

# NIPOMO COMMUNITY SERVICES DISTRICT

## AGENDA

July 5, 2000

REGULAR SESSION 10:30 A.M.  
BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

### BOARD MEMBERS

ROBERT BLAIR, PRESIDENT  
AL SIMON, VICE PRESIDENT  
RICHARD MOBRAATEN, DIRECTOR  
ALEX MENDOZA, DIRECTOR  
MICHAEL WINN, DIRECTOR

### STAFF

DOUGLAS JONES, GENERAL MANAGER  
DONNA JOHNSON, SECRETARY TO THE BOARD  
JON SEITZ, GENERAL COUNSEL

**NOTE:** All comments concerning any item on the agenda are to be directed to the Board Chairperson.

- A. CALL TO ORDER AND FLAG SALUTE
- B. ROLL CALL
- C. PUBLIC COMMENTS PERIOD  
PUBLIC COMMENTS

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

- D. ADMINISTRATIVE ITEMS (The following may be discussed and action may be taken by the Board.)
  - D-1) REQUEST FOR SERVICE - TRACT 2398 (RECOMMEND APPROVAL)  
Request for water & sewer service for an 8 lot development between Tejas Place and Martha Lane
  - D-2) REQUEST FOR SERVICE - PROJECT NO. 97-0315 (RECOMMEND APPROVAL)  
Request for water & sewer service for 8 duplexes at 230 S. Oakglen Ave.
  - D-3) REQUEST FOR *Outside District* SERVICE - TRACT 2393 (NEWDOLL)  
Request for water & sewer service for an 8 lot development at Grande Ave. & Cyclone Street
- E. OTHER BUSINESS
  - E-1) CYPRESS RIDGE  
PUC Hearing on Southern California Water servicing Cypress Ridge
  - E-2) ANNEXATION NO. 6 TO CSA #1  
The Bluff's - a 123 unit development at Joshua & Hutton Rd.
- F. CONSENT AGENDA *The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately. Questions or clarification may be made by the Board members without removal from the Consent Agenda. The recommendations for each item are noted in parenthesis.*
  - F-1) WARRANTS (RECOMMEND APPROVAL)
  - F-2) BOARD MEETING MINUTES (RECOMMEND APPROVAL)  
Approval of Minutes of June 21, 2000 Regular Board meeting
  - F-3) NOTICE OF COMPLETION - TLC BACKHOE (RECOMMEND APPROVAL)  
Replacement of PB water services by the contractor has been completed
  - F-4) SAFETY MEETING MINUTES (RECOMMEND APPROVAL)  
Approve and file Minutes of Safety Meeting of June 26, 2000
- G) MANAGER'S REPORT
  - G-1) LA TIMES ARTICLE ON WATER POLICIES
  - G-2) APCD GREEN WASTE BURNING MEETING (JULY 11, 2000)
  - G-3) CSDA LEGISLATIVE UPDATE (6-26-00)
- H. DIRECTORS COMMENTS

### CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC54956.9

- a. SMVWCD vs NCSD Santa Clara County Case No. CV 770214 and all consolidated cases.
- b. NCSD vs. State Dept of Health Services CV 990706, GC54956.9

### ADJOURN

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES *DJ*  
DATE: JULY 5, 2000

**AGENDA ITEM**  
**JUL 05 2000**



REQUEST FOR SERVICE  
TRACT 2398 (NEWDOLL)

**ITEM**

Request for water and sewer service for an eight (8) lot development between Tejas Place and Martha Lane, known as Tract 2398.

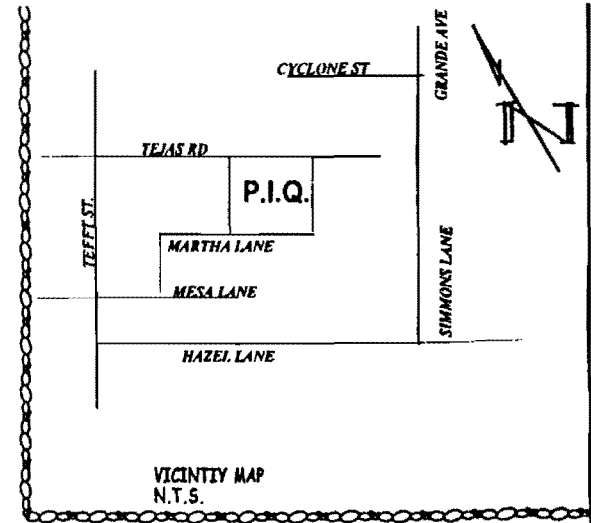
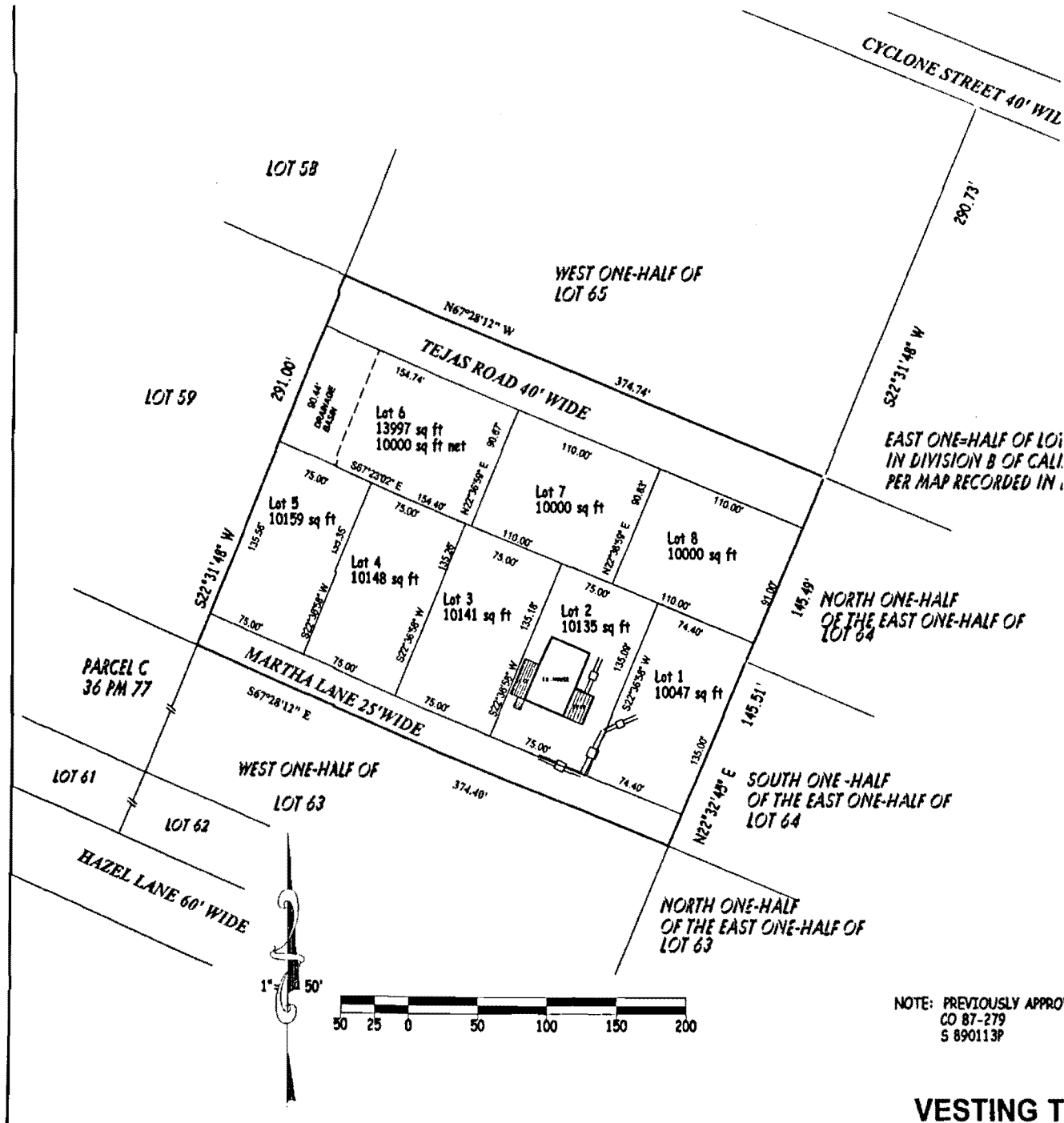
**BACKGROUND**

Tract 2398 is one of four 2½ acre parcels that was annexed into the District in July 1998, which was known as Annexation #17. The property owners of Annex #17 entered into an annexation agreement whereas they were given three years to retrofit existing units to acquire sufficient water for their developments. The developer of this tract (Newdoll) is requesting water and sewer service for this eight (8) lot development. Your Honorable Board may issue an Intent-to-Serve letter for Tract 2398 with the following conditions to be met prior to the issuance of a Final Will-Serve Letter.

1. Enter into a Plan Check and Inspection Agreement and pay the appropriate fees.
2. Submit improvement plans, showing appropriate looping, prepared in accordance with the District Standards and Specifications for review and approval.
3. Comply with the annexation agreement which indicates that they will supply sufficient water for the proposed tract.
4. Pay all appropriate District water, sewer and other fees associated with this development.
5. Construct the improvements required and submit the following:
  - a. Reproducible "As Builts" - A paper copy and digital format disk (Auto Cad) which includes engineer, developer, tract number and water and sewer improvements
  - b. Offer of Dedication
  - c. Engineer's Certification
  - d. A summary of all water and sewer improvement costs
6. This Intent-to-Serve Letter will expire two years from date of issuance.

**RECOMMENDATION**

Staff recommends that your Honorable Board approve the Intent-to Serve letter for Tract 2398 with the above mentioned conditions.



OWNER: ROBERT NEWDOLL  
P.O. BOX 364  
GROVER BEACH, CA. 93483

Surveyor: Jim McGillis,  
C/O San Luis Engineering  
P. O. Box 1127  
Arroyo Grande, Ca. 93421  
Phone: 805 489-4343



**JAMES MICHAEL MCGILLIS**  
PROFESSIONAL LAND SURVEYOR  
PO BOX 1127 ARROYO GRANDE CA 93421  
130 FARROLL ROAD SUITE C GROVER BEACH CA 93433  
PHONE (805)489-4343 FAX (805)489-0220  
EMAIL JAMES.MCGILLIS@THEGRID.NET

APN 92-123-007  
A proposed division of the west half of Lot 64 in Division B of the Callmex Plantation Subdivision recorded in Book 1 of Maps at Page 23 in the office of the County Recorder for San Luis Obispo County, Calif. U.S.A.

NOTE: PREVIOUSLY APPROVED UNDER  
CO 87-279  
S 890113P

**VESTING TENTATIVE TRACT MAP # 2398 1 OF 1**



**JAMES MICHAEL MCGILLIS**  
**PROFESSIONAL LAND SURVEYOR**  
**PO BOX 1127 ARROYO GRANDE CA 93421**  
750 FARROLL ROAD SUITE C GROVER BEACH CA 93433  
PHONE (805)489-4343 FAX (805)489-0220  
EMAIL JAMES.MCGILLIS@THEGRID.NET

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23 June, 2000

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**148 SOUTH WILSON STREET**  
**POST OFFICE BOX 326**  
**NIPOMO, CA 93444-0326**

**SUBJECT: PRELIMINARY WATER & SEWER SERVICE LETTER**


**PROJECT: VESTING TENTATIVE TRACT 2398**

**Please cause to be issued your preliminary "will serve" letter for water and sewer service to the above Tentative Tract .**

**I have enclosed two full size and one reduced print of the tentative map.**

**We need this letter to begin processing. I anticipate it will be approximately one year before we gain tentative approval from the County.**

Sincerely

  
**J. M. McGillis, PLS 4442**  
**Lic. Exp. 30 Sep. 2001**

**RECEIVED**

JUN 23 2000

**NIPOMO COMMUNITY  
SERVICES DISTRICT**



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES *D*  
DATE: JULY 5, 2000

AGENDA ITEM  
JUL 05 2000



REQUEST FOR SERVICE  
PROJECT NO. 97-0315  
(HARDEE)

**ITEM**

Request for water and sewer service for an eight (8) duplex development between Oakglen Avenue and Colt Lane, north of Glory Street, known as Project No. 97-0315.

**BACKGROUND**

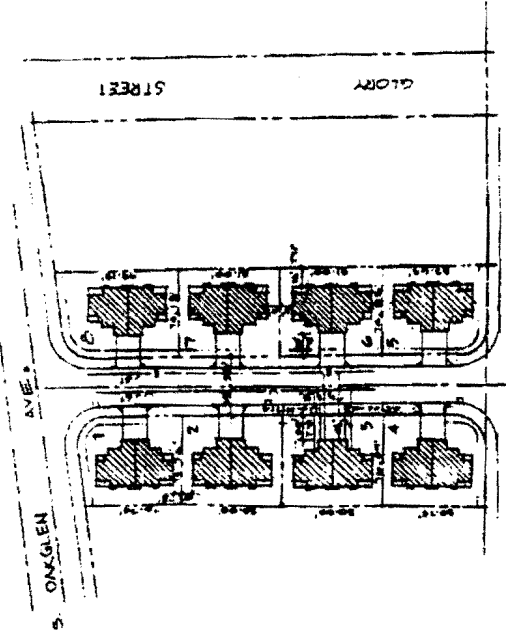
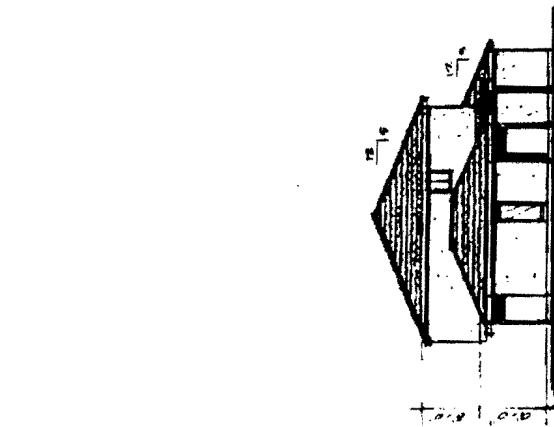
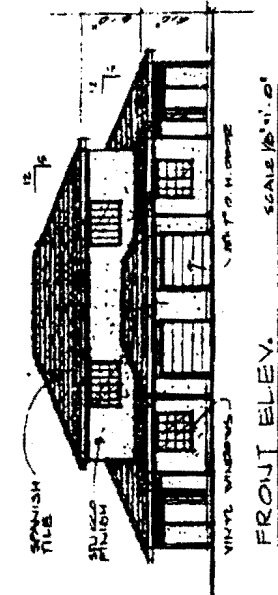
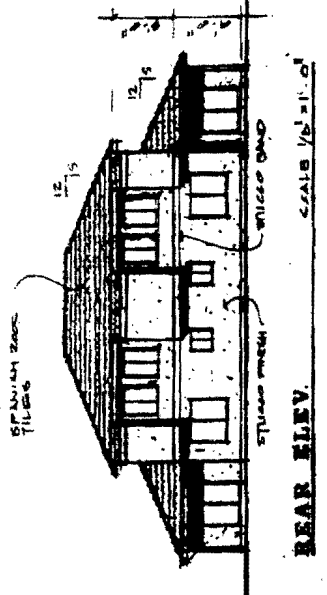
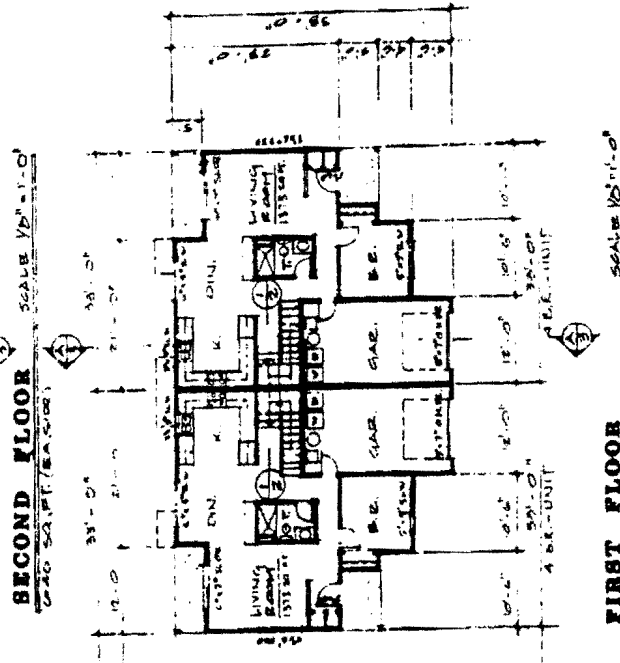
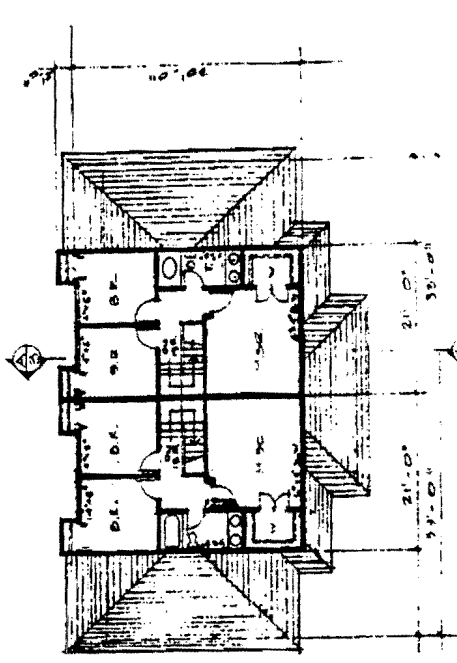
The District has received a request from Gary Hardee of Oakglen Duplex Limited Partnership for water and sewer service for 8 duplexes on 8 individual lots between Oakglen Avenue and Colt Lane, north of Glory Street, known as Project No. 97-0315. Attached is an exhibit of the conceptual two story duplexes and their relationship to the street. This project is designed for low income rentals. Upon review of the attached, the Board may proceed to issue an Intent-to-Serve letter for Project No. 97-0315 with the following conditions to be met prior to the issuance of a Final Will-Serve Letter.

1. Enter into a Plan Check and Inspection Agreement and pay the appropriate fees.
2. Submit improvement plans, prepared in accordance with the District Standards and Specifications for review and approval.
3. Pay all appropriate District water, sewer and other fees associated with this development.
4. Construct the improvements required and submit the following:
  - a. Reproducible "As Builts" - A paper copy and digital format disk (Auto Cad) which includes engineer, developer, tract number and water and sewer improvements
  - b. Offer of Dedication
  - c. Engineer's Certification
  - d. A summary of all water and sewer improvement costs
5. This Intent-to-Serve Letter will expire two years from date of issuance.

**RECOMMENDATION**

Staff recommends that your Honorable Board approve the Intent-to Serve letter for the Oakglen duplexes known as Project No. 97-0315 with the above mentioned conditions.

Board 2000\Intent Project 97-0315.DOC



D 97-0315-D

APN 92-261-003

# OAKGLEN DUPLEXES, LLC



711 East Ocean Avenue, Lompoc, CA 93436

Phone: (805) 736-6993

Fax: (805) 736-6858

From: Gary L. Harder  
 attn: Mr. Doug Jones/Kathy  
 Subject: Request for Service  
 Via Facsimile: 14 pages

- Per our telecord on June 6, 2000,  
 I hope this is what you need to  
 request service. Sansone Construction  
 is the GC on the job.

Please call if you need anything more.  
 your prompt attention will be greatly  
 appreciated as the job has started.

Cordially,

Gary Harder  
 6-11-00

100% (or 16 units) by 10/15/2000

Tenant Eligibility 100% (16 units) (Family) \_\_\_\_\_ (Elderly)

Percentage Low Income All units (100%) are Low Income at 40% rent targeting

Purchase Price of Land \$160,000

Date Land Purchased 3/6/89

Land Area 66,213 S.F. (0.152 acres)

Commercial Square Feet None

Residential Square Feet 21,968 S.F. plus 16 1-car garages of 247.5 S.F./each, totaling 3,960 Garage S.F.

Total Project Square Feet Residential: 21,968 S.F. & Garages: 3,960 S.F.

Building Number 8 (eight)

Number of Stories 2 (two)

Number of Units Per Building 2 (two)

Building Identification Numbers

("BIN Numbers") CA-1997-58901 to CA-1997-58908

Number of Utility \_\_\_\_\_ Sq. Ft., Basic Market

Units Type Unit Rent Rent Allowances

Efficiency All 16 units contain 4-BR, 2-BA, and 1-Car Garage  
One Bedroom All units contain 1,3 S.F. living area and a  
Two Bedroom 247.5 S.F. attached 1-Car Garage  
Three Bedroom Maximum Rent/Unit is \$557 per TCAC 1999 Schedule  
Other (describe): Fair Market 4-BR Unit Rent is \$1,207-S.L.O.H.A.-10/99  
\$76 Utility Allowance for a 4-BR Unit in Nipomo (South County of San Luis Obispo, per attached HUD "Housing Allowances for Tenant Furnished Utilities" from Housing Authority of San Luis Obispo in effect 9/99.

Describe Project Based Rental Assistance or Subsidies (if any):

N/A



PROJECT DESCRIPTION

*Basic Info*

Name of Operating Limited Partnership:  
Oakglen Duplexes, LLC, a Delaware Limited Liability Company

Address of Operating Limited Partnership:  
711 East Ocean Avenue, Lompoc, CA 93436

Operating Partnership Federal Tax I.D. Number:  
52-2134017

Name and Address of Apartment Complex.

Oakglen Duplex Development

230 South Oakglen Avenue

Nipomo, CA 93444

Location (Distance to Nearest Major City):

The project is located approximately 5 miles north of the City of Santa Maria and approx. 30 miles south of San Luis Obispo.

County of Apartment Complex.

County of San Luis Obispo

Name(s) of General Partner(s):

GARY L. HARDEE is currently the sole Managing Member of Oakglen Duplexes, LLC

Name(s) of Original Limited Partner(s):


Brian Rama Ayyar is currently the sole shareholder of Oakglen Duplexes, LLC

Actual or Projected dates of critical events:

Construction loan closing Concurrent w/syndication closing (on or before 11/23/99)  
Permanent loan commitment Same as above  
Permanent loan closing Upon completion of construction  
Construction commencement Upon syndication & construction loan closing  
Construction completion @ 6 months after construction commencement (6/2000)  
Commencement of rent-up activity Upon construction completion (6/2000)  
Date by which 100% occupancy will be achieved @ 60 days after rent-up commencement (8/2000)

Occupancy Projections: (NOTE: Assume Rent Commencement Start Date of 9/1/2000)

20% (or 4 units) by 9/1/2000  
50% (or 8 units) by 9/15/2000  
75% (or 12 units) by 9/17/2000

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: JULY 5, 2000

AGENDA ITEM   
JUL 05 2000

REQUEST FOR SERVICE  
TRACT 2393  
(NEWDOLL)  
OUTSIDE DISTRICT

**ITEM**

Request for water and sewer service for an eight (8) lot development at Grande Ave. and Cyclone Street, known as Tract 2393, which is outside the District boundaries.

**BACKGROUND**

In September 1996, the District annexed 24 acres known as Annexation No. 15 on Tefft Street between Orchard Avenue and Hazel Lane. In July 1998, Annexation No. 17 added an additional 10 acres between Annexation No. 15 and Simmons Lane. Mr. McGillis, representing the developer, Mr. Newdoll, is requesting District services for an approx. 2½ acre parcel located outside the District boundary at Cyclone St. and Simmons Lane. For the District to provide service to the parcel, the area would need to be annexed to the District.

Approx. 135 residential units could be built in Annexation 15 & 17. The property owners of Annexations #15 and 17 (to acquire sufficient water for their developments) entered into an annexation agreement with the District whereas they were to retrofit eight existing homes for each home to be built. The agreement for Annexation 17 allows three years for retrofits to be completed. There is no time limit for Annexation #15 except on a first come first served basis.

There are approx. 1600 homes within the District boundary available to possibly retrofit. Annexation 15 & 17 would need approx. 1080 homes to retrofit. The District has an Outside User Agreement with the School District, in which they would need to retrofit 800 units to provide a water supply for the new high school. The School District is contemplating using a water supply on the Dana Elementary School grounds for the new high school and may not choose the retrofits for their project. Retrofits are allocated on a first come first served basis. If the School District acquires a water source other than retrofits, then the retrofits would be available for Annexation 15 & 17 and other possible future annexations along Simmons Lane. If there are not sufficient number of retrofits available, the Board could establish an in-lieu fee based on the cost of retrofitting.

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: JULY 5, 2000

REQUEST FOR SERVICE  
TRACT 2393  
(NEWDOLL)  
OUTSIDE DISTRICT

PAGE TWO

**Tract 2393**

Tract 2393 is presently outside the District boundary and outside the So Cal Water service area established by the PUC. Tract 2393 is part of an approx. 10-acre area between the District boundary and So Cal's service area. This area is within a District Urban Service Line and therefore may be looked favorably by LAFCO for annexation to the District. There is ample sewer treatment capacity to serve this area.

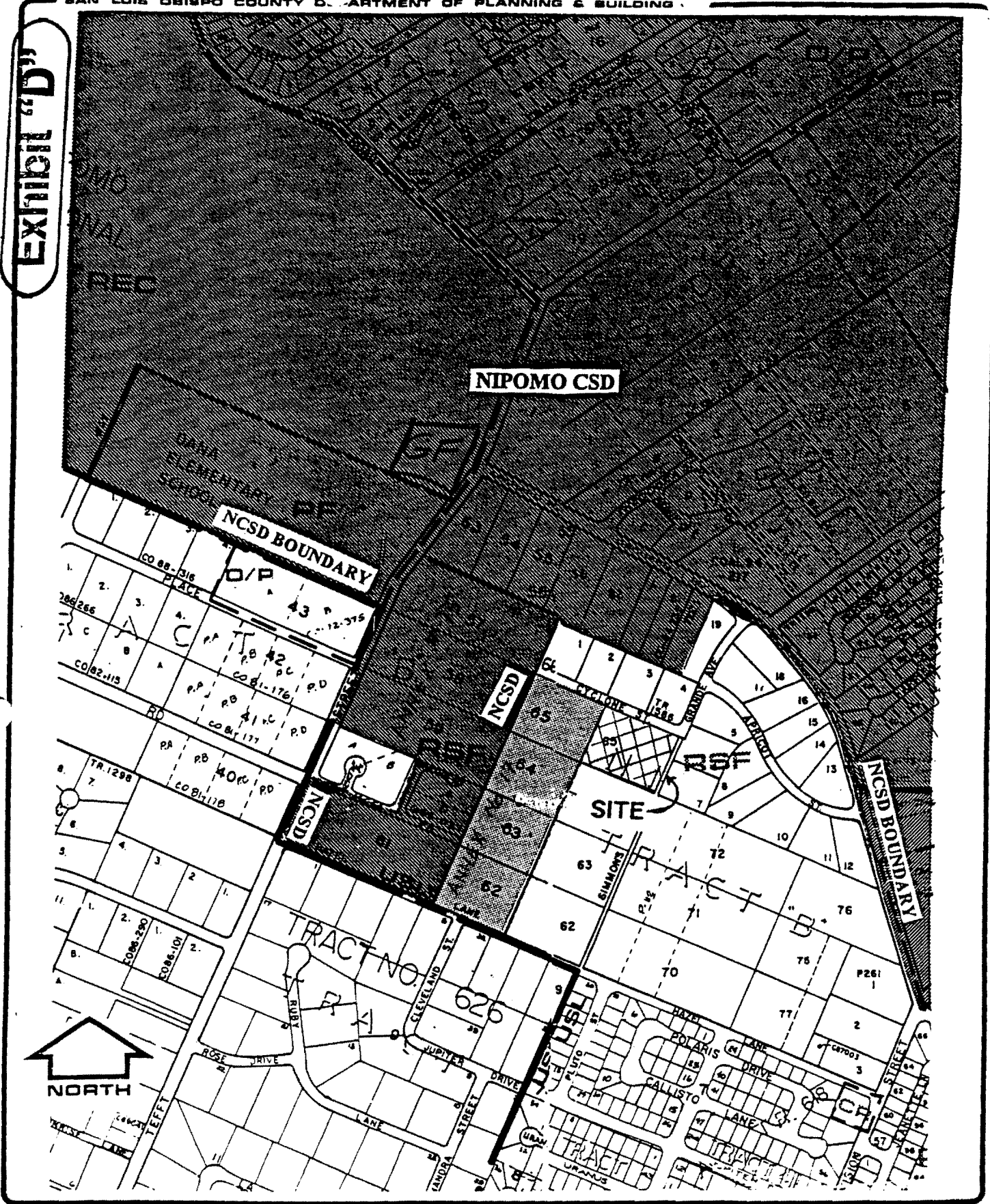
Some options the Board may consider to providing service for the proposed Tract 2393.

1. Annex the area and have the retrofits on a first come first served basis.
2. Establish a policy of in-lieu retrofit fees, if retrofits are not available.
3. Put a time limit on the School District to exercise their retrofits after which retrofits will be available to others.
4. Make a policy statement of that area between the District's present boundary and Simmons Lane would be looked on favorably for annexation to the District for services.
5. Deny the requests for service for Tract 2393.

**RECOMMENDATION**

Staff recommends the applicant apply for annexation to NCSD and LAFCO and enter into an annexation agreement and comply with the District's policy of providing a water source for this development. The developer would be informed that retrofits MAY not be available. It would be up to the applicant to initiate a program where water savings could be found to supply water for his project, pursuant to existing annexation policy.

EXHIBIT "D"



PROJECT

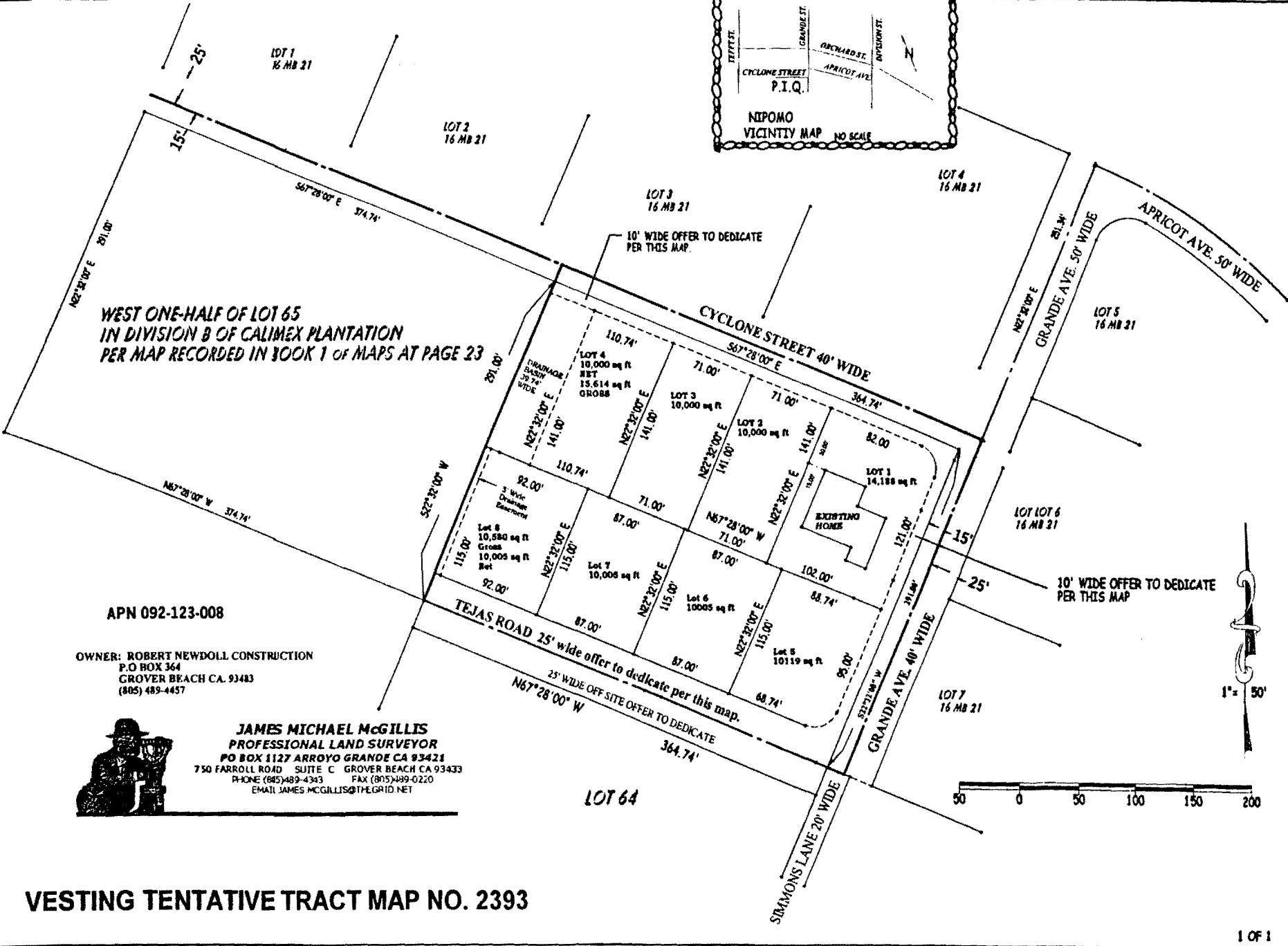
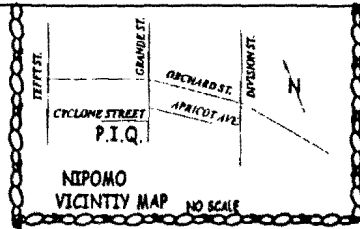
ANNEXATION NO. 17 TO NCSD  
ROBERT NEWDOLL



EXHIBIT

LAFCo FILE NO. 11-R-97  
COUNTY LAND USE CATEGORY MAP

AT  
80



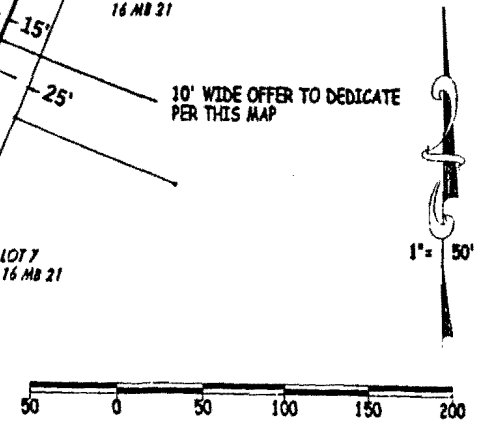
APN 092-123-008

OWNER: ROBERT NEWDOLL CONSTRUCTION  
P.O BOX 364  
GROVER BEACH CA. 93483  
(805) 489-4457



**JAMES MICHAEL MCGILLIS**  
PROFESSIONAL LAND SURVEYOR  
PO BOX 1127 ARROYO GRANDE CA 93421  
730 FARROLL ROAD SUITE C GROVER BEACH CA 93433  
PHONE (805) 489-4343 FAX (805) 489-0220  
EMAIL JAMES.MCGILLIS@THEGRID.NET

**VESTING TENTATIVE TRACT MAP NO. 2393**







**JAMES MICHAEL MCGILLIS**  
**PROFESSIONAL LAND SURVEYOR**  
**PO BOX 1127 ARROYO GRANDE CA 93421**  
750 FARROLL ROAD SUITE C GROVER BEACH CA 93433  
PHONE (805)489-4343 FAX (805)489-0220  
EMAIL JAMES.MCGILLIS@THEGRID.NET

23 June, 2000

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**148 SOUTH WILSON STREET**  
**POST OFFICE BOX 326**  
**NIPOMO, CA 93444-0326**

**SUBJECT: PRELIMINARY WATER & SEWER SERVICE LETTER**

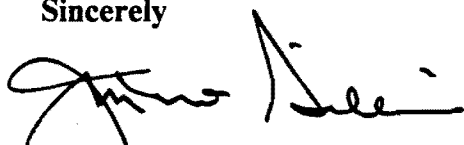
**PROJECT: VESTING TENTATIVE TRACT 2393**

Please cause to be issued your preliminary "will serve" letter for water and sewer service to the above Tentative Tract .

I have enclosed two full size and one reduced print of the tentative map.

We need this letter to begin processing. I anticipate it will be approximately one year before we gain tentative approval from the County.

Sincerely

  
J. M. McGillis, PLS 4442  
Lic. Exp. 30 Sep. 2001

**RECEIVED**

JUN 23 2000

**NIPOMO COMMUNITY  
SERVICES DISTRICT**



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES *D*  
DATE: JULY 5, 2000

**AGENDA ITEM**   
**JUL 05 2000**

CYPRESS RIDGE DEVELOPMENT  
PUC HEARING

**ITEM**

Southern California Water Company's (So Cal) Public Utility Commission (PUC) application to provide service to the Cypress Ridge Golf Course development.

**BACKGROUND**

During the early stages of the Cypress Ridge Golf Course Development, the developer approached the District Board of Directors and discussed with the District the possibility of providing water and sewer services for their development. It is believed that they also talked to Rural Water Co. for providing water services to the Cypress Ridge project. No follow-up correspondence was received from the Cypress Ridge developers.

Negotiations were conducted by the developer and the So Cal Water for providing services to Cypress Ridge. An agreement was reached where the developer sold the constructed water and sewer systems to So Cal for an estimated \$1.6 million. In the PUC process, So Cal is spreading the costs of purchasing the Cypress Ridge utilities over its user base in Nipomo and their Orcutt service area in Santa Barbara County. The District has received inquiries from residents in the Orcutt area who are protesting the spreading of the costs of So Cal purchasing the Cypress Ridge system and added to their water rates. They have also inquired if the District was interested in providing service to the Cypress Ridge project.

The District received a PUC Notice of Public Participation Hearing (attached with others) with respect to So Cal including the Cypress Ridge service within their Santa Maria customer service area. This hearing is scheduled for August 16, 2000 in Santa Maria. This item was put on the agenda at the request of Director Winn.

**RECOMMENDATION**

The Board may direct staff to respond expressing the Board's desires.



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Southern California Water Company (U 133 W) for a Certificate of Public Convenience and Necessity Pursuant to California Public Utilities Code Section 1001 to Add to its Santa Maria Customer Service Area the Community of Cypress Ridge.

A.00-03-029

**NOTICE OF PUBLIC PARTICIPATION HEARING**

TO ALL PARTIES:

NOTICE IS HEREBY GIVEN that the Public Utilities Commission of the State of California has set the public participation hearing in the above-entitled matter before Administrative Law Judge James McVicar, for 7:00 p.m., August 16, 2000, at the Lakeview Junior High School Multipurpose Room, 3700 Orcutt Road, Santa Maria, California.

Public Participation hearings are scheduled to provide the public an opportunity to comment on the utility's application. An Administrative Law Judge will be there to listen to your comments, and a court reporter will be recording your comments. The Commission is interested in hearing from you. Your comments can help the Commission reach an informed decision, and you are encouraged to attend one of the scheduled hearings.

Parties desiring expedited or daily transcripts should advise the Chief Hearing Reporter by telephone at (415) 703-2288, no later than three days prior to the first day of hearing.

If you have questions about the hearing date, time or place, call the Calendar Clerk at (415) 703-1203.

**BY ORDER OF THE PUBLIC UTILITIES COMMISSION**

Dated June 26, 2000, at San Francisco, California.

From Internet  
www.cpuc.ca.gov

**Proceeding A0003029**  
Date Filed: March 13, 2000

[Documents](#)   [Decisions](#)   [Main Index](#)   [CPUC Home Page](#)

**Service List**

**Commissioner Assigned:** Henry M. Duque on April 11, 2000

**ALJ Assigned:** James C. McVicar on April 11, 2000

**Filer Requested Category:** Ratesetting

**Preliminary Category:** Ratesetting

**Commission Designated Category:** Ratesetting

**Filed By:**

SOUTHERN CALIFORNIA WATER COMPANY

**DOCUMENTS**

Number of Documents: 6

**Type:** SCOPING RULING

**Filing Date:** June 23, 2000

**Filed By:**

CMMR/DUQUE/PUC

**Description:** sets the following schedule: 7/24/2000 - SoCalWater serves additional direct testimony, if any; 8/16 - public participation hearing; 10/10 - parties serve direct testimony; 10/23/00 - SoCalWater serve rebuttal testimony; 11/6/00 - evidentiary hearing; 12/4 - concurrent briefs, case submitted; 3/2/2001 - proposed decision filed; comments on proposed decision - 20 days after proposed decision filed; reply comments on proposed decision - 5 days following comments; April, 2001 - Commission meeting to consider proposed decision; in no event will resolution exceed 18 months from the date the application was filed; confirms that this is a ratesetting proceeding and a hearing is required; designates ALJ McVicar as the principal hearing officer and the presiding officer; adopts the official service list

**Type:** PROTEST

**Filing Date:** April 24, 2000

**Filed By:**

SCENIC SHORELINE PRESERVATION CONF.

**Description:** Comments and Questions in Protest to Southern California Water Company's Application A-00-03-029.

**Type:** PROTEST

**Filing Date:** April 20, 2000

**Filed By:**

RRB/WTR/RAHMAN/PUC

**Description:** to application

**Type:** PROTEST

**Filing Date:** April 17, 2000

**Filed By:**

ORCUTT AREA ADVISORY GROUP, INC.

**Description:** Brief in Protest to Southern California Water Company's Application A-00-03-029.

**Type:** RESOLUTION ALJ-176 CATEGORIZATION

**Filing Date:** April 6, 2000

**Filed By:**

COMR/PUC

**Description:** Resolution ALJ 176-3036; Ratification of preliminary determinations of category adopted

**Type:** APPLICATION

**Filing Date:** March 13, 2000

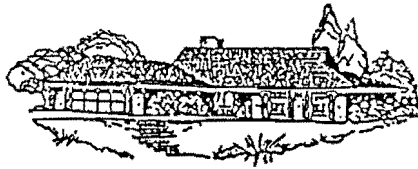
**Filed By:**

SOUTHERN CALIFORNIA WATER COMPANY

**Description:** for a certificate of public convenience and necessity to add to its Santa Maria customer service area the community of Cypress Ridge

**DECISIONS**

Number of Decisions: 0



the Cypress Ridge

**FOXENWOODS ESTATES HOMEOWNERS' ASSOCIATION**  
P.O. BOX 2712 SANTA MARIA, CA 93457

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the matter of the Application of )  
Southern California Water Company )  
(U 133 W) for a Certificate of Public )  
Convenience to the California Public )  
Utilities Code 1001 to add to its )  
Santa Maria Customer Service Area )  
The Community of Cypress Ridge. )

Application  
No. A-00-03-29

April 25, 2000

**BRIEF OF EDMOND M. HENNON  
ON BEHALF OF THE FOXENWOODS ESTATES HOMEOWNERS' ASSOCIATION, INC.  
(FEHA)  
IN PROTEST  
TO SOUTHERN CALIFORNIA WATER COMPANY'S (SCWC)  
APPLICATION A-00-03-29**

Foxenwoods Estates Homeowners' Association, Inc., serving in excess of 640 voluntary membership households in Orcutt, hereby protests application A-00-03-29 for the following reasons:

FEHA contends that it is inappropriate to annex an area into the Orcutt Customer Service Area (OCSA) that is twenty-three (23) miles from it and that has no commonality with it, either geographically, economically, or culturally.

FEHA contends that it is inappropriate to use Rule 15 as a means to absorb the 386 Cypress Ridge Development (CRD) residential units into SCWC and including the \$1,693,769 into OCSA rate base, thereby distributing these costs to OCSA customers. The attempted use of Rule 15 is simply a way for SCWC to attempt to acquire the distribution system at no cost to SCWC.

SCWC contends that it has been requested by the developer to serve CRD with water and sewer services. SCWC also contends that the operation of this water service is in the public interest. FEHA respectfully contends that it would not be in the public interest but that it would be solely in the best interest of SCWC. Both the Rural Water Company (RWC) and the Nipomo Community Services District (NCSD) are understood to have expressed their willingness and ability to operate the CRD system. Neither, however, has the willingness nor the ability to pay the developer of the CRD the \$1,693,769 inasmuch as they do not have an avenue to charge existing rate payers as SCWC is proposing to do.

FEHA further has concerns about the ability of the 5 wells supplying the system to maintain that supply in periods of drought. In such an event, approval of the above referenced application might well result in OCSA rate payers having to pay for the importation of State Water to fill the need.

FEHA contends that SCWC has not met its burden of proof that the cost of the acquisition is reasonable; that it is in the best public interest; that it has any commensurate gain for OCSA rate payers, many of whom are retired and on fixed incomes; and that SCWC is the best qualified source to service the CRD.

FEHA respectfully requests that the CPUC reject Application No. A-00-03-29.

Sincerely,



Edmond M. Hennon, President  
Foxenwoods Estates Homeowners' Association

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE  
STATE OF CALIFORNIA

In the matter of the Application ) APPLICATION  
of SOUTHERN CALIFORNIA WATER CO. ) NO A-00-03-29  
(U 133 W) for a Certificate of )  
Public Convenience and Necessity )  
pursuant to California Public )  
Utilities Code Section 1001 to add )  
to its Santa Maria Customer Service)  
Area the Community of Cypress )  
Ridge. )

April 19, 2000

COMMENTS AND QUESTIONS BY ARVE R. SJOVOLD  
ON BEHALF OF THE SCENIC SHORELINE PRESERVATION  
CONFERENCE  
IN PROTEST TO  
SOUTHERN CALIFORNIA WATER COMPANY'S  
APPLICATION A-00-03-29

We have just learned that the Southern California Water Company (SCWC) has filed this application to serve the Cypress Ridge development. This application follows from a previous advice letter that was filed with the PUC and rejected by them last year; the subject of that advice letter was essentially the same, to wit, to serve the Cypress Ridge development. Now however, the terms of that proposed service are different. Because of this clear relationship to the previous advice letter, we are disappointed that the PUC did not see fit to include all previous protesters to that advice letter in a notification of SCWC's proposed action.

Be that as it may, we find that many of the questions and issues raised by the previous advice letter still obtain with this application. The subject application does not adequately answer those questions and furthermore raises additional questions. Foremost among these is how Rule 15 (the supposed governing rule cited by SCWC for this proposed request) can be applied when the proposed action is clearly an acquisition of the Cypress Ridge system by SCWC. Rule 15 seems quite clear on its face that it is intended for main extensions, a situation where a utility has a source of water nearby and is willing to extend service from those existing facilities to the new development. To us it seems that the proper procedure for SCWC to follow is to propose to its stockholders that it acquire the Cypress Ridge system as a capital acquisition at their risk and then apply to the

PUC for inclusion in their service area. Even then one may question why there is any necessity for the Cypress Ridge system to be considered a part of SCWC's Santa Maria Service District. The only reason would be if there were truly economy of scale benefits that would apply to the entire district, but such an assumption would require a much more rigorous analysis than has been presented in this application. Furthermore, such an analysis would undoubtedly require that the water supply portion of the acquisition be considered not a part the cost of the "main extension." We believe that the system cost that is made the basis of the contract between Cypress Ridge and SCWC comprises mostly well costs, but the application offers no such breakdown.

There are other questions that the application raises. First, the aforementioned contract was executed in mid-1999, well before SCWC filed its advice letter. It seems that SCWC agreed to terms that put it in a position of difficulty when the PUC rejected its advice letter. SCWC has now decided to try this interpretation of Rule 15 to achieve the same effect as its previous advice letter, viz., to shield its stockholders from any risk and pass on all costs to its existing customers in the Santa Maria District. SCWC may believe that there is some necessity on its part to serve the Cypress Ridge development, but it has not made a credible showing why it cannot do so as a separate system apart from the Santa Maria District.

Second, the application is disturbing in the detail submitted to back up SCWC's calculations regarding the revenues and costs of this service. The application in exhibits F and H raises some perplexing questions, especially when combined with the detailed responses of W. Warren Morgan in his testimony. In explaining the same exhibits, Mr. Morgan explains that the Cypress Ridge customers will be charged the same rates as the existing Santa Maria District customers. In fact, he states that the estimates of water usage by Cypress Ridge customers was scaled from the existing base. However, a simple calculation of the average annual revenue per customer for Cypress Ridge as shown in the exhibit is approximately 50% greater than the same calculation shown for the existing base. How then do we reconcile this fact with their statement of equal rates?

The same exhibits also contain estimates of costs to be expected. Mr. Morgan again explains how the calculations were done. Apparently, the costs for Cypress Ridge were scaled from SCWC's Edna operation because it is near the same size as Cypress Ridge. But the proposal clearly states

that Cypress Ridge will be the beneficiary of the much larger scale of the Santa Maria District base and therefore one would expect that the costs would be scaled as the marginal costs. Even so there is no demonstration, either in the application or in Mr. Morgan's testimony, of why Edna should be used as a scalar other than the number of customers. It is noteworthy that the costs per customer of certain variable costs, pumping costs and chemicals, for Cypress Ridge are at considerable variance from those shown for the existing Santa Maria base. What credibility can we attach to such calculations? Clearly, one would expect for pumping costs that comparison of pumping lifts would be in order as a basis of scaling. And for chemicals, one would expect a comparison of water qualities as a basis for scaling. As far as we can determine, none of this was done.

We are also concerned with SCWC's assertion that the Rural Water Company stated that it would not serve this development. Our information indicates that the Rural Water Company would like to serve the development but stated that it could not rebate or refund the costs of the assigned facilities, to wit, the \$1,690,000 in question. Is it perhaps more the case, that the refusal to serve the development was based on the terms that Cypress Ridge insisted it should have, namely, full refund over time? As we explained above, we believe this refund cannot be justified by any interpretation of Rule 15. Is this then an agreement between SCWC and Cypress Ridge merely for Cypress Ridge's convenience? If so this raises speculation as to what conflicts of interest may exist between Cypress Ridge and SCWC. We wonder if under these circumstances it is proper for the PUC to ask for lists of stockholders of SCWC and partners of Cypress Ridge to establish that there are no such conflicts.

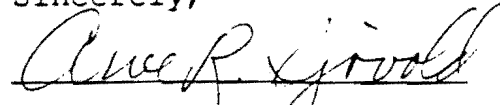
There is also the profound question of equity in SCWC's request to re-pay the capital costs of this water service system from the entire SCWC Santa Maria District's rate base. In fact, this same question arose in a previous application of SCWC to spread its proposed costs of State Water Project (SWP) water over its entire rate base even though some of its outlying communities (Sisquoc) benefited not at all from the proposed SWP importation. SCWC seems to persist in trying to have non-beneficiaries pay for its projects. It is correct to note that the PUC, in rejecting previous applications of SCWC, noted that the PUC would not grant SCWC the right to pass on capital costs of a project to the rate payers that was properly a cost to be borne by SCWC's stockholders. This request appears no different. In fact, we think that the PUC should put an end to these

continuing machinations of SCWC whereby they try to keep the stockholders from undertaking any financial risk.

Finally, in our protest against SCWC's previous advice letter, we questioned the certainty of the water rights to serve this development given that the Santa Maria groundwater basin is in litigation. We would expect the application would be required to address this concern.


There are many other questions that should be raised and answered before this application can be taken seriously. However, we are more interested in the scenario where SCWC buys the Cypress Ridge system, as it apparently has agreed to in effect, and then examine if they could make a claim for "necessity and convenience," and what the terms would be under that scenario. We believe that this is the proper course for SCWC to take and if the PUC agrees, they should reject this application and instruct SCWC to proceed in that manner. If this cannot be done, the PUC should at least require full, public hearings on this matter and we respectfully request that they do so. We also request that the PUC place Scenic Shoreline Preservation Conference on the Service List.

Sincerely,



Arve R. Sjovold  
186 Sierra Vista  
Santa Barbara, CA 93108



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: JULY 5, 2000

**AGENDA ITEM**  
**JUL 05 2000**



ANNEXATION NO. 6 TO CSA 31  
THE BLUFFS

**ITEM**

LAFCO'S request for comments of Annexation No. 6 known as "The Bluffs", a 123-lot development at Joshua and Hutton Rd. to CSA #1 - Tracts 1808/1802/1856.

**BACKGROUND**

The District has received correspondence from Mr. Paul Hood, Executive Officer of LAFCO, requesting comments on a development of approx. 123 units, called "The Bluffs", known as Tract 1808/1802/1856, near the Santa Maria Speedway. It is staff's understanding, talking to the developer's engineer, that this project has an existing well to provide a water supply for the proposed potential 123-lot development. Its wastewater system would be an on-site community septic tank system. They would have cluster homes going to a common septic tank and disposal field. The developer has approached the County to have the on-site waste disposal system added to CSA #1 for operation and maintenance.

Historically, the County would like NCSD to take over the operations of CSA-1A (Galaxy Park). "The Bluffs", if annexed to CSA-1, would not be part of the existing District service agreement with the County. If the District ever took over Galaxy Park operations, "The Bluffs" would probably be included in the transfer of operations.

Community service districts are formed to provide services for a community or an area, to the extent the of the desire of the residents of that area. The Board may direct staff to notify LAFCO that they would be in favor of providing services to this project or would not be interested in such.

**RECOMMENDATION**

The Board may direct staff to respond to LAFCO expressing the Board's desires.

**NOTICE OF LAFCO REGULAR MEETING**

**ANNEXATION NO. 6 TO COUNTY SERVICE AREA NO. 1  
(TRACTS 1802, 1808, 1856)**

**NOTICE IS HEREBY GIVEN** by the Local Agency Formation Commission (LAFCO) of the County of San Luis Obispo, State of California, as follows:

1. At 9:00 a.m. on **July 20, 2000**, in the Board of Supervisors Chambers, County Government Center, San Luis Obispo, California, as the date, time and place of a regular meeting by said Commission on an application by property owners to annex territory. The area is outside of the CSA's sphere of influence and service. The sphere of influence and service will need to be amended prior to approval of the annexation.

The territory proposed for annexation is located west of Hutton Road at the terminus of Moss Lane, south of the community of Nipomo and north of the Santa Maria River. The territory proposed for annexation is comprised of 123.76 acres. Development plans include three residential projects with a total of 115 residential lots and open space areas. The annexation is required as a condition of development approval. The CSA will operate and maintain the sewage disposal system for the proposed project. At the meeting, the Commission will also consider the Negative Declaration prepared for the project.

2. A description of the boundaries of the proposed annexation is on file in the LAFCO Office, 1035 Palm Street, Room 370, San Luis Obispo, California, and may be viewed by any member of the public.

DATED: 6/28/00

By: Paul L. Hood  
PAUL L. HOOD  
Executive Officer  
Local Agency Formation Commission  
San Luis Obispo County

RECEIVED

JUN 9 2000

NIPOMO COMMUNITY  
SERVICES DISTRICT

# **LAFCO • Local Agency Formation Commission**

**Serving the Area of San Luis Obispo County**

**TO: DOUG JONES, NIPOMO COMMUNITY SERVICES DISTRICT**

**FROM: PAUL L. HOOD, EXECUTIVE OFFICER, LAFCO**

**DATE: JUNE 26, 2000**

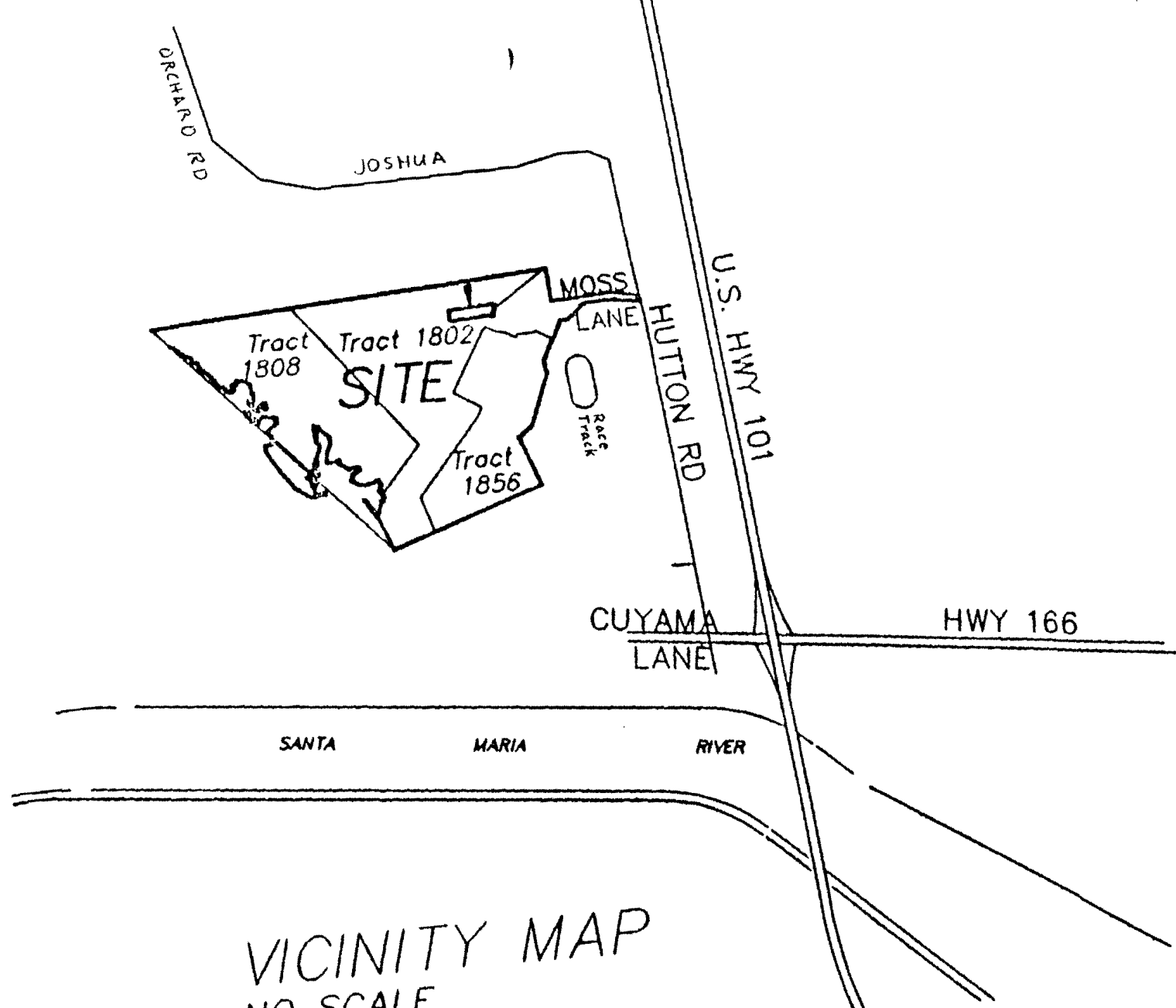
**SUBJECT: ANNEXATION NO. 6 TO COUNTY SERVICE AREA #1  
(TRACTS 1808/1802/1856)**

I would appreciate receiving any comments you may have regarding the above referenced project. An application, map and legal description are enclosed for your information. A response by July 7, 2000 would be appreciated.

Thank you.

enclosures

o-ref



VICINITY MAP  
NO SCALE

# VICINITY MAP

**LOCAL AGENCY FORMATION COMMISSION**

**County of San Luis Obispo**

**JUSTIFICATION OF PROPOSAL**

The California Government Code requires the Commission to review specific factors in its consideration of this proposal. Please complete this form to facilitate our review.

**GENERAL INFORMATION**

Name of Proposal: BLUFFS CSA1 ANNEXATION

1. This application was initiated by:

XX Petition                      \_\_\_\_\_ Resolution of Application

2. Does this application include 100% written consent of each property owner in the affected territory? Yes XX No \_\_\_\_\_

3. State reason(s) for requesting the proposed action: There is a condition of approval for VITM's 1802, 1808, and 1856 to form a CSA Zone of Benefit for Sewer Service.

4. State general location of affected territory: The three approved maps are located west of Hutton Road at the terminus of Moss Lane, south of the community of Nipomo and North of the Santa Maria River.

5. Is the affected territory inhabited or uninhabited (less than 12 registered voters)?  
No, there are six residential lots in the area of this request that are not part of this application.

6. Do the boundaries of the district or city overlap or conflict with the boundaries of the proposed annexation? No.

If yes, justify the need for overlapping or conflicting boundaries: \_\_\_\_\_

7. Do the boundaries of the territory propose split lines of assessment? \_\_\_\_\_  
No, The boundary of the Zone of Benefit includes all three parcels for the CSA.

8. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? No, This application is not for incorporation.

If yes, justify the necessity for the boundaries as proposed: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

9. If the proposed boundary follows a street or highway, does it include the entire street or highway? No, This application will include internal streets, but not external or perimeter streets.

10. Name the city or district(s) which will be affected by this proposal: \_\_\_\_\_

County of San Luis Obispo County Service Area 1

11. Total acreage: 123.76

**LAND USE AND DEVELOPMENT POTENTIAL**

1. Indicate the General Plan designation of the city (if applicable): N/A

San Luis Obispo County: Residential Suburban

2. Describe any special land use concerns expressed in the above plans: \_\_\_\_\_

The projects are consistent with the zoning and the General Plan and were approved by the County of San Luis Obispo Board of Supervisor's

3. Indicate the existing land use: The properties are currently undeveloped

4. What is the proposed land use? There are three residential projects with a total of 115 residential lots and open space areas.



AGENDA ITEM  
JUL 05 2000



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: JULY 5, 2000

#### CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately. Questions or clarification may be made by the Board members without removal from the Consent Agenda. The recommendations for each item are noted in parenthesis.

- F-1) WARRANTS (RECOMMEND APPROVAL)
- F-2) BOARD MEETING MINUTES (RECOMMEND APPROVAL)  
Approval of Minutes of the June 21, 2000 Regular Board meeting
- F-3) NOTICE OF COMPLETION - TLC BACKHOE (RECOMMEND APPROVAL)  
Replacement of PB water services by the contractor has been completed
- F-4) SAFETY MEETING MINUTES (RECOMMEND APPROVAL)  
Approve and file Minutes of Safety Meeting of June 26, 2000

C:\W:\Bd2000\Consent JULY.DOC



WARRANTS JULY 5, 2000

HAND WRITTEN CHECKS

18303	06/21/00	KANAWYER, R.	427.30
18304	06/22/00	SLO CTY TREAS.	14,000.00
18305	06/22/00	MENDOZA, A	50.00
18306	06/22/00	MOBRAATEN, R	50.00
18307	06/29/00	PETTY CASH	27.65
18308	06/29/00	MARTIN, S	20.00
18309	06/29/00	BONITA HOMES	1,726.50
18310	06/29/00	POSTMASTER	658.37
18314	07/05/00	BLAIR, R	100.00
18315	07/05/00	SIMON, A	100.00
18316	07/05/00	MENDOZA, A	100.00
18317	07/05/00	MOBRAATEN, R	100.00
18318	07/05/00	WINN, M	100.00
18319	07/05/00	PERS	3,212.23
18320	07/05/00	SDRMA	12,272.04

COMPUTER GENERATED CHECKS

11865	06/21/00	FRED ASMUSSEN	\$1,100.00
11866	06/21/00	CREEK ENVIRONMENTAL LABORATORIES, IN	\$60.00
11867	06/21/00	GTE WIRELESS	\$70.07
11868	06/21/00	GROENIGER & COMPANY	\$2,961.41
11869	06/21/00	GREAT WESTERN ALARM AND COMMUNICATIO	\$25.00
11870	06/21/00	IKON OFFICE SOLUTIONS	\$47.20
11871	06/21/00	PACIFIC BELL	\$167.22
11872	06/21/00	PETTY CASH-MIDSTATE BANK	\$248.05
11873	06/21/00	SCIENCE APPLICATIONS INTERNATIONAL C	\$4,880.11
11874	06/30/00	PUBLIC EMPLOYEES RETIREMENT SYSTEM	\$1,987.78
11875	06/30/00	STATE COMPENSATION INSURANCE FUND	\$2,031.78
11878	07/05/00	ADVANTAGE ANSWERING PLUS	\$112.82
11879	07/05/00	BLUEPRINT EXPRESS	\$19.14
11880	07/05/00	CENTRAL ELECTRIC	\$51.97
11881	07/05/00	CLEAR SOLUTIONS	\$2,477.48
11882	07/05/00	CORBIN WILLITS SYSTEMS	\$4,301.63
11883	07/05/00	CREEK ENVIRONMENTAL LABORATORIES, IN	\$60.00
11884	07/05/00	EASTER RENTS	\$46.94
11885	07/05/00	FGL ENVIRONMENTAL ANALYTICAL CHEMIST	\$134.40
11886	07/05/00	GLM	\$217.00
11887	07/05/00	GTE CALIFORNIA	\$28.67
11888	07/05/00	GROENIGER & COMPANY	\$1,971.33
11889	07/05/00	KARDEL COMPUTER SERVICES	\$75.00
11890	07/05/00	MID STATE BANK-MASTERCARD	\$19.95
11891	07/05/00	NIPOMO REXALL DRUG	\$17.91
11892	07/05/00	P G & E	\$27,459.01
11893	07/05/00	PERIPHERALS PLUS	\$2,195.53
11894	07/05/00	PRECISION JANITORIAL SERVICE	\$135.00
11895	07/05/00	RICHARDS, WATSON & GERSHON	\$16,595.77
11896	07/05/00	SAN LUIS OBISPO COUNTY HEALTH DEPART	\$630.00
11897	07/05/00	SANTA MARIA TOOL, INC.	\$94.50
11898	07/05/00	SHIPSEY & SEITZ, INC.	\$4,574.00
11899	07/05/00	SOUTHERN CALIP GAS COMPANY	\$14.93
11900	07/05/00	T.L.C. BACKHOE SERVICES	\$88,844.25
11901	07/05/00	UNDERGROUND SERVICE ALERT	\$133.00
11902	07/05/00	USA BLUE BOOK	\$887.75
11903	07/05/00	WILSON, LEE ELECTRIC COMPANY	\$226.89
11904	07/05/00	WIRSING GRAPHICS & TYPESETTING	\$848.21

VOID 11864, 11876, 11877

**NIPOMO COMMUNITY SERVICES DISTRICT**  
**MINUTES**

**AGENDA ITEM**  
**JUL 05 2000**



June 21, 2000  
REGULAR SESSION 10:30 A.M.  
BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

**BOARD MEMBERS**

ROBERT BLAIR, PRESIDENT  
AL SIMON, VICE PRESIDENT  
RICHARD MOBRAATEN, DIRECTOR  
ALEX MENDOZA, DIRECTOR  
MICHAEL WINN, DIRECTOR

**STAFF**

DOUGLAS JONES, GENERAL MANAGER  
DONNA JOHNSON, SECRETARY TO THE BOARD  
JON SEITZ, GENERAL COUNSEL

**NOTE:** All comments concerning any item on the agenda are to be directed to the Board Chairperson.

**A. CALL TO ORDER AND FLAG SALUTE**

Vice President Simon called the meeting to order at 10:30 a.m. and led the flag salute.

**B. ROLL CALL**

At Roll Call, the following Board members were present:  
Directors Winn, Mendoza, Mobraaten, Simon. President Blair was absent.

**C. PUBLIC COMMENTS PERIOD**

**PUBLIC COMMENTS**

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board. Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

Vice President Simon opened the meeting to Public Comments.

During this agenda item, the following member of the public spoke:

Bill Senna - Lucia Mar Unified School District - Thanked the NCSD staff for working with LMUSD staff toward resolving the high school agreement. Asked for a joint meeting of our two boards to resolve the outstanding issues between us concerning our new high school.

**E-2) SOAR INITIATIVE (Save Open space & Agricultural Resources)**

Review of the SOAR Measure

The Board moved this item to the beginning of the meeting, because members of the SOAR initiative were in the audience.

During this agenda item, the following members of the public spoke:

Tom Murray, Arroyo Grande - Spokesperson for SOAR Stated that the text in the internet and the text sent to the County were accurate and the same.

Lowell Davis, Nipomo Mesa - States that Nipomo is a prime candidate for sprawl. Says SOAR would allow residents a voice and more time before the Board of Supervisors changed the Land Use Zoning in the General Plan.

Roger Borg, Chesapeake Place, Nipomo - Supports SOAR. States that SOAR supports the SLO County General Plan.

Director Mendoza made a motion to schedule a meeting with NCSD on the SOAR Initiative. Motion failed for a lack of a second.

Director Winn made a motion to encourage Nipomo Community Advisory Counsel to host an information meeting on the SOAR Initiative. Director Mendoza seconded. Motion passed. Vote 4-0.

D-2) REVIEW EXISTING RETROFIT ANNEXATION POLICY

Consideration to establish a retrofit in-lieu fee for recent and future annexations  
The Board discussed consideration to establish a retrofit in-lieu fee on future annexations.  
Sub-committee. Directors Winn and Mendoza met last week. The Board discussed options. Upon motion of Director Winn and seconded by Director Mendoza, the Board directed staff to pursue more information concerning the in-lieu fee. There were no public comments.

D-3) REFUSE COLLECTION

District consideration to activate latent power to provide refuse collection  
Information was presented to the Board concerning the possibility of activating the District latent power of refuse collection. There was some Board discussion. There were no public comments. No action was taken.

D-4) NIPOMO LIGHTING

Discuss if the District should take over the County Nipomo Lighting District

Information was presented to the Board concerning the possibility of taking over the County Nipomo Lighting District. Upon motion of Director Mendoza and seconded by Director Winn, the Board directed staff to continue investigation of Nipomo lighting.

E. OTHER BUSINESS

E-1) CALIFORNIA SPECIAL DISTRICT ASSOCIATION

Nomination of Board members

Information was presented to the Board concerning nominations for the Board of Directors of the California Special District Association. If any NCSB Board member is interested, they should contact the office for forms.

E-2) SOAR INITIATIVE (Save Open space & Agricultural Resources)

Review of the SOAR Measure

Item moved to beginning of meeting before D-1.

F. **CONSENT AGENDA** *The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately. Questions or clarification may be made by the Board members without removal from the Consent Agenda. The recommendations for each item are noted in parenthesis.*


F-1) WARRANTS (RECOMMEND APPROVAL)

F-2) BOARD MEETING MINUTES (RECOMMEND APPROVAL)

Approval of Minutes of June 7, 2000 Regular Board meeting

Approval of Minutes of June 9, 2000 Special Meeting

Upon motion of Director Mendoza and seconded by Director Mobraaten, the Board unanimously approved the Consent Agenda for June 21, 2000. Vote 4-0

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: JULY 5, 2000

**AGENDA ITEM**   
**JUL 05 2000**

NOTICE OF COMPLETION  
REPLACEMENT OF WATER SERVICES

**ITEM**

Accepting the PB Water Service Replacement work by TLC Backhoe

**BACKGROUND**

On January 19, 2000, your Honorable Board awarded the contract to TLC Backhoe replace approx. 300 PB (polybutylene) water services in the District's Town Division.

The work has now been completed by TLC Backhoe and a Notice of Completion needs to be filed with the County of SLO (attached).

**RECOMMENDATION**

Staff recommends that your Honorable Board approve the attached **Resolution 00-PB** accepting the improvements and authorize the Notice of Completion to be filed with the County.

Board 2000\PB Completion.DOC

**RESOLUTION NO. 00-PB**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ACCEPTING THE POLYBUTYLENE WATER SERVICES REPLACEMENTS**

**WHEREAS**, on January 19, 2000, the District Board of Directors did award a contract to replace polybutylene water services to TLC Backhoe, and

**WHEREAS**, TLC Backhoe has completed the replacement of said services, and

**WHEREAS**, District staff has inspected and approved the completion of the said water service replacements, and

**WHEREAS**, this District is to file a Notice of Completion upon the completion of said water service replacements.

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

1. The replacement of water services by TLC Backhoe is completed and accepted by this District.
2. The General Manager is to file the Notice of Completion

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

AYES: Directors \_\_\_\_\_

NOES:

ABSENT:

ABSTAIN:

the foregoing resolution is hereby adopted this 5<sup>th</sup> day July 2000.

\_\_\_\_\_  
Robert L. Blair, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Donna K. Johnson  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
General Counsel

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIPOMO COMMUNITY SERVICES DISTRICT  
P.O. Box 326  
Nipomo, CA 93444

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion.

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is TLC BACKHOE
3. The full address of the owner is P O BOX 5028 , SANTA MARIA, CA 93456
4. The nature of the interest or estate of the owner is: In fee.  
(if other than fee, strike "In fee: and insert, for example, "purchaser under contract of purchase," or "lessee")
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

NAME	ADDRESS
<u>None</u>	

6. A work of improvement on the property hereinafter described was completed on JULY 5, 2000. The work done was:  
REPLACEMENT OF WATER SERVICES TO INDIVIDUAL PROPERTIES
7. The name of the contractor, if any, for such work of improvement was TLC BACKHOE
8. The property on which said work of improvement was completed is in the city of NIPOMO  
County of SAN LUIS OBISPO State of California, and is described as follows:  
  
9. The street address of said property is VARIOUS LOCATIONS, NIPOMO, CALIFORNIA

Dated: \_\_\_\_\_  
Verification for Individual Owner

\_\_\_\_\_  
Signature of owner or corporate officer of owner  
named in paragraph 2 or his agent

## VERIFICATION


I, the undersigned, say: I am the "Manager of" NIPOMO COMMUNITY SERVICES DISTRICT the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 2000, at NIPOMO, California.  
(Date of signature) (City where signed)

\_\_\_\_\_  
(Personal signature of the individual who is swearing that the contents of the notice of completion are true.)

**AGENDA ITEM**  
**JUL 05 2000**



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: JULY 5, 2000

MINUTES FROM SAFETY MEETING

The minutes from the Safety Meeting of June 26, 2000 are presented to your Honorable Board for your review. After review and comments, the Board of Directors may make a motion to accept and file the Safety Minutes.

This is a procedural item so that the District may receive credit on its insurance premiums.

**NIPOMO COMMUNITY SERVICES DISTRICT  
148 SOUTH WILSON STREET  
PO BOX 326  
NIPOMO, CA 93444-0326  
(805) 929-1133 FAX (805) 929-1932**

NIPOMO CSD SAFETY MINUTES

Date: June 26, 2000

Present: Lee Douglas, Butch Simmons, Ernest Thompson and Rick Motley.

The following three safety videos were presented:

1. Watch Out for Assault: Staying Safe and Secure
2. Safety is Your Job Too
3. Managing Space and Time for Safe Driving

The Supervisor, Lee Douglas, asked if there were any questions or comments from the field personnel. There were none.

Adjournment.

Safety/62600.doc




**AGENDA ITEM**

**JUL 05 2000**



TO: BOARD OF DIRECTORS

FROM: DOUG JONES 

DATE: JUNE 21, 2000

MANAGER'S REPORT

- G-1) LA TIMES ARTICLE ON WATER POLICIES
- G-2) APCD GREEN WASTE BURNING MEETING (JULY 11, 2000)
- G-3) CSDA LEGISLATIVE UPDATE (6-26-00)

Board 2000\mgr 070500.DOC



**AIR POLLUTION  
CONTROL DISTRICT**  
COUNTY OF SAN LUIS OBISPO

G 2

June 21, 2000

Doug Jones  
Nipomo Community Service District  
261 West Dana Street  
Nipomo, CA 93444

**SUBJECT: Community Workgroup Invitation – Green Waste Burning Alternatives**

Dear Mr. Jones:

In January 2000, the Air Pollution Control District (APCD) adopted changes to the existing San Luis Obispo County General Burning Rule. Changes were made to the requirements for backyard burning and developmental burning. Over the next two years in the Nipomo Mesa and earlier in other urban areas, non-agricultural backyard burning of green waste is being phased out.

Nipomo and other areas in South County have a unique challenge in their eucalyptus forests and large lot sizes. We are inviting you or your designee to join others in the community to help develop alternatives to green waste burning.

On July 11, 2000, from 2 p.m. to 4 p.m. at the Nipomo CSD office – 148 S. Wilson Avenue, Nipomo, the first organizational meeting of the Community Workgroup for the South County will be held.

Enclosed is a draft of a suggested plan of action for your review. If you have any questions please contact Karen Brooks or me at (805) 781-5912.

Very truly yours,

ROBERT W. CARR  
Air Pollution Control Officer

KLB/MFE/lmg

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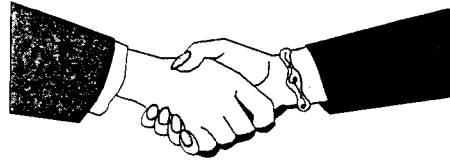
**RECEIVED**

JUN 26 2000

**NIPOMO COMMUNITY  
SERVICES DISTRICT**

# AGENDA

## South County Community Work Group: Developing Green Waste Burning Alternatives



Meeting Time: Tuesday, July 11<sup>th</sup>, 2:00 PM  
Meeting Place: Nipomo CSD Office

- I. Introductions
- II. Background information on the Rule
- III. Review Purpose, Goal, and Milestones
  - Determine how to involve the community
- IV. Set Work Plan
- V. Elect Chair, Vice-Chair
- VI. Select framework for interaction
  - e-mail network?
  - meeting dates, times, locations
- VII. Adjourn

---

**Purpose:** In January 2000, the Air Pollution Control District adopted changes to the existing General Burning Provisions Rule, Rule 501. Over the next 2 years in the urban areas of Nipomo Mesa, non-agricultural backyard burning of green waste is being phased out. Alternatives to burning must be developed in each community to make implementation of the rule possible.

**Goal:** To identify and implement alternatives to backyard burning that will be workable and effective in each affected community.

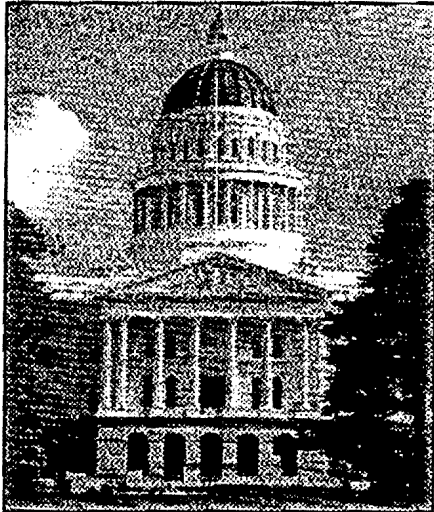
**Milestones:**

- 1) May 1, 2001 - South County Rule Implementation (Nipomo, Callendar/Garrett, Los Berros, Palo Mesa)
- 2) 6 month and 1 year feedback reports to the community and Board to detail progress
- 3) Set total number of community work group meetings, with a sunset date

# CSDA LEGISLATIVE UPDATE Monday, June 26 2000

G 3

## SPECIAL DISTRICT DISCUSSIONS EXPLODE IN THE CAPITOL



### Conference Committee on AB 1396 (local government fiscal reform)

The Conference Committee continues to hold hearings on local government fiscal reform. The last hearing was on Wednesday, June 21, 2000 and began with a presentation by staff of the Legislative Analysts Office (LAO) on two reports: Making Government Make Sense (1994) and Reconsidering AB 8 (2000). Although the Committee appears to be still not leaning in any identifiable direction, last week's discussion ended up focusing on a LAO option which would give 50 percent of the property taxes to cities and 50 percent of the property taxes to counties. Cities and counties would then determine if

they wanted to provide a service, or contract with a special district or private company to provide the service. Districts who receive property taxes would no longer automatically receive those dollars. CSDA is currently preparing a response to this type of property tax distribution proposal for this week's hearing scheduled on Wednesday, June 28. We encourage CSDA members to review the summary of Making Government Make Sense and Reconsidering AB 8 (both available on the LAO website ([www.lao.ca.gov](http://www.lao.ca.gov))) and offer any comments to us during the duration of this Conference Committee. If the Conference Committee is going to adopt language for local government fiscal reform, their report must be through both houses and to the Governor by August 31, 2000.

The distribution of the \$200 million local government allocation in the 2000-2001 State Budget will be based on a recommendation of this Conference Committee. The budget has been passed and is awaiting the Governor's signature.

### Joint Legislative Audit Committee, Assemblyman Wildman, Chair

This Committee has scheduled on its agenda for Tuesday, June 27, 2000 at 9:00 a.m. an item entitled, "Operations and Oversight of Special Districts." The Committee will consider a request by Chair Wildman to have the Bureau of State Audits provide independently developed and verified information relative to special districts operations and oversight. CSDA will be present at the hearing and relay any further developments.

### SB 1979 (Escutia)

Introduced in February as what appeared to be a spot bill for legislative changes to the Water Replenishment District of Southern California, SB 1979 now includes language that references the report by the Little Hoover Commission – "Special Districts: Relics of the Past or Resources for the Future?". SB 1979 now states, "*The Little Hoover Commission concluded in its report that policy issues raised by the controversy surrounding the Water Replenishment District of Southern California are pertinent to other special districts, and*

*noted that independent special districts are often criticized as being invisible and unaccountable to the public and duplication and inefficiency are common criticism of special districts."*

It appears the bill still only amends language in the Water Code to include recommendations of the State Auditor's Report and the Little Hoover Commission Report. However, it is likely that if the Little Hoover Commission recommendations are legislatively mandated to the Water Replenishment District – all special districts may be next. SB 1979 is scheduled to be heard tomorrow in Assembly Water, Parks & Wildlife.

### **Local Government Finance**

Two bills – SB 165 (Alarcon/Murray) and SCA 21 (Alarcon/Murray) – have to do with local government finance accountability. SCA 21 develops the Local Initiative Accountability Act of 2000. The measure would require any initiative proposed by the voters of a local governmental entity that would provide for the sale of bonds or the imposition of any tax to provide specified accountability measures. This measure would require an addition to the State Constitution. SB 165 would enact the Local Agency Special Tax and Bond Accountability Act – which calls for virtually the same requirements would amend Government Code. SB 165 is currently scheduled for hearing on July 5, 2000 in Assembly Local Government. Both bills can be found on the Senate website ([www.senate.ca.gov](http://www.senate.ca.gov)).

*CSDA will continue to update its members on legislative activities on a two-week basis during session. The Legislature is scheduled to adjourn on July 7 for summer recess and reconvene on August 7. August 31, 2000 is the last day for each house to pass bills and final recess will begin at the day's end. September 30 is the last day for the Governor to sign or veto bills passed on or before September 1. We will be sending out our next Legislative Update after the recess begins unless an urgent issues surfaces which calls for immediate response.*

**California Special Districts Association**  
**1215 K Street, Suite 930 \* Sacramento, CA 95814**  
**(916) 442-7887 \* (916) 442-7889 fax**  
**[www.csda.net](http://www.csda.net)**



Undeveloped area along Castaic Creek and California 126 near Magic Mountain is site of Newhall Ranch, a planned community of 22,000 homes.

# Ruling Reflects Crucial Shift in Water Policy

**Growth: Order for delay in Newhall Ranch development is an indication of a new insistence on adequate supplies.**

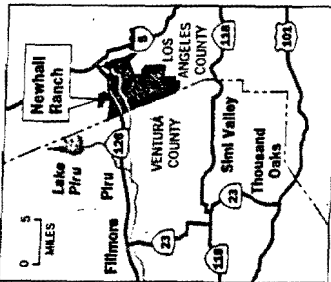
By DARYL KELLEY  
TIMES STAFF WRITER

A judge's recent decision to temporarily halt the largest housing project in Los Angeles County history is the latest sign of a fundamental shift in California that is forcing developers to prove their projects won't exhaust water supplies.

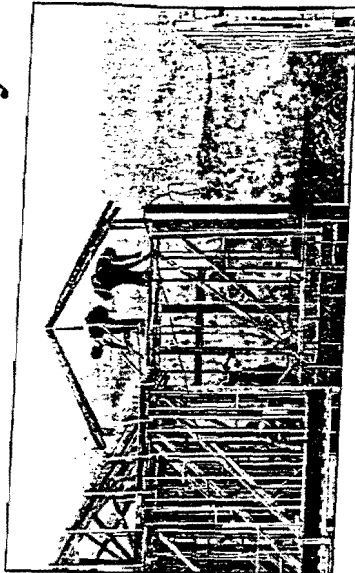
Superior Court Judge Roger D. Randall on May 31 found that developers of the 22,000-home Newhall Ranch near Santa Clarita had not proved they could supply enough water to support the new community, especially during periods of drought.

The decision reflects the growing interest of state courts, Sacramento lawmakers and the attorney general's office in addressing the limits that water supplies could eventually place on growth in California.

That link between growth and water supply could be the mechanism that finally forces local govern-



Los Angeles Times



Construction near Newhall Ranch, in background, shows level of economic activity in northwest L.A. County. Elements to reject large new subdivisions until sources of water are guaranteed, experts say.

A study by an Oakland utility district concluded, in fact, that of 57 major projects proposed statewide in 1996 and 1997, only four had backers that fully met le-

G1

## WATER: Newhall Ranch Ruling Marks Crucial Shift in State Policy

Continued from A3

posed "new towns" across the state that lacked reliable water supplies.

"Now you have this court saying, 'We're going to stop you unless you can show a reliable water supply.' And that's something new," said Tim Quinn, deputy general manager of the Metropolitan Water District, which provides water to nearly 17 million people in Southern California.

"I'm not a no-growther," Quinn added. "But this is undeniably an important policy decision that California has to grapple with. And we're at the beginning of this adventure, not the end."

### Rare Decision Against Officials

Stanford law professor Barton "Buzz" Thompson, author of books on water policy and law, said Randall's decision is a rare case in which a trial judge has second-guessed local officials and declared their analysis of water supplies incomplete.

"It is a landmark decision, where the holding of the court has tremendous implications for land development and water usage throughout the state," Thompson said. "It sends a clear message to developers that their water supplies cannot rest on hope or guesses."

Tim Coyle, a vice president of the California Building Industry Assn., said the decision is frustrating because California builds only half as many new houses as it needs each year.

"It is a big deal," he said. "And it's just an indication of what we're going to face in the future. If we don't increase the capacity of California to grow, it's going to be a litigator's dream."

Randall's ruling comes amid debate in the Legislature about whether to impose the principles of so-called "smart growth"—compact, efficient development—on local jurisdictions to stop the latest round of urban sprawl.

The Newhall Ranch decision was released May 31, one week after a panel of scientists warned Southern California water providers that they should get ready for another drought. During the last one, in 1986-92, agencies statewide ra-



JOSH HANER / For The Times

Water policy expert Barton Thompson says the Newhall Ranch case is a rare instance of a ruling against local authorities.

tioned water as reservoirs dried up and lawns turned brown.

And on Friday, Gov. Gray Davis and U.S. Interior Secretary Bruce Babbitt announced a new state-federal program to increase California water supplies and allow the state's growth to continue. The program includes new reservoir projects—such as the expansion of Shasta Dam—but emphasizes the need for local government to save, store and recycle water.

California will grow by 11 million residents by 2020, about half of that in its crowded southern region, according to state estimates.

By itself, Randall's ruling is important, because it highlights an issue whose time has come and that could be a springboard for reform, state officials say.

"The issue of reliable water supplies in an era of finite natural resources is a subject that local decision-makers, state officials and land-use attorneys are all going to have to pay serious attention to," said Richard Frank, chief assistant attorney general. "It's an issue upon which we are focused, and an issue that will likely reappear in courthouses around the state."

The Newhall Ranch case is the third in recent months in which the attorney general's office has intervened to help stop development be-

cause of concerns about reliable water supplies, Frank said.

A state appeals court judge in Sacramento recently voided changes in El Dorado County's general plan because it had not adequately shown the source of water for growth, Frank said. In Madera County, state lawyers helped persuade the Board of Supervisors to block construction of a large housing project along the San Joaquin River north of Fresno because of chronic water shortages and over-pumping of ground water.

### Consultant Sees 'Judicial Epiphany'

Two weeks before the Newhall Ranch ruling, in a similar case, a Riverside Superior Court judge struck down the city of Beaumont's approval of a 1,200-dwelling project, finding that the city had not thoroughly analyzed the project's effect on scarce water supplies.

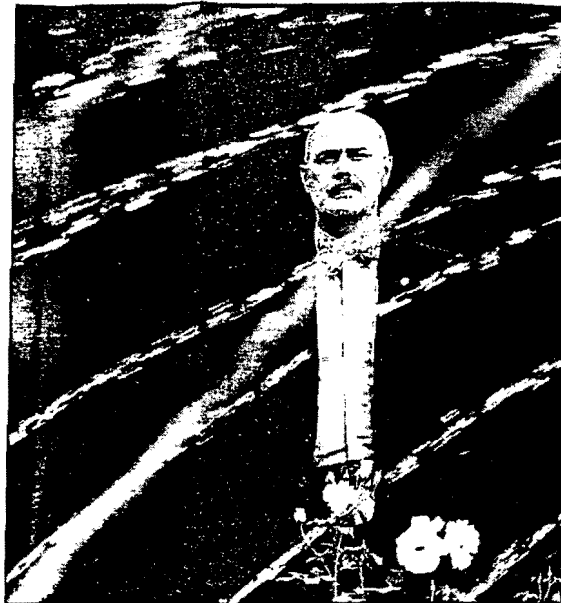
"It's a huge problem, when you consider that water is so scarce in California," said San Francisco attorney Robert Goodman, who argued the case for homeowners. "And local officials seem eager to approve these projects without considering where the water comes from."

Public policy and political change move in cycles in California, and the state is early in the cycle, said Peter Detwiler, veteran consultant for the Senate Local Government Committee. "But on certain issues there's sort of a breakthrough epiphany that occurs. And I think Newhall Ranch might be the judicial epiphany on the need to balance water supplies with development."

Assemblywoman Sheila Kuehl (D-Santa Monica), a former law professor who is pressing a bill that would require developers to prove water supplies before construction, said the Newhall Ranch decision is important.

"This decision puts the imprimatur of the court on the basic premise that appropriate planning should, by law, include the requirement of a secure water supply before a project is approved," she said.

Randall did not make new law by requiring Newhall Ranch to iden-



Randeale Kanouse, a lobbyist for the East Bay Municipal Utility District.

tify its water supply and thoroughly analyze how the project's water use could affect its neighbors. Judges have previously found those tasks to be a requirement of the California Environmental Quality Act.

Even without strong water guarantees, local governments often justify approving projects either by accepting water companies' "will-serve" letters as reliable or by finding the projects' benefits override their deficiencies. The Kuehl bill, to be heard by a Senate committee June 20, would take away such discretion and mandate that reliable water supplies be provided, even during drought.

In the Newhall Ranch case, Randall voided Los Angeles County's approval of the project's environmental study. He found that the Board of Supervisors could not have made an informed decision when it unanimously approved the 70,000-resident project in 1999, because the environmental analysis was incomplete.

The judge found Newhall Ranch's explanation of where it planned to obtain water to include "mere guesses on the capacity of aquifers which, if wrong, could substantially impact water availability" to the people of Newhall Ranch and downstream in Ventura County. He questioned whether supplies from the State Water Project could actually be produced in dry years. And he said that the de-

veloper's plan to gain water in stages as the project was built over 25 years was improper.

### Court Ruling Surprised Experts

Randall's decision is rare because judges—following the lead of the state Supreme Court—have been generally unwilling to stop projects because of flaws in environmental reports, say legal and planning experts.

"Most of the attorneys who follow this area of law were surprised by the Newhall decision," said Randeale Kanouse, author of the Kuehl bill and a lobbyist for the East Bay Municipal Utility District of Oakland. "But I think we're going to see more like this. I believe this is the tip of the iceberg."

On questions of water availability, the courts ruled against developers in only a few cases in the 1990s. The East Bay district sued Contra Costa County in 1990 and halted an 11,000-home development near San Ramon for nine years, until the builder acquired water rights from a San Joaquin Valley farmer. And in cases in Stanislaus and Mendocino counties, state appeals justices stopped development until adequate, dependable water supplies could be found.

These rulings followed closely the state's longest drought since the Great Depression. By 1992, the

# Newhall Ranch Ruling Crucial Shift in State Policy

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JOSH HANER / For The Times

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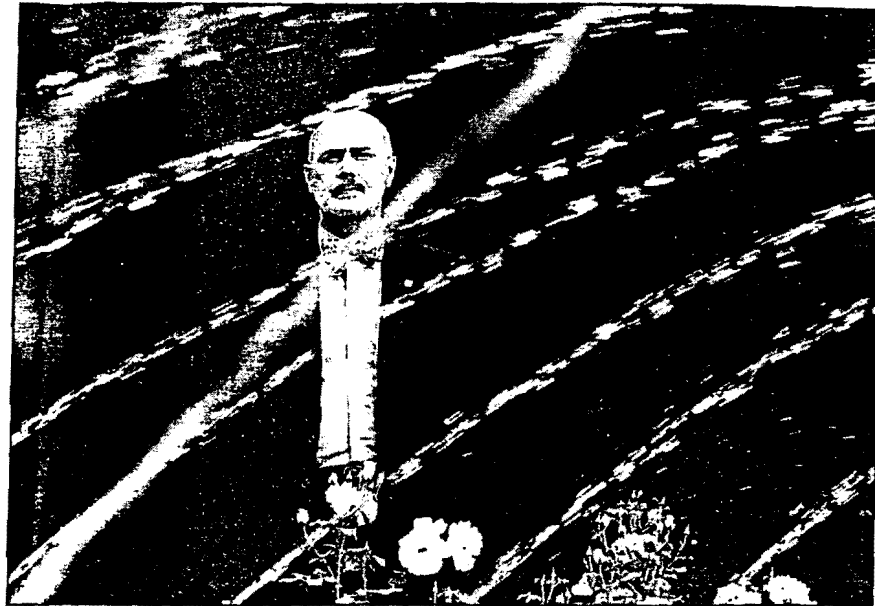
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ROBERT DURELL / Los Angeles Times

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end of that six-year drought, the State Water Project, which funnels Sierra Nevada water to Southern California, delivered only 30% of the water requested by urban users, and none requested by farmers.

In Southern California, the Metropolitan Water District, the water project's largest customer, augmented its supplies by importing more than usual from the Colorado River and imposed rationing on retail water companies.

After the drought, state Sen. Jim Costa (D-Fresno) drew broad support in pushing through a new law that requires detailed analysis of the water supplies for new projects during normal and drought years.

"When the Costa bill was enacted, that was really the first linkage between water supplies and development," said Jeanine Jones, drought preparedness manager at the state Department of Water Resources.

Three more bills were introduced in 1999 to strengthen the Costa bill.

Of those, only Kuehl's is still alive. But even those who are convinced it will die a quick death in the Senate this month, say the issue won't go away.

"Growth is such a huge issue in California, and we have to do it right," said Quinn of the Metropolitan Water District. "These issues are not resolved quickly or easily. We'll wrestle with them for decades."