

**NOTICE OF PUBLIC HEARING
AND PROPOSED MAINTENANCE STANDBY CHARGE
(ASSESSMENT)
SALTON COMMUNITY SERVICES DISTRICT**



The official Property Owner Ballot included in this envelope is your opportunity to decide on the adoption of a Maintenance Standby Charge that will fund Salton Community Services District's sewer system facilities and maintenance which benefit your property. **Please vote and return your signed ballot. In order to be counted, your ballot must be received prior to the close of the public input portion of the Public Hearing, which is scheduled to begin on June 16, 2009, at 7:00 p.m..**

The Salton Community Services District ("CSD") is proposing to levy a new Maintenance Standby Charge on undeveloped property to fund a portion of the costs for maintenance, repairs, and replacements of the Salton City and Desert Shores sewer systems ("Sewer System Maintenance"). The sewer systems were built over 50 years ago in anticipation of development of approximately 20,000 homes. To date, approximately 2,000 homes are connected to the sewer system. Most of the undeveloped parcels that have access to the system currently pay a \$21.00 Standby Charge. The CSD is proposing an additional new Maintenance Standby Charge to be levied on certain undeveloped parcels with access to the sewer system within the CSD to fund the Sewer System Maintenance not currently funded by either the current Standby Charge or the Sewer User Fees which are paid for by devel-

oped properties.

The continued Sewer System Maintenance specially benefits your property by providing sewer capabilities to undeveloped properties and allows for cost effective development of your property.

If the Maintenance Standby Charge is approved, the CSD will continue to maintain the sewer system and will also be able to provide for replacement of certain portions of the system (Capital Replacement). This Capital Replacement cost represents an annual cost that will be collected over time for projects that are too costly to budget in a single year. Table 1 below shows the budget as approved by the CSD Board of Directors at the April 21, 2009 meeting.

**Table 1
Maintenance Standby Charge
Budget**

Item	Budget
Labor	\$582,374.00
System Maintenance	208,639.40
Miscellaneous	278,090.00
Subtotal Annual Costs	\$1,069,103.40
Refurbishment	45,000.00
Capital Replacement (Annual Cost)	72,500.00
Total Cost	\$1,186,603.40
Less: Sewer User Fees	(\$668,300.00)
Less: Standby Charges	(\$353,443.00)
Total Budget for Maintenance Standby Charge	\$164,860.40

As a property owner, you are now facing a decision that will shape the future of the Salton City and Desert Shores sewer systems. **A ballot to support the new proposed Maintenance Standby Charge will provide a revenue source that can only be used for the maintenance, repair and replacement costs of the sewer system. A ballot opposing the proposed Maintenance Standby Charge may result in the inability of the CSD to maintain the sewer system at adequate levels due to funding short-falls.**

What is the proposed New Maintenance Standby Charge used for?

The proposed Maintenance Standby Charge will allow the CSD to fund a portion of the Sewer System Maintenance.

The Maintenance Standby Charge will provide approximately 14% of the total

Sewer System Maintenance Benefits

- Cost effective Property Development
- Provides Sewer Capabilities to Undeveloped Property

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Sewer System Maintenance. The Maintenance Standby Charge you pay can only be used for the actual cost of the maintenance, repair and replacement costs of the sewer system that benefits your property; it cannot be used for anything else or put into any other fund. All expenditures are subject to independent annual audits.

How much do I pay?

**Table 2
Maintenance Standby Charge**

Parcel Type	Estimated Annual Maintenance Standby Charge
Residential Vacant Lot	\$10.00
Recreational Vacant	\$10.00
Commercial Vacant	\$10.00

Each benefiting parcel will pay the amount shown above in Table 2. The Maintenance Standby Charge may be increased each year by the greater of the Annual Consumer Price Index for All Urban Consumers ("CPI") in the San Diego area or 5% ("Assessment Range Formula"). The CPI used shall be as determined by the Bureau of Labor Statistics. Provided, however, the Maintenance Standby Charge will be increased only by that amount necessary to fund the costs of the Sewer System Maintenance that benefits your property. As a property owner you will continue to pay the proposed Maintenance Standby Charge as long as the CSD continues to maintain the sewer system or until your property is developed and connects to the sewer system.

How is my Maintenance Standby Charge calculated?

Your property's Maintenance Standby Charge is based on the special benefits that your parcel receives from the Sewer System Maintenance. To establish the special benefits to the identified parcels within the CSD, a formula was used to fairly spread the costs of the sewer system maintenance, repair and replacement to each identified parcel. Each parcel of land is assigned an Equivalent Benefit Unit ("EBU") in proportion to the estimated special benefits the parcel receives relative to the entirety of the cost the Sewer System Maintenance that benefits your property.

The actual amount you will pay, if the proposed Maintenance Standby Charge passes, is shown on your ballot and by this reference is made part of this notice. The complete calculations are in the amended engineer's report that is on file in the CSD Headquarters located at 2098 Frontage Road, Salton City, CA 92275.

Do developed parcels pay fees?

Yes, the CSD charges sewer user fees on developed parcels that are connected to the sewer system. Those fees are currently \$280.80 per residential unit.

What is a "mail back" ballot?

In compliance with Proposition 218, from time to time, public agencies send out ballots to property owners asking them to indicate their support for or opposition to financial issues. **This official ballot is your opportunity to express whether you support the proposed Maintenance Standby Charge for the CSD. The CSD Board Secretary must receive your signed and dated ballot on or before the close of the public input portion of the Public Hearing set for June 16, 2009.** Each property owner's ballot is weighted by the dollar amount of the Maintenance Standby Charge he or she pays. The new Maintenance Standby Charge shall not be imposed if the ballots submitted in opposition to the Maintenance Standby Charge exceed the ballots submitted in favor of the Maintenance Standby Charge with the ballots weighted according to the proportional obligation of the affected property. If you plan to use the return envelope included with your ballot, please allow enough time for your mailed ballot to reach the CSD Board Secretary before 5:00 p.m., Tuesday, June 16, 2009. The CSD is not responsible for lost, stolen, misdirected or late mail. **Late ballots or ballots only partially completed cannot be counted.**

When is the public hearing?

The Salton Community Services District's CSD Board will conduct a public hearing on the proposed Maintenance Standby Charge at **7:00 p.m., Tuesday, June 16, 2009**, in the CSD Headquarters, 2098 Frontage Road, Salton City, CA. You can either return your ballot in person or via the return envelope prior to June 16th, or you can return your ballot in person at the June 16th meeting and/or offer testimony about the proposed Maintenance Standby Charge. At the close of the public hearing, the CSD Board will direct the CSD Board Secretary, and/or its designee, to have all property returned ballots counted. Results will be made public as soon as possible.

If you have any questions or need more information, please contact Rosa Reagles of the Salton Community Services District at (760) 394-4446 or Lyn Gruber of Koppel & Gruber Public Finance at (888) 510-0290.