

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

AUGUST 16, 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

John S.
22
20
440
150
590

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 WATER SERVICE (ORTIZ)

Request for water service outside District boundary at 660 Cherokee Place

D-2) INCREASE IN METER INSTALLATION FEE FOR NEW WATER SERVICES

Resolution to increase the water meter fee \$105 for the purchase and installation of an automatic meter reading device.

E. OTHER BUSINESS

E-1) ANNEXATION CONSIDERATION (CYPRESS RIDGE)

Annexation of Cypress Ridge Development to NCS D for water and sewer service

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 August 2, 2000 Regular Board meeting

G. MANAGER'S REPORT

G-1) CSDA BOARD OF DIRECTORS ELECTION - CANDIDATES STATEMENTS

G-2) GOVERNING - ARTICLE ON WATER SHORTFALLS

H. DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC\$54956.9

a. SMVWCD vs NCS D Santa Clara County Case No. CV 770214 and all consolidated cases.

ADJOURN

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *D*
DATE: AUGUST 16, 2000

AGENDA ITEM **D 1**
AUG 16 2000

REQUEST FOR WATER SERVICE

ITEM

Request for water service from Salvador & Helen Ortiz, Jr. at 660 Cherokee Place, Nipomo (Outside District Boundary)

BACKGROUND

The District has received a letter (enclosed) to provide a water service to the Ortiz's property at 660 Cherokee Place off of Hetrick Rd. due to failing water production from their on-site wells. The site is approx. 26 acres and the water will be used for residence or other uses.

Presently, the District has a water line in Hetrick Rd. fronting a portion of the Cherokee property. A service could easily be installed.

If your Honorable Board wishes to provide water service to the Ortiz property, the following conditions should be considered.

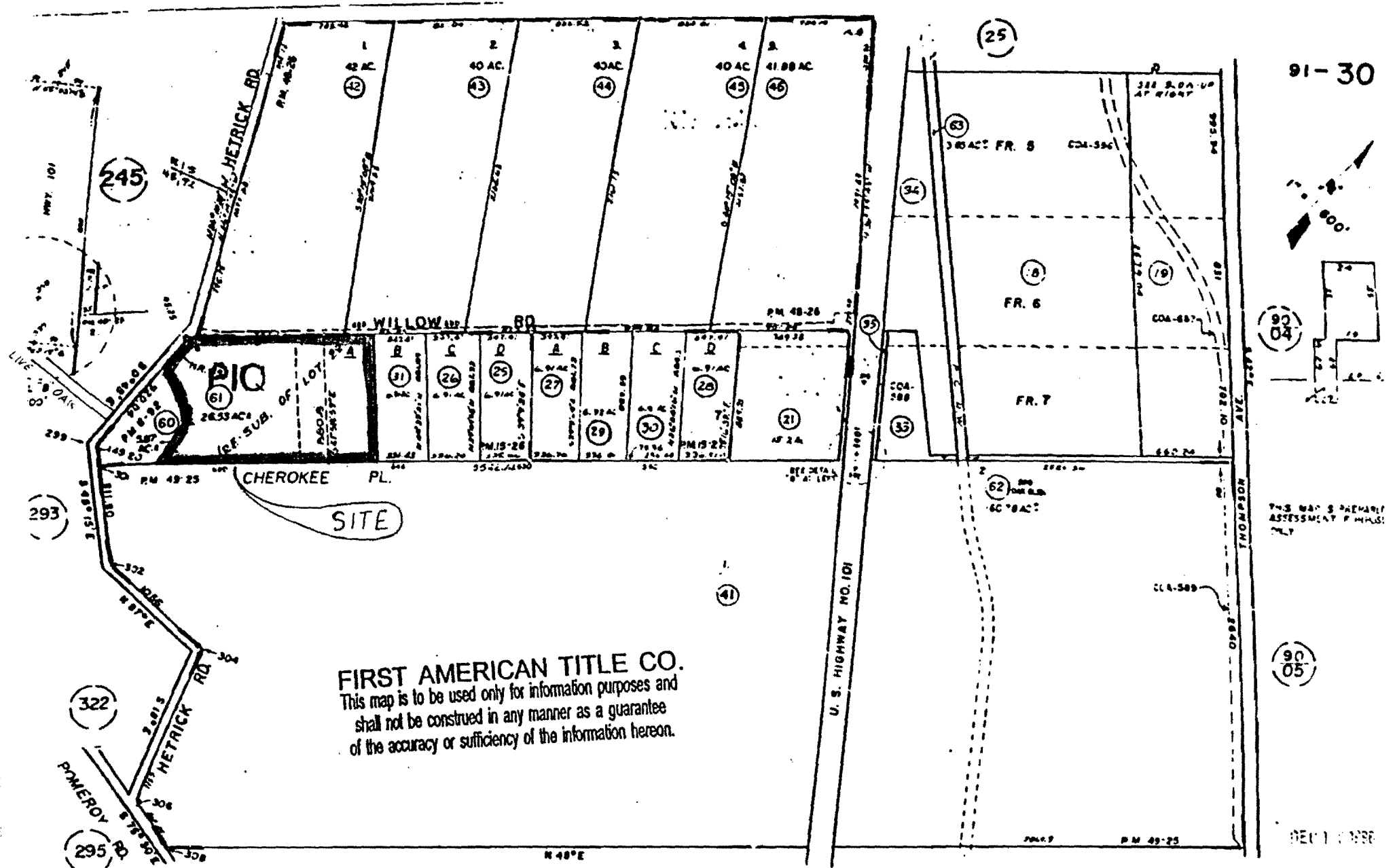
1. Annexation to the Nipomo Community Services District or have an outside user agreement and pay the processing fees.
2. Payment the water fees associated with the size of the meter.
3. Allocation of all water rights to the District .

The past few months the District has received individual inquiries, in and outside the District boundaries, about connecting to the water system because of concerned about their well production. It is unknown what will happen when there is a period of less than average rainfall.

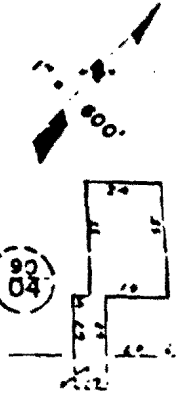
RECOMMENDATION

If your Honorable Board wishes to provide water service to 660 Cherokee Place, it is recommended that Ortiz's comply with the above mentioned conditions and that the allocation of water rights be a recordable document.

Board 2000\Ortiz request.DOC



91-30



THIS MAP'S PREPARATION
ASSESSMENT PURPOSES
ONLY

FIRST AMERICAN TITLE CO.
This map is to be used only for information purposes and shall not be construed in any manner as a guarantee of the accuracy or sufficiency of the information hereon.

FOR B.S. 24 7-9-00 11-1-00
12-19-00 5-1-02

325

Copy of document found at www.NoNewWipTax.com

90
15

RANCHO NIPOMO
SAN LUIS OBISPO COUNTY
CALIFORNIA

DEPT. 1986

July 9, 2000

NCS D BOARD OF DIRECTORS
DOUGLAS JONES/GEN. MGR.
PO BOX 326
NIPOMO, CA 93444

Dear Board Members:

This letter is addressing the NCS D Board Of Directors for a request of NCS D services based on a hardship status. Specifically our wells have gone dry and have forced us to truck water onto our residence, which has become an added financial hardship.

We would appreciate any assistance you may be able to offer us with our water situation. Thank you for your consideration and time to review our request, as we will patiently wait for your response. Please call at your convenience if you have any further questions.

Residential Information:

Salvador Ortiz Jr. Phone # 929-3633
Helen S. Ortiz
Parcel # CO-73-436
660 Cherokee Place
Nipomo, CA 93444

Sincerely,

SALVADOR ORTIZ JR.

HELEN S. ORTIZ

JUL 14 2000

NIPOMO
SERVICES

POWER OF GOD

TRAINING CENTERS

Reaching Out To Hurting People • A Place that cares about your life!

Helping men, women, youth and parents fight the war on drugs, alcohol and other mood altering chemicals in our inner cities.

July 26, 2000

Founders / Pastors Sal & Helen Ortiz

**To: Douglas Jones, General Manager
Nipomo Community Services District
148 S. Wilson St.
Nipomo, CA 93444**

**From: Power of God Christian Center
DBA/Paradise Oaks Garden
P.O. Box 670
Santa Maria, CA 93454**

Dear Sir,

Per my recent conversation with a member of your staff, I am submitting this letter to inform you of the services our organization is now providing in the local community of Nipomo.

Approximately 13 years ago, in March of 1987, our organization began operating a live-in life-skills program in the city of Santa Maria. Our program is designed to assist individuals in developing essential life skills as well as valuable work ethics. We have experienced much success in both men and women and enabling them to re-enter the work force and become productive members of society.

An essential element of our Vision has always been to purchase a "Ranch" where we might further develop and structure our program. We have recently seen this come to pass in the acquisition of our property located at 660 Cherokee, in the city of Nipomo. It is with great pleasure that we have relocated our facility and broadened the area of our services to the San Luis Obispo County.

However, we have recently encountered a major set back. It seems that after only a few months, the Well on our property has ceased to provide our facility with the necessary water to operate. We have invested several thousand dollars in seeking a remedy and attempting to fix the problem. It is at the recommendation of various professionals who have attempted to service our Well that we are now coming to you for assistance. We are asking that you consider allowing us to connect to the county water supply and purchase our water from such. We are also requesting that you allow us to do this on a Hardship basis. Our facility currently serves approximately twelve adults and their children. It is vital to the continuance of our program that you grant our request.

HELPING MAKE A DIFFERENCE

1309 Via Del Carmel, Santa Maria, CA 93455 • (805) 934-9223

Copy of document found at www.NoNewWipTax.com

I would like to express my appreciation for your time and consideration in this matter. If you have any questions, please feel free to contact me at (805) 934-0572. Once again, thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Salvador Ortiz, Jr." The signature is written in black ink and is positioned above the printed name and title.

**Salvador Ortiz, Jr.
Founder And President**

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *D*
DATE: AUGUST 16, 2000

AGENDA ITEM **D2**
AUG 16 2000

RESOLUTION TO INCREASE
METER INSTALLATION FEE FOR NEW ACCOUNTS

ITEM

Propose adoption of resolution to increase the water meter fee \$105.00 to cover the purchase and installation of automatic meter reading (AMR) devices for new meter services.

BACKGROUND

At the August 2, 2000, meeting your Honorable Board reviewed the conversion from manual meter reading to automatic meter reading process which will be a labor saving program. The District will be installing the AMR devices in all water meter services and it is proposed that the additional cost will be added to the existing meter fee. The cost breakdown of installing and purchasing the AMR devices is as follows:

Purchase of device	\$95.00
Installation of device (approx. 15 min)	\$10.00
Total	<u>\$105.00</u>

The cost analysis has been available to the public in the District office since the August 2, 2000 meeting. The notice of the proposed fee was published per Government Code §66016.

Attached for the Board's review is a resolution amending Appendix A of the District Code to raise the meter fee \$105.00 for each meter size installation. This increase will only affect new services and not existing services.

RECOMMENDATION

Staff recommends that your Honorable Board adopt the Resolution No. 00-AMR to increase the water meter fee by \$105.00 for the AMR device and installation.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 00 - AMR**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX "A" TO CHAPTER 3.04 OF THE
NIPOMO COMMUNITY SERVICE DISTRICT CODE TO
ESTABLISH NEW METER FEES**

WHEREAS, it is a major responsibility of the Nipomo Community Services District (the "District") to maintain adequate levels of revenue, equitably collected from all classes of water customers to meet the financial commitment of the District's water operations department; and

WHEREAS, the District has implemented a new program to read water meters that require each water meter to be fitted with a transmitting device; and

WHEREAS, the purpose of this Resolution is to recover the District's cost of fitting water meters required for new connections to the District's water system with the transmitting device; and

WHEREAS, Section 3.04.050(C) of the District Code provides that the meter fee shall be established and amended by Resolution of the Board of Directors with reference to this Code Section.

WHEREAS, based upon the facts and analysis presented by the Staff Report, public testimony received, the District Board of Directors finds:

A. The public meeting adopting this Resolution has been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act); and that the District has complied with the requirements of Government Code Section 66016; and

B. The fee that is the subject of this Resolution does not exceed the estimated reasonable cost of providing the service for which the fee is imposed.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the District Board of Directors as follows:

Section 1. Meter Fee. The individual meter fees established in Appendix "A" to Chapter 3.04 of Title 3 of the Nipomo Community Services District Code are hereby increased by \$105 per meter to cover the District cost in fitting the meter with the transmitting device.

Section 2. Effective Date. The fees and charges adopted in the Master Fee Schedule shall take effect 60 days after the District Board of Directors adopts this Resolution.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 00 - AMR

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX "A" TO CHAPTER 3.04 OF THE
NIPOMO COMMUNITY SERVICE DISTRICT CODE TO
ESTABLISH NEW METER FEES

Section 3. Severability. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The District Board of the Directors hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 4. Incorporation of Findings and Recitals. The above-referenced recitals and findings are determined to be true and correct and are incorporated herein.

Section 5. Inconsistency. To the extent that the terms of this Resolution may be inconsistent or in conflict with the terms or conditions of any prior District Motions or Resolutions governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Motions, Resolutions, Rules, and Regulations are hereby repealed.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District, this 16th day of August, 2000, by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

ROBERT L. BLAIR
President, Board of Directors
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

DONNA K. JOHNSON
Secretary to the Board

JON S. SEITZ
District Legal Counsel

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: AUGUST 16, 2000

AGENDA ITEM
AUG 16 2000



ANNEXATION OF CYPRESS RIDGE DEVELOPMENT

ITEM

Consideration of annexation of Cypress Ridge Development to the Nipomo Community Services District for water and sewer service

BACKGROUND

A letter was received for Mr. Denis Sullivan, President of the Cypress Ridge Development Corp. requesting water and sewer service to the Cypress Ridge Golf Course Development consisting of 386 acres just north of Black Lake Canyon. It is anticipated that there will be 386 homes, club house and other facilities on this development.

The following are some conditions for consideration to provide water and sewer service to the Cypress Ridge Development.

- Applicant to fill out the District's application for annexation
- Applicant to apply to LAFCO for annexation to NCSD
- Annexation agreement to be entered into outlining all the possible criteria associated with the proposed annexation.
- Submit set of as-built plans showing all the water and sewer improvements of the development, well production and wastewater facility capacity

RECOMMENDATION

The Board may advise staff how to proceed in this matter. If the Board wishes to annex the Cypress Ridge area, they may direct staff to put an annexation report together outlining the details the Board needs to consider prior to this annexation. To expedite the process, the developer may wish to apply to LAFCO for annexation to NCSD. The LAFCO report and the District report could be done concurrently.



CYPRESS
Ridge

August 5, 2000

Mr. Douglas Jones
General Manager
Nipomo Community Service District
148 S. Wilson St.
Nipomo, CA 93444

Dear Mr. Jones,

Thank you for taking the time to discuss the various issues that relate to water availability on the Mesa.

As I have previously explained to the Board, Cypress Ridge has an agreement dated July 1st 1999 with Southern California Water Company to provide water and sewer services to our community, subject to California Public Utilities Commission approval. The approvals have been delayed as a result of protests filed by the California Ratepayer Representation Branch, of the C.P.U.C. and two groups from the Orcutt area. The main concern of each of these protestants is the impact on the water rates of the existing ratepayers, by having our water system purchased from us by Southern California Water Company. After meeting with the California Ratepayer Representation Branch staff and others, we elected to forgo any recovery of our cost of the water system. We are hopeful that a settlement between S.C.W.C. and the C.P.U.C. will be reached and the matter resolved in November or December.

It is critical that we provide our buyers with the necessary service at the earliest time possible. We have 24 houses nearing completion with buyer's deposits on more than 10 homes. We also have 94 lots that have buyers who wish to start construction as soon as possible.

Given the urgency of our situation, we request that the Nipomo Community Service District provide our community with water and sewer service. We are prepared to turn over to the District our newly constructed water and sewer facilities without cost, if the District wishes to serve us and get the necessary approvals to do so.

I would be more than happy to give you, your staff, and any commissioners that may wish to do so a tour of our facilities.

If you have any question, please do not hesitate to call.

Sincerely,

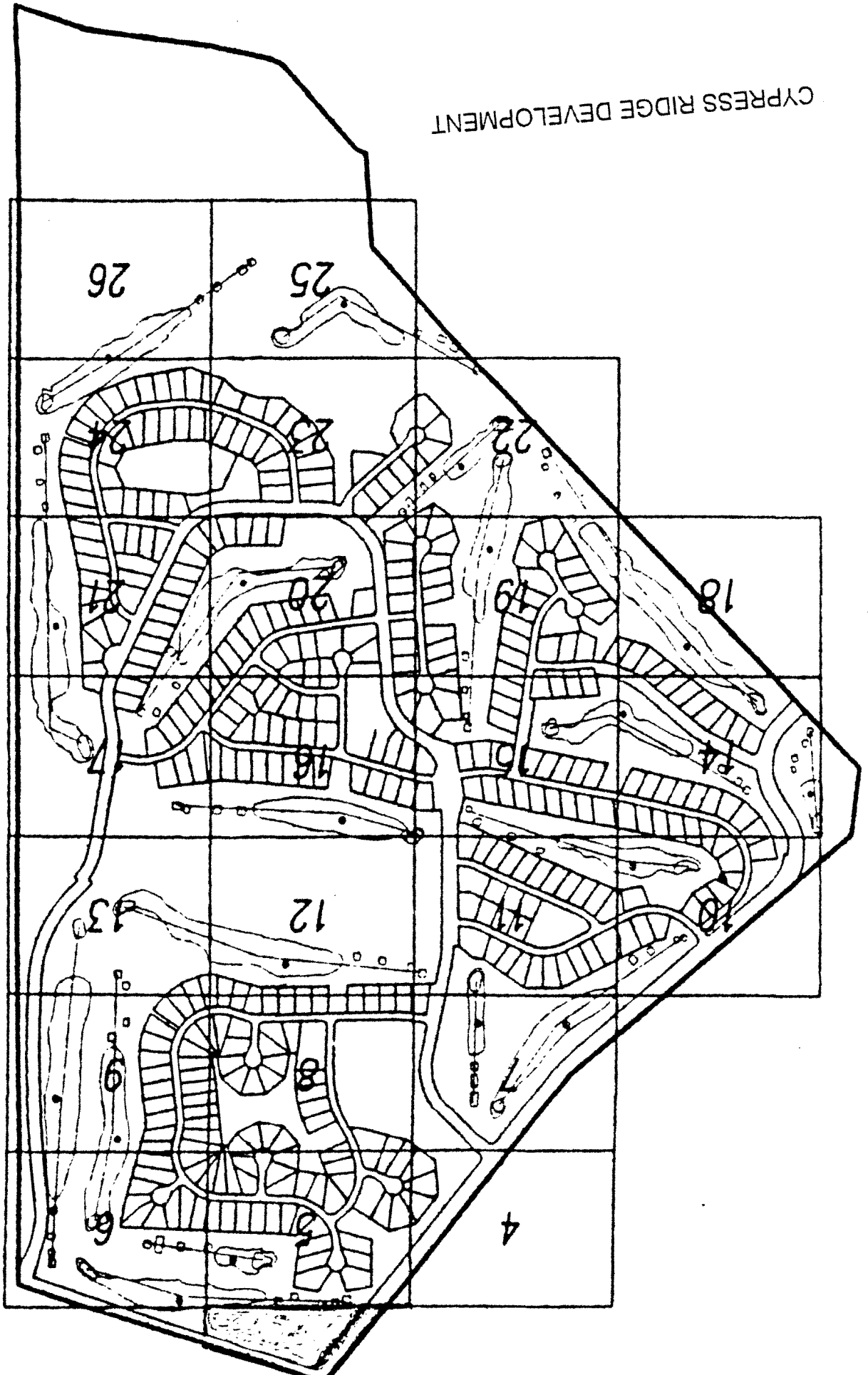
Denis Sullivan
President Cypress Ridge Development Corp. General Partner

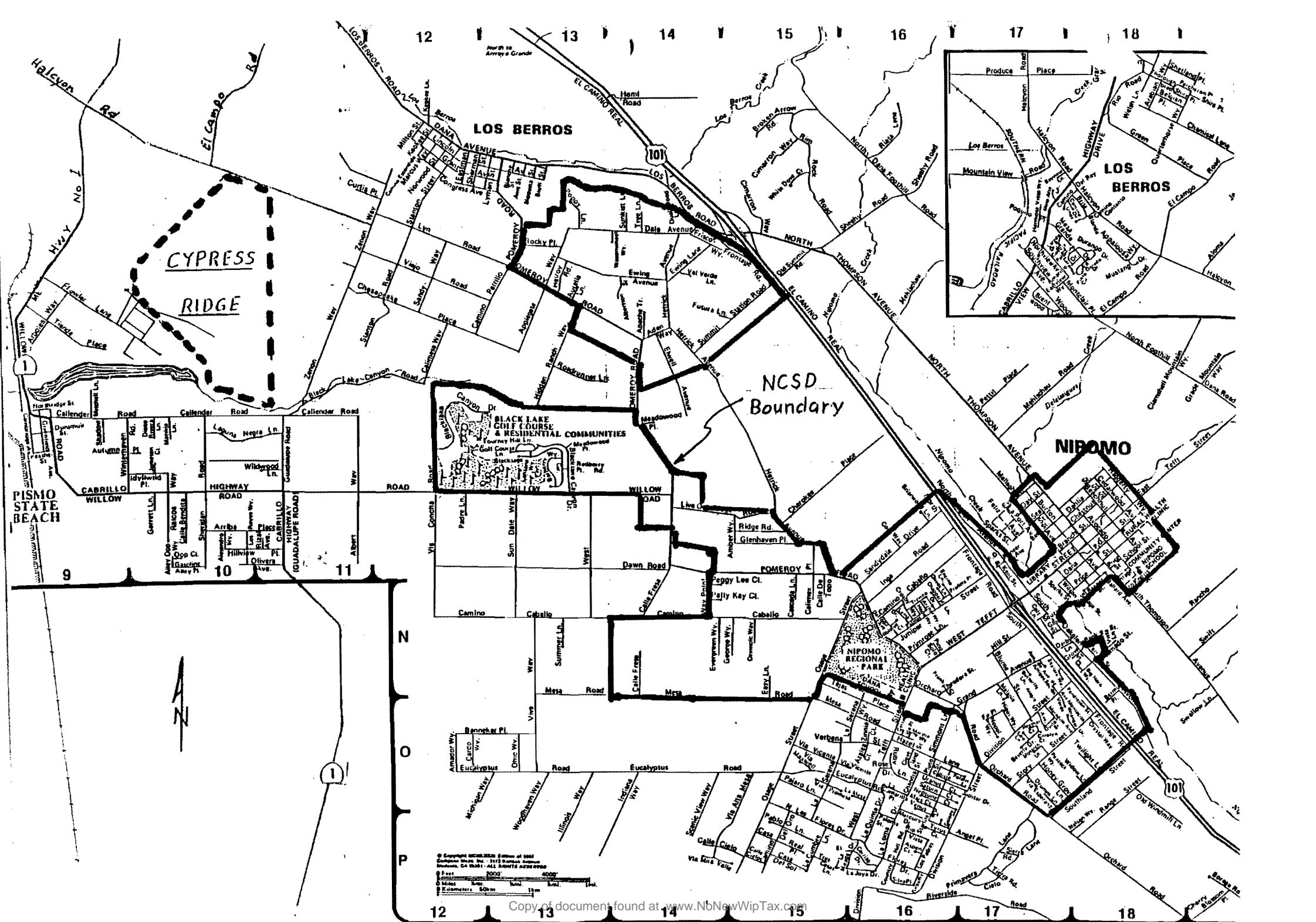
RECEIVED

AUG 07 2000

NIPOMO COMMUNITY
SERVICE DISTRICT

CYPRESS RIDGE DEVELOPMENT





TO: BOARD OF DIRECTORS

FROM: DOUG JONES *DJ*

DATE: AUGUST 2, 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 August 2, 2000 Regular Board meeting

WARRANTS AUGUST 16, 2000

HAND WRITTEN CHECKS

18364 07/31/00 L T & SONS 442.65
 18365 08/04/00 SANSONE CO INC 12,465.31

VOID 18363

5067	08/16/00	FIR01	FIRST AMERICAN REAL EST	80.59
				188.06
			Check Total.....:	268.65
5068	08/16/00	GAR01	GARING TAYLOR & ASSOC	1040.50
				3249.87
			Check Total.....:	4290.37
5069	08/16/00	GIL01	GLM	217.00
5070	08/16/00	GRO01	GROENIGER & CO	51.39
5071	08/16/00	M&W01	M & W PUMPS, INC.	1148.98
5072	08/16/00	MCK01	MCKESSON WATER PRODUCTS	8.50
5073	08/16/00	MEN01	ALEX MENDOZA	100.00
5074	08/16/00	MIS01	MISSION UNIFORM SERVICE	196.50
5075	08/16/00	MOB01	RICHARD MOBRAATEN	100.00
5076	08/16/00	MOR01	MORRO GROUP INC	168.00
5077	08/16/00	NEW01	R H NEWDOLL CONST INC	2776.80
5078	08/16/00	NIP01	NIPOMO ACE HARDWARE INC	267.36
5079	08/16/00	NIP02	NIPOMO GARBAGE	42.50
				12.25
			Check Total.....:	54.75
5080	08/16/00	NIP03	NIPOMO SHELL	844.78
5081	08/16/00	PIO01	PIONEER EQUIPMENT CO	126.18
5082	08/16/00	POS01	POSTMASTER	100.00
5083	08/16/00	SIM02	ALBERT SIMON	100.00
5084	08/16/00	THE01	THE GAS COMPANY	3136.98
5085	08/16/00	UND01	UNDERGROUND SERVICE ALERT	149.32
5086	08/16/00	USA01	USA BLUEBOOK	1432.84
5087	08/16/00	VER01	VERIZON	28.38
5088	08/16/00	WIN01	MICHAEL WINN	100.00

COMPUTER GENERATED CHECKS

5040	08/02/00	BLA01	ROBERT L BLAIR	100.00
5041	08/02/00	CEN01	CENTRAL ELECTRIC	125.20
5042	08/02/00	GTE01	GTE CALIFORNIA	28.49
5043	08/02/00	MEN01	ALEX MENDOZA	100.00
5044	08/02/00	MID03	MIDSTATE BANK MASTERCARD	19.95
5045	08/02/00	MOB01	RICHARD MOBRAATEN	100.00
5046	08/02/00	PGE01	P G & E	27544.27
5047	08/02/00	PRE01	PRECISION JANITORIAL	135.00
5048	08/02/00	REN01	RENAISSANCE IMAGING	168.92
5049	08/02/00	SIM02	ALBERT SIMON	100.00
5050	08/02/00	SLO01	SAN LUIS OBISPO COUNTY	14.00
5051	08/02/00	WIN01	MICHAEL WINN	100.00
5052	08/11/00	EMP01	EMPLOYMENT DEVELOP DEPT	387.96
5053	08/11/00	MID01	MID STATE BANK	1648.39
				394.93
			Check Total.....:	2043.29
5054	08/11/00	MID02	MIDSTATE BANK - DIRECT DP	11900.31
5055	08/11/00	SIM01	DEBRA SIMMONS	150.00
5056	08/11/00	STA01	STATE STREET GLOBAL	825.00
5057	08/16/00	BCS01	BCS	952.28
5058	08/16/00	BLA01	ROBERT L BLAIR	100.00
5059	08/16/00	BOY01	BOYLE ENGINEERING CORP	5612.22
				4901.58
			Check Total.....:	10513.80
5060	08/16/00	CAN01	CA-NV SECTION AWWA	25.00
5061	08/16/00	CRE01	CREEK ENVIRONMENTAL LABS	60.00
				115.00
				60.00
			Check Total.....:	235.00
5062	08/16/00	CUL01	CULTURAL RESOURCE MGMT SR	1415.00
				4473.00
			Check Total.....:	5888.00
5063	08/16/00	DWI01	DWIGHT'S AUTOMOTIVE	69.63
5064	08/16/00	EAS01	EASTER RENTS	9.41
5065	08/16/00	FAR01	FARM SUPPLY COMPANY	20.62
5066	08/16/00	FGL01	FGL ENVIRONMENTAL	44.80
				396.00
				403.00
				25.00
				210.40
				44.80
				44.80
				44.80
				44.80
			Check Total.....:	1258.40

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

AUGUST 2, 2000

AGENDA ITEM

AUG 16 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

President Blair called the meeting to order at 10:35 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all Board members were present.

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.

President Blair opened the meeting to Public Comments.

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

John Snyder, 662 Eucalyptus, Nipomo - Gave the Board some copies of information concerning Cypress Ridge, California Cities and Owens Valley Water Issues and suggested that the Board may be interested.

D. ADMINISTRATIVE ITEMS (The following may be discussed and action may be taken by the Board.)

D-1) INCREASE IN METER INSTALLATION FEE FOR NEW WATER SERVICES

Introduction of a resolution to increase the water meter fee \$105 for the purchase and installation of an automatic meter reading device

A resolution to increase the water meter fee \$105.00 to cover the purchase and installation of automatic meter reading devices for new meter services was presented to the Board for review.

There were no public comments. Upon motion of Director Simon and seconded by Director Winn, the Board voted 5-0 to receive and file the staff report and order it available for public inspection and directed the secretary to publish notice of the hearing to adopt the resolution.

E. OTHER BUSINESS

E-1) CYPRESS RIDGE PUC HEARING

District representative at the PUC Hearing on Aug. 16, 2000

A PUC Hearing will be held in Orcutt to discuss Southern California Water Company's application to serve the Cypress Ridge Golf Course Development.

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

Denis Sullivan, 957 Parkway - Explained Cypress Ridge's position and answered questions from the Board.

John Snyder, 662 Eucalyptus, Nipomo - Someone other than Cal Cities should be running Cypress Ridge.

Upon motion of Director Winn and seconded by Director Simon, the Board appointed Manager Doug Jones and Legal Counsel Jon Seitz to represent the District at the PUC Hearing on August 16, 2000 at Lakeview Jr. High School in Orcutt.

MINUTES
AUGUST 2, 2000
PAGE TWO

- 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 July 19, 2000 Regular Board meeting
Approval of Minutes of July 21, 2000 Special Study Session
- F-3) INVESTMENT POLICY QUARTERLY REPORT ENDING 6/30/00 [RECOMMEND RECEIVE & FILE]
- F-4) ACCEPTANCE OF TRACT 2213 IMPROVEMENT (BONITA HOMES) [RECOMMEND APPROVAL]

There were no public comments. Upon motion of Director Mobraaten and seconded by Director Mendoza, the Board unanimously approved the items on the Consent Agenda. Vote 5-0

G. **MANAGER'S REPORT**

Manager Doug Jones presented information on the following:

- G-1) CAL WATER JOURNAL ARTICLE ON HEARTLAND DROUGHT

H. **DIRECTORS COMMENTS**

Director Mobraaten reported on the Chamber of Commerce meeting. Andy Caldwell spoke against SOAR. The Sept. meeting will have a speaker for SOAR. President Blair reported on the SLO-COG meeting.

District Legal Counsel, Jon Seitz, announced the need to go into Closed Session concerning the matter below.

CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL GC54956.9
 - a. SMVWCD vs NCSA Santa Clara County Case No. CV 770214 and all consolidated cases.

The Board came back into Open Session and had no reportable action.

ADJOURN

President Blair adjourned the meeting at 12:02 p.m.

AGENDA ITEM 
AUG 16 2000

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *D*
DATE: AUGUST 16, 2000

MANAGER'S REPORT

- G-1) CSDA BOARD OF DIRECTORS ELECTION - CANDIDATES STATEMENTS
- G-2) GOVERNING - ARTICLE ON WATER SHORTFALLS

Mgr 81600

GI



August 2, 2000

Board of Directors and Management

CSDA BOARD OF DIRECTORS ELECTION - REGION FOUR

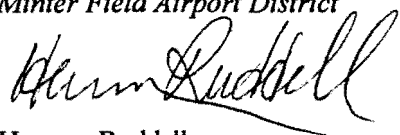
With the support of the Board of Directors of the Minter Field Airport District I have accepted its nomination to be a candidate to represent Region Four on the California Special Districts Association Board of Directors. I currently serve on the Board of Directors for the Kern County Special District's Association, representing some 90+ special districts.

My education and experience will help me to be an effective participant in helping set policy and guiding the Association in what lies ahead. My education includes a Bachelor Degree in Economics, with a major in Urban Planning and Development, and a Master Degree in Administration and Public Policy.

In my public service career, I have held executive level positions in Special District (8 years), County (2 years) and City (2 years) health care facilities. Currently, I serve as the General Manager for one of only nine California Airport Special Districts. My community service experience includes three years as a city Planning Commissioner, three years as a Redevelopment Agency Member, six years on the Board of Director service for a Downtown Business and Property Owners Association, ten years as a Project Clean Air Board member, and two years on the Board for a northern California Fire Protection District.

I believe that I have a working knowledge of the many varied issues facing many varied Special Districts today. These include matters raised in the recent Little Hoover Commission Report, LAFCO concerns and ERAF issues. I will be honored to serve and respectfully ask your support and vote in helping me serve all Special Districts in this greater capacity.

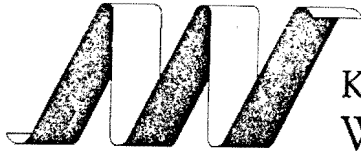
Yours respectfully,

Minter Field Airport District


Herman Ruddell
General Manager

HR:psn

PROFESSIONAL
 AUG 10 2000
 JRPC COMMUNITY
 SERVICES DISTRICT



KERN COUNTY
WATER AGENCY

Directors:

Fred L. Starrh
President
Division 1

Terry Rogers
Division 2

Peter Frick
Division 3

Michael Radon
Division 4

Adrienne J. Mathews
Division 5

Henry C. Garnett
Vice President
Division 6

Gene A. Lundquist
Division 7

Thomas N. Clark
General Manager

John F. Stovall
General Counsel

August 4, 2000

MEMBERS OF THE
CALIFORNIA SPECIAL DISTRICT ASSOCIATION
REGION 4

Attn: General Manager and Board

Re: Election of Region 4 Representative to Board of
California Special District Association

Greetings:

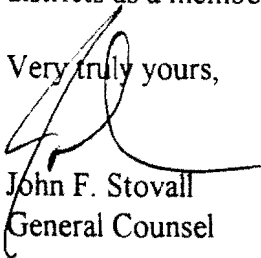
As you may be aware, there is a vacancy on the Board of Directors of the California Special Districts Association (CSDA) for our region. I am writing to ask for your vote in the upcoming election for that seat.

Special districts of all types face increasingly complex and difficult challenges in the coming years. These challenges run the gamut from legislative and regulatory challenges to simple administrative and management problems. I believe that the CSDA can serve as a useful tool to provide special districts with strong representation in Sacramento, and to provide you with the information you need to solve local problems. The CSDA has done much in this regard, it can do more as we seek to continuously improve our programs.

My experience includes management of the legislative and legal initiatives of my agency as General Counsel for 10 years, and dealing with its local issues as well. I am also President of the Kern County chapter of the Special Districts Association. My educational background includes an MBA and law degree.

I would appreciate the opportunity to work on the challenges facing special districts as a member of the CSDA board. I would appreciate your vote.

Very truly yours,


John F. Stovall
General Counsel

Mailing Address:
P.O. Box 58
Bakersfield, CA 93302-0058
Phone: 661/634-1400
Fax: 661/634-1428

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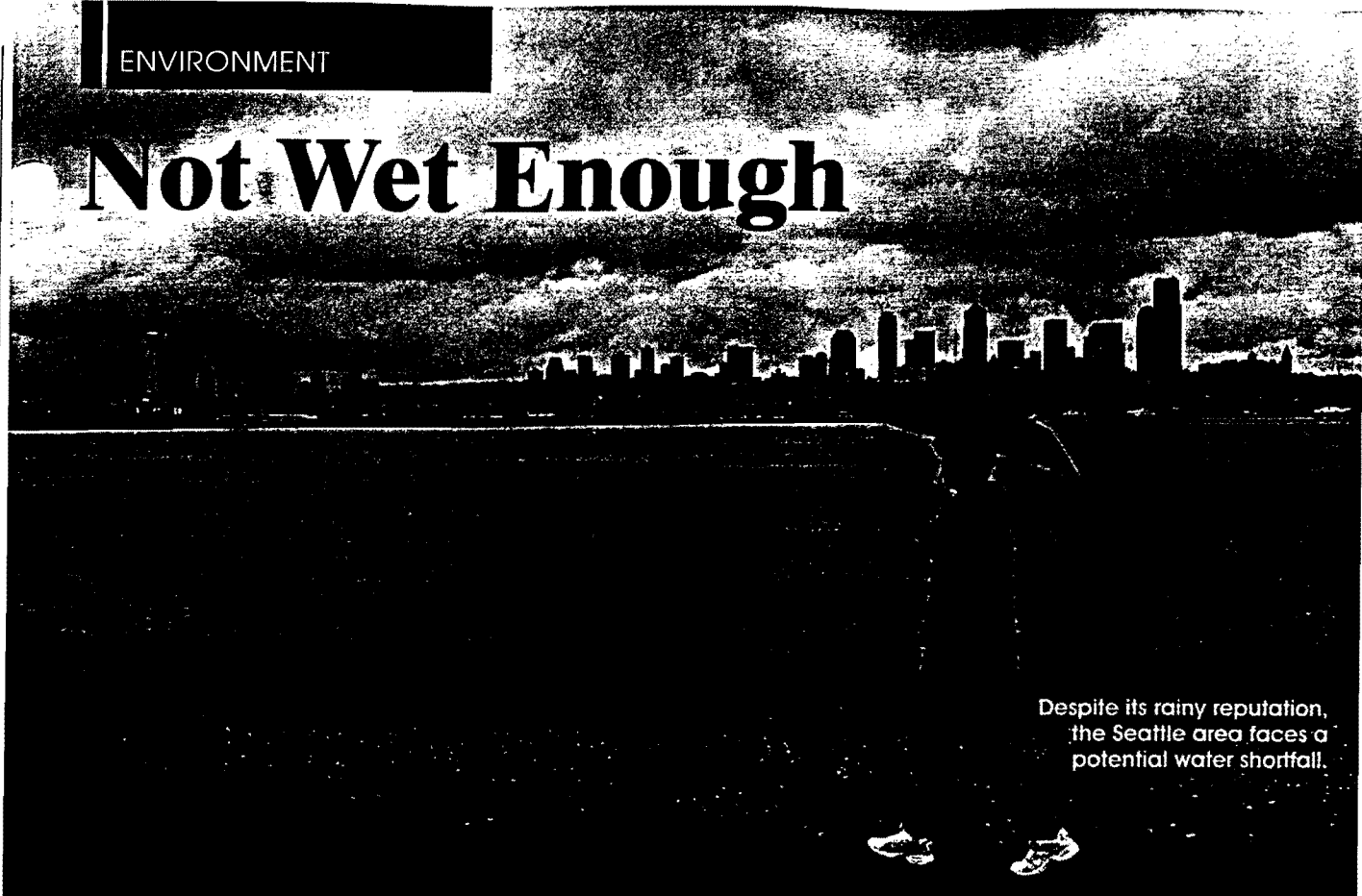
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RELEVANT BIOGRAPHICAL POINTS
JOHN F. STOVALL
REGION 4 ELECTION
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

- ◆ President - Kern County Special Districts Association
- ◆ General Counsel - Kern County Water Agency
 - ◆ Manages Legislative Activities & Coalitions
 - ◆ Analyzes Bills to Develop Positions
 - ◆ Manages Litigation
- ◆ State Water Contractors Legal Committee - Chairman
 - ◆ Analysis of Bills for State Water Contractors
 - ◆ Reviews Litigation of State Water Contractors
- ◆ Association of California Water Agencies State Legislative Committee
 - ◆ Analysis and Development of Positions on State Legislation
- ◆ Association of California Water Agencies Federal Affairs Committee
 - ◆ Analysis and Development of Positions on Federal Legislation
- ◆ California Pacific School of Law
 - ◆ Teaches Water Law and Administrative Law
- ◆ Networking Potential
 - ◆ Former President Kern County Bar Association
 - ◆ Former Vice-President and Treasurer of State Bar of California
 - ◆ Politically Active
- ◆ Analytical Tools
 - ◆ Law Degree, *cum laude*, Loyola Law School
 - ◆ MBA, California State University Bakersfield

Not Wet Enough



Despite its rainy reputation, the Seattle area faces a potential water shortfall.

Even in the most unlikely places, local governments are grappling with demands for water that exceed existing supplies. And conservation isn't turning out to be easy or cheap.

BY TOM ARRANDALE

By all appearances, neither Seattle nor Tacoma, Washington, should be worried about running out of water. Rainfall averages nearly 40 inches a year at the airport they share, and both cities border Puget Sound. When the clouds lift, residents revel in glimpses of white-capped Mount Rainier, whose melting snow replenishes the watershed every spring.

But even Seattle and Tacoma have learned that their water supply isn't limitless. While winters there invariably are wet, precipitation dwindles from May through September, just as water consumption spikes upward. Local water officials have come to accept that it would be prohibitively expensive to develop additional supplies just to cover peak-season surges.

The larger issue, though, is that the region's population is expected to swell by

25 percent in the next two decades. Bracing for that growth, Seattle and Tacoma have concluded that the cheapest way to meet future demand is to conserve the water supplies they've already got. Even in the Pacific Northwest, "conservation costs about half as much per gallon as the supply option," says Allan Dietemann, a Seattle Public Utilities water conservation analyst.

So in different ways, the two cities are campaigning hard to stretch a precious resource. Since Tacoma is a heavily industrialized port, officials have focused efforts on persuading the municipal utility's biggest commercial customers to cut back their consumption. Seattle's economy is more diverse, so city water managers are counting on a broader conservation program to curb water use by both businesses and homeowners. Over the past decade, for instance, the city's public schools cut water use in half by replacing 2,200 toilets, including some installed in 1917, with more efficient models. In addition, the Seattle Public Utilities reworked its water rates—charging com-

mercial customers double during the summer months.

To make conservation work, Seattle and Tacoma must perform a difficult balancing act. They have to extend limited supplies to supply a burgeoning population and water-intensive high-tech industries. But even as they discourage wasteful use, they've got to sell enough to cover the capital and operating costs they'll incur to deliver clean and healthy water. Seattle already has begun raising rates to pay for new pipelines and a \$70 million filtration plant for its primary Tolt River water supply. But now that Seattle boosts summertime rates to discourage use, "if consumption goes down because there's a wet, cold summer, our revenues go down by quite a bit," notes Jerry Allen, the Seattle Public Utility's rate manager. "It's a matter of balancing conservation with revenues, and at the present time we're being careful with that balance."

"This is something that water systems around the country are going to be facing,"

CHUCK PEFFLEY

microchip manufacturers flocking to naturally dry desert surroundings.

In central Texas, Austin and San Antonio have launched conservation efforts to preserve dwindling groundwater aquifers that support endangered wildlife species. Florida's efforts to restore water flows through the Everglades are forcing communities to husband limited supplies. For the past century, California has fought epic battles over control of limited water supplies. In the March California primary, however, voters enacted a multi-faceted Water 2000 bond initiative that provides \$155 million for conservation projects across the state, including \$30 million in loans for governments in urban areas to expand water-saving efforts.

Technology can help municipalities conserve substantial amounts of water. It's relatively simple, for instance, for homes, schools and businesses to cut indoor water usage by installing low-flow toilets and showerheads. Governments can influence outdoor consumption as well by encouraging residents to replace their lawns with native vegetation and install more effi-

cient sprinkling systems. Parks, golf courses, industrial parks, car washes and factories can use recycled wastewater instead of wasting fresh water that's been fully treated so people can drink it safely.

To stretch its supply of drinkable water, for instance, Honolulu, Hawaii, has agreed to purchase half of the 12 million gallons of sewage effluent that U.S. Filter, a water treatment company, will produce with a \$34 million wastewater recycling plant scheduled to open in August. In the meantime, however, the Honolulu Board of Water Supply has asked residents to voluntarily cut consumption for the rest of the year by curtailng yard sprinkling, checking for leaks, taking shorter showers and running dishwashers and washing machines only after they've accumulated full loads. This summer, drought forced Atlanta and other U.S. cities to impose similar emergency measures.

Twice in the past dozen years, Seattle and Tacoma suffered through summertime shortages and barely skirted dire economic consequences. Dur-

ing a drought in the late 1980s, Tacoma was forced to cut back deliveries to its biggest customer, the Simpson Tacoma Kraft Co. paper mill, forcing the company to lay workers off until rain began falling again three weeks later. "That's the kind of thing that motivates a company like Simpson and the water utility" to reassess how much water the city can count on, notes Anna Thurston, a water conservation specialist for Tacoma Public Utilities.

Since then, Tacoma has been working closely with the mill and other major industries to curb industrial water consumption. Simpson Tacoma Kraft still uses 30 percent of the city's water, but since 1990, the company has reduced the amount it buys by roughly one-third, conserving 10 million gallons a day. This year, mill executives worked with city utility experts to identify steps that will cut the plant's consumption by an additional 2 million gallons daily. "That's a pretty big chunk of water for us that can be plugged into the system" to supply other customers and head off future shortages, Thurston notes.

For the paper mill, water conservation

says Thomas W. Chesnutt, a San Diego-based water-planning consultant. As if coping with growth- or drought-related water shortfalls weren't daunting enough, the American Water Works Association and other infrastructure groups reported this spring that drinking water and wastewater utilities need to invest \$1 trillion over the next 20 years to replace pipes, rehabilitate aging facilities and meet tightening water quality standards. Covering just those costs could double consumers' water bills, a most unwelcome prospect to the mayors, city councilors and county commissioners who oversee water agencies. At the same time, local governments have to figure out how to stretch supplies with conservation programs that will require most Americans to pay even more for water.

Delivering water to a community is, by nature, a monopoly. Courts, legislatures and state regulators have traditionally prevented abuse of that power by basing rates on a municipal water supplier's cost of providing service. With little incentive to conserve, water agencies

merely calculated expected demand, built capacity to meet it and set rates to cover the cost of acquiring, treating and pumping the water to customers' faucets. Some utilities continue to reward heavy use by cutting rates for commercial customers who buy large volumes of water.

In the West, moreover, federally subsi-

dential customers. As a result, water-system planning "has been like a treadmill, and artificially low prices have kept the treadmill running at a fast pace," Chesnutt observed in a 1998 study he co-authored with Janice A. Beecher, an Indiana University research scientist.

Those assumptions are beginning to

Economic purists think the most logical step is to charge customers what their water is really worth.

dized dams have kept water prices artificially low. Some Northeastern and Midwestern communities have refused to risk politically unpopular water rate hikes in order to repair leaks in aging systems. Local governments all over the country have kept water charges down to attract industrial development, and the potential for incurring the wrath of rate payers has made elected officials reluctant to meddle with what local utilities charge resi-

change, however, as more communities are running up against the limits of water resources. Coping with recent drought emergencies has convinced some state and local officials in the Northeast that they need to make conservation a routine part of water-planning operations. In fast-growing cities in the South and West, state and local governments face the very different challenge of supplying water-gulping growth that comes with retirees, golfers and

Saving Water

Conservation measures that Seattle plans to implement at a cost lower than the current peak-season marginal cost for new water supply.

Measure	Gallons Saved/Day, Peak Season
RESIDENTIAL LANDSCAPE	
Allow lawn to go dormant	621,130
Install auto rain shutoff	680,192
Improve irrigation scheduling	1,145,972
Improve perf. of irrigation system	2,265,556
Install low-water-use plantings	260,324
Install soil moisture sensor	554,167
RESIDENTIAL DOMESTIC	
Decrease toilet flushes	1,569,377
Decrease faucet use	1,931,633
Decrease shower use	2,686,274
Dry sidewalk cleaning	258,456
Elim. partial clothes washer loads	865,877
Improve hot tub use	62,689
Improve swimming pool use	158,834
Switch to recirculating car wash	326,511
Install redesigned toilet flappers	2,712,535
Install 1.6 gallons/flush toilets	4,131,636
COMMERCIAL LANDSCAPE	
Improve irrigation scheduling	518,033
Install soil moisture sensors	207,209
Ins. weather-based irrig. controllers	274,672
COMMERCIAL DOMESTIC	
Improve hot tub use	19,807
Improve swimming pool use	106,851
Install 1.0 gallons/flush urinals	408,177
Install 1.6 gallons/flush toilets	1,346,648
Install waterless urinals	330,088
COMMERCIAL PROCESS	
Elimin. single-pass decor. water features	21,384
Improve control of process water	941,749
Improve perf. of cooling towers	1,150,453
Recycle laundry washwater	390,051
Switch to air cooling	4,297,593
Water-efficient clothes washers	289,220
TOTAL SAVINGS IN GALLONS	30,793,106

Source: Seattle Public Utilities

"isn't a highly profitable investment, but it's necessary for us to stay in business," says Dave McEntee, the firm's environmental health and safety director. For the city of Tacoma, the mill's savings go a long way toward keeping fire hydrant pressure from dropping too low in summer months, when water consumption is

peaking. Tacoma's utility has even sold water to nearby communities where short supplies had forced local governments to impose moratoria on new construction.

Seattle has moved faster to curb residential use because homes and apartments consume larger shares of its water. Seattle Public Utilities distributes to 1.3 million people in the city and 27 suburban communities and water districts. While conservation is imperative, city officials have instructed the utility to pursue water savings "without drastic changes in people's lifestyles," says Rich Gustav, the Seattle utility's resource conservation manager. "We're not going to tell people they can't grow lawns anymore."

Toward that end, Seattle distributed 330,000 water-saving showerhead kits door-to-door, offered cash rebates for residents who bought efficient front-loading clothes washers, and paid for installing new showerheads and repairing toilets in apartments and condominiums. The city recycles 500,000 gallons of wastewater a day for irrigation use, and local governments have begun enforcing a revised state code that requires new construction and remodeling projects to install state-of-the-art plumbing. Extensive public education campaigns have promoted water-conserving landscaping, and the utility also is chipping in to help stores, offices, hotels and factories install more efficient plumbing and industrial equipment. "Typically, we go 50-50, and that enables the customer to realize a return on the investment within a couple of years," Gustav says.

Seattle officials credit peak summer rates for roughly a third of the 30 million gallons the system already saves every day, bringing total consumption down to its 1980 level even amid a booming economy. The utility charges residential customers \$1.60 per 100 cubic feet of water used—up to a maximum of 500 cubic feet.

The rate then jumps to \$2.53 for every hundred cubic feet exceeding that base level. Commercial customers pay \$1.11 per hundred cubic feet for all the water they use during winter, but the rate escalates to \$2.29 in summer. As a rule of thumb, Seattle planners assume that consumption will drop 15 percent every time water rates are doubled, says Allen, the city utility's rate manager.

This year, Seattle followed up by launching a 10-year campaign to cut per-capita water consumption by another 1 percent annually. "That allows us to match the forecasted rate of growth so we can keep demand flat" at current levels, explains Gustav.

Economic purists think the most logical step would be to create full-fledged water markets, then charge all customers what the water is really worth. Such an approach assumes that both commercial and residential consumers can figure out for themselves how to take advantage of cost-saving technologies. In reality, Chesnutt points out, "the fact of the matter is that conservation information is not only not perfect, it's expensive. There's a strong case for governments to take collective action" to promote water-saving decisions.

Seattle is committed to spending \$4.8 million a year on its 10-year campaign to promote further conservation. That averages out to \$1.52 for every hundred cubic feet of water that the utility won't have to acquire, pump, treat and deliver to homes and businesses. On the other hand, Diemann points out, "the storage and transportation and treatment of water is very expensive, and the last increment of water is a lot more costly than meeting average demand. Our whole goal with conservation is to keep the peak season as low as possible."

Seattle officials figure that expanding the system to supply that last peak of demand would cost \$2.41 for every hundred cubic feet. Compared with that, spending \$1.52 to save the same amount is obviously a bargain. Nevertheless, if Seattle can't meet its current 1 percent per year goal, within a dozen years the city will need to either adopt even more rigorous conservation steps or somehow find more water. Realistically, however, "we just can't go out and take more water from a river or drill another well," Diemann says. "We do have some limits." **G**