

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

NOVEMBER 1, 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) AMENDMENT TO WATER & SEWER SERVICE AGREEMENT
BETWEEN NCSD & LUCIA MAR UNIFIED SCHOOL DISTRICT
Review and discussion only

D-2) REPLACEMENT OF FIRE HYDRANTS
Award the replacement of fire hydrants to low bidder- Benergy Inc..

D-3) REQUEST FOR SERVICE - CAR WASH @ SHELL STATION
Request for water & sewer service for a proposed car wash at 501 W. Tefft St.

E. OTHER BUSINESS

E-1) SLO COUNTY AD-HOC PLANNING ADVISORY COMMITTEE
Review committee's recommendations on area planning process

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 October 18, 2000 Regular Board meeting

G. MANAGER'S REPORT

G-1) COUNTY ROAD IMPROVEMENT FEES

H. DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC§54956.9

- 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, GC§54956.9
- c. Litigation CPUC Appl. No. A 00-03-029 (Gov. Code §54956.9)
- d. Anticipated Litigation, one case, GC § 5495619

ADJOURN

Next regularly scheduled District Board meeting will be held on November 15, 2000.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 1, 2000



PROPOSED AMENDMENT TO EXISTING WATER AND SEWER SERVICE AGREEMENT BETWEEN
NCSD AND LUCIA MAR UNIFIED SCHOOL DISTRICT

BACKGROUND

In August of last year NCSD and Lucia Mar Unified School District entered into an extraterritorial agreement to provide sewer and water services to the new high school to be built on Thompson Avenue north of the District boundary.

The existing agreement gives the School District the option of retrofitting existing residences within the NCSD to provide a water source to the new high school or developing their own water source to supply the high school. The School District has proceeded to drill a well at the Dana School site known as Dana Well #2 in anticipation it would provide a sufficient water source for the new high school, as outlined in the School District's Environmental Impact Report (EIR). The School District is in the process of testing the well and proceeding to acquire the necessary permits to establish a water source for the new high school. Presently the School District does not have a dedicated water source for the new high school.

To this extent, the School District has prepared a draft first amendment to the original agreement which outlines a number of items associated with providing services to the high school. Attached is the draft of the first amendment to the original agreement along with NCSD's legal counsel's discussion points that were reviewed at the joint committee meeting held Tuesday, October 24, 2000. District staff will review the original agreement and the current version of the draft agreement.

The following documents are attached for reference:

1. School's first amended draft
2. Discussion points
3. Original agreement
4. School EIR, water section
5. Dec. 1, 1999, NCSD agenda item

After your Honorable Board has reviewed and discussed this item, staff will look for direction from your Honorable Board on how they wish to proceed in this matter.

Bd2000/hs first amend.doc

Final

***Lucia Mar Unified
School District
High School #2***

***Environmental Impact
Report***

SCH # 98021018

PREPARED FOR:

Lucia Mar Unified School District

firma

*Landscape Architecture
Planning
Environmental Studies
Ecological Restoration*

*849 Monterey Street
San Luis Obispo CA
93401
805.781.9800*

L. WATER AND SEWER SERVICE

SEWER

1. Environmental Issue

Sewage disposal will require the connection of the project to the NCSD sewer collection system or the installation of an on site septic system. The site is currently located outside the Nipomo Community Services District Boundary. The development of the school site will ultimately generate approximately 46,000 gallons of sewage per day. Connection to the NCSD system will impact existing NCSD facilities, while construction of a septic system may have detrimental effects on shallow ground water.

2. Environmental Setting

The site is currently adjacent to the northerly boundary of the Nipomo Community Services District. To obtain sewer service the high school site will require approval of annexation into the District by the Local Agency Formation Commission (LAFCO).

The site is located north of Eve Street and south of Thompson Road. The closest sewer main available to serve the site is an 8-inch main in Mallagh Street approximately 230-feet south of the Eve Street intersection. The sewage flows from the project will impact downstream sewer facilities including gravity collection mains, Tefft Street lift station, Main Lift Station and the wastewater treatment plant.

There is adequate capacity in NCSD gravity mains for current and future development in the eastern portion of the District. However, the capacity of the Tefft Street lift station per the NCSD water and sewer system master plan is currently inadequate for meeting future flows. The NCSD report states: "District Staff has observed that the existing wet well volume is inadequate, particularly to handle flows during power outages".

Construction of a septic system in this area of Nipomo is generally not a viable alternative. The soils in the area are classified as "severe" for septic systems due to very low permeability. The design of an on-site septic system will be required to meet the requirements of the Regional Water Quality Control Board's Basin Plan 83-12.

3. Environmental Impacts

Project Impacts

Construction of the high school will be in two phases. The first phase will generate approximately 22,000 gallons of sewage per day. The second phase will generate approximately 24,000 gallons per day, for a total project flow of 46,180 gallons per day.

The Nipomo Community Services District had a "Water and Sewer System Master Plan" prepared by Boyle Engineering in November 1995. In the report the Tefft Street Lift Station was identified as the only facility in the area of the proposed high school which would be undersized for the ultimate development of the area.

The existing peak daily wet weather flow is 250 gpm, and is projected to ultimately be 510 gpm. The current lift station has a capacity of 315 gpm.

The high school will initially generate a peak flow of approximately 77 gpm (average flow, based on 12 hours multiplied by a peaking factor of 2.5). The ultimate developed peak flow from the campus will be approximately 160 gpm.

Existing gravity sewer mains downstream of the campus have adequate capacity to serve the proposed campus.

Impact L1: The existing sewer lift stations downstream of the proposed campus also appear to have adequate capacity for the first phase of the high school campus. However the sewer flow from the ultimate development of the campus will exceed the capacity of the Tefft Street Lift Station.

Use of septic systems on this site is not feasible due to the clay soils and low permeability rates. The RWQCB Basin plan requires an application rate of 0.10 gallons/square foot/day, as well as a system designed for 200% of anticipated flow rates. The resulting system would need to provide a leachfield absorption area of 923,600 square feet of leachfield area. This size leachfield system could not be reasonably provided on this site.

Cumulative Impacts

The impact of this project and future development in the eastern portion of the NCSD service area will exceed the capacity of the Tefft Street Lift Station. The project would contribute fees to upgrade the lift station (see mitigation below). Development within the entire community will also exceed the capacity of the frontage road gravity mains near the sewer treatment plant and the Main Lift Station.

The Nipomo Community Services District collects connection fees and impact fees as property develops to fund system-wide improvements and capacity upgrades for such facilities as the wastewater treatment plants, lift stations and gravity main upgrades. If annexed to NCSD as proposed, the project would contribute impact fees to mitigate cumulative impacts. Therefore, this impact is less than significant.

4. Mitigation Measures

The following potential mitigation strategies for impacts on the sewer system are part of the project description:

1. Annex the proposed site into the Nipomo Community Services District to enable the project to receive sewer service, *or enter into an outside user agreement pursuant to Government Code section 56133.*
2. Install an 8-inch sewer main extension in Mallagh Street from its current terminus between Day Street and Eve Street to the project site.

Mitigation L1: In order to accommodate campus buildout wastewater flows, if NCSD has not expanded the wet well and pumping capacity of the Tefft Street Lift Station prior to the construction of Phase 2 campus improvements, the School District will construct the necessary lift station improvements and enter into a reimbursement agreement with the NCSD to recoup the construction costs in excess of the School Districts proportional share of the improved capacity.

Mitigation Implementation/Monitoring

- 1) Action to be Taken: District to enter into a reimbursement agreement with NCSD and construct Tefft Street Lift Station improvements when warranted.
- 2) Entity to Take Action: District to enter into agreement with NCSD.
- 3) Timing/Duration: Secure agreement prior to annexation into NCSD. Construct improvements concurrent with Phase 2 expansion.
- 4) Interested Agencies/Department: School District and NCSD.

Level of Significance After Implementation of the Mitigation Measure: Construction of additional capacity at the Tefft Street Lift Station will reduce potential impacts to less than significant.

WATER

5. Environmental Issues

The site is located outside of, but contiguous to, the Nipomo Community Services District (NCSD) boundary and water service area. The project site is located in an area of extremely limited groundwater. Future on-site wells may not, in the long term, produce sufficient amounts of irrigation water and may be detrimental to surrounding groundwater wells.

6. Environmental Setting

According to the recently released State Department of Water Resources (DWR) draft "Water Resources of the Arroyo Grande-Nipomo Mesa Area", dated April, 1998, the easterly boundary of the Santa Maria Groundwater Basin is located roughly along the alignment of U.S. Highway 101 in the area adjacent to the site. The water bearing alluvium on the East Side of U.S. Highway 101 is generally shallow and relatively unproductive in this area.

The County of San Luis Obispo South County Area Plan-Inland Land Use Element states in the "Water Supply (RMS)" portion of the document that groundwater extractions in the Nipomo area may equal or exceed current supplies and there is difficulty in managing the basin as a long-term supply.

Groundwater east of U.S. Highway 101 is so limited that local agricultural land owners have formed the "Nipomo Valley Mutual Water Company" and are currently in the process of obtaining a turn-out location to access water from the coastal branch of the

State Water Project. The NVMWC has requested one acre-foot per year per acre of subscriber land, or 1400-1500 acre feet per year. It is unclear at this time if the school district could be included in this group. Participation by the school district would require approval of current members and the San Luis Obispo County Flood Control and Water Conservation District.

The site is currently outside of the Nipomo Community Service District and would require an annexation approval by LAFCO. The project site is located immediately north of an 8-inch main in Thompson Road and a 6-inch main in Mallagh Street (see Map 13-Water and Sewer Mains).

The water wells of the District's Town Division have an operational pumping capacity of approximately 1,840 gal/min or 2,930 AFY. Based on the South County General Plan and an average consumption of one-half (1/2) acre foot per year per account, the projections of the District's water supply to the year 2010 would be approximately 2,600 AFY. This consumption corresponds with the 1995 Water and Sewer Master Plan developed by Boyle Engineering for the District. The Boyle Report indicates that the population would be approximately 15,000 by the year 2010 and that the District water needs would be approximately 2,582 AFY. The report also indicates that the District would need additional storage and well production to meet future peaking demands during summer months.

Fire hydrant flow test performed for Boyle's Master Plan Analysis measured fire flows between Thompson Road and Mallagh Street near Bee Street at approximately 1,300 gpm with a residual pressure of 69 psi. Fire flows and residual pressure on the proposed site can be expected to be slightly lower due to its higher elevation than the hydrant tested.

7. Environmental Impacts

Impact Significance Criteria

The project would have a significant impact on groundwater resources if groundwater areas in overdraft are affected, or if the project is unable to meet NCSD annexation requirements for offsetting mitigation for the annexed area.

Project Impacts

Water demand for the project will be 46,180 gallons per day for domestic consumption and 59,922 gallons per day for irrigation. Annual water consumption will be approximately 75 to 80 acre-feet per year.

Based on the findings contained in the DWR report and information from local well drillers the project site does not overlay a groundwater aquifer which can be expected to produce sufficient flow rate or volume for domestic and irrigation needs. There are also water quality concerns in the area.

Preliminary indications from the Nipomo Community Services District are that they are willing to annex the project site into the District, based on the project meeting District

criteria. NCSD requires that all annexed property have its own water source, sufficient to supply or offset its water needs so that no net increase in water demand on existing sources occurs. The District will consider existing wells, well sites, retrofit and State Water as potential options to meet this requirement.

NCSD has recently completed a new well in the westerly portion of the District to help meet peak summer water demand. However the well capacity is not considered available to support new development.

The project water demand would require a well source of approximately 100 gpm, pumped for a period of between 9 and 16 hours per day to supply the domestic and irrigation needs for the entire school year.

Lucia Mar Unified School District has two existing wells within the NCSD at Nipomo Elementary and Dana Elementary. These wells currently produce approximately 50 gpm each. According to School District Officials, the well at Nipomo Elementary was connected to the NCSD water system during an NCSD water shortage for approximately eight months. Once NCSD facilities were back to full production the connection was removed. The well at Dana Elementary is a small diameter well used for domestic and irrigation needs. This well is located in an area which has several wells producing 200 gpm or more for the Cal Cities Water Company.

Dana Elementary School obtains all of its water from a well on the school property. The static water level was recently measured at 299 feet bow ground surface. The pump is set at 315 feet depth and originally had a design capacity of 80 gpm. This well currently pumps about 42 gallons per minute of water suitable for domestic uses due to the age of the pump and the deteriorated well condition. Some treatment of this water is necessary due to the corrosive nature of the water, so calcium chloride and soda ash are added to the water.

This well was constructed in 1959 to a depth of 383 feet with perforations from 243 feet to 383 feet depth and a static water level of 275 feet depth. Currently, the well has a total depth of 330 feet due to sanding problems. Pumping equipment has been replaced when it becomes worn out or as in the case recently, when the power source has been altered. At the time it was drilled, the well was tested at 270 gallons per minute with a pumping level of 331 feet; and at 98 gpm with a pumping water level of 300 feet depth. This well could not be used for the proposed school because it is fully needed to provide water to the existing elementary school but it does provide evidence that a new well at this school property should be able to produce an adequate quantity of good quality water for the NCSD which could offset the water demand for the new school site.

According to the DWR report the groundwater levels west of the Dana school well site have steadily decreased over the past ten years, however, groundwater levels at the school site itself have not significantly changed. The installation and use of a larger diameter, higher production well at the Dana Elementary School site may impact wells in the surrounding area by creating a localized lowering of the water table and reducing water production. Prior to construction of the production well a test well and several piezometers should be installed and test pumped over several days to evaluate the impact on adjacent wells and water table levels.

The groundwater level measurements at the Dana Elementary School well have varied with time, with water level measurements of 275 feet depth (1959), 270 feet (1960), 294 feet (1981) and 299 feet depth. A well located about one mile away (11N/34W-19Q01) has a long record of water level measurements which show that the water levels are higher during wet seasons and lower during dry periods but the water levels are a few feet lower now than was the case in previous equivalent rainfall years in this area. No noticeable impact on groundwater production has been observed at the Dana Elementary School well as a result of this water level fluctuation. Therefore, the water supply from this well has been reliable with the reduction in pumping capacity being largely due to the age of the well and pumping equipment. A new well at this site should have similar reliability to the Dana Elementary School well.

Impact L2: The project would have a significant impact on groundwater resources if it relies on an on-site water well or does not meet NCS D annexation requirements for offsetting project water demand.

With respect to the overall capacity of the Santa Maria groundwater basin the impact of this project is not by itself significant.

The Dana school well site is between two sub-areas of the Santa Maria Groundwater Basin which have exhibited different trends over the past ten years. According to the DWR report the "central portion of the Nipomo Mesa" has experienced declines in groundwater levels of up to 40 over the past ten years while the eastern portion has generally seen a slight increase in groundwater levels. The Dana Elementary site is between these two areas and likely experiences underflow of groundwater flowing from the eastern portion of the mesa towards the pumping depression in the central portion of the mesa. The groundwater levels at the Dana Elementary site would therefore not be expected to substantially decline unless additional wells or groundwater extraction in the central portion of the mesa cause groundwater levels to the east to decline.

The conditions for acceptability of a new well at the Dana School site by the Nipomo Community Services District is laid out in their comment letter on the draft EIR. NCS D has stated in its comment letter that in order to accept a well from the School District, the well must have been in use for five years, producing the equivalent amount of water to that required to service the proposed project. The NCS D would be able to produce this water under either an appropriative or a prescriptive water right.

A well on the Dana School property would produce water from the Nipomo Mesa sub unit of the Santa Maria Valley groundwater basins. The Thompson Road High School site is outside of the Santa Maria Valley groundwater basin (although within the watershed area tributary to the basin). Therefore, Nipomo Mesa sub-unit groundwater pumped for use at the high school site would be used under an appropriative groundwater right. The Santa Maria Valley groundwater basin has not formally been identified by the State or the Courts as being in an overdraft condition. Therefore, groundwater could be used under this type of water right for the proposed school. However, if the groundwater basin comes under some form of management as a result of adjudication, the appropriative water right would be considered as inferior to overlying water rights and could be restricted to when there is a surplus in the basin.

The use of water from a well for a period of five years for a specific water use has in the past been the basis for establishing a prescriptive right in an over-drafted basin. Although no such legal finding has been made, the possibility that such a finding could be reached as a result of existing litigation is a concern of the NCSD. Since there is no well on this property which meets this criteria, they would need to waive this requirement in order to accept a well at the Dana Elementary School property for use at the Thompson Road High School site.

Retrofitting of existing pre-1990 constructed homes is a potential source of water for the project. NCSD has an established list of 1500 potential retrofit sites available to the project to help meet the water source requirements. The standard water use per single family residence in Nipomo is ~~40,700 gallons per month, or 357 gallons per day~~ 0.40 acre feet per year. The high school equates to ~~297~~ 200 single-family residences. Based on NCSD criteria (2:1 retrofit rate for annexations times 4:1 retrofit equivalent) the School District would be required to retrofit ~~594~~ 800 residential units (or equivalents).

Cumulative and Secondary Impacts

Groundwater levels in the Nipomo area currently appear to be trending downward as development continues in the area according to the DWR report. The County of San Luis Obispo has in place a Resource Management System to monitor key resources in the county including water resources. Further efforts in the form of a groundwater management district are also being discussed for the area.

The pumping of a new well located at the Dana Elementary School site would have the greatest impact on the existing well at the school. This existing well has very little room for water level changes and even a few feet of water level decline resulting from pumping a new well on the property (which would be likely to occur) would cause the existing well to decline in production. A new well could be drilled for the Dana Elementary School to compensate for this drawdown impact.

Although cumulative impacts on groundwater and water infrastructure are foreseeable they are related to potential future development and are not tangible until such time that potential development obtains required County approvals and development proceeds. On a project by project basis, the NCSD policy of requiring offsetting mitigation for annexation areas will forestall some cumulative effects by not increasing net water use within the NCSD service area.

8. Mitigation Measures

The following measures are incorporated into the project description and will avoid some impacts on water resources:

- Annex the proposed site into the Nipomo Community Services District or enter into an outside user agreement per Government Code Section 56123 to enable the project to receive community water service.

- Install an 8-inch water main extension in Mallagh Street from its current terminus at Eve Street looped through the project site to the Thompson Road water main. (The design consultant shall verify that the proposed main size provides adequate fire flows.)

The following additional mitigation measure is necessary to reduce impacts on water resources to less than significant.

Mitigation L2: To offset the increased water demand on NCSD water sources, the School District shall, *to the extent feasible*, pursue the installation of a groundwater well to NCSD standards at the Dana Elementary School site for dedication to the NCSD in exchange for *water service pursuant to annexation and water service or an outside user/extraterritorial agreement pursuant to Government Code Section 56133*. The well shall be designed and tested to ~~verify the ability of the well to produce a~~ ensure the minimum production of 100 gpm. *The School District shall also mitigate all environmental impacts associated with the well.* If the well does not fully meet the production volumes needed, *or if water supply conditions in the area preclude production and operation of the well*, the School District shall ~~enter into agreement with the NCSD to allow them to undertake a~~ comply with the NCSD's retrofit program to generate the remaining necessary water resources to allow service ~~annexation to the property~~.

Mitigation Implementation/Monitoring

- 1) Action to be Taken: Project will include the annexation of the property into the NCSD, *or an outside user agreement*, to obtain water service and comply with NCSD requirements to provide an off-setting water supply in the form of groundwater and retrofitting.
- 2) Entity to Take Action: School District to submit annexation *or outside user agreement* documents to ~~the County of San Luis Obispo and local LAFCO~~ NCSD for approval. School District shall develop water well and participate in retrofit program.
- 3) Timing/Duration: Annexation into NCSD with accompanying agreements to be approved prior to construction.
- 4) Interested Agencies/Department: County of San Luis Obispo Engineering Department, Nipomo Community Services District, LAFCO.

Level of Significance After Implementation of the Mitigation Measure: The measure would reduce the impact to less than significant by providing off-setting water resources for the project which are not derived from areas experiencing ~~groundwater overdraft~~ *lowered water levels*, or would offset project demand by retrofitting existing land uses with water conserving devices, resulting in no net increase in water use within the NCSD service area.

**Table S: SUMMARY OF ENVIRONMENTAL IMPACTS
AND MITIGATION MEASURES (Cont.)**

CLASS II. SIGNIFICANT ENVIRONMENTAL IMPACTS THAT CAN BE MITIGATED OR AVOIDED

Impact	Mitigation Measure	Level of Impact After Mitigation
<p>Impact L1 The existing lift stations downstream of the proposed campus also appear to have adequate capacity for the first phase of the high school campus. However the sewer flow from the ultimate development of the campus will exceed the capacity of the Tefft Street Lift Station.</p>	<p>Mitigation L1 In order to accommodate campus buildout wastewater flows, if NCSD has not expanded the wet well and pumping capacity of the Tefft Street Lift Station prior to the construction of Phase 2 campus improvements, the School District will construct the necessary lift station improvements and enter into a reimbursement agreement with the NCSD to recoup the construction costs in excess of the School Districts proportional share of the improved capacity.</p>	Less than significant
<p>Impact L2 The project would have a significant impact on groundwater resources if it relies on an on-site water well or does not meet NCSD annexation requirements for offsetting project water demand.</p>	<p>Mitigation L2 To offset the increased water demand on NCSD water sources, the School District shall, <i>to the extent feasible</i>, pursue the installation of a groundwater well to NCSD standards at the Dana Elementary School site for dedication to the NCSD in exchange for <i>water service pursuant to annexation and water service or an outside user/extraterritorial agreement pursuant to Government Code Section 56133</i>. The well shall be designed and tested to verify the ability of the well to produce a ensure the minimum production of 100 gpm. <i>The School District shall also mitigate all environmental impacts associated with the well.</i> If the well does not fully meet the production volumes needed, <i>or if water supply conditions in the area preclude production and operation of the well</i>, the School District shall enter into agreement with the NCSD to allow them to undertake a <i>comply with the NCSD's retrofit program to generate the remaining necessary water resources to allow service annexation to the property.</i></p>	Less than significant

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: DECEMBER 1, 1999

WATER SUPPLY FOR NEW HIGH SCHOOL

ITEM

Lucia Mar Unified School District is requesting to discuss potential options for providing the required water supply for the new high school.

BACKGROUND

Lucia Mar Unified School District acquired property just north of the District boundary on the southwest side of Thompson Avenue to construct a new high school for their growing enrollment. The School District approached NCSD and requested water and sewer services for the high school. There are two methods by which NCSD could provide these services to the school 1) annexation or 2) outside user agreement.

In conjunction with the purchase of the property, the School District was required to file and certify an Environmental Impact Report (EIR). The EIR identified project demands as follows:

"Water demand for the project will be 46,180 gallons per day for domestic consumption and 59,922 gallons per day for irrigation. Annual water consumption will be approximately 75 to 80 acre-feet per year."

"The project water demand would require a well source of approximately 100 gpm, pumped for a period of between 9 and 16 hours per day to supply the domestic and irrigation needs for the entire school year."

The EIR identified two impacts:

1. Impact L1: The project would have a significant impact on groundwater resources if groundwater in overdraft are affected, or if the project is unable to meet NCSD annexation requirements (2:1) for offsetting mitigation for the annexed area.
2. Impact L2: The project would have a significant impact on groundwater resources if it relies on an on-site water well or does not meet NCSD annexation requirements (2:1) for offsetting project water demand.

The following mitigation measures were incorporated into the project description to avoid some impacts on the water resources:

- Annex the proposed site into the NCSD or enter into an outside user agreement per Government Code Section 56123 to enable the project to receive community water service.
- Install an 8-inch water main extension in Mallagh Street from its current terminus at Eve Street looped through the project site to Thompson Road water main.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
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WATER SUPPLY FOR NEW HIGH SCHOOL

The following additional mitigation measures were identified as necessary to reduce impacts on water resources to less than significant:

"To offset the increased water demand on NCSD water resources, the School District shall, to the extent feasible, pursue the installation of a groundwater well to NCSD standards at the Dana Elementary School site for dedication to the NCSD in exchange for water service pursuant to annexation or an outside user/extraterritorial agreement pursuant to Government Code Section 56133. The well shall be designed and tested to ensure the minimum production of 100 gpm. The School District shall also mitigate all environmental impacts associated with the well. If the well does not fully meet the production volumes needed, or if water supply conditions in the area preclude production and operation of the well, the School District shall comply with the NCSD's retrofit program to generate the remaining necessary water resources to allow service to the property."

Lastly, the EIR adopted the following Mitigation Implementation/Monitoring plan:

1. Action to be Taken: Project will include the annexation of the property into the NCSD, or an outside user agreement, to obtain water service and comply with NCSD requirements to provide an off-setting water supply in the form of groundwater and retrofitting.
2. Entity to Take Action: School District to submit annexation or outside user agreement documents to NCSD for approval. School District shall develop water well and participate in retrofit program.
3. Timing/Duration: Annexation into NCSD with accompanying agreements to be approved prior to construction.
4. Interest Agencies/Department: County of San Luis Obispo Engineering Department, Nipomo Community Services District, LAFCO.

Pursuant to the EIR, which was approved and certified by the School Board, the School Board requested an outside user agreement. An agreement was developed and reviewed by both parties, including NCSD's water law attorney for impact on groundwater rights and the current general groundwater adjudication. An agreement was reached after significant amounts of resources were spent by both the School District and NCSD. Pursuant to Paragraph of 3.9 of the District/High School Agreement, the School District, in compliance with the prior EIR, agreed to provide a water supply to satisfy their water requirements. Section 3.9 states in relevant part:

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: DECEMBER 1, 1999
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WATER SUPPLY FOR NEW HIGH SCHOOL

"3.9 Water Source. Prior to the commencement of water service to the Property, the School District shall be responsible for establishing a water source in order to satisfy the water requirements of the Property. If the water source required by this Section is a well, such well must have a five (5) year pumping record or must otherwise be approved by NCS D, and must meet NCS D's and the State Department of Health Services' requirements for water quality.

In lieu of establishing an original water source to satisfy the requirements of this Section, the School District may suggest other methods of satisfying this Section. Such suggestions shall be subject to the approval of NCS D. To the extent retrofits are available, one alternative method which is mutually acceptable to the School District and NCS D, the School District may fund, implement and complete the retrofitting of homes or other private or public facilities in the area of the Property as follows..."

In consideration of the School District's financial needs, NCS D previously agreed to reduce the retrofit requirement from 2:1 (as required by District annexation policy) to 1:1 and waived the "Outside the District" monthly user fee and will charge the "Inside the District" monthly user fee.

RECOMMENDATION

1. Because of existing litigation and the potential for court-imposed future limitations, District Staff is hesitant to recommend modification of the Agreement at this time that would impact existing District water resources. If new information becomes available, or the litigation is terminated, then the issue can be re-addressed. This leaves open further discussions on considering existing wells and the NCS D Retrofit Program as provided in Section 3.9 of the existing Agreement (see above). Additionally see Sections 2, 3 and 4 of the November 15, 1999, letter from Nancy L. Depue; or *
2. However, if the Board of Directors are inclined to readdress the Agreement to exempt public agencies (see paragraph number 1 of November 15, 1999, letter), then the following steps would be required because water would be provided from existing District resources:
 - (a) School District should quantify its water demand. Then, the District's water law attorneys should review the request and advise the Board on potential impact on existing litigation.
 - (b) After receiving the Attorney Opinion, if the Board desires to go forward, then the School District will be required to amend the EIR as required by California law.
 - (c) If the above items are completed to the satisfaction of the NCS D Board, the Board would consider amending pertinent ordinances and policies to allow governmental agencies to connect to District water sources as requested by the School District.
 - (d) Final step would be to amend the existing agreement.

* It should be noted that any water source that does not have an existing pumping record or was not considered in the initial EIR should be reviewed as provided in Section 2, above, because of the potential impact on litigation and the groundwater basin.



Lucia Mar Unified School District

602 Orchard Street ♦ Arroyo Grande, CA 93420
(805) 473-4390 ♦ Fax: (805) 473-1593

ARROYO GRANDE

NIPOMO

GROVER BEACH

OCEANO

PISMO BEACH

November 15, 1999

Mr. Doug Jones
General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Dear Doug:

Thank you for placing us on the December 1, 1999 Agenda at NCSD to discuss potential options for providing the required water supply for the new high school.

As Sandy Davis stated in her October 28, 1999 letter, there are several options for which we would like to discuss with the NCSD Board for consideration.

The options we would like to discuss include:

1. An ordinance that exempts public agencies from the requirement to provide a source of water for annexation.
2. The potential of deeding the Dana Elementary School's water well to NCSD which is currently producing 50 gpm.
3. The potential of upgrading the Dana Elementary School site well to produce 100 gpm and deeding this well over to NCSD.
4. Participate in the NCSD Retrofit Program.

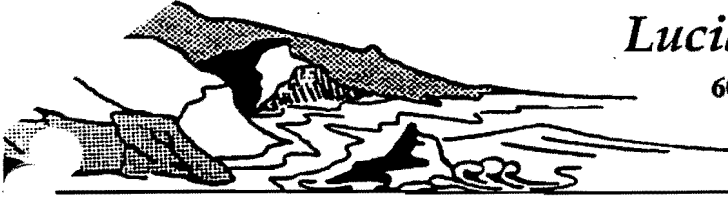
Thank you for all of your assistance in this matter. I am excited to resolve this issue so we can move ahead with plans for our new high school.

Sincerely,

Nancy L. DePue
Superintendent

NLD:mg

NOV 18 1999



Lucia Mar Unified School District

602 Orchard Street ♦ Arroyo Grande, CA 93420
(805) 473-4390 ♦ Fax: (805) 473-1593

ARROYO GRANDE

NIPOMO

GROVER BEACH

OCEANO

PISMO BEACH

October 28, 1999

Mr. Doug Jones
General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Dear Doug:

Lucia Mar Unified School District would like to request to be placed on the December 2, 1999 Agenda at NCSD to discuss potential options for providing the required water supply for the new high school.

There are several options for which we would like to discuss with the NCSD Board for consideration. We are requesting this item be listed as Discussion/Possible Action, Lucia Mar Unified School District Water Supply.

The options we would like to discuss include:

1. An ordinance that exempts public agencies from the requirement to provide a source of water for annexation.
2. The potential of deeding the Dana Elementary School's water well to NCSD which is currently producing 50 gpm.
3. The potential of upgrading the Dana Elementary School site well to produce 1,000 gpm and deeding this well over to NCSD.
4. Participate in the NCSD Retrofit Program.

Thank you for all of your assistance in this matter. We look forward to working with you to find a solution that benefits all.

Very truly yours,

Sandra G. Davis
Assistant Superintendent, Business

SGD:mg

RECEIVED

NOV 1 1999

NIPOMO COMMUNITY
SERVICES DISTRICT

Jon, 01:47 PM 10/25/00, FW: Final Changes to Agreement

From: Jon <Jon@shipseyandseitz.com>
To: "Ncsd (E-mail)" <ncsd@ix.netcom.com>
Subject: FW: Final Changes to Agreement
Date: Wed, 25 Oct 2000 13:47:48 -0700
X-Mailer: Internet Mail Service (5.5.2650.21)

-----Original Message-----

From: Jon
Sent: Wednesday, October 25, 2000 8:35 AM
To: Ncsd (E-mail)
Subject: FW: Final Changes to Agreement

-----Original Message-----

From: Dean Derleth [mailto:DDerleth@bbklaw.com]
Sent: Wednesday, October 25, 2000 8:06 AM
To: Jon@shipseyandseitz.com
Cc: jamw21@yahoo.com
Subject: Final Changes to Agreement

Jon:

Attached are 2 documents: (1) a redline copy showing the most recent changes to the agreement based upon yesterday's telephone conference; and (2) a clean copy for consideration by both boards. Please share them with your clients and I will do the same by copy of this e-mail to Mike Sears.

I will be out of the office from Wednesday through Friday attending a tour of the State Water Project. I will be checking messages and will be available by telephone. Please call and leave a message as to when and how to reach you during the day. I will return your call as soon as possible. By copy of this to Mike Sears, I will ask him to do the same.

Dean

cc: Mike Sears, LMUSD (Janet - Please pass on to Mike)

Dean Derleth
Best Best & Krieger LLP
3750 University Avenue
Riverside, CA 92502
909-686-1450 (Phone)
909-683-3083 (Fax)



LUCIA-NCSD CLEAN FINAL (560902).doc



LUCIA-NCSD REDLINE FINAL (560902).doc

**FIRST AMENDED
AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER
SERVICE BETWEEN THE NIPOMO COMMUNITY SERVICES
DISTRICT AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

1. PARTIES AND DATE.

This First Amended Agreement for Extraterritorial Water and Sewer Service ("Agreement") is made and entered into this 7th day of November, 2000 by and between the **Nipomo Community Services District**, a community services district organized and operating pursuant to the provisions of the California Government Code ("Community Services District") and the **Lucia Mar Unified School District**, a public school district organized and operating pursuant to the provisions of the California Education Code ("School District").

2. RECITALS.

2.1 The School District represents and warrants that it has an interest in certain real property situated in the County of San Luis Obispo ("County") on which it intends to construct its second high school ("Property"). The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. The Property is located outside and immediately adjacent to the Community Services District's service boundaries.

2.2 The School District had requested that the Community Services District provide water and sewer service to the Property, and the Community Services District agreed to grant the School District's request on the terms and conditions provided for in that Agreement for Extraterritorial Water and Sewer Service Between the Nipomo Community Services District and the Lucia Mar Unified School District dated on or about August 10, 1999 ("Original Agreement").

2.3 The School District and Community Services District now wish to amend that Original Agreement to set forth the terms and conditions under which the School District may expand its existing domestic well on the Dana Elementary School property ("Dana Well") and transport water from the Dana Well through the Community Services District's system in order to serve the new high school.

3. TERMS.

3.1 Authority to Enter Agreement. This Agreement is entered into by the Community Services District and the School District for the provision of water and sewer services outside the Community Services District's jurisdictional boundaries pursuant to Government Code Section 56133.

3.2 Term. The term of this Agreement shall be from the date first hereinabove written until either Party terminates this Agreement pursuant to Section 3.1³ of this Agreement.

3.3 Condition Precedent. The School District shall pay the Community Services District for engineering services required to update the Community Services District's Water and Sewer Master Plan to include evaluations of the infrastructure needed to serve the Property and associated impacts on the resources of the Community Services District. The School District shall deposit \$2,500.00 with the Community Services District for the estimated cost of such engineering services. Upon completion of the update services, the Community Services District shall provide the School District with a written invoice from the engineer specifying the time and services attributable to the update required pursuant to this Agreement. If the documented invoice indicates that the costs are less than \$2,500, the School District shall be entitled to a refund of the difference within thirty (30) days. If the invoice indicates the costs are more than \$2,500, the School District shall pay such amount within thirty (30) days of its receipt of the invoice.

3.4 Agreement to Provide Water Service. Upon receipt and approval of the Engineer's Report reference in Section 3.3 above, the Community Services District agrees to provide water and sewer service to the Property, and the School District agrees to accept and pay for such service, subject to the terms and conditions of this Agreement and the following conditions:

- 3.4.1 The School District shall enter into a Plan Check and Inspection Agreement with the Community Services District and pay the appropriate Community Services District fees.
- 3.4.2 The School District shall submit Improvement Plans for approval by the Community Services District showing all existing off-site water and sewer facilities and all proposed facilities (off-site and on-site) required to provide water and sewer service to the Property. Such facilities shall be in compliance with the Community Services District's Plans and Specifications.

- 3.4.3 The School District shall pay the following Community Services District fees prior to the Community Services District delivering water to the Property for construction and/or occupancy: (1) sewer capacity fee based upon the rate of \$2,370 per dwelling unit equivalency (currently estimated to be \$187,230); (2) water capacity fee based upon one 3" domestic meter (\$53,000) and one 4" irrigation meter (\$106,000); (3) fire capacity fee based upon an 8" water meter (\$92,000); (4) if the School District transports water from the Dana Well through the Community Services District's system to the Property, the School District will pay a one time fee of \$100,000 for its fair share of the cost to upgrade the Tefft Street water line); and (5) regulatory and fire water storage fee based upon 400,000 gallons of storage (\$200,000). In addition, at the time Phase II of the new high school connects to the Community Service District's sewage system, the School District agrees to pay its fair share of the applicable costs to upgrade the Tefft Street lift station. With respect to this Phase II fee, the Community Services District shall provide written documentation establishing, to the satisfaction of the School District, the applicable costs and the fair share allocation. If the parties are unable to agree upon a fair share allocation formula or resulting cost to the School District, the parties shall resolve the dispute through binding arbitration with an arbitrator mutually acceptable to both parties.
- 3.4.4 The School District shall submit a detailed plumbing plan of the on-site water and sewer facilities so that the Community Services District may determine the number of fixture units in each building on the Property.
- 3.4.5 The School District shall design any landscape development of the common areas on the Property such that it requires minimal water use.
- 3.4.6 The School District shall submit the following documents before commencement of delivery of water for occupancy purposes through the Community Service District water system: Reproducible As-Built, Offer of Dedication of the Connecting Facilities, Engineer's Certification, certification of the School District's water treatment facilities by the County Health Department, verification of

employment by the School District of a Certified Operator, and Summary of costs of water & sewer improvements.

- 3.4.7 In the event the School District expands the Dana Well in sufficient capacity to serve the new high school and transports that water through the Community Services District system, the School District shall maintain and make available to the Community Services District, upon reasonable notice and during normal business hours, all required records pertaining to the Dana Well and the School District's water treatment system.

3.5 Regulations. The School District agrees to abide by all rules and regulations of the Community Services District regarding the provision of water and sewer service to the Property. With respect to water treatment standards, the School District shall comply with all applicable federal, state and county laws, rules and regulations.

3.6 Payment for Service.

- 3.6.1 Sewer Service: The School District agrees to pay the Community Services District for sewer service delivered to the Property in accordance with the Community Services District's customary rates and charges for such services which are applicable to property within the Community Services District's boundaries and which may be amended from time to time.
- 3.6.2 Water Service: In the event the School District expands the Dana Well in sufficient capacity to serve the new high school and transports that water through the Community Services District system, the School District agrees to pay the Community Services District ten cents (\$0.10) per 100 cubic feet of water ("Unit Price") transported from the Dana Well through the Community Services District's system to the Property. All rights to the water pumped from the Dana Well shall remain with the School District until said water enters the Community Services District water distribution facilities. The School District shall pay to have meters installed at the point the water enters the Community Services District facilities and the point at which the water is delivered to the Property. For each ~~well-meter~~, the School District shall pay the customary monthly charge which is applicable to property within the

Community Services District boundaries. The Community Services District shall provide the School District with a written monthly report on its water bill of the amount of water which enters the Community Services District facilities and the amount of water which is delivered to the Property. Each month, the School District shall pay the Unit Price for water actually delivered to the Property and shall receive a credit equal to the Unit Price for any water which enters the Community District Facilities but is not delivered to the Property. Credits may be carried over from month-to-month and shall have no expiration date. If some or all of the water delivered to the Property is supplied by the Community Services District from a source other than the Dana Well (e.g. the School District satisfies its water source requirement in Section 3.10 below by some other means, such as successfully completing the retrofitting of facilities), then School District agrees to pay the Community Services District's customary rates and charges for such service which are applicable to property within the Community Services District boundaries and which may be amended from time to time.

3.7 Construction of Connecting Facilities. The School District shall be responsible for constructing and installing, pursuant to the Plan Check and Inspection Agreement between the School District and the Community Services District, the following: (1) the necessary facilities from the Property to the connection points within the Community Services District's jurisdictional boundaries which are required by the Community Services District for the provision of water and sewer service to the Property; and (2) in the event the School District elects to satisfy its water supply obligations (pursuant to Section 3.10) by expanding the Dana Well, all facilities necessary to transport water pumped from the Dana Well to the fire service line located on the Dana Elementary School campus ("Connecting Facilities"). As used herein, the term "Connecting Facilities" expressly excludes the Dana Well and its appurtenant pumping facilities, but includes those facilities necessary to transport the water from the Dana Well to the noted Community Service District facilities. Upon approval and acceptance by the Community Services District, it shall accept ownership and responsibility for the maintenance and repair of those Connecting Facilities located off of the Property or those which the Community Services District would customarily accept within its jurisdictional boundaries. The School District shall accept ownership and responsibility for the maintenance and repair of all other Connecting Facilities.

3.8 Commencement of Service. Upon the School District's performance of its obligations under this Agreement (including Section 3.10), completion of the construction and installation of the Connecting Facilities to the satisfaction and acceptance of the Community Services District, and adequate assurance that the water supply (pursuant to Section 3.10) will be sufficient to serve the

property within the Community Services District and the Property, the Community Services District shall commence delivering water and sewer service to the Property. For purposes of this Section, adequate assurance that the water supply will be sufficient to serve the property within the Community Services District and the Property shall be conclusively presumed with the School District's completion of the Dana Well expansion to produce at least 100 gpm (if elected by the School District) and a confirming report by a hydrologist mutually acceptable to the parties which indicates that the well will have a longterm sustainable production at 100 gpm. To this end, the School District shall use all reasonable efforts to have the Dana Well expanded and under production on or before November 1, 2001. The parties shall cause the confirming report to be prepared following July 31, 2002, but before September 30, 2002 at the earliest time the hydrologist determines that the well has been pumping for a sufficient period of time. The School District shall take all steps within its reasonable control to have that confirming report prepared at the soonest possible date. The Community Services District shall give the School District 100% credit equal to the Unit Price in Section 3.6.2 above for water produced by the Dana Well and introduced into the Community Services District's system and not delivered to the Property. The School District shall be entitled to utilize this credit once it begins to utilize water for construction or occupancy purposes on the Property. The Community Services District shall provide a written monthly report of the water credits to the School District until the School District begins to utilize water for construction or occupancy purposes on the Property, at which time the credit shall be reflected and adjusted on the School District's monthly water bills as indicated in Section 3.6.2 above. Credits may be carried over from month-to-month and shall have no expiration date.

3.9 Water Requirements. The Parties anticipate that the Property will require approximately eighty (80) acre feet of water per year.

3.10 Water Source. Prior to the commencement of water service to the Property, the School District shall be responsible for establishing one or more water sources in order to satisfy the water requirements of the Property. If a water source required by this Section is a well, such well must have the capacity to pump at least one hundred (100) gpm or must otherwise be approved by the Community Services District, must meet the Community Services District and State Department of Health Services requirements for water quality, and shall be connected to the Community Services District's facilities to transport the produced water to the new high school.

To the extent the District is not able to establish one or more original water sources acceptable to the Community Services District which supply at least eighty (80) acre feet of water per year (e.g. a well which produces 100 gpm or some other amount acceptable to the Community Services District), the School District may satisfy the remainder of its water source requirement by other suggested methods. Such suggestions shall be subject to the approval of the Community Services District. As one alternative method which is mutually acceptable to the School District and

the Community Services District, the School District may fund, implement and complete the retrofitting of homes or other private or public facilities in the area of the Property, to the extent such retrofits are available to meet the anticipated water requirement of the Property, as follows:

- 3.10.1 Enter into a retrofit agreement and prepare and submit a detailed Retrofit Plan to the Community Service District listing the addresses of the homes or other private or public facilities within the District to be retrofitted and the consent of each resident/owner. The School District understands, acknowledges and agrees that the Community Services District can only make the potential retrofit facilities available to the School District, but cannot and does not guarantee that any of the facility owners will agree to have their facilities retrofitted. The School District shall receive water credits only for those retrofit facilities that actually participate and for which retrofitting is completed.

- 3.10.2 Retrofitting of approximately four (4) single-family residences is equivalent to a single-family residence's usage of about 0.4 AFY (acre-feet per year) of water. The School District's estimated water usage for the Property is 80 AFY. Therefore, $80 \div 0.4 \times 4 = 800$ single family residences or equivalents will need to be retrofitted to satisfy the School District's obligations under this Section. The Parties shall mutually agree upon similar retrofit guidelines for other private or public facilities, and shall reasonably cooperate with one another in establishing such guidelines.

- 3.10.3 The Retrofit Plan shall be implemented and completed by a licensed plumbing contractor. Prior to the commencement of service pursuant to Section 3.8 of this Agreement, the plumbing contractor shall certify to the Community Services District the number of retrofits that have been completed in accordance with this Agreement. For those retrofits utilized by the School District pursuant to its Retrofit Option in Section 3.10.5 below, the School District shall substantially complete the retrofits prior to the date the School District begins providing educational services at the new High School.

- 3.10.4 The School District agrees to defend, indemnify and hold the Community Services District and its officers, agents and employees harmless against any and all claims, causes of action, judgments, damages, liability, losses, costs or expenses, including reasonable

attorneys' fees, brought against the Community Services District or suffered or incurred by it, arising out of the School District's or the School District's employees or contractors, performance of the Retrofit Plan. The School District's indemnity obligations under this Section excludes any actions, claims or damages arising from the negligence or willful misconduct of the Community Services District, its officer, employees and contractors.

3.10.5 In order to allow the School District time to verify long-term production of the Dana Well, the Community Services District hereby grants an option to the School District, for a period expiring ninety (90) calendar days following the date of the hydrologist's long-term confirming report in Section 3.8 above, to utilize four hundred (400) potential retrofit facilities within the Community Services District boundaries ("Retrofit Option"). To this end, therefore, the Community Services District will reserve at least 400 potential retrofit facilities and make them available to the School District during the 90 day Retrofit Option period. In order to exercise its Retrofit Option, the School District shall give written notice to the Community Services District of its intent to exercise the option within the 90 day period. If the School District fails to give such notice within the 90 day period, it shall be entitled to utilize the retrofit option to satisfy its water source requirement only to the extent that potential retrofit facilities remain available to the School District. The Community Services District does not guarantee that any potential retrofit facilities will be available to the School District following the expiration of the Retrofit Option. In addition, the Community Services District cannot guarantee that more than 400 potential retrofit facilities will be available to the School District during the Retrofit Option period.

3.11 Continued Water Source. Notwithstanding any other provisions in this Agreement, if the School District's obligation to provide a water source (as provided in Section 3.10 above) is satisfied in whole or in part by a well, then the following continuing obligations shall also apply:

3.11.1 The School District, at its sole cost and expense, shall be responsible for maintaining the agreed upon gallons per minute production.

- 3.11.2 The School District shall be responsible, at its sole cost and expense, for the operation and maintenance costs of the well.
- 3.11.3 The School District shall give prompt written notice to the Community Services District of either of the following: (1) any interruption or anticipated interruption in well production for maintenance and repair; or (2) loss of production capacity of said well.
- 3.11.4 Upon providing the Community Services District with written notice pursuant to Section 3.11.3, the School District shall take immediate action to promptly complete the maintenance and repairs of said well and/or secure an alternate means of satisfying Section 3.10 to the satisfaction of the Community Services District. The School District shall take all steps within its reasonable control to assure that the maintenance and repair work is completed as soon as possible or to secure an alternate means of satisfying Section 3.10 to the satisfaction of the Community Services District as soon as possible.
- 3.11.5 To the extent the Community Services District has excess water capacity during periods when the well does not meet production requirements by reason of repair, maintenance and/or loss of capacity, the Community Services District agrees as follows: (1) during the first ~~15~~ thirty (30) days from the date the well goes out of service, the School District shall pay to the Community Services District the established water rates (as amended from time to time) for water service from the Community Services District water production facilities which are applicable to property within the Community Services District boundaries; (2) from the ~~16th~~ 30th day on to the 180th day, the School District shall pay to the Community Services District double the established water rates (as amended from time to time) for water service from the Community Services District water production facilities which are applicable to property within the Community Services District boundaries; (3) on the 7th day of well interruption, the School District shall submit a statement to the Community Services District identifying the nature of the interruption and its plan to restore production, along with all consultant reports received by the School District that relate to the well production

interruption; (4) if the interruption in well production has not been resolved by the 60th day, the School District shall submit a report on or before the 75th day identifying the nature of the interruption, the steps it has taken to restore water production, and the steps it plans to take to complete restoration of production; (5) upon receipt of the report provided for in subparagraph (4) above and information to its reasonable satisfaction that the School District is diligently pursuing all steps within its reasonable control to complete the restoration of production, the Community Services District shall grant the School District an extension of up to eighteen (18) months from the expiration of the 180th day following well interruption to complete the restoration of production, during which time the water charges identified in subparagraph (2) above shall remain in effect; (6) during any extension granted by the Community Services District pursuant to subparagraph (5) above, the Community Services District may require the School District to provide another report as provided for in subparagraph (4) above and shall grant another extension of time if the School District meets the terms and conditions of subparagraph (5) above, with the understanding that the maximum cumulative extension to which the School District would be entitled under the terms and conditions of subparagraph (5) above would be eighteen (18) months from the expiration of the 180th day following well interruption; (7) in the event the restoration of production is not completed within the period of time provided for herein, the Community Services District may take action to terminate the School District's water service.

3.12 Annexation. Within two (2) years of opening the new high school, the School District will apply to LAFCO to annex the Property to the Community Services District. If annexation is not commenced within the two (2) years stated, or if it is not thereafter approved within three (3) years of opening the high school, the Community Services District's Outside of District User Fees will be implemented rather than the fees indicated in Section 3.6.

3.13 Conditions and Covenants. The obligations of School District under this Agreement are both covenants and conditions.

3.14 Groundwater litigation. Notice is provided that Nipomo Community Services District has been made a party to that lawsuit entitled *Santa Maria Valley Water Conservation District, et al. v. City of Santa Maria, et al.*, Santa Clara Superior Court Case No. CV770214. The case involves

competing claims to the right to produce water from and/or store water in the Santa Maria Valley Groundwater Basin, the water source from which Nipomo Community Services District derives the water which it serves. The District is now unable to predict with any certainty the outcome of the above-referenced litigation. However, the litigation conceivably could result in a limitation on the availability of groundwater for the District's production and/or an increase in the cost of water which the District serves to its water customers. Notwithstanding the foregoing, in the event the School District meets its water supply obligations under Section 3.10 above, the Community Services District shall ensure that adequate water supply (up to the amount transported from the Dana Well through the Community Services District's facilities) is provided to the new Nipomo High School at all times, unless a reduction is approved in advance by the School District.

3.15 Termination. Except as otherwise required by law, prior to the opening of the new high school, this Agreement may be terminated by either Party upon written notice given at least three hundred and sixty-five (365) days in advance. Following the opening of the new high school, this Agreement or the provision of water and sewer service to the high school may be terminated only pursuant to applicable law and the Community Services District's rules and regulations.

3.16 Attorneys' Fees. If any party to this Agreement commences any legal proceeding concerning any aspect of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, and all costs and expenses incurred in connection with the action or proceeding, including but not limited to, expert witness fees, court reporter fees and collection expenses.

3.17 Entire Agreement/Amendment. This document represents the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may be amended only by a written agreement executed by both parties.

3.18 Binding Upon Successors and Assigns; Covenant Running with the Property. This Agreement shall be binding upon and shall inure to the benefit of the School District and the Community Services District, and their respective heirs, successors, grantees, transferees, lessees and permissible assigns. It is intended to be and shall be a covenant running with the Property.

3.19 Prohibition Against Assignment. The School District may not assign this Agreement or any interest in it without the prior written consent of the Community Services District.

3.20 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

3.21 Cooperation / Further Acts. The parties shall fully cooperate with one another in attaining the purposes of this Agreement. In connection therewith, the parties shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient as related thereto.

OCTOBER 23, 2000

3.22 Agreement Limitations. This agreement may be limited or modified as a result of conditions imposed by a Court, or by a change in ordinances, resolutions, rules, fees or regulations affecting all Community Services District customers adopted by the Board of Directors for the protection of the health, safety and welfare of the Community Services District.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the date first above written.

[SIGNATURES ON NEXT PAGE]

OCT ~~23~~ 2000

**NIPOMO COMMUNITY SERVICES
DISTRICT**

By: _____
Board President

Attest: _____
Board Secretary

Approved as to Form:

General Counsel

**LUCIA MAR UNIFIED SCHOOL
DISTRICT**

By: _____
Board President

Attest: _____
Board Secretary

Approved as to Form:

Best Best & Krieger LLP
Legal Counsel

EXHIBIT "A"

OCT 23, 2000

LEGAL DESCRIPTION OF PROPERTY

LOTS 1, 2, 3, 4, 6, 7, 8, 11 AND 12 OF THE RESUBDIVISION OF THE NORTHERN PART OF LOT 24 OF THE H.C. WARDS SUBDIVISION OF THE RANCHO NIPOMO, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED APRIL 13, 1887 IN BOOK A, PAGE 15 OF MAPS.

1
DISCUSSION POINTS
LUCIA MAR SCHOOL DISTRICT AND NIPOMO COMMUNITY SERVICES DISTRICT
JOINT COMMITTEE MEETING OF October 24, 2000

1. Groundwater litigation. Notice is provided that Nipomo Community Services District has been made a party to that lawsuit entitled *Santa Maria Valley Water Conservation District, et al. v. City of Santa Maria, et al.*, Santa Clara Superior Court Case No. CV770214. The case involves competing claims to the right to produce water from and/or store water in the Santa Maria Valley Groundwater Basin, the water source from which Nipomo Community Services District derives the water which it serves. The District is now unable to predict with any certainty the outcome of the above-referenced litigation. However, the litigation conceivably could result in a limitation on the availability of groundwater for the District's production and/or an increase in the cost of water which the District serves to its water customers.
2. Agreement Limitations. To the extent that WATER SERVICE and/or SEWER SERVICE is provided by NIPOMO C.S.D. (i.e. retrofit or periods of interruption in well production, etc. etc.) said WATER and SEWER SERVICE delivery may be limited or modified as a result of conditions imposed upon the District by a Court or the availability of resources, or by a change in ordinances, resolutions, rules, fees or regulations adopted by the Board of Directors for the health, safety and welfare of the NIPOMO C.S.D.
3. Legal Opinion//Referendum.
4. NIPOMO C.S.D retrofit program is voluntary.
5. The water and sewer master plan evaluation referenced in Section 3.3.1 of the ORIGINAL AGREEMENT has been^{not} completed.
6. Pursuant to Section 3.9 of the ORIGINAL AGREEMENT, LUCIA MAR has identified its own well located at the Dana Elementary School (DANA WELL #2) to provide a water supply to the PROPERTY. Cleath and Associates has prepared a Water Production Analysis for DANA WELL #2 (herein CLEATH REPORT).
7. The NIPOMO C.S.D. owns and operates a water conduit and storage system (WATER FACILITIES) that, when improved as provided in this agreement, is capable of transporting water from DANA WELL #2 to the PROPERTY.
8. WATER REQUIREMENTS: As the HIGH SCHOOL is now currently planned with the current planned enrollment, the NIPOMO C.S.D. and LUCIA MAR anticipate that the PROPERTY will require approximately 80 acre feet of water per year. The parties further agree that any well(s) offered by LUCIA MAR (including DANA WELL #2) shall have a combined long-term sustainable and continuing water production of 100 gallons per minute to meet the 80 acre feet of water production per year

2

DISCUSSION POINTS

LUCIA MAR SCHOOL DISTRICT AND NIPOMO COMMUNITY SERVICES DISTRICT
JOINT COMMITTEE MEETING OF October 24, 2000

9. OBLIGATIONS OF LUCIA MAR INCLUDE:

- A. Supply the PROPERTY with adequate water.
- B. Be responsible, at its sole cost and expense, for the development, operation and maintenance of DANA WELL #2 and/or other LUCIA MAR production wells.
- C. Procure all permits, approvals and licenses, pay all charges and fees, give all notices which may be necessary and incidental to the development, construction and operation of DANA WELL #2 or other LUCIA MAR production wells.
- D. Comply with all applicable Federal, State and San Luis Obispo County and NIPOMO C.S.D. laws, rules and regulations that are applicable to water quality and/or treatment standards for all wells operated by LUCIA MAR.
- E. Submit to NIPOMO C.S.D. LUCIA MAR's water permit issued by the County of San Luis Obispo's Health Department and verification of employment by LUCIA MAR of a certified operator prior to pumping water into NIPOMO C.S.D. WATER FACILITIES.
- F. To pay to NIPOMO C.S.D., NIPOMO C.S.D.'s direct costs for performing water quality sample tests on the wells.
- G. Give prompt notice to the NIPOMO C.S.D. of either of the following:
 - 1. Any interruption or anticipated interruption in well production for maintenance and repair and/or;
 - 2. Loss of production capacity in said well(s).
- H. Upon providing the NIPOMO C.S.D. with written notice pursuant to Subsection ___ above, LUCIA MAR shall take immediate action to promptly complete the maintenance and repair of said well and/or secure an alternate source of water to satisfy the requirements of the "PROPERTY".

10. OBLIGATIONS OF NIPOMO C.S.D INCLUDE:

- A. Subject to other provisions of this AGREEMENT convey water from DANA WELL #2 to the PROPERTY.
- B. To sample DANA WELL #2 for quality as required by the State of California and the San Luis Obispo County Health Department.

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DISCUSSION POINTS

LUCIA MAR SCHOOL DISTRICT AND NIPOMO COMMUNITY SERVICES DISTRICT
JOINT COMMITTEE MEETING OF October 24, 2000

11. VERIFICATION OF DANA WELL #2: The CLEATH REPORT requests additional time to operate DANA WELL #2 to verify the long-term sustainable production of DANA WELL #2. Therefore, on or before ^{NCA}September 1, 2001, LUCIA MAR shall provide NIPOMO C.S.D. a report from Cleath and Associates verifying the long-term sustainable production of DANA WELL #2. In the event that DANA WELL #2 long-term sustainable pumping capacity does not meet the water requirements as identified in Paragraph 3 above then LUCIA MAR shall have the following options:
- A. Designate a different well(s) or other water source to augment the production of DANA WELL #2 and enter into appropriate WATER FACILITY development agreement with the NIPOMO C.S.D.
 - B. Request participation in the retrofit program referenced below.
 - C. LUCIA MAR shall receive a 100% credit for water delivered to the NIPOMO C.S.D. WATER FACILITIES during the verification period. LUCIA MAR shall be entitled to use this credit once it begins to utilize water for construction or occupancy purposes of the PROPERTY. The NIPOMO C.S.D. shall provide written monthly report of the water credits to LUCIA MAR until LUCIA MAR begins to utilize water for construction or occupancy purposes on the PROPERTY, at which time the credits shall be reflected and adjusted on the LUCIA MAR'S monthly water bills.
12. OPTION TO RETROFIT. In order to allow LUCIA MAR time to verify production, NIPOMO C.S.D. hereby grants LUCIA MAR a _____ month option (THE OPTION) to participate in NIPOMO C.S.D.'S voluntary retrofit program to a maximum of 400 potential retrofits to satisfy the PROPERTY'S remaining water requirements identified in Section _____ above. Said retrofit program is identified in Section 3.9.(1) through 3.9.(4) of the ORIGINAL AGREEMENT.
- A. LUCIA MAR shall give notice of its intent to exercise THE OPTION in writing and designate the number of retrofits on or before _____, 2000. The retrofits shall be substantially completed by the date LUCIA MAR provides educational services at the HIGH SCHOOL. NIPOMO C.S.D. does not warrant or guarantee that NIPOMO C.S.D. water customers will participate in the retrofit program. Therefore, LUCIA MAR shall only be allowed water credits for retrofits that are actually completed.
 - B. To the extent LUCIA MAR receives NIPOMO C.S.D. water by implementation of the retrofit program, then LUCIA MAR shall pay to NIPOMO C.S.D. , the NIPOMO C.S.D.'s regular in district bimonthly rates and charges (as amended from time to time) for water delivered to the property.
13. INTERRUPTION IN DANA WELL #2 WATER PRODUCTION: To the extent the NIPOMO C.S.D. has excess water capacity during periods when the DANA WELL #2 or

4

DISCUSSION POINTS

LUCIA MAR SCHOOL DISTRICT AND NIPOMO COMMUNITY SERVICES DISTRICT
JOINT COMMITTEE MEETING OF October 24, 2000

other LUCIA MAR production wells do not meet production requirements by reason of repair, maintenance and/or loss of capacity or that the PROPERTY requires water in excess

of the water requirements identified in Paragraph above, the NIPOMO C.S.D. and LUCIA MAR agree that NIPOMO C.S.D. water will be provided to the PROPERTY on the following conditions:

- in District*
- ✓ A. During the first 30 days from the date of interruption, LUCIA MAR shall pay to the NIPOMO C.S.D. ~~the~~ water rates (as amended from time to time) which are applicable to property with the NIPOMO C.S.D. boundaries;
- B. From the 30th day to the 180th day, LUCIA MAR shall pay to the NIPOMO C.S.D. double the established water rates (as amended from time to time) which are applicable to property within the NIPOMO C.S.D. boundaries.
- C. On the 7th day of well interruption LUCIA MAR shall submit a statement to NIPOMO C.S.D identifying the nature of the interruption and its plan to restore production. Attached to said statement shall be all consultant reports received by LUCIA MAR that relate to well production interruption.
- D. If the interruption in well production has not been resolved by the 60th day LUCIA MAR shall submit a report on or before the 75th day identifying the nature of the interruption, the steps it has taken to restore water production and the steps it plans to take to complete restoration of production.
- E. Upon receipt of the report identified in Paragraph D above, NIPOMO C.S.D. shall have the following options:
1. To extend for a maximum of 18 months the period of time for LUCIA MAR to restore well production and the water charges identified in Subparagraph E above. During said extended period LUCIA MAR shall submit quarterly reports in compliance with Subparagraph D.
 2. In the event that the well interruption is not resolved during the extended period identified in Paragraph E above, then the NIPOMO C.S.D. shall have the following options.:
 - X a. Establish a date upon which water service provided to LUCIA MAR under this Paragraph 14 will be terminated ~~and/or~~:
 - (b) Increase the water service charge for water provided under this Paragraph 14 to a maximum of 4 times the established water rates (as amended from time to time) which are applicable to property within the NIPOMO C.S.D boundaries

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5

DISCUSSION POINTS

LUCIA MAR SCHOOL DISTRICT AND NIPOMO COMMUNITY SERVICES DISTRICT
JOINT COMMITTEE MEETING OF October 24, 2000

14. WATER FACILITY IMPROVMENTS: LUCIA MAR shall pay the NIPOMO C.S.D. the following prior to the NIPOMO C.S.D. conveying water from DANA WELL #2 to the PROPERTY for construction and/or occupancy:
- A. A supplemental 3" meter fee in the amount of \$53,000;
 - B. A supplemental 4" irrigation meter fee in the amount of \$106,000;
 - C. A supplemental fire fee based upon 8" water meter in the amount of \$92,000;
 - D. Tefft Street water line upgrade costs in the amount of \$100,000;
 - E. Regulatory and fire water storage fee in the amount of \$200,000.
15. CONVEYANCE FEE: Subject to Section ___(CPI clause) below, LUCIA MAR agrees to pay NIPOMO C.S.D. ten (10) cents per hundred cubic feet of water conveyed from DANA WELL #2 or other wells developed by LUCIA MAR to the PROPERTY. NIPOMO C.S.D. shall bill LUCIA MAR bimonthly in arrears with payment due to NIPOMO C.S.D. within ___ days of receipt of invoice by LUCIA MAR.

COPY

**AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

1. PARTIES AND DATE.

This Agreement for Extraterritorial Water and Sewer Service ("Agreement") is made and entered into this 10th day of August, 1999, by and between the Nipomo Community Services District, a community services district organized and operating pursuant to the provisions of the California Government Code ("Community Services District") and the Lucia Mar Unified School District, a public school district organized and operating pursuant to the provisions of the California Education Code ("School District").

2. RECITALS.

2.1 The School District represents and warrants that it has an interest in certain real property situated in the County of San Luis Obispo ("County") on which it intends to construct its second high school ("Property"). The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. The Property is located outside and immediately adjacent to the Community Services District's service boundaries.

2.2 The School District has requested that the Community Services District provide water and sewer service to the Property, and the Community Services District desires and intends to grant the School District's request on condition that the School District enters into this Agreement with the Community Services District.

3. TERMS.

3.1 Authority to Enter Agreement. This Agreement is entered into by the Community Services District and the School District for the provision of water and sewer services outside the Community Services District jurisdictional boundaries pursuant to Government Code Section 56133.

3.2 Term. The term of this Agreement shall be from the date first hereinabove written until either Party terminates this Agreement pursuant to Section 3.13 of this Agreement.

3.3 Agreement to Provide Water Service. The Community Services District agrees to provide water and sewer service to the Property, and the School District agrees to

**AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

accept and pay for such service subject to the terms and conditions of this Agreement and the following:

- 3.3.1 The School District shall pay the Community Services District for engineering services required to update the Community Services District's Water and Sewer Master Plan to include evaluations of the infrastructure needed to serve the Property and associated impacts on the resources of the Community Services District. The School District shall deposit \$2,500.00 with the Community Services District for the estimated cost of such engineering services.
- 3.3.2 The School District shall enter into a Plan Check and Inspection Agreement with the Community Services District and pay the appropriate Community Services District fees.
- 3.3.3 The School District shall submit Improvement Plans for approval by the Community Services District showing all existing off-site water and sewer facilities and all proposed facilities (off-site and on-site) required to provide water and sewer service to the Property. Such facilities shall be in compliance with the Community Services District's Plans and Specifications.
- 3.3.4 The School District shall pay all appropriate Community Services District's fees (Capacity, meter, account, etc.).
- 3.3.5 The School District shall submit a detailed plumbing plan of the on-site water and sewer facilities so that the Community Services District may determine the number of fixture units in each building on the Property.
- 3.3.6 The School District shall design any landscape development of the common areas on the Property such that it requires minimal water use.
- 3.3.7 The School District shall submit the following documents before commencement of water service to the Property: Reproducible As-Builts, Offer of Dedication, Engineers Certification, and Summary of costs of water & sewer improvements.
- 3.3.8 The School District shall install a phone line conduit from the meter box to the appropriate telephone jack for future automatic meter reading capabilities.

**AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

3.4 Regulations. The School District agrees to abide by all rules and regulations of the Community Services District regarding the provision of water and sewer service to the Property.

3.5 Payment for Service. The School District agrees to pay the Community Services District for water and sewer service delivered to the Property in accordance with the Community Services District's customary rates and charges for such services which are applicable to property within the District's boundaries.

3.6 Construction of Connecting Facilities. The School District shall be responsible for constructing and installing, pursuant to the Plan Check and Inspection Agreement between the School District and the Community Services District, the necessary facilities from the Property to the connection points within the Community Services District's jurisdictional boundaries which are required by the Community Services District for the provision of water and sewer service to the Property. Upon approval and acceptance by the Community Services District, it shall accept ownership and responsibility for the maintenance and repair of those Connecting Facilities located off of the Property or those which the Community Services District would customarily accept within its jurisdictional boundaries.

3.7 Commencement of Service. Upon the School District's performance of its obligations under this Agreement (including Section 3.9), completion of the construction and installation of the Connecting Facilities to the satisfaction and acceptance of the Community Services District, and adequate assurance that the water supply (pursuant to Section 3.9), production and storage (pursuant to Section 3.3.1) will be sufficient to serve property within the Community Services District and the Property, the Community Services District shall commence delivering water and sewer service to the Property.

3.8 Water Requirements. The Parties anticipate that the Property will require approximately eighty (80) acre feet of water per year.

3.9 Water Source. Prior to the commencement of water service to the Property, the School District shall be responsible for establishing a water source in order to satisfy the water requirements of the Property. If the water source required by this Section is a well, such well must have a five (5) year pumping record or must otherwise be approved by the Community Services District, and must meet the Community Services District and State Department of Health Services requirements for water quality.

**AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

In lieu of establishing an original water source to satisfy the requirements of this Section, the School District may suggest other methods of satisfying this Section. Such suggestions shall be subject to the approval of the Community Services District. To the extent retrofits are available, one alternative method which is mutually acceptable to the School District and the Community Services District, the School District may fund, implement and complete the retrofitting of homes or other private or public facilities in the area of the Property as follows:

- 3.9.1 Enter into a retrofit agreement and prepare and submit a detailed Retrofit Plan to the Community Service District listing the addresses of the homes or other private or public facilities within the District to be retrofitted and the consent of each resident/owner.
- 3.9.2 Retrofitting of approximately four (4) single-family residences is equivalent to a single-family residences usage of about 0.4 AFY (acre-feet per year) of water. The School District's estimated water usage for the Property is 80 AFY. Therefore, $80 \div 0.4 \times 4 = 800$ single family residences or equivalents will need to be retrofitted to satisfy the School District's obligations under this Section. The Parties shall mutually agree upon similar retrofit guidelines for other private or public facilities, and shall reasonably cooperate with one another in establishing such guidelines.
- 3.9.3 The Retrofit Plan shall be implemented and completed by a licensed plumbing contractor. Prior to the commencement of service pursuant to Section 3.7 of this Agreement, the plumbing contractor shall certify to the Community Services District the number of retrofits that have been completed in accordance with this Agreement.
- 3.9.4 The School District agrees to defend, indemnify and hold the Community Services District and its officers, agents and employees harmless against any and all claims, causes of action, judgments, damages, liability, losses, costs or expenses, including reasonable attorneys fees, brought against the Community Services District or suffered or incurred by it, arising out of the School District or the School District's employees or contractors, performance of the Retrofit Plan. The School District's indemnity obligations under this Section excludes any actions, claims or damages arising from the negligence or willful misconduct of the Community Services District, its officer, employees and contractors.

AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT

3.10 Annexation. Within two (2) years of opening the new high school, the School District will apply to LAFCO to annex the Property to the Community Services District. If annexation is not commenced within the two (2) years stated, or if it is not thereafter approved within three (3) years, the Community Services District's Outside of District User Fees will be implemented rather than the fees indicated in Section 3.5.

3.11 Conditions and Covenants. The obligations of School District under this Agreement are both covenants and conditions.

3.12 Groundwater litigation. Notice is provided that Nipomo Community Services District has been made a party to that lawsuit entitled *Santa Maria Valley Water Conservation District, et al. v. City of Santa Maria, et al.*, Santa Clara Superior Court Case No. CV770214. The case involves competing claims to the right to produce water from and/or store water in the Santa Maria Valley Groundwater Basin, the water source from which Nipomo Community Services District derives the water which it serves. The District is now unable to predict with any certainty the outcome of the above-referenced litigation. However, the litigation conceivably could result in a limitation on the availability of groundwater for the District's production and/or an increase in the cost of water which the District serves to its water customers.

3.13 Termination. Except as otherwise required by law, this Agreement may be terminated by either Party upon written notice given at least three hundred and sixty-five (365) ^{days} in advance.

3.14 Attorneys' Fees. If any party to this Agreement commences any legal proceeding concerning any aspect of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, and all costs and expenses incurred in connection with the action or proceeding, including but not limited to, expert witness fees, court reporter fees and collection expenses.

3.15 Entire Agreement/Amendment. This document represents the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may be amended only by a written agreement executed by both parties.

3.16 Binding Upon Successors and Assigns; Covenant Running with the Property. This Agreement shall be binding upon and shall inure to the benefit of the School District and the Community Services District, and their respective heirs, successors, grantees, transferees, lessees and permissible assigns. It is intended to be and shall be a covenant running with the Property.

**AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT**

3.17 Prohibition Against Assignment. The School District may not assign this Agreement or any interest in it without the prior written consent of the Community Services District.

3.18 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

3.19 Cooperation / Further Acts. The parties shall fully cooperate with one another in attaining the purposes of this Agreement. In connection therewith, the parties shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient as related thereto.

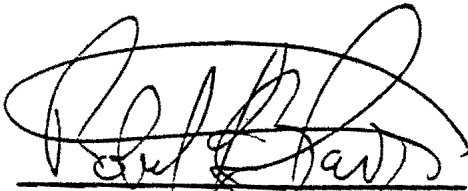
3.20 Agreement Limitations. This agreement may be limited or modified as a result of conditions imposed by a Court, or by a change in ordinances, resolutions, rules, fees or regulations affecting all Community Services District's customers adopted by the Board of Directors for the protection of the health, safety and welfare of the Community Services District.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the date first above written.

NIPOMO COMMUNITY SERVICES DISTRICT

LUCIA MAR UNIFIED SCHOOL DISTRICT

By:




Board President

By:




Board President

Attest:



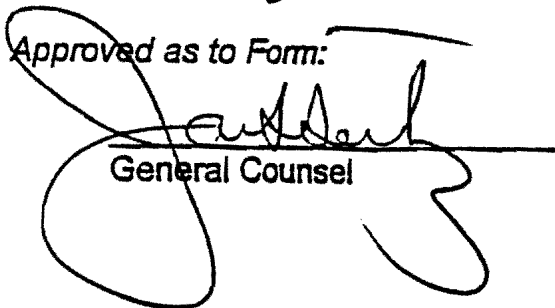
Board Secretary

Attest:



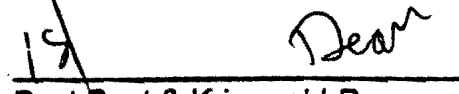
Board Secretary

Approved as to Form:



General Counsel

Approved as to Form:





Best Best & Krieger LLP
Legal Counsel

AGREEMENT FOR EXTRATERRITORIAL WATER AND SEWER SERVICE
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND THE LUCIA MAR UNIFIED SCHOOL DISTRICT

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

LOTS 1, 2, 3, 4, 6, 7, 8, 11 AND 12 OF THE RESUBDIVISION OF THE
NORTHERN PART OF LOT 24 OF THE H.C. WARDS SUBDIVISION OF THE
RANCHO NIPOMO, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF
CALIFORNIA, ACCORDING TO MAP RECORDED APRIL 13, 1887 IN BOOK A,
PAGE 15 OF MAPS.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: NOVEMBER 1, 2000

AGENDA ITEM 
NOV 01 2000

FIRE HYDRANT REPLACEMENT

ITEM

Award contract to replace fire hydrants in the District.

BACKGROUND

When the District was first formed in 1965, Kennedy dry barrel fire hydrants were installed. After 30 years, these hydrants need to be replaced with a newer type of wet barrel hydrant.

On September 6, 2000, your honorable Board authorized staff to request bids to replace approx. 20 fire hydrants within the District. The following bids were received.

<u>BIDDER</u>	<u>AMOUNT OF BID</u>
Benergy, Inc.	18,690.00
Sansone Co	23,835.00
MGE Underground	25,158.00
Lopez & Sons	25,308.15
Amick	27,300.00
Edwards, Vernon	27,384.00
D-Kal	29,400.00
Ahrens Corp	31,500.00
MJ Ross	32,025.00
DeChance Const.	37,800.00
R. Baker, Inc	43,995.00
Specialty Const.	53,676.00

The low bidder was Benergy, Inc. in the amount of \$18,690.00. In the 2000-2001 Fiscal Year Budget, the District budgeted \$40,000 for replacement of these fire hydrants. The District will supply the hydrants to the contractor for installation.

RECOMMENDATION

Staff recommends that your honorable Board award the contract to the low bidder, Benergy, Inc. in the amount of \$18,690.00. The attached Resolution No. 00-award awarding the contract to Benergy, Inc. is presented for consideration.

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

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AWARDING THE CONTRACT TO BENERGY, INC
FOR THE REPLACEMENT OF FIRE HYDRANTS**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("DISTRICT") is desirous to replace older fire hydrants within the District; and

WHEREAS, the DISTRICT requested bids to replace water services and bids were opened on October 10, 2000 at 2:00 p.m.; and

WHEREAS, twelve (12) bids were received and the apparent responsive and reliable low bid for the fire hydrant replacement was from Benergy, Inc. in the amount of \$18,690.00; and

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

- 1) Finds the Staff Report to be in order and attached hereto.
- 2) The contract for replacement of approx. 20± fire hydrants be awarded to Benergy, Inc. in the amount of \$18,690.00.
- 3) The President is instructed to execute the contract in behalf of the District.

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

AYES: Directors

NOES:

ABSTAIN:

ABSENT:

the foregoing resolution is hereby adopted this 1st day of November, 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

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: NOVEMBER 1, 2000

AGENDA ITEM
NOV 01 2000



REQUEST FOR SERVICE
CAR WASH AT SHELL SERVICE STATION

ITEM

Request for water and sewer service to install a car wash at the Shell Service Station located at 501 W. Tefft Street.

BACKGROUND

The District has received a request for water and sewer service from Robert Gouin for a car wash at the Shell Service Station at 501 W. Tefft Street. The car wash will have a water recovery system where approx. 50% of the water will be reused for their operation.

An Intent-to- Serve letter may be issued with the following conditions:

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, and including a wastewater sample station to sample the effluent from the sewage disposal system of the car wash.
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 an Intent-to-Serve letter for a car wash at 501 W. Tefft Street with the above mentioned conditions.

Board 2000\car wash.DOC

Robert R. Gouin
Nipomo Shell
501 West Tefft
Nipomo, CA 93444
(805) 929-5562

October 18, 2000

Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

To whom it may concern:

I am requesting a tentative Will Serve Letter for my car wash at 501 West Tefft Street.

Enclosed is a copy of my planned water recovery system, filtration and processing of wastewater. Our projection is to do 100 cars per day. Each car will use 30 gallons for a total of 3,000 gallons per day. The Conserv Water Recovery System will reduce the water usage by 50%, reducing the total gallons utilized to 1,500 per day.

Thank you for your assistance.

Sincerely,

Robert Gouin

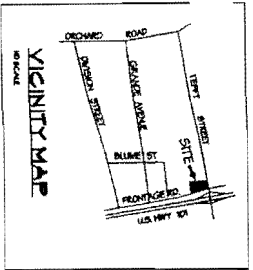
Enclosure

RECEIVED

OCT 18 2000

NIPOMO COMMUNITY
SERVICES DISTRICT

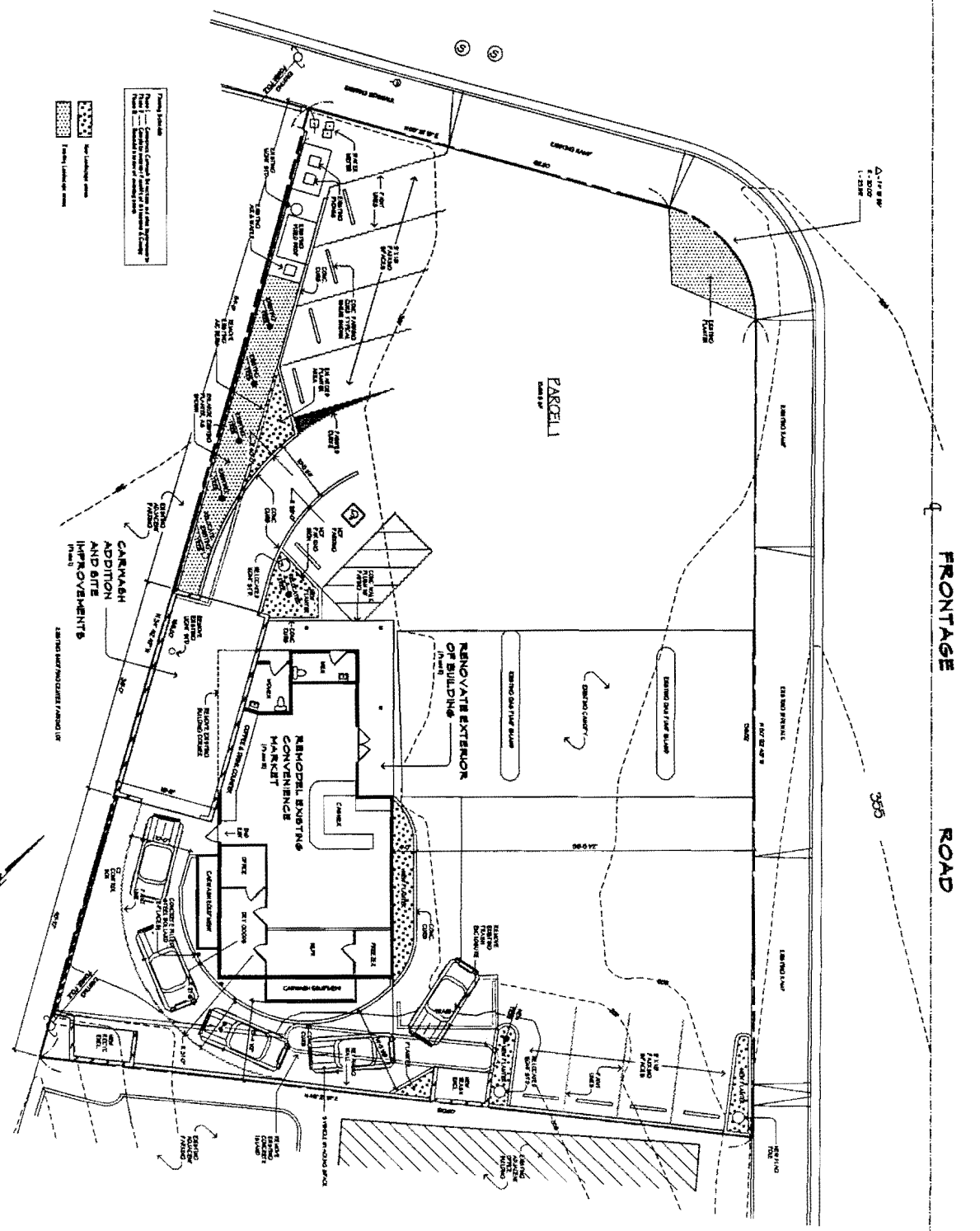
LEGAL DESCRIPTION
 PARCEL 10, MAP 100, NIPOMO, CALIFORNIA
 1/2 AC. (10,000 SQ. FT.)
 1/2 AC. (10,000 SQ. FT.)
 1/2 AC. (10,000 SQ. FT.)



PROJECT DATA

LOT AREA	10,000 SQ. FT.
EXISTING BUILDING AREA	8,774 (200 SF)
EXISTING LANDSCAPE	87,241 (2,000 SF)
EXISTING PARKING	25,141 (57)
PROPOSED BUILDING AREA	13,774 (200 SF)
PROPOSED LANDSCAPE	88,868 (2,000 SF)
PROPOSED PARKING	25,141 (57)
PROPOSED IMPROVEMENTS	8,868 (200 SF)

SITE PLAN



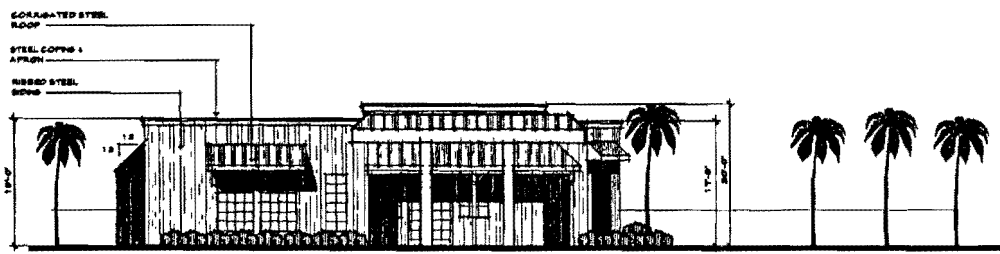
A-1

NIPOMO SHELL REMODEL
 501 West Tefft Street, Nipomo, California
 Owners: Robert & Vicki Gough, 501 West Tefft Street, Nipomo, California 93544 929-2506

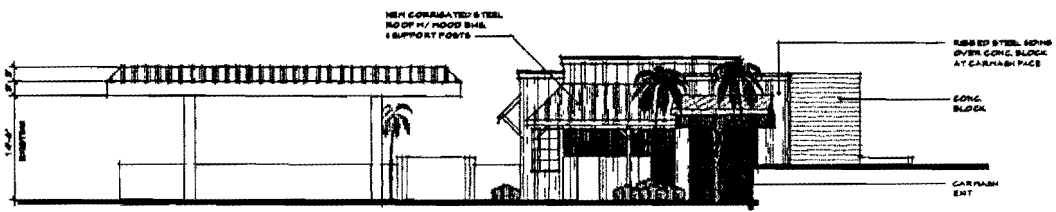


Norman & Vasquez Associates
 Commercial Developers and Parcel Residential Specialists
 101 West Branch - Suite 11
 Arroyo Grande, California 93420
 James E. Norman, Architect

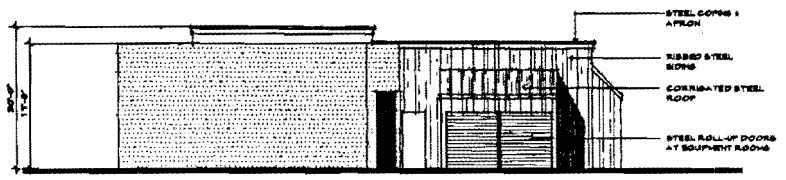
DATE	10/10/04
SCALE	1/8" = 1'-0"
PROJECT	NIPOMO SHELL REMODEL
CLIENT	ROBERT & VICKI GOUGH
ARCHITECT	NORMAN & VASQUEZ ASSOCIATES
NO. OF SHEETS	1
SHEET NO.	A-1



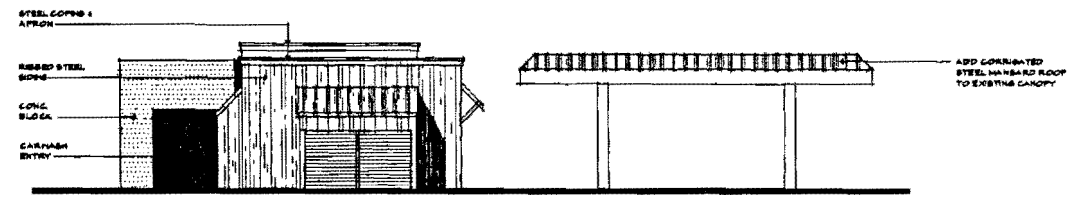
North Elevation: Frontage Road View



West Elevation: Tefft Street View



South Elevation



East Elevation

EXTERIOR ELEVATIONS

SCALE 1/8" = 1'-0"

REVISED BY

Norman & Vasquez Associates
 Commercial Development and Planned Residential Specialists
 10 New South Gate St.
 Arroyo Grande, California 93420
 James E. Vasquez, Architect (805) 497-0842
 C-1081




NIPOMO SHELL REMODEL

DATE: 01/10/00
 DRAWN BY: JLV
 TITLE: EXTERIOR ELEVATIONS
 SHEET NO.: 001

A-2

Thomas, Cooper & Co., 2003, 34528174

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: NOVEMBER 1, 2000

AGENDA ITEM
NOV 01 2000



SAN LUIS OBISPO AD HOC
PLANNING ADVISORY COMMITTEE

ITEM

The San Luis Obispo County, Community Services Districts in the County and other groups have been meeting and discussing area planning advisory committees so that input could be made into the County planning process. District legal counsel, Jon Seitz, has been attending these meeting. He will make a report and review the committee's recommendations on the area planning process.

Board 2000\ad hoc.DOC

AGENDA ITEM

NOV 01 2000



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 1, 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 October 18, 2000 Regular Board meeting



WARRANTS NOVEMBER 1, 2000

HAND WRITTEN CHECKS

18378	10-23-00	SLO COUNTY RECORDERS OFC	14.00
18379	10-24-00	ALEX MENDOZA	100.00
18380	10-24-00	R. MOBRAATEN	100.00

COMPUTER GENERATED CHECKS

5249	10/16/00	EMP01 EMPLOYMENT DEVELOP DEPT	343.21
5250	10/16/00	MID01 MID STATE BANK	1878.39
5251	10/16/00	MID02 MIDSTATE BANK - DIRECT DP	11465.04
5252	10/16/00	PER01 PERS RETIREMENT	961.32
5253	10/16/00	SIM01 DEBRA SIMMONS	150.00
5254	10/16/00	STA01 STATE STREET GLOBAL	825.00

005255	ADVANTAGE ANSWERING PLUS	105.95
005256	BASIC CHEMICAL SOLUTIONS	917.34
		344.00

Check Total.....: 1261.34

005257	ROBERT L BLAIR	100.00
005258	BLUEPRINT EXPRESS	83.80
005259	LISA BOGNUDA	627.93
005260	CHAMPION AMERICA INC	294.43
005261	COMPUTER NETWORK SERVICES	726.00
005262	COPY-PRINT, ETC	21.05
005263	CORBIN WILLITS SYSTEMS	973.34
		500.00

Check Total.....: 1473.34

005264	CREEK ENVIRONMENTAL LABS	30.00
		30.00
		30.00
		30.00

Check Total.....: 120.00

005265	CROWN RAIN GUTTER	85.00
005266	GERALD LEE DOUGLAS	73.53
005267	FGL ENVIRONMENTAL	44.80
		44.80
		36.00
		44.80
		29.60

Check Total.....: 200.00

005268	GARING TAYLOR & ASSOC	465.50
		2.31
		49.00

Check Total.....: 516.81

005269	GWA INC	25.00
005270	IKON OFFICE SOLUTIONS	47.20
005271	MCI WORLD COM	12.32
		10.20
		13.53
		7.30

Check Total.....: 43.35

005272	ALEX MENDOZA	100.00
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VOID

None

005273	MIDSTATE BANK MASTERCARD	37.24
005274	RICHARD MOBRAATEN	100.00
005275	NIPOMO SHELL	996.12
005276	PACIFIC BELL	52.08
		33.11
		102.57
	Check Total.....:	187.76
005277	PERS HEALTH BENEFITS	3212.23
005278	P G & E	22704.68
005279	PRECISION JANITORIAL	135.00
005280	QUINN COMPANY	539.93
005281	R BAKER, INC	8094.20
005282	RICHARDS, WATSON, GERSHON	14348.90
005283	RUSSCO	523.42
005284	SAIC	3478.83
005285	ALBERT SIMON	100.00
005286	STATE DEPT OF HEALTH SERV	25.00
005287	THE GAS COMPANY	26.68
005288	VERIZON WIRELESS	14.59
005289	MICHAEL WINN	100.00

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

OCTOBER 18, 2000

AGENDA ITEM

NOV 01 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 10:32 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.

Present Blair opened the meeting to Public Comment. There were none.

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 due to hardship outside District boundary at 660 Cherokee Place

The request from Salvador and Helen Ortiz for water service to 660 Cherokee Place on the basis of an extreme hardship case was revisited after 2 previous times on the Board's agenda. The District Code § 3.16.010 allows property outside the District boundary to be served if there is an extreme hardship or if there is a benefit to the District or community.

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

Vince McCarthy, 194 E. Dana, Nipomo – Asked about the size of the storage tank on the property. Ans: There are storage tanks, but the size is unknown.

Susie Hermreck, Nipomo - felt the property owners were over-using the allowed land use.

Donna Mehlschau, 101 Mehlschau Road, Nipomo - Serving this property would be setting a precedent.

Their well report indicated that there was adequate water for two houses on the property. Upon motion of Director Winn and seconded by Director Mobraaten, the Board unanimously denied the request from Salvador and Helen Ortiz for water service to 660 Cherokee Place on the basis that the property is outside the District and has not been determined an extreme hardship case.

D-2) WATER AND SEWER SYSTEM MASTER PLAN

Review proposal from Boyle Engineering to update District's 1995 Water and Sewer Master Plan

This item was postponed until a representative from Boyle Engineering arrived.

Pam Cosby from Boyle Engineering presented information on the proposal to update the District's 1995 Water and Sewer System Master Plan. There was Board discussion.

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

Evan Evanoff, 490 Brytec Ct., Nipomo - Asked if new water storage facility would help Summit Station. Mr. Seitz explained that the District cannot comment on the subject because of ongoing litigation.

Upon motion of Director Winn and seconded by Director Mobraaten, the Board unanimously authorized the President of the Board to execute an agreement with Boyle Engineering to provide the service and appropriate funds from reserves to pay for the study.

D-3) DISTRICT INSTALLED WATER LINES REIMBURSEMENT

Review connection fee to District installed water lines

A request was received from the developers of Tract 2219 (Barlogio and Dana) to reconsider the amount of the fee to reimburse the District for the District-installed water line on the basis that at some future time, the property on the other side of the water line could possibly be served and the property owners could pay their half at that time.

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

John Barlogio, Nipomo - wished to thank the Board for considering his request.

Upon motion of Director Mobraaten and seconded by Director Winn, the Board unanimously approved Resolution 00-742 with the elimination of paragraph 4.

RESOLUTION NO. 00-743

**A RESOLUTION OF THE NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS APPORTIONING FRONT FOOTAGE FEES
BETWEEN TRACT 2219 AND FUTURE DEVELOPMENT**

D-4) REQUEST FOR WATER AND SEWER SERVICE - TRACT 2381 (CRAIG)

Request for water and sewer service for a 20-lot development at Pomeroy & Willow Rds.

The District received a request for water and sewer service for Tract 2381 in the Black Lake Specific Plan, located at Pomeroy and Willow Roads.

There were no public comments.

Upon motion of Director Simon and seconded by Director Mobraaten, the Board unanimously approved an Intent-to-Serve letter to be issued for Tract 2381 with the conditions as outlined in the Board letter.

D-5) REQUEST FOR WATER AND SEWER SERVICE - TRACT 2399 (KING VENTURES)

Request for water and sewer service for a 59-lot development at S. Frontage & Division.

The District received a request for water and sewer service for Tract 2399, a 59-unit development located at S. Frontage Rd. and Division.

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

Evan Evanoff, 490 Brytec Ct., Nipomo - asked why give a Will-Serve letter with a warning.

Guy Murray, 182 Danny Lane, Nipomo - Commented on the Will-Serve letters and incorporation

Vince McCarthy, 194 E. Dana, Nipomo - Commented that he knows the Board has not control of the density.

Upon motion of Director Winn and seconded by Director Simon, the Board unanimously approved an intent-to-Serve letter to be issued for Tract 2399 with the conditions as outlined in the Board letter.

E. OTHER BUSINESS

E-1) ANNUAL AUDIT SERVICES

District audit proposal services for FY 01-03

A proposal was received from Carlos Reynoso, CPA, to perform the District's audit for the next three years. There were no public comments. Upon motion of Director Mobraaten and seconded by Director Mendoza, the Board unanimously approved the audit proposal from Mr. Reynoso and authorized staff to execute the Audit Engagement Letter.

E-2) APPOINTMENT TO COUNTY WATER RESOURCES ADVISORY COMMITTEE

Present members from the District are Doug Jones (member) and Bob Blair (alternate member)

The San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee has requested that nomination for a non-expiring term for appointment to the WRAC. There were no public comments. President Blair appointed Manager Doug Jones and himself as member and alternate to WRAC.

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 October 18, 2000 Regular Board meeting

F-3) ACCEPTANCE OF TRACT 2304 IMPROVEMENTS (WITTSTROM) [RECOMMEND APPROVAL]

F-4) ACCEPTANCE OF TRACT 1854 IMPROVEMENTS (GREENWALD) [RECOMMEND APPROVAL]

RESOLUTION NO. 00-744

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 1854

F-5) ACCEPTANCE OF TRACT 2264 IMPROVEMENTS (BLACK LAKE ESTATES PARTNERS) [REC APPROVAL]

RESOLUTION NO. 00-745

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 2264 (BLACK LAKE ESTATES PARTNERS)

Item F-3 was removed for lack of completion.

There were no public comments.

Upon motion of Director Mobraaten and seconded by Director Simon, the Board unanimously approved the Consent Agenda presented.

G. MANAGER'S REPORT

General Manager, Doug Jones, presented information on the following:

G-1) U S WATER NEWS ARTICLE ON EAST COAST DE-SAL PLANT

G-2) GOVERNING - LAND USE ARTICLE

H. DIRECTORS COMMENTS

Director Mobraaten reported on the candidates meeting October 17th. Both Director Mobraaten and President Blair enjoyed the meeting and learned a lot.

Director Mendoza asked about the gas bill. Mr. Jones explained that it is for the Sundale Well.

Mr. Winn asked for the status of the Lucia Mar proceedings. There is a meeting next Tuesday.

There was no need to go into Closed Session.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC§54956.9


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, GC§54956.9

c. Litigation CPUC Appl. No. A 00-03-029 (Gov. Code §54956.9)

ADJOURN

President Blair adjourned the meeting at 11:49 a.m.

AGENDA ITEM 
NOV 01 2000

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: NOVEMBER 1, 2000

MANAGER'S REPORT

G. MANAGER'S REPORT

- G-1) COUNTY ROAD IMPROVEMENT FEES
San Luis Obispo County has revised the South County Road Improvement Fees, which will take effect December 4, 2000. Part of these fees will affect the Nipomo Mesa area as shown on the attached notice received from the County.

A copy of the County report establishing these fees is in the office.

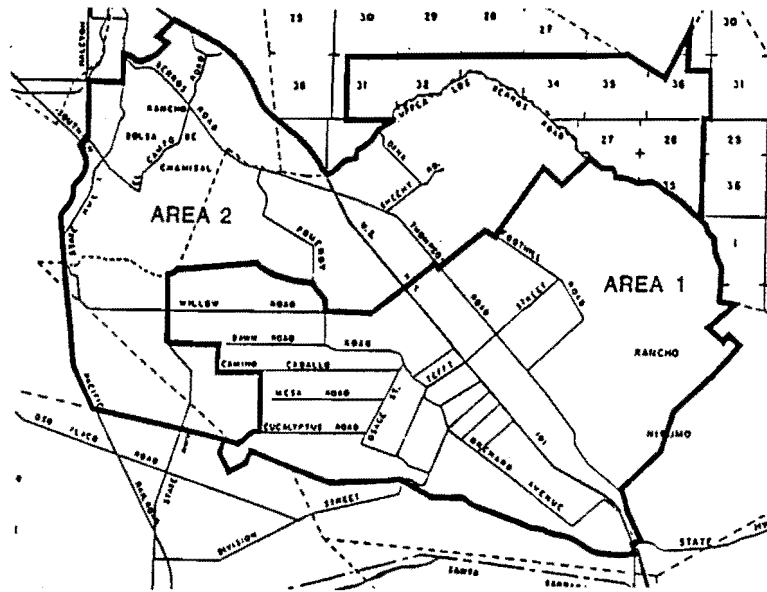
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NOTICE

SOUTH COUNTY AREA PROJECTS

New Road Improvement Fees *take effect* **December 4, 2000**

The San Luis Obispo County Board of Supervisors has adopted NEW Road Improvement Fees for all new development in the area shown on the map below. The new fees are increasing and will apply to any permits issued on or after **December 4, 2000**. The fee schedule is shown below. The fee does not apply to additions or remodeling.



Land Use Type	Area 1	Area 2
Residential	\$3,444/pht	\$3,052/pht
Retail	\$524/pht	\$646/pht
Other	\$807/pht	\$995/pht

pht: P.M. Peak Hour Trip, as determined by Board of Supervisors' policy.

For more information, contact the County Engineering Department at
(805) 781-5252 or toll-free at (800) 834-4561.