



July 2, 2009

TO: BOARD OF DIRECTORS
FROM: MITCH COONEY, INTERIM GENERAL MANAGER *MC*
SUBJECT: Adoption of Resolution to Continue Annual Levy Charges for the Cabrillo Estates Lighting District

President
Joe Sparks

Vice-President
Marshall Ochylski

Director
Chuck Cesena
Maria Kelly
Steve Senet

General Manager

Utilities Manager
George J. Milanés

Fire Chief
Matt Jenkins

The income of \$1,700 from the Assessment collected for Street Lighting in Cabrillo Estates falls \$6,084.20 short of meeting Budgeted expenditures. Since Cabrillo Estates Street Lighting has been operating at a deficit for several years and is projected to continue to operate at a deficit, there are no reserves. The Los Osos CSD Board of Directors took steps to increase the revenue stream associated with Cabrillo Estates Street Lighting by commencing the process under Proposition 218 whereby the property owners in Cabrillo Estates were asked to increase their Assessment to cover the costs associated with providing street lighting services. The protest hearing and subsequent count of the ballots determined that the property owners did not support the increased assessment.

The District now faces policy decisions as to what steps need be taken to address the budget shortfall in the Cabrillo Estates Lighting District. Upon Board direction, staff has already undertaken the task of identifying mitigating measures, such as reduced lumens and the elimination of some lights, to address the shortfall. However, the gap between revenue and expenditures is so wide that these economies will not produce sufficient savings to address all financial issues facing this service.

Options:

- Terminate Street Lighting in Cabrillo Estates commencing on August 1, 2009; or
- Continue to provide Street Lighting to Cabrillo Estates for fiscal year 2009/2010 using general District reserves while working with the Cabrillo Heights HOA to determine if:
 1. There is any interest in the HOA assuming all responsibilities of providing Street Lighting in Cabrillo Estates; or
 2. There is interest in the HOA spearheading the formation of a Separate Street Lighting District separate and apart from the Los Osos CSD.



Offices At:
2122 9th Street
Los Osos, California 93402

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P.O. Box 6064
Los Osos, California 93412
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If the Cabrillo Estates HOA is interested in pursuing either a HOA operated Street Lighting District or a Separate Lighting District as defined by the California Government Code, it should be made very clear that any and all costs associated with the formation of these options will be the sole responsibility of the Cabrillo Estates HOA. Additionally, should, during the course of discussing their choices, the HOA determines that the Los Osos CSD would be their best option to continue providing street lighting services then it would incumbent upon the Cabrillo Estates HOA, at their cost, to have a Proposition 218 election conducted to develop a revenue stream sufficient to support the budgeted operations incumbent upon the District to provide these services.

Absent the success of any of the above options to develop a HOA sponsored Lighting District or successful conduct a Proposition 218 vote, then Street Lighting services to Cabrillo Estates should cease on June 30, 2010.

In the interim, attached to this staff report is the Resolution that continues the Street lighting Assessment for Cabrillo Estates at the current rate of \$8.00 per property. The Board should note that the deadline for submitting the tax roll to the County is July 24, 2009

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: after Board discussion, open public comment on the item, and then by motion, second and vote

- **adopt Los Osos CSD Resolution 2009-14: A Resolution Directing the Collection of Annual Assessment for Cabrillo Street Lighting**
- **direct the General Manager to contact the Cabrillo Estates HOA to ascertain their interest in pursuing any of the options suggested**
- **direct the General Manager to return to the Board with a specific funding source to provide for the \$6,084.20 shortfall in the Cabrillo Estates Lighting Budget for F/Y 2009/2010**
- **direct the General Manager to continue to explore economies that can be put into place so as to lessen the financial impact upon overall District budget.**

Attachment

DATE: July 2, 2009
AGENDA ITEM NO:
() APPROVED
() DENIED
() CONTINUED TO

RESOLUTION NO. 2009 - 14

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
CONFIRMING REPORT AND DIRECTING THE
COLLECTION OF ANNUAL ASSESSMENT FOR CABRILLO STREET LIGHTING
AND DIRECTING STAFF TO FORWARD ASSESSMENTS TO
THE COUNTY AUDITOR FOR COLLECTION**

WHEREAS, the Los Osos Community Services District ("District") became effective January 1, 1999, pursuant to an election and Resolution No. 98-239 of the Board of Supervisors of the County of San Luis Obispo, and under the authority of the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code § 56000 et seq.); and

WHEREAS, by said Resolution and the resulting election, the Los Osos Community Services District is now authorized to exercise all of the powers, with all of the authority and responsibilities, that County Service Area No. 9 exercised prior to January 1, 1999, except the Cooperative Road Program and Fire and Emergency Medical for Zone I; and

WHEREAS, the San Luis Obispo County Board of Supervisors previously established and fixed annual service charge for street lighting within the Los Osos Community Services District pursuant to Government Code §25210.77a; and

WHEREAS, Government Code §61600(f) grants the power to Community Services Districts to provide for and to make charges for street lighting purposes; and

WHEREAS, the Community Services Districts are authorized under the Streets and Highways Code §§22500 et seq., known as the Landscaping and Lighting Act of 1972 to construct and maintain street lighting within the District; and

WHEREAS, the Los Osos Community Services District finds and determines that the Landscaping and Lighting Act of 1972 is most closely related to the procedures outlined in Government Code §25210.77; and

WHEREAS, this resolution is for the purpose of continuing to levy charges for street lighting within the Los Osos Community Services District, the amount of charges for the fiscal year of 2008/2009 are not proposed to be increased; and

WHEREAS, the Board of Directors has previously directed that the Engineer prepare an annual report regarding said assessments which complies with the Streets and Highways Code §22565, et seq.; and

WHEREAS, the Engineer of the work has filed the report as directed and the Board has given notice of this hearing and that notice of the hearing was given publication pursuant to Streets and Lighting Code §§22552 and 22553, all according to the Landscaping and Lighting Act of 1972; and

WHEREAS, at the time and place for which notice was given, the Board of Directors conducted a public hearing and gave every interested person an opportunity to object to the proposed annual report on the proposed service charges orally and in writing and has considered each protest; and

WHEREAS, the Board of Directors approves the Engineer's annual report and each component part thereof, including each exhibit incorporated by reference in the report; and

WHEREAS, the Board of Directors hereby determines that the charges for special taxes set forth in the Engineer's report are fair and reasonable;

NOW, THEREFORE, BE IT RESOLVED, DECLARED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. That the findings and recitals in Paragraphs 1 through 12 are true; and
2. That the Board of Directors hereby confirms and levies each individual assessment as stated in the Engineer's annual report and that the assessments as so confirmed shall appear as separate items on the tax bill of each parcel of real property listed in said report, i.e. _____ per parcel per year; and
3. The Board of Directors hereby directs that such assessments be collected at the same time and in the same manner as ordinary County ad valorem charges are collected, and are subject to the same penalties and the same procedures for sale in case of delinquency as provided for such assessments.
4. The General Manager shall file a certified copy of this resolution and said approved and confirmed report of assessments with the County Auditor.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing Resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this _____ day of _____.

Joe Sparks, President
Board of Directors, Los Osos CSD

ATTEST:

Francis M. Cooney, Interim General Manager
and Secretary to the Board

**CERTIFICATE OF SECRETARY TO THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ASSESSMENT DISTRICT MAIL BALLOT FOR
CABRILLO ESTATES LIGHTING DISTRICT**

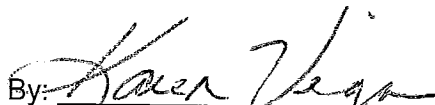
June 18, 2009

STATE OF CALIFORNIA)
)
COUNTY OF SAN LUIS OBISPO) .ss

I, **FRANCIS M. COONEY**, Secretary to the Board of Directors of the Los Osos Community Services District, do hereby certify that pursuant to law, I did tabulate the assessment ballots submitted for the Cabrillo Estates Lighting District Mail Ballot Process and the Statement of the Results of the Votes cast to which this certificate is attached, shows the number of votes for and against said Assessment District and the totals shown for and against this Assessment District are full, true and correct.

WITNESS, my hand and Official Seal this 18th day of June, 2009.

FRANCIS M. COONEY, Secretary to the Board of Directors of the Los Osos Community Services District

By: 

Karen Vega, Administrative Secretary to the Board

[SEAL]

**CABRILLO ESTATES LIGHTING DISTRICT
TABULATION OF BALLOTS**

| | | | |
|---------------------------------------|-------------------------------|--------------------------------------|------------------------------------|
| YES | <u>46</u> <i>(number)</i> | \$ <u>2526.78</u> <i>(amount)</i> | <u>35.66</u> % <i>(percent)</i> |
| NO | <u>75</u> <i>(number)</i> | \$ <u>4117.75</u> <i>(amount)</i> | <u>58.14</u> % <i>(percent)</i> |
| INCOMPLETE BALLOTS** | <u>8</u> <i>(number)</i> | | |
| TOTAL BALLOTS RETURNED | <u>129</u> <i>(number)</i> | | |

**** These were ballots that were either unidentifiable, unsigned or not voted

MEMORANDUM

Date: June 9, 2009
To: Mitch Cooney, Interim General Manager, Los Osos Community Services District
From: Lonnie Lepore, Project Analyst
Subject: Los Osos Community Services Special District- Zone "9D"
Cabrillo Estates Lighting Service Charge – Fund No. 1727

Attached is a draft Exhibit "A" for the above referenced zone.

There were no changes to the parcels within the special district since the FY 2008-09 tax roll.

FY 2008/09

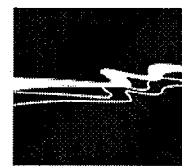
Number of Parcels = 217
Amount Due = \$1,736.00

FY 2009/10

Number of Parcels = 217
Amount Due = \$1,736.00

cc: Rob Miller, Wallace Group

M:\384-LOCSD\384-100 Special Districts FY2009-10 Tax Roll\0301 - Assessment Engineering\0394 - Assessment Tax Roll\9D Cabrillo Estates - Fund No. 1727\9D Cabrillo Estates Memo to M Cooney.doc



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ENGINEER'S REPORT

Los Osos Community Services District
Zone 9D -Cabrillo Estates Lighting Service Charge

Fiscal Year 2009 - 10

Exhibit A - DRAFT

09-Jun-2009

| A.P.N. | AMOUNT |
|-------------|--------|
| 074-451-001 | \$8.00 |
| 074-451-002 | \$8.00 |
| 074-451-003 | \$8.00 |
| 074-451-004 | \$8.00 |
| 074-451-005 | \$8.00 |
| 074-451-006 | \$8.00 |
| 074-451-007 | \$8.00 |
| 074-451-008 | \$8.00 |
| 074-451-009 | \$8.00 |
| 074-451-010 | \$8.00 |
| 074-451-011 | \$8.00 |
| 074-451-012 | \$8.00 |
| 074-451-013 | \$8.00 |
| 074-451-014 | \$8.00 |
| 074-451-015 | \$8.00 |
| 074-451-016 | \$8.00 |
| 074-451-017 | \$8.00 |
| 074-451-018 | \$8.00 |
| 074-452-001 | \$8.00 |
| 074-452-002 | \$8.00 |
| 074-452-003 | \$8.00 |
| 074-452-004 | \$8.00 |
| 074-452-005 | \$8.00 |
| 074-452-006 | \$8.00 |
| 074-452-007 | \$8.00 |
| 074-453-001 | \$8.00 |
| 074-453-002 | \$8.00 |
| 074-453-003 | \$8.00 |
| 074-453-004 | \$8.00 |
| 074-453-005 | \$8.00 |
| 074-453-006 | \$8.00 |

09-Jun-2009

| A.P.N. | AMOUNT |
|-------------|--------|
| 074-453-007 | \$8.00 |
| 074-453-008 | \$8.00 |
| 074-453-009 | \$8.00 |
| 074-453-010 | \$8.00 |
| 074-453-011 | \$8.00 |
| 074-453-012 | \$8.00 |
| 074-453-013 | \$8.00 |
| 074-453-014 | \$8.00 |
| 074-453-019 | \$8.00 |
| 074-453-020 | \$8.00 |
| 074-453-021 | \$8.00 |
| 074-453-022 | \$8.00 |
| 074-453-023 | \$8.00 |
| 074-453-024 | \$8.00 |
| 074-453-025 | \$8.00 |
| 074-453-026 | \$8.00 |
| 074-453-027 | \$8.00 |
| 074-453-032 | \$8.00 |
| 074-453-033 | \$8.00 |
| 074-453-034 | \$8.00 |
| 074-453-035 | \$8.00 |
| 074-454-002 | \$8.00 |
| 074-454-003 | \$8.00 |
| 074-454-004 | \$8.00 |
| 074-454-005 | \$8.00 |
| 074-454-010 | \$8.00 |
| 074-454-011 | \$8.00 |
| 074-454-012 | \$8.00 |
| 074-454-013 | \$8.00 |
| 074-454-014 | \$8.00 |
| 074-454-015 | \$8.00 |
| 074-454-016 | \$8.00 |
| 074-454-017 | \$8.00 |
| 074-454-018 | \$8.00 |
| 074-454-019 | \$8.00 |
| 074-454-020 | \$8.00 |
| 074-454-021 | \$8.00 |
| 074-454-022 | \$8.00 |

09-Jun-2009

| A.P.N. | AMOUNT |
|-------------|--------|
| 074-454-023 | \$8.00 |
| 074-454-024 | \$8.00 |
| 074-454-025 | \$8.00 |
| 074-454-026 | \$8.00 |
| 074-454-027 | \$8.00 |
| 074-454-028 | \$8.00 |
| 074-454-029 | \$8.00 |
| 074-454-030 | \$8.00 |
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| 074-455-002 | \$8.00 |
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| 074-455-010 | \$8.00 |
| 074-455-011 | \$8.00 |
| 074-455-012 | \$8.00 |

| A.P.N. | AMOUNT |
|---------------|---------------|
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| 074-455-014 | \$8.00 |
| 074-455-015 | \$8.00 |
| 074-456-001 | \$8.00 |
| 074-456-002 | \$8.00 |
| 074-456-003 | \$8.00 |
| 074-456-004 | \$8.00 |
| 074-457-017 | \$8.00 |
| 074-457-018 | \$8.00 |
| 074-457-019 | \$8.00 |
| 074-457-020 | \$8.00 |
| 074-457-021 | \$8.00 |
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| 074-457-029 | \$8.00 |
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| 074-457-031 | \$8.00 |
| 074-457-032 | \$8.00 |
| 074-458-001 | \$8.00 |
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| 074-458-008 | \$8.00 |
| 074-458-009 | \$8.00 |
| 074-458-013 | \$8.00 |
| 074-458-014 | \$8.00 |
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| A.P.N. | AMOUNT |
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| 074-482-013 | \$8.00 |
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| 074-482-026 | \$8.00 |
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| 074-482-040 | \$8.00 |
| 074-482-043 | \$8.00 |
| 074-482-045 | \$8.00 |
| 074-482-046 | \$8.00 |
| 074-482-047 | \$8.00 |
| 074-482-049 | \$8.00 |
| 074-482-050 | \$8.00 |
| Totals : | 217 Parcels \$1,736.00 |