



# Voter Information Pamphlet

## Special All-Mail Ballot Election Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) Tuesday ★ February 24, 2015

This election is being conducted only with ballots mailed to all registered voters within the **Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water)**.

The Santa Cruz County Clerk/Elections Department will be open regular business hours Monday – Friday, 8 a.m. to 5 p.m. to assist voters.

On Election Day, February 24, 2015 there will be two locations open from 7 a.m. to 8 p.m. to serve as a polling place and to assist voters:

- County Clerk/Elections – 701 Ocean Street, Room 210, Santa Cruz
- Zayante Fire Station - 7700 East Zayante Rd., Felton

**The enclosed ballot is the only one you will receive. If you lose your ballot or make a mistake you may request a new ballot.**

This guide has information on:

- Measure N on your ballot
- How to return your vote-by-mail ballot
- Answers to common voter questions

*Información en español al otro lado →*



Santa Cruz County Elections Department  
831-454-2060 ★ 866-282-5900 (toll-free)  
TDD 831-454-2123 ★ FAX 831-454-2445  
[www.votescount.com](http://www.votescount.com) / [info@votescount.com](mailto:info@votescount.com)



# Información para el Votante

**Elección Especial de Balotas Enviadas por Correo  
Facilidades comunitarias del distrito número 2 del  
condado de Santa Cruz (Lompico Water)  
Martes ★ 24 de febrero de 2015**

Esta elección se llevará a cabo solamente por medio de balotas enviadas por correo a todos los votantes registrados dentro del las **facilidades comunitarias del distrito número 2 del condado de Santa Cruz (Lompico Water)**.

La Oficina de la Secretaría del Condado/Departamento de Elecciones de Santa Cruz, estará abierta de lunes a viernes de 8 a.m. a 5 p.m. para asistir a los votantes.

El Día de la Elección, el 24 de febrero de 2015, habrá dos localidades abiertas de 7 a.m. hasta las 8 p.m. y funcionará como lugar de votación y para ayudar a los votantes:

- County Clerk/Elections – 701 Ocean Street, Room 210, Santa Cruz
- Zayante Fire Station - 7700 East Zayante Rd., Felton

**La balota incluida es la única que recibirá, a menos que usted solicite una segunda balota.**

Este folleto le informa sobre:

- La medida N en su balota
- Cómo devolver su balota por correo
- Respuestas a preguntas comunes de votantes



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# Make your vote-by-mail ballot count!

## Vote It

- Use only a blue or black ballpoint ink pen.
- Make **one single line** to connect the head and tail of the arrow that points to your choice.
- If you lose your ballot or make a mistake, you may request a new ballot. Call the Elections Department at 831-454-2060 or send an e-mail to [2ndballot@votescount.com](mailto:2ndballot@votescount.com)
- If you need any assistance, please call us at 831-454-2060 or send an email to [info@votescount.com](mailto:info@votescount.com)



## Sign & Date the Envelope

- After you have voted your ballot, remove the top stub from your ballot by tearing at the perforated line.
- Place the ballot in the *GREEN* return envelope provided.
- Write the ADDRESS where you live in Santa Cruz County on the envelope in the space provided. Do not write your P.O. Box or work address.
- *SIGN* your name on the envelope to the right of the **X**. If you do not sign your envelope, we can not count your ballot. **Do not let someone else sign your name for you.**
- Write in the DATE you signed the envelope.
- If you cannot sign your name, make a mark by the **X** and have a witness sign in the line provided.

## Mail It On Time!

- A new law allows the county election official to count a vote-by-mail ballot if it is POSTMARKED on or before Election Day and received by the elections official by the Friday following the election.
- Mail early to make sure your ballot is received on time.
- Since this election is being conducted with mail ballots only, the return envelope is postage paid!

## Or, Return It in Person - No later than 8 p.m. Election Day!

You may personally drop it off at one of the locations below or you can have a relative or someone who lives with you drop it off.

- Santa Cruz County Elections: 701 Ocean St., Room 210, 8 a.m. to 5 p.m., Monday - Friday. Ph: 831-454-2060.
- Scotts Valley City Clerk's Office: 1 Civic Center Dr., during regular business hours.
- Zayante Fire Station: 7700 East Zayante Rd., Felton.  
On Election Day ONLY, Tuesday, February 24, 7 a.m. to 8 p.m.

## Or, Drive Up and Drop It Off

Available 24/7 until the deadline - 8 p.m. Election Day!

- 701 Ocean Street, Santa Cruz. There is a white mail box receptacle in front of the County Building.

# ¡Haga que su balota para voto-por-correo cuente!

## Vote

- Utilice solo un bolígrafo de tinta negra o azul.
- Haga **una sola línea** para conectar la cabeza y la cola de la flecha que apunta a su elección.
- Si pierde su balota o si comete un error, la mejor opción es obtener una balota nueva. Puede llamar al Departamento de Elecciones al 831-454-2060 o mandar un correo electrónico a [2ndballot@votescount.com](mailto:2ndballot@votescount.com)
- Si necesita ayuda, por favor llámenos al 831-454-2060 o enviar un correo electrónico a [info@votescount.com](mailto:info@votescount.com)



## Firme el Sobre

- Después de haber votado su balota, quite el talón de su balota cortando por la línea perforada.
- Coloque la balota en el sobre **VERDE** de retorno provisto.
- Escriba en el espacio previsto en sobre el **DOMICILIO** en el que vive en el Condado de Santa Cruz. No escriba su dirección de Casilla Postal o laboral.
- **FIRME** su nombre en el sobre a la derecha de la **X**. Si no firma su sobre, no podemos contar su balota. **NO deje que nadie más firme su nombre por usted.**
- Escriba en la **FECHA** en que firmó el sobre.
- Si no puede firmar su nombre, hacer una marca por el **X** y que un testigo firme en la línea proporcionada .

## ¡Envíelo por Correo a Tiempo!

- Una nueva ley permite que el funcionario electoral del condado de contar una boleta de voto por correo si tiene matasellos en o antes del día de las elecciones y recibida por el oficial de elecciones antes del viernes siguiente a la elección.
- Envíe temprano para asegurarse de que su boleta se recibe a tiempo.
- ¡Debido a que esta elección se lleva a cabo con los votos por correo solamente, el sobre es porte pagado!

## O, Devuélvalo Personalmente

Puede dejarlo personalmente en unas de las localizaciones a continuación o puede dejar que un pariente o alguien que viva con usted lo entregue por usted.

- Santa Cruz County Elections: 701 Ocean St., Room 210, 8 a.m. a 5 p.m., lunes - viernes. Tel: 831-454-2060.
- Scotts Valley City Clerk: 1 Civic Center Dr. durante las horas de comercio normales.
- Zayante Fire Station: 7700 East Zayante Rd., Felton.  
El día de elección SOLO, martes, 24 de febrero de 7 a.m. a 8 p.m.

## O, Conduzca y Déjelo

**¡Disponibles 24/7 hasta el vencimiento - 8 p.m. el Día de la Elección!**

- 701 Ocean Street, Santa Cruz. Hay un buzón de correo blanco al frente del Edificio del Condado.

**VOTER'S INFORMATION PAMPHLET**  
**MEASURES, ANALYSES AND ARGUMENTS**

(whichever is applicable to your ballot)  
Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

**COMMUNITY FACILITIES DISTRICT NO. 2 OF THE COUNTY OF SANTA CRUZ (LOMPICO WATER)**

**N** Shall Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) be authorized to issue bonds in the maximum amount of \$3,200,000 to construct water system improvements, levy an annual special tax up to a maximum of \$517 for a single-service property and \$1,034 for a multi-service property, and establish an appropriations limit equal to the proceeds of the special tax, all as set forth in the County of Santa Cruz's Resolution No. 282-2014?

**FULL TEXT OF BALLOT MEASURE N**  
**BEFORE THE BOARD OF SUPERVISORS**  
**OF THE COUNTY OF SANTA CRUZ,**  
**STATE OF CALIFORNIA**  
**RESOLUTION NO. 284-2014**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ, CALIFORNIA, ACTING AS THE LEGISLATIVE BODY OF THE COMMUNITY FACILITIES DISTRICT NO. 2 OF THE COUNTY OF SANTA CRUZ (LOMPICO WATER), CALLING A SPECIAL ELECTION FOR THE PURPOSE OF APPROVING A SPECIAL TAX THEREIN, THE ISSUANCE OF BONDS BY SAID DISTRICT AND ESTABLISHMENT OF AN APPROPRIATIONS LIMIT**

**WHEREAS**, on this date, this Board of Supervisors adopted Resolution No. 282-2014 entitled "A Resolution of the Board of Supervisors of the County of Santa Cruz Authorizing Formation of Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water), Authorizing the Levy of a Special Tax Therein, Preliminarily Establishing an Appropriations Limit Therefor, Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors Thereof and Approving a Joint Community Facilities Agreement" (the "Resolution of Formation"), ordering the formation of Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD;

**WHEREAS**, on November 18, 2014, this Board of Supervisors also adopted Resolution No. 283-2014 entitled "A Resolution of the Board of Supervisors of the County of Santa Cruz, California, Acting As The Legislative Body of Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water), Determining the Necessity to Incur Bonded Indebtedness and Submitting a Proposition to the Qualified Electors Thereof" (the "Resolution Determining Necessity to Incur Bonded Indebtedness"), determining the necessity to incur bonded indebtedness in the maximum aggregate principal amount of up to \$3,200,000 upon the security of said special tax to be levied within the CFD; and

**WHEREAS**, pursuant to the provisions of said resolutions, the propositions of the levy of said special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness must be submitted to the qualified electors of the CFD as required by the Mello-Roos Community Facilities Act of 1982, as amended, Section 53311 *et seq.* of the California Government Code (the "Act").

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of Santa Cruz acting as the legislative body of the CFD as follows:

1. As authorized by Section 53353.5 of the Act, the three propositions described in paragraphs 1 and 2 above shall be combined into a single ballot measure, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein. Said form of ballot is hereby approved.
2. This Board of Supervisors hereby finds that more than 12 persons have been registered to vote within the territory of the CFD for each of the ninety (90) days preceding the close of the public hearing heretofore conducted and concluded by this Board of Supervisors for the purposes of these proceedings. Accordingly, pursuant to the Act, this Board of Supervisors finds that for purposes of these

proceedings the qualified electors are the registered voters within the CFD and that the vote shall be by said registered voters, each having one vote.

3. An election is hereby called for the propositions of levying the special tax on the property within the CFD and establishing an appropriations limit for the CFD pursuant to Section 53325.7 of the Act and shall be consolidated with the election on the proposition of authorization of bonded indebtedness, pursuant to Section 53351 of the Act. The language of the proposition to be placed on the ballot is attached hereto as Exhibit "A."

4. The date of the election for the CFD on the proposition of authorizing the bonded indebtedness, authorizing the levy of the special tax and establishing an appropriations limit for the CFD shall be February 24, 2015 or such later date as is consented to by the County Clerk of the County of Santa Cruz (the "County Clerk"). The election shall be conducted by the County Clerk in accordance with the Elections Code. Except as otherwise provided by the Act, the election shall be conducted by mail ballot and in accordance with the provisions of law regulating elections of the CFD insofar as such provisions are determined by the County Clerk to be applicable. The County Clerk is authorized to conduct the election following the adoption of this resolution. All ballots shall be received by, and the County Clerk shall close the election by, 8:00 p.m. on the election day but shall be counted if received by the County Clerk by 5:00 p.m. on February 27, 2015. Pursuant to Section 53326 of the Act, the ballots for the special election shall be distributed by mail to the registered voters within the CFD.

The Board of Supervisors directs the Santa Cruz County Elections Department to provide any and all services necessary for conducting the election and the CFD agrees to pay for said services.

5. In accordance with the Elections Code of the State of California, arguments for and against this measure may be submitted in conformance with California Elections Code and following a deadline as the date after which no arguments for or against the ballot propositions may be submitted to the County Clerk. The Board of Supervisors hereby directs the Secretary of the CFD to transmit a copy of the foregoing measure to the County's attorney, and directs the County's attorney to prepare and submit to the County Clerk an impartial analysis of the foregoing measure.

6. The Clerk of the Board of Supervisors is hereby directed to cause to have published in a newspaper of general circulation circulating within the CFD a copy of this Resolution and a copy of the Resolution Determining Necessity to Incur Bonded Indebtedness, as soon as possible after the date of adoption of this Resolution.

7. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Board of Supervisors of the County of Santa Cruz at a regular meeting held the 18th day of November, 2014.

**EXHIBIT A**  
**COUNTY OF SANTA CRUZ, CALIFORNIA**  
**COMMUNITY FACILITIES DISTRICT NO. 2 OF THE COUNTY OF SANTA CRUZ (LOMPICO WATER)**

**OFFICIAL BALLOT**

Shall Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) be authorized to issue bonds in the maximum amount of \$3,200,000 to construct water system improvements, levy an annual special tax up to a maximum of \$517 for a single-service property and \$1,034 for a multi-service property, and establish an appropriations limit equal to the proceeds of the special tax, all as set forth in the County of Santa Cruz's Resolution No. 282-2014?

YES: \_\_\_\_\_  
NO: \_\_\_\_\_

# VOTER'S INFORMATION PAMPHLET

## MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

### TAX RATE STATEMENT FOR BOND MEASURE N

Measure N authorizes a special tax based on water meter size for Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) (hereinafter, the "District") with voter approval by 2/3 of the votes cast. The proceeds of the special tax will pay for debt service on a bond issue in an amount not to exceed \$3,200,000 and administrative costs. The maximum bond issue of \$3,200,000 includes a reserve fund, capitalized interest, cost of issuance, and net proceeds of \$2,750,000 to finance improvements to the existing Lompico County Water District's water system over a 30-year period. Measure N also authorizes an appropriations limit equal to the proceeds of the special taxes.

The special tax will be levied based on whether an assessor's parcel of taxable property (i.e., non-exempt property) is classified as a single-service property, a multi-service property or City property.

"Taxable Single Service Property" means an Assessor's Parcel of Taxable Residential Property that, at the time of formation of the District, is served by, or associated with an existing water meter located either on such Assessor's Parcel or an adjacent Assessor's Parcel, and is not Taxable Multi-Service Property.

"Taxable Multi-Service Property" means an Assessor's Parcel of Taxable Residential Property that, at the time of formation of the District, was developed with more than one dwelling unit, had more than one meter associated with such parcel, or was subject to the Lompico County Water District's Multi-Dwelling Unit Ready to Serve Charge.

"City Property" means that Assessor's Parcel owned by the City of Santa Cruz.

No Special Tax will be levied on a parcel of Taxable Residential Property with an assessed value in the current Fiscal Year of less than \$2,000.

Tables 1 and 2, which were prepared by the County's Financial Advisor, present the Expected Annual Special Tax and the Maximum Annual Special Tax.

#### Expected Tax

Table 1 below shows the expected tax amount for different categories of Taxable Property. The expected amount assumes no delinquencies, and is based on the maximum interest rate that the bonds could bear and includes administrative costs of \$35 per parcel per year. Commencing with the 2015-16 fiscal year, the special tax will be collected in two installments along with property taxes unless the Board of Supervisors specifies another method of collection.

Table 1  
Expected Annual Special Tax

Number of Parcels	Taxable Property	Expected Annual Special Tax
469	Single Service Property	\$ 466.00
16	Multi-Service Property	932.00
1	City Property	466.00

A maximum bond issue of \$3,200,000 with interest assumed at 5.5% could be financed by the special tax levies shown herein, over the next 30 years. Based on the maximum expected bond size, the majority of property owners will pay \$466 annually during the term of the bond issue.

#### Maximum Tax

To provide bond holders with necessary security, the maximum tax shown in Table 2 includes 10% coverage for delinquencies and estimated administration costs of \$35 per unit per year. The maximum special tax rates cannot be exceeded in any of the 30 years. It is possible that the bond issue could be less than the maximum bond of \$3,200,000 authorized by this measure.

Table 2  
Maximum Annual Special Tax

Number of Parcels	Taxable Property	Maximum Annual Special Tax
469	Single Service Property	\$ 517.00
16	Multi-Service Property	1,034.00
1	City Property	517.00

San Lorenzo Valley Water District

Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) is a financing entity. Pursuant to a Joint Community Facilities Agreement between the Lompico County Water District, Santa Cruz County and the San Lorenzo Valley Water District, the improvements to the water system and its subsequent operation will be the responsibility of the San Lorenzo Valley Water District.

s/ MARY JO WALKER  
AUDITOR-CONTROLLER

### IMPARTIAL ANALYSIS BY COUNTY COUNSEL MEASURE N

If approved by two-thirds of those voting on this matter, the Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water) (hereinafter called the "District") will be authorized to do three things:

1. to incur indebtedness through the issuance of special tax bonds not exceeding \$3,200,000;
2. to levy a special tax annually upon non-exempt real properties within the District; and
3. to establish an appropriations limit equal to the proceeds of the special taxes.

The bonds, if issued, would constitute an indebtedness of the District. The funds raised through the sale of the bonds would be used by the District to finance improvements to the current Lompico County Water District water system.

The special tax would be for the purpose of paying the bonded indebtedness and for the costs of administering the District, the tax levy and the bonds. It may be collected in the same manner as property taxes unless otherwise determined by the County Board of Supervisors, acting as the legislative body of the District.

The Tax Rate Statement printed in this Pamphlet further describes the bonds and the special tax.

Governmental spending is restricted by the California Constitution, which provides for voter approval of an appropriations (i.e., expenditures) limit. This measure would establish the appropriations limit for the District equal to the proceeds of the special taxes described above.

"Resolution No. 282-2014" to which the ballot question refers is that same Resolution elsewhere entitled "A Resolution of the Board of Supervisors of the County of Santa Cruz Authorizing Formation of Community Facilities District No. 2 of the County of Santa Cruz (Lompico Water), Authorizing the Levy of a Special Tax Therein, Preliminarily Establishing an Appropriations Limit Therefor, Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to the Qualified Electors Thereof and Approving a Joint Community Facilities Agreement."

A "yes" vote on this measure is a vote to approve the bonds, the special tax, and establishment of the appropriations limit.

A "no" vote on this measure is against approving the bonds, the special tax, and the establishment of the appropriations limit.

DANA McRAE, COUNTY COUNSEL  
By Jane M. Scott, Assistant County Counsel

# VOTER'S INFORMATION PAMPHLET

## MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

Arguments in support of, or in opposition to, the proposed laws are the opinions of the authors.

### ARGUMENT IN FAVOR OF MEASURE N

Lompico voters have strongly supported merger with San Lorenzo Valley Water District in recent elections, choosing pro-merger candidates in 2012 and 2014.

As a result, the Lompico Water Board, with the help of SLVWD, the County of Santa Cruz, and Local Agency Formation Commission, have been working toward consolidation. We will not have this opportunity again.

Passage of this bond, by 2/3 of Lompico voters, is a condition for merging with the larger San Lorenzo Valley Water District.

This bond provides for up to \$2.75 million to be spent **only** on water infrastructure improvements that will directly benefit the people of Lompico, paying for the upgrades and repairs necessary to guarantee safe, secure, affordable water.

**The expected bond payment will be \$466 per household per year.**

The cost of the bond will be more than offset by the decrease in water bills;

LCWD's current fixed bi-monthly cost is **\$113.42**

SLVWD's fixed bi-monthly cost is \$61.27, plus a surcharge of \$47.00 the first year = **\$108.27**.

This surcharge reduces each year and is eliminated in 2020.

We will pay SLVWD's water rates, which are **less than half** LCWD's rates.

To see exact costs and rate comparisons, visit [TinyURL.com/Lompico](http://TinyURL.com/Lompico)

SLVWD states that they have **no plans for any additional bonds**.

To bring Lompico's water system into compliance with State regulations, the Board has calculated **charges would need to rise by more than \$100, bringing the average bill to around \$285**.

**As SLVWD ratepayers, we would pay an average \$137 bimonthly the first year (reducing to \$98 by 2020), an annual savings of nearly \$900 in the first year and increasing after that.**

Together, we can take the last step in making the merger a reality.

Your YES vote is **essential** for this common-sense step in making Lompico safer, greener and more affordable.

Please join us in voting **Yes**.

s/ Chris R. Kilgus  
Former Director LCWD

s/ Lyle Fleming  
Lompico Resident

s/ Mary Champagne  
CPA & Lompico Homeowner

s/ Priva N. Tarbet  
31 year resident of Lompico

s/ Toni Norton  
12 year resident and homeowner of Lompico

### REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE N

#### Vote No on N

1. **This is an Acquisition not a Merger.**

2. **This is not the last chance to consolidate .**

Proponents use car salesman tactics. "This price only good today"

The State & County want consolidation.

SLV wants Lompico money. SLV should be paying for this addition to their revenue.

**We can get a better deal.**

3. **Proponents play a shell game with costs and assume SLV rate will never go up.**

\$137 for fixed charge plus water usage.

\$47 surcharge only for Lompico.

\$86 maximum tax for bond.

**\$270 is the real bi-monthly cost.**

4. **The cost can be less**

The County's 2014 study separated what we need from what SLV wants.

Found an Independent Lompico only needs \$1.4M

We can catch up with the major deferred maintenance for \$426/year for 6 to 7 years.

**\$71 Bi-monthly, 6 to 7 not 35 Years.**

5. **The 10/12/14 State Survey of LCWD states:**

Wells are in good condition.

All Tanks do not need replacing.

Able to meet maximum day demand.

Current consultant meets the requirement for a manager.

**\$517 a year is not justified.**

6. **Administrative and Interest cost too much.**

\$450,000 to administer a special tax. We could replace the 3 tanks with that money.

Don't pay for a \$3.2M special tax

\$450,000 in financial fees up front to give SLVWD \$2.75M.

Your NO VOTE will demand a fair deal.

s/ Mark Meacham  
Owner Circuit Surgeons

s/ Larry J. Bidinian  
System Analyst

s/ John Cunliffe  
Registered Civil Engineer,  
Former LCC Board Director

s/ Jane L. Wyckoff  
Former LCWD Board Director

# VOTER'S INFORMATION PAMPHLET

## MEASURES, ANALYSES AND ARGUMENTS

(whichever is applicable to your ballot)

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### ARGUMENT AGAINST MEASURE N

#### VOTE NO ON N

#### Wasteful Unneeded Unfair

- 1) **DOUBLE TAXATION:** SLVWD will need a bond and/or rate increases to fix their aging infrastructure. We will be paying for our and paying for their infrastructure.  
\$8+ Million Dollars plus \$?? Million Dollars
- 2) **SPENDS MONEY WASTEFULLY:** This money does not go to improve or fix anything, it is just overhead. The total cost of the bond is still not known.  
\$480,000 Up front bond costs.  
\$510,000 County administration fees.  
\$4,000,000 Interest over 30+ years.  
\$5 Million Dollars
- 3) **SPENDS MONEY NEEDLESSLY:** If it's not broke, don't fix it.  
\$384,750 for replacing tanks in good condition with years of service life.  
\$515,000 For an Intertie already installed and able to meet maximum day demand. (State Water Resources Control Board report October 20, 2014)  
\$900 Thousand Dollars
- 4) **SPENDS MONEY UNFAIRLY:**  
\$210,000 for service meter replacement, SLVWD customer weren't required to directly pay for new meters. Why are we?  
\$451,548 for service line replacements, 333 is incorrect. Is now being paid by rates.  
\$650 Thousand Dollars
- 5) **ALTERNATIVE FUNDING:**  
Prop 1 funding grants need to be applied for first. Every effort should be exhausted to pay for upgrades before a bond is even offered.  
  
SLVWD is not required to apply for grants or use other grants or fundingsources and apply them to help pay off the bond.  
  
LCWD already has grant applications in process for Millions.
- 6) **NO ACCOUNTABILITY:**  
The Bond Oversight Committee has no legal power, and is not selected by LCWD rate payers. It's just for show.  
  
The Civil Grand Jury Report dated June 20, 2014 was critical of SLVWD for lack of financial and operational oversight.

#### VOTE NO ON N

s/ Jane L. Wyckoff  
Former LCWD Board Member

s/ Mark Meacham  
Business Owner Circuit Surgeons 25 years

s/ John Cunliffe  
Registered Civil Engineer  
Former LCC Board Director

s/ Larry J. Bidinian  
System Analyst

### REBUTTAL TO ARGUMENT AGAINST MEASURE N

1. SLVWD has **no** plans for a bond; as recently as 2013, their independent consultant advised rate increases rather than a bond to pay for projects. They can do this via economy of scale.  
SLVWD's lower rates, even with an increase, will significantly offset our bond costs.  
Lompico's small customer base locks us into high rates, with substantial increases required to fix and operate our system independently.
  2. These are fair and reasonable costs associated with borrowing money.  
Lompico's system was built in 1978 using 40-year bonds, with the same type of financing charges.  
A one-time payment of \$5,750 can avoid all overhead and taxes.
  3. Our redwood tanks are over or near their lifetimes. Leaking tanks cost us money.  
The intertie was designed for emergencies. Flow adequate for sustained supply or fire protection requires additional work.
  4. A new customer in SLVWD has to pay a \$4,966 meter connection fee.  
Only old service lines will be replaced.  
If projects cost less than estimated, excess funds can be used to pay down the bond.
  5. Prop 1 requires 50% matching funds **from other sources**.  
LCWD has actively sought grants since 2010. Our applications remain viable; alternative funds can still be pursued.  
Competition is fierce.
  6. The bond oversight committee will insure accountability, for and by Lompico customers.  
The Lompico Grand Jury report recommended merger with SLVWD.  
  
We in Lompico have the power to assure safe, clean, water at affordable rates for everyone in our beautiful canyon, by voting **YES**.
- s/ Lois Henry  
Director LCWD
- s/ William H. Smallman P.E.  
Director LCWD
- s/ Merrie Schaller  
Director LCWD
- s/ John Schneider  
Director LCWD
- s/ Peter Norton  
Lompico Homeowner