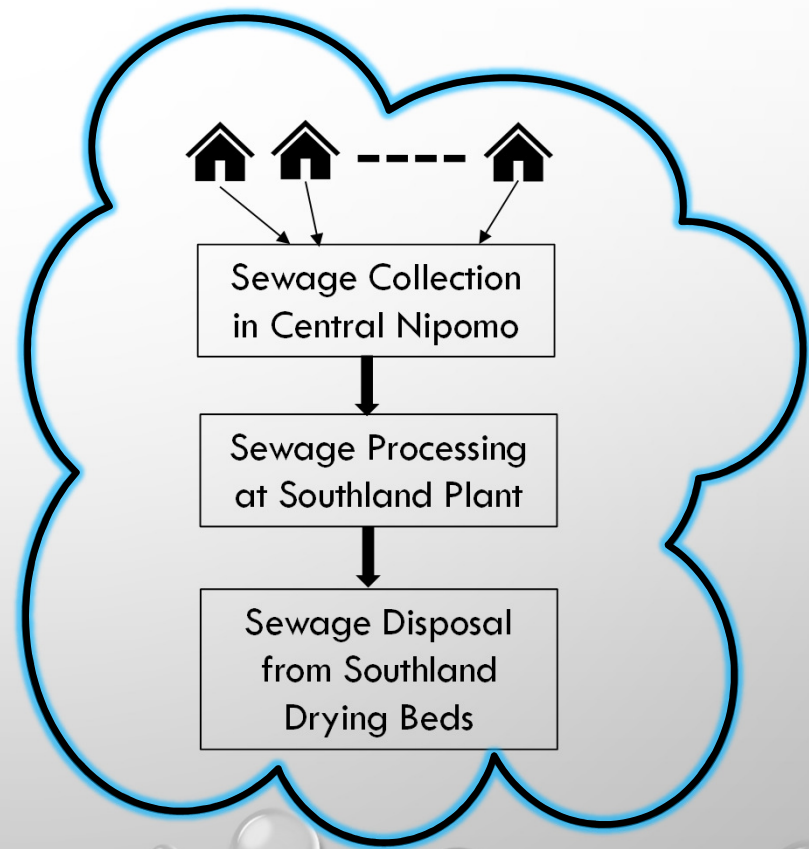
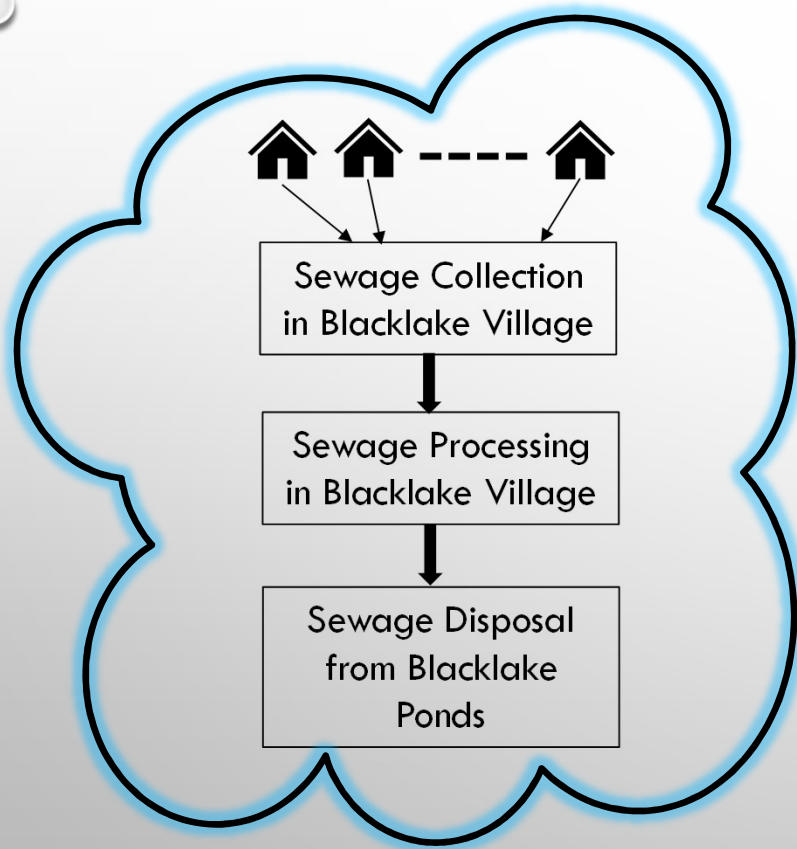
PROVIDING CUSTOMERS WITH RELIABLE, QUALITY, AND COST-EFFECTIVE SERVICES NOW AND IN THE FUTURE.

- 148 SOUTH WILSON STREET
NIPOMO, CALIFORNIA 93444
T. 805.929.1133
F. 805.929.1932

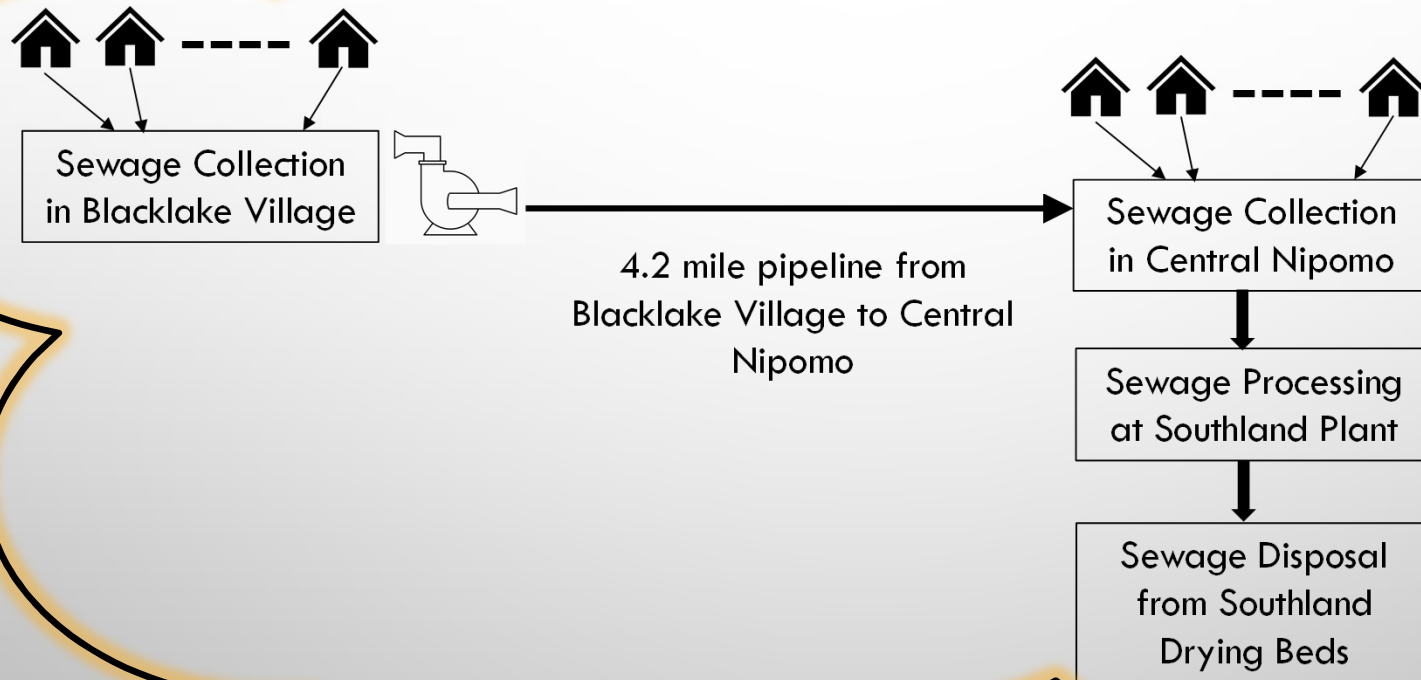


NIPOMO
Community Services District

CURRENT NCSD SEWAGE OPERATION



CONSOLIDATED SEWAGE OPERATION

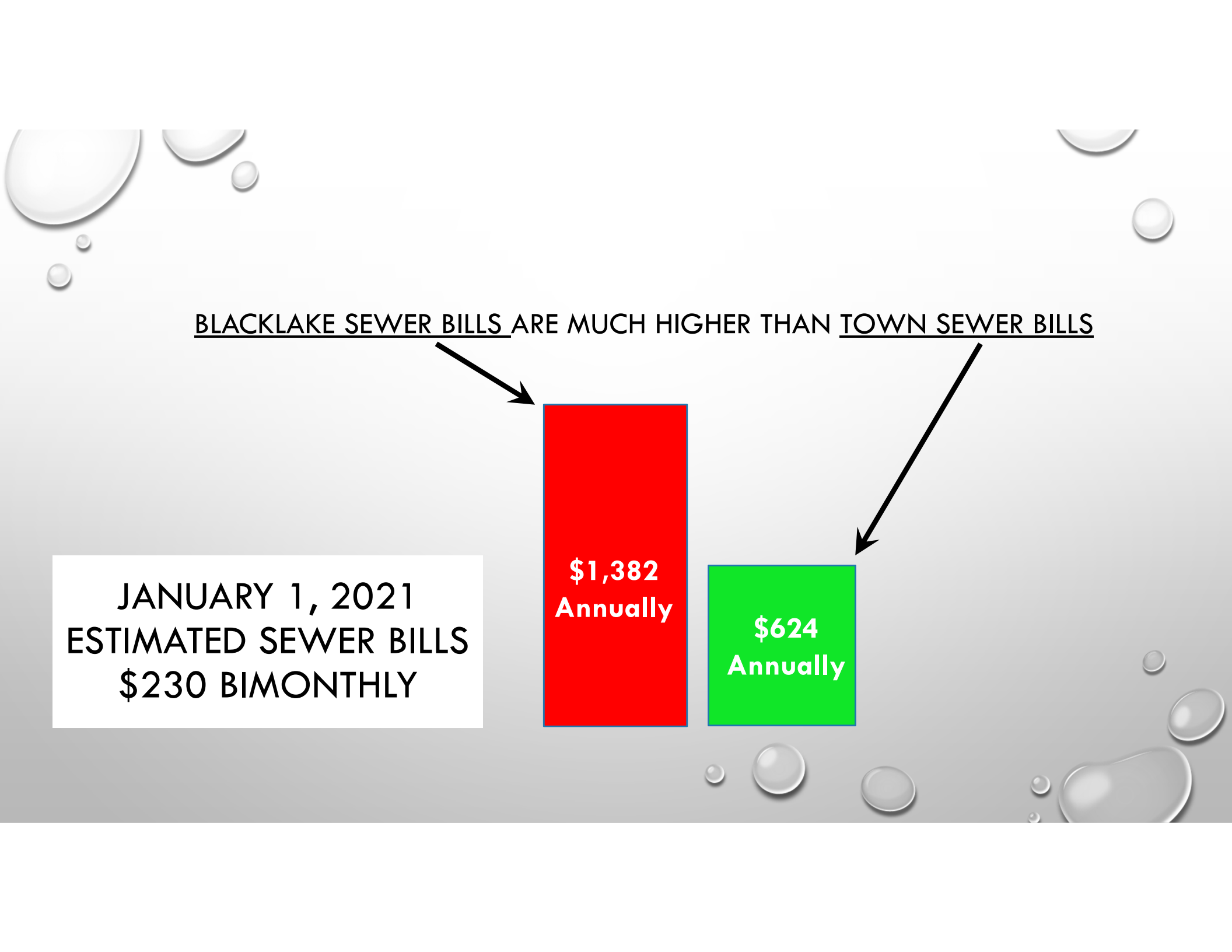


BLACKLAKE SEWER BILLS ARE MUCH HIGHER THAN TOWN SEWER BILLS

JANUARY 1, 2021
ESTIMATED SEWER BILLS
\$230 BIMONTHLY

\$1,382
Annually

\$624
Annually



● BLACKLAKE SEWER BILLS WILL CONTINUE MUCH HIGHER THAN TOWN SEWER BILLS

\$1,771
Annually

\$665
Annually

JANUARY 1, 2023
ESTIMATED SEWER BILLS
\$295/BIMONTHLY

QUESTIONS, WHY THE DIFFERENCE

- **WHY ARE BL SEWER BILLS SO HIGH?**
 - SEWER PLANT LIFE TYPICALLY 20 YEARS, BL SEWER PLANT IS 35 YEARS OLD
 - MORE MAINTENANCE COST TO OLDER SYSTEMS
 - ENTIRE SEWER PLANT COST SPREAD OVER 550 PLUS PARCELS, COMPARED TO TOWN SEWER SPREAD OVER 3,000 PLUS PARCELS
- **WHY IS TOWN SEWER SO LOW?**
 - ENTIRE PLANT WAS REBUILT IN 2015 – MORE EFFICIENT, LOWER COST MODERN EQUIPMENT
 - MORE CUSTOMERS TO SHARE COST

Objective: Provide Service at the Lowest Costs

JANUARY 1, 2024 SEWER BILLS WITH CONSOLIDATION

BLACKLAKE AND TOWN SEWER BILLS ARE EQUAL



\$686/year

COST FOR BLACKLAKE RESIDENTS

\$14 M CONSTRUCTION COST

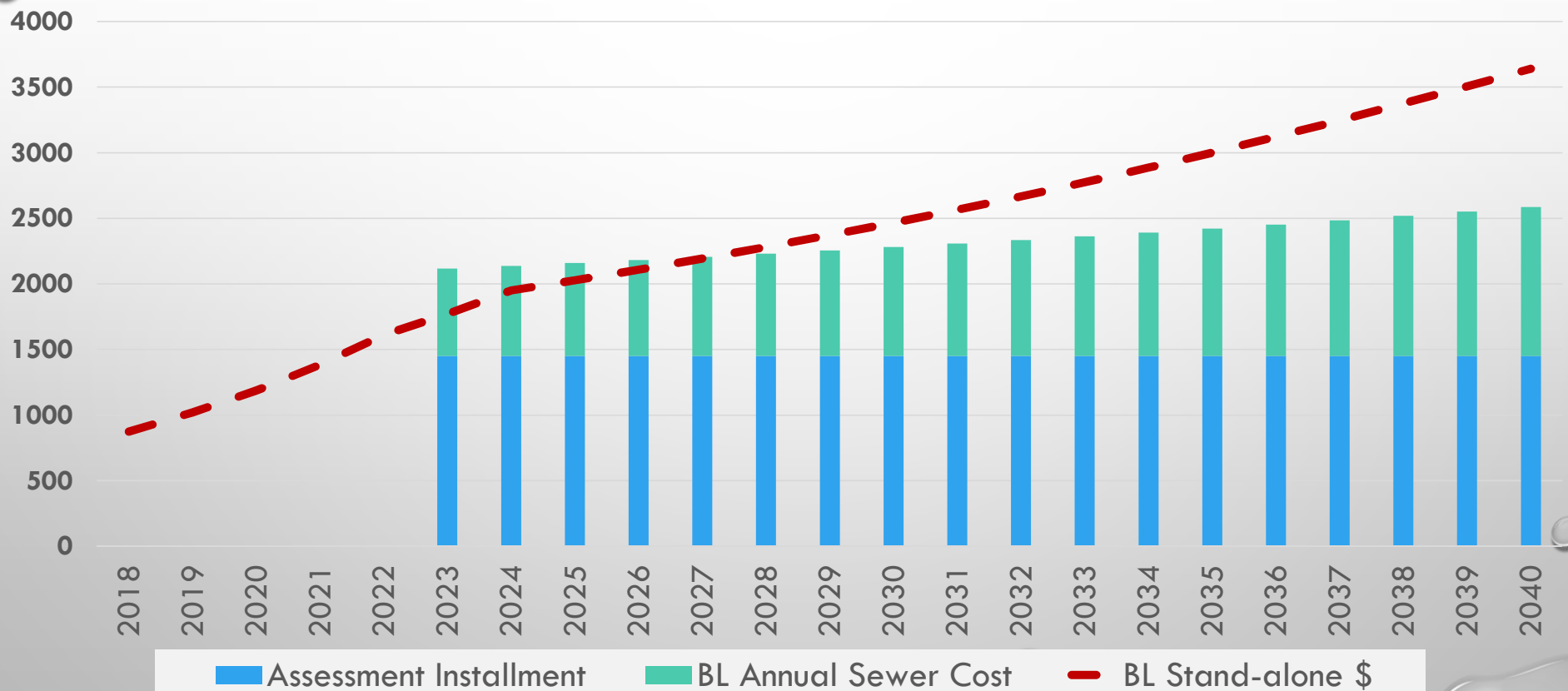
- **COSTS INCLUDES:**
 - **4.2 MILES OF PRESSURIZED SEWER MAIN**
 - **NEW LIFT STATION TO PUMP SEWAGE TO SOUTHLAND WWTP**
 - **DEMOLITION OF OLD SEWER PROCESSING PLANT**
 - **REPAIRS OF EXISTING BLACKLAKE COLLECTION SYSTEM (EXISTING PIPES AND PUMPS)**
 - **AND FINANCING OF 30 YEAR BOND**
- **COST IS SHARED AMONG BLACKLAKE PARCELS**
- **ASSESSMENT WILL APPEAR ON ANNUAL PROPERTY TAX BILL (SPLIT INTO TWO PAYMENTS)**
- **PAID OFF OVER 30 YEARS, OR IMMEDIATELY TO GAIN A DISCOUNT**

SIGNIFICANT DATES

- FEBRUARY 2020 ASSESSMENT ENGINEER'S REPORT
 - ESTIMATE OF COST/PARCEL: \$23,443 MAXIMUM (\$1,450/YEAR/PROPERTY MAX)
- MARCH 19, 2020 – BALLOTS MAILED TO RESIDENTS FOR ASSESSMENT MAJORITY PROTEST
 - *45 DAYS TO RESPOND*
- MAY 13, 2020 MAJORITY PROTEST COUNT: REQUIRES < 50% PROTEST TO PASS
IF THE COMMUNITY SEE A BENEFIT AND ELECTS TO ADVANCE THE PROJECT
- JUNE 2022 – DATE CONSTRUCTION BIDS OPENED
- JULY 2022 – CONSTRUCTION BEGINS
- OCTOBER 2022 – FIRST ASSESSMENT APPEARS ON PROPERTY TAX BILL
- DECEMBER 2023 – CONSTRUCTION COMPLETE
- JANUARY 2024 – BILL BLACKLAKE RESIDENTS EQUAL TO TOWN RESIDENTS

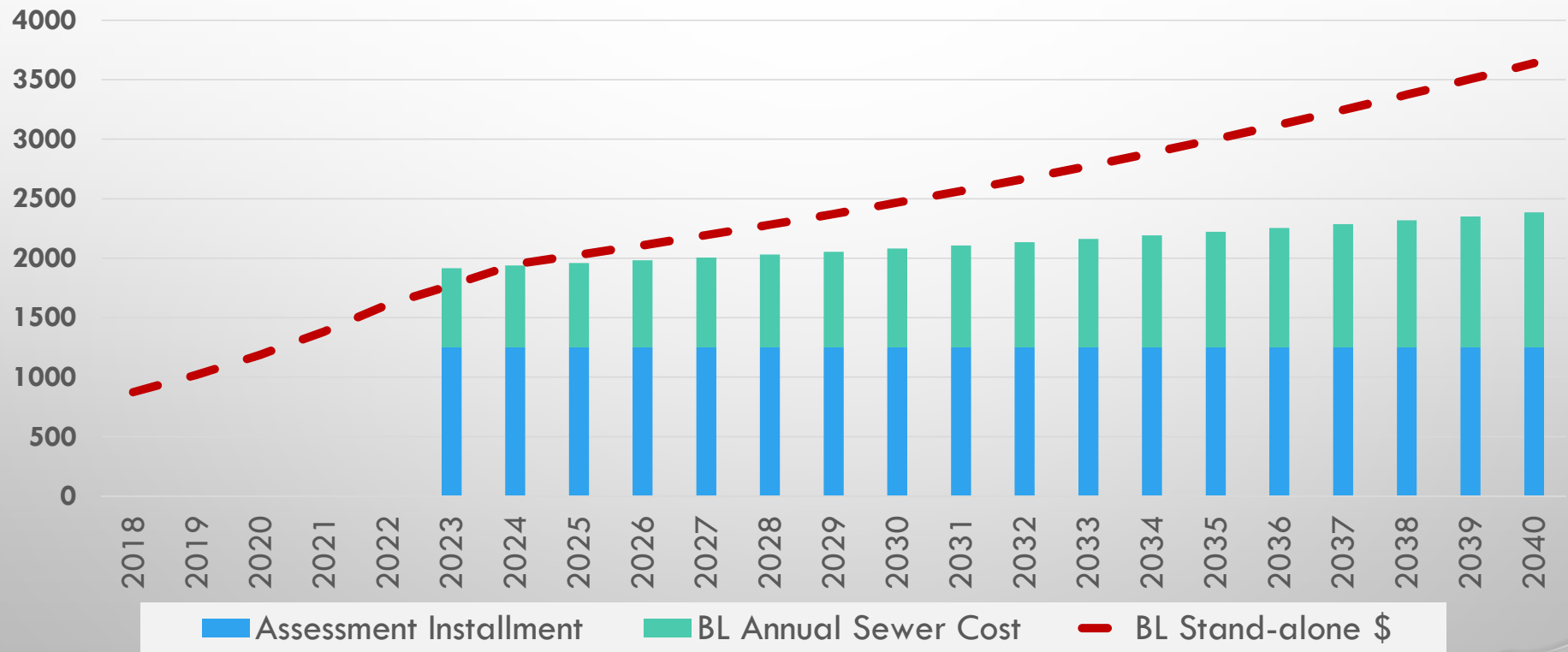
ANNUAL COST WITH AND WITHOUT CONSOLIDATION

Planning - Blacklake Estimated Sewer Cost Comparison



ANNUAL COST WITH AND WITHOUT CONSOLIDATION

Best Case - Backlake Estimated Sewer Cost Comparison



ASSESSMENT ENGINEER'S REPORT

- **MICHAEL MEDVE | MANAGING ENGINEER**

WILLDAN FINANCIAL SERVICES

COMPREHENSIVE. INNOVATIVE. TRUSTED.

- 27368 VIA INDUSTRIA, SUITE 200
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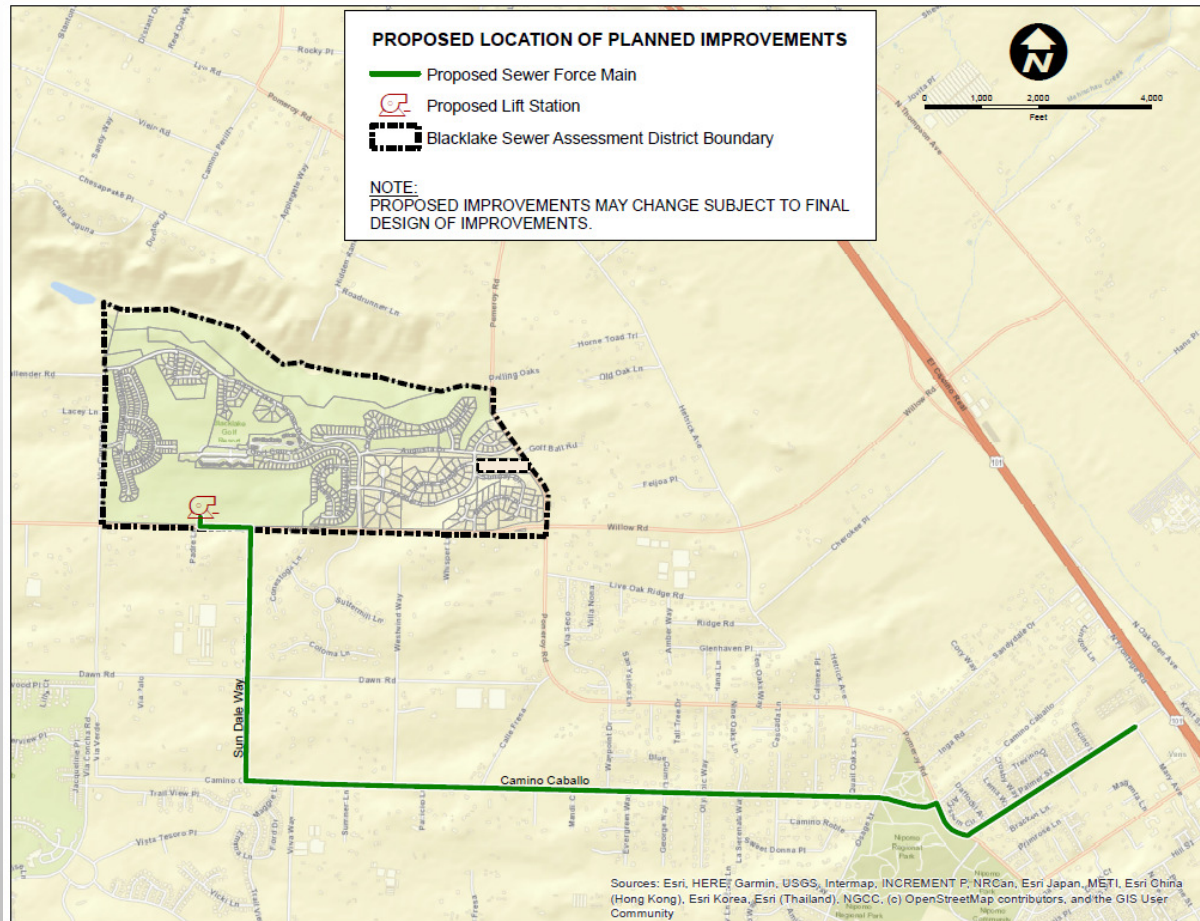


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OVERVIEW

- 1913 ACT ASSESSMENT DISTRICT FORMED TO FINANCE SEWER SYSTEM IMPROVEMENTS
- PROJECT INCLUDES NEW LIFT STATION AND FORCE MAIN, DECOMMISSIONING AND DEMOLITION OF EXISTING FACILITY AND REPAIR OF EXISTING PUMP STATIONS AND COLLECTION SYSTEMS
- ALL BENEFITING PROPERTIES (BLACKLAKE AREA) TO BE ASSESSED
- COST OF CONSTRUCTION, INCIDENTALS AND FINANCING WILL BE SPREAD TO BLACKLAKE PROPERTIES BASED ON BENEFIT

THE PROJECT



SPECIAL BENEFIT

- GENERAL BENEFITS CONFER TO THE PUBLIC-AT-LARGE AND CANNOT BE ASSESSED
- SPECIAL BENEFITS CONFER DIRECTLY TO PROPERTIES
- THE IMPROVEMENTS WILL BE AVAILABLE TO SERVE ALL PROPERTIES WITHIN THE DISTRICT BOUNDARIES AND WILL ONLY BE AVAILABLE TO PROPERTIES WITHIN THE DISTRICT
- THE SPECIAL BENEFIT TO THE PROPERTIES ASSESSED IS THE AVAILABILITY OF A SANITARY SEWER SYSTEM, WHICH PROVIDES THE FOLLOWING:
 - CONVENIENT, RELIABLE, SAFE, AND AESTHETICALLY PLEASING CONVEYANCE AND TREATMENT OF SEWAGE AND WASTEWATER GENERATED BY THE PROPERTY.

BENEFIT FORMULA

- BENEFIT FORMULA BASED ON THE PROPERTIES OF EACH SEWER CONNECTION (SIMILAR TO SEWER RATE CHARGE FORMULA)
- CAPACITY, BIO-CHEMICAL OXYGEN DEMAND (BOD) AND SUSPENDED SOLIDS (SS) CONSIDERED EQUAL FACTORS
- BENEFIT MEASUREMENTS FROM AUGUST 2015 WASTEWATER RATE STUDY FOR TOWN SEWER SYSTEM

BENEFIT UNITS

Meter Size (inches)	Meter Capacity Ratio
Up to 1 inch	1.0
1.5	3.0
2	4.8

Customer Class	BOD (mg/l)	BOD Ratio	SS (mg/l)	SS Ratio
Residential	410	1.0	410	1.0
Non-Residential				
Commercial - Low Strength	410	1.0	410	1.0
Commercial - Medium Strength	660	1.61	660	1.61
Commercial - High Strength	1,650	4.02	1,160	2.83

$$\frac{1}{3} BOD\ Ratio + \frac{1}{3} SS\ Ratio + \frac{1}{3} Capacity\ Ratio = Total\ EBUs$$

BENEFIT UNITS (CONT.)

- 557 RESIDENTIAL AND NON-RESIDENTIAL PARCELS ARE ASSIGNED 1 EQUIVALENT BENEFIT UNIT (EBU)
- 2 NON-RESIDENTIAL PARCELS RECEIVE HIGHER EBU ALLOCATIONS BASED ON PROPERTIES OF THE CONNECTION

ASSESSMENT CALCULATION

$$\frac{\text{Total Benefit Assessment}}{\text{Total EBUs}} = \text{Assessment Rate per EBU}$$

- ASSESSMENT RATE PER EBU=\$23,442.77
- TWO PAYMENT OPTIONS:
 - UP FRONT
 - INSTALLMENTS THROUGH PROPERTY TAXES

MUNICIPAL FINANCIAL ADVISOR

Khalen Dwyer | Managing Director

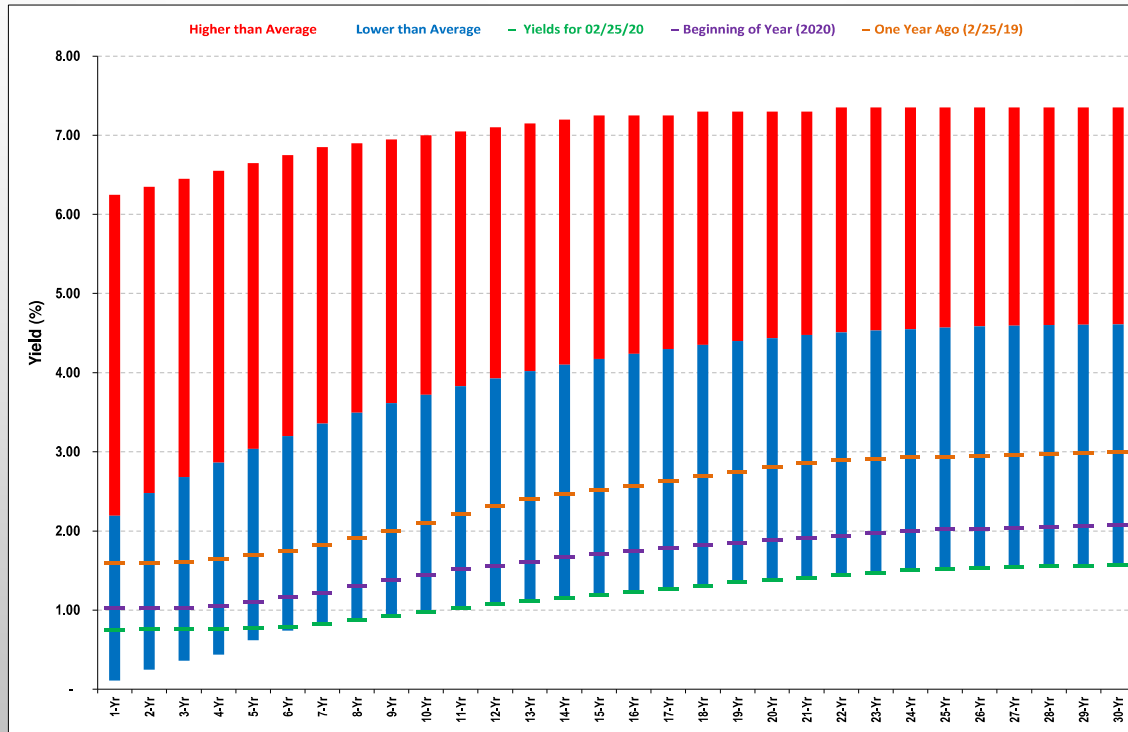
Columbia Capital Management, LLC.
100 N Brand Blvd Suite 605
Glendale, CA 91203
(818) 385-4900



“AAA” MUNICIPAL BOND MARKET INTEREST RATES ARE CLOSE TO ALL TIME LOWS

Since 1990 Historical; Municipal Market Data

02/25/20 (Tuesday)



IMPACT OF BOND INTEREST RATES AVERAGE ASSESSMENT

BOND INTEREST RATE	EST. ANNUAL ASSESSMENT
2.90% as of 2/26*	\$1,212
3.00%	\$1,291
3.50%	\$1,369
4.00%	\$1,450
4.50%	\$1,533

Assessments can be prepaid in whole or in part on any September 2 or March 2
Assessment collections are used to pay bondholders

* Based on Underwriter RFP Responses

BOND COUNSEL

Maryann Goodkind | Counsel

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FINANCE/BONDS

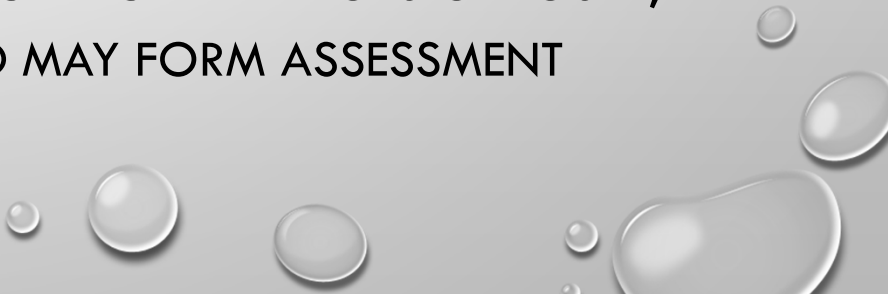
- 1913 ACT – ASSESSMENT DISTRICT IS FORMED PURSUANT TO MUNICIPAL IMPROVEMENT ACT OF 1913 (SECTION 10000 OF THE STREETS & HIGHWAYS CODE)
- 1915 ACT - BONDS ARE ISSUED PURSUANT TO THE IMPROVEMENT BOND ACT OF 1915 (COMMENCING WITH SECTION 8500 OF THE STREETS & HIGHWAYS CODE)
- PROPOSITION 218 - COMPLY WITH PROCEDURAL REQUIREMENTS OF PROPOSITION 218 OMNIBUS IMPLEMENTATION ACT (COMMENCING WITH SECTION 53750 OF THE GOVERNMENT CODE)
- COMPLY WITH THE SPECIAL ASSESSMENT INVESTIGATION, LIMITATION AND MAJORITY PROTEST ACT OF 1931 (COMMENCING WITH SECTION 2800 OF THE STREETS & HIGHWAYS CODE)

BOARD PROCEDURES

- HOLD INFORMATIONAL MEETINGS WITH BOARD (1/22/20) AND STAKEHOLDERS (2/27/20)
- MARCH 11, 2020 – BOARD CONSIDERS FOR ADOPTION (I) RESOLUTION OF INTENTION TO FORM ASSESSMENT DISTRICT, (II) RESOLUTION PRELIMINARILY APPROVING THE ENGINEER'S REPORT AND SETTING A DATE FOR A MARCH 11, 2020 PUBLIC HEARING AND (III) RESOLUTION APPROVING BALLOTS PROCEDURES.
- MARCH 19, 2020 - MAIL NOTICE TO RECORD OWNER OF EACH PARCEL SUBJECT TO ASSESSMENT, E.G. REASON FOR ASSESSMENT, AMOUNT, ETC.,
- MARCH 19, 2020 – MAIL BALLOT FOR RECORD OWNER TO INDICATE SUPPORT OR OPPOSITION TO THE PROPOSED ASSESSMENT.
- HOLD FURTHER INFORMATIONAL MEETINGS, IF NECESSARY.
- MAY 13, 2020 - PUBLIC HEARING (NOT LESS THAN 45 DAYS AFTER NOTICE IS MAILED).



MAJORITY PROTEST HEARING

- BALLOTS MAY BE RETURNED AT ANY TIME PRIOR TO THE CONCLUSION OF THE PUBLIC HEARING.
 - BALLOTS THAT ARE RETURNED ARE TABULATED FOLLOWING THE PUBLIC HEARING.
 - BALLOTS ARE WEIGHTED ACCORDING TO THE AMOUNT OF THE ASSESSMENT FOR EACH AFFECTED PROPERTY.
 - IF BALLOTS IN FAVOR OF ASSESSMENT DISTRICT EXCEED BALLOTS OPPOSED, THERE IS NO MAJORITY PROTEST AND BOARD MAY FORM ASSESSMENT DISTRICT.
- 

FINANCING PROCEDURES

- MAY 20, 2020 – MAILED NOTICE TO PROPERTY OWNERS WITH OPTION TO PAY OFF THE ASSESSMENT WITHIN THE 30-DAY CASH COLLECTION PERIOD (JUNE 19) AND RECEIVE A FINANCING DISCOUNT (12%)
- IF ELECT NOT TO PAY, THEN ANNUAL INSTALLMENTS OF UNPAID ASSESSMENTS ARE PLACED ON TAX ROLL AND ASSESSMENT LIEN RECORDED ON PROPERTY
- JULY 8, 2020 - RESOLUTION TO AUTHORIZE TAX-EXEMPT BONDS SECURED BY UNPAID ASSESSMENTS PAYABLE IN SEMI-ANNUAL PAYMENTS ON COUNTY PROPERTY TAX BILL AT INTEREST RATE EQUAL TO BONDS
- JULY 22, 2020 - SELL BONDS
- AUGUST 12, 2020 – ISSUE TAX-EXEMPT BONDS REPRESENTING UNPAID ASSESSMENTS
- JULY 2022 - PLACE ANNUAL INSTALLMENTS OF UNPAID ASSESSMENTS ON COUNTY TAX ROLL FOR FISCAL YEAR 2022-23 (COMMENCING NOVEMBER 2022 AND MARCH 2023 TAX BILLS).
- PROPERTY WITH DELINQUENT ASSESSMENT INSTALLMENTS MAY BE SUBJECT TO EARLY FORECLOSURE

QUESTIONS

The image features a light gray gradient background. The word "QUESTIONS" is centered in a bold, black, sans-serif font. The corners of the image are decorated with several realistic, 3D-rendered water droplets of various sizes, some partially cut off by the edges.