

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

MAY 2, 2001

John Snyder

60
20
1200
1750
1350

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

BOARD MEMBERS

ROBERT BLAIR, PRESIDENT
AL SIMON, VICE PRESIDENT
RICHARD MOBRAATEN, DIRECTOR
MICHAEL WINN, DIRECTOR
JUDITH WIRSING, DIRECTOR

STAFF

DOUGLAS JONES, GENERAL MANAGER
DONNA JOHNSON, SEC. 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) SOLID WASTE DISPOSAL ORDINANCE - PUBLIC HEARING

Adoption of an ordinance establishing rules & regulation to provide solid waste services

D-2) DISTRICT ANNEXATION POLICY

Review revisions to the District's annexation policy

D-3) DRUMM LANE SEWER REIMBURSEMENT (MITCHELL)

Review reimbursement spread for sewer line costs and set a public hearing

D-4) REQUEST FOR ANNEXATION - TRACTS 1802 & 1856 (TRINCON)

Review annexation agreement to annex a 77-lot development on 82 acres near Santa Maria racetrack

E. OTHER BUSINESS

E-1) DRAFT FISCAL YEAR 2001-2002 BUDGET

Presentation of the draft 2001-02 District Budget

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 April 4, 2001 Regular Board meeting

F-3) THIRD QUARTER FINANCIAL STATEMENT [RECOMMEND RECEIVE AND FILE]

G. MANAGER'S REPORT

G-1) ARTICLE ON FUNDING INFRASTRUCTURE NEEDS

H. DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC\$54956.9

- Litigation CPUC Appl. No. A 00-03-029 (Gov. Code §54956.9)
- SMVWCD vs NCSA Santa Clara County Case No. CV 770214 and all consolidated cases.
- NCSA vs State Dept of Health Services CV 990716, GC §54956.9]
- Anticipated Litigation - One Case

ADJOURN

The next regular Board meeting will be held on May 16, 2001.

AGENDA ITEM
MAY 02 2001



TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: MAY 2, 2001

SOLID WASTE DISPOSAL SERVICE ORDINANCE
PUBLIC HEARING

ITEM

Adoption of an ordinance establishing rules and regulations for the District to provide solid waste service

BACKGROUND

In January, LAFCO approved latent powers for the District to provide solid waste disposal services. Your Honorable Board, at the regular Board meeting on April 18, 2001, introduced and had the first reading of an ordinance to establish rules and regulations for the District to provide solid waste service within the District.

Now is the time to hold a Public Hearing on the final reading of the ordinance prior to adoption which establishes District procedure for providing solid waste services.

RECOMMENDATION

After public comments are received, staff recommends that your Honorable Board have the final reading and adoption of Ordinance 2001-90, which will be included as Title #6 in the District codes, Solid Waste Management Rules and Regulations.

Board 2001\Ord 2001-90.DOC

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2001-90**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING SOLID WASTE MANAGEMENT
RULES, REGULATIONS AND FEES AND CHARGES**

WHEREAS, pursuant to San Luis Obispo County Local Agency Formation Commission (LAFCO) Resolution 2001-02 the Nipomo Community Services District (District) is now authorized to provide its residents with the collection or disposal of garbage or refuse matter pursuant to Government Code Section 61000 (c) with the following conditions:

A. NCSO (Nipomo Community Services District) shall enter into an Agreement with South County Sanitary, Inc. based on the same terms and conditions, to the extent reasonably applicable to NCSO, as the existing Franchise Agreement between the County of San Luis Obispo and South County Sanitary, Inc. NCSO shall further agree that it will not amend the terms and conditions of the Agreement until June 19, 2005, including changing rates, without the prior written consent of the County Board of Supervisors, which will not be unreasonably delayed or withheld. The requirement regarding prior consent of the Board of Supervisors shall be satisfied through County and South County Sanitary, Inc. entering into an amendment to their existing franchise which will provide as follows:

The transfer of authority from the County to the NCSO will not adversely impact or affect rates for those residents who remain under the existing County Franchise Agreement. In addition, those residents in the unincorporated area on the fringe and outside of the NCSO boundaries who currently receive the same level of service at the same rates (exclusive of any franchise fees) as NCSO residents for the duration of the existing County Franchise.

The Agreement shall also include the following:

Franchise shall deliver all solid waste to any landfill which collects the San Luis Obispo County AB939 Tipping Fee Surcharge and Waste Management Program Fee, pursuant to Board of Supervisors' Resolution No. 90-383. If the Franchisee delivers solid waste to a landfill which does not collect the County Tipping Fee Surcharge and Waste Management Program Fee, the franchise will make, on a monthly basis, the equivalent payment directly to the County's Waste Management Tipping Fee AB939 Trust Fund #0159 and Waste Management Tipping Fee Trust Fund #0160. Payments shall be adjusted to reflect any changes in the amount of these fees.

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B. At such time as NCSD enters into its own solid waste agreement, NCSD shall assume all responsibility for collection and disposal of garbage and refuse material, implementation of the waste reduction programs applicable to special districts required pursuant to the Integrated Waste Management Act of 1989, and solid waste enforcement within the District's jurisdiction.

C. Commencing on June 1, 2001, NCSD will be required, pursuant to Public Resources Code § 41821.2, to comply with the Source Reduction and Recycling Element and the Household Hazardous Waste Element of the County of San Luis Obispo. Additionally, NCSD will be subject to a portion of any penalties imposed pursuant to § 41850 upon the County, that are in proportion to NCSD's responsibility for failure to implement the County's Source Reduction and Recycling Element and Household Hazardous Waste Element; and

WHEREAS, the collection and disposal of solid waste within the District is currently provided by the County pursuant to various provisions of Chapter 8.12 of Title 8 of the San Luis Obispo County Code; and

WHEREAS, the rates and charges for commercial and residential customers within the District boundaries for the collection and disposal of solid waste by South County Sanitation, Inc. were established by appropriately noticed hearings of the County Board of Supervisors. Said rates are attached hereto as Exhibit A; and

WHEREAS, South County Sanitation, Inc. pursuant to an exclusive franchise agreement with the County currently provides commercial and residential collection or disposal of solid waste within the District boundaries.

WHEREAS, the District Board of Directors desires to adopt this Ordinance to establish solid waste management rules and regulations, fees and charges for the collection or disposal of garbage or refuse matter within the District boundaries; and

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

A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code §54954.2 (The Brown Act); and

B. The rules and regulations that are the subject of this Ordinance are fair, reasonable and in the District's interests.

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C. That the fees, rates and charges that are the subject of this Ordinance were previously adopted by the County of San Luis Obispo for providing for the collection or disposal of garbage or refuse matter within the District boundaries.

D. That the rules, regulations, fees and charges that are the subject of this Ordinance do not materially amend the terms and conditions of the County's franchise agreement with South County Sanitation, Inc. including changing rates.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Nipomo Community Services District as follows:

Section 1. Authority.

This Ordinance is enacted pursuant to Government Code § 61600 (c), §61621 and §54343.

Section 2. Rules and Regulations for the Collection and Disposal of Garbage and Refuse Matter.

The Rules and Regulations attached hereto as Exhibit B are hereby incorporated by reference and approved and adopted by the Board of Directors of the Nipomo Community Services District as the Nipomo Community Services District Solid Waste Management Rules and Regulations and shall be incorporated into the District Code as Title 6.

Section 3. District Rates and Charges.

The rates and charges, as established by the County (are attached hereto as Exhibit A), incorporated herein by reference, and are approved and adopted and shall be identified as Appendix A to Title 6 of the District Code.

Section 4. Department of Solid Waste Collection.

There is hereby created the Nipomo Community Services District Department for Solid Waste Management that shall be charged with implementing and enforcing the Solid Waste Management Rules and Regulations (as amended from time to time) that are attached hereto as Exhibit B. Said department shall be operated under the authority of the General Manager.

Section 5. Franchise Fees.

All franchise fees collected by the District's authorized Franchisee for the collection or disposal of garbage or refuse matter within the District boundaries

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shall be deposited into a restricted account with such funds only being used for the purposes that reasonably relate to providing for the collection or disposal of garbage or refuse matter and solid waste enforcement consistent with LAFCO Resolution 2000-018 within the District boundaries.

SECTION 6. Severability

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

SECTION 7. Effect of headings

Title, division, part, chapter, article, and section headings contained herein or in the attached Solid Waste Management Rules and Regulations do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance or the attached Solid Waste Management Rules and Regulations.

SECTION 8. CEQA Findings

The Board of Directors of the District finds that the fees and charges adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The Board of Directors further finds that the adoption of the Rules and Regulations established by this Ordinance fall within the activities described in Section 15378(b)(3) of the CEQA Guidelines which are deemed not to be "projects" for the purposes of CEQA, because it can be seen with certainty that the adoption of the Rules and Regulations may have a significant effect on the environment.

SECTION 9. Inconsistency

To the extent that the terms of provision of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior District Ordinance(s), Motions, Resolutions, Rules, or Regulations or any County Ordinance(s), Motions, Resolutions, Rules, or Regulations adopted by the District, governing the same subject matter thereof, then such inconsistent

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and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

SECTION 10. Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage it shall be

posted in three (3) public places with the names of the members voting for and against the Ordinance and shall remain posted thereafter for at least one (1) week. The Ordinance shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in the Five Cities Times Press Recorder.

Introduced at a regular meeting of the District Board of Directors held on April 18, 2001, and passed and adopted by the District Board of Directors on the _____ day of _____, 2001, by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

Robert L. Blair, President
Board of Directors, Nipomo
Community Services District

ATTEST:

Approved As to Form:

Donna K. Johnson,
Secretary to the Board

Jon S. Seitz,
District Legal Counsel

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EXHIBIT A

IN TOWN NIPOMO

ALL RATES EFFECTIVE 4-1-2000

COMMERCIAL GARBAGE CANS (PER MONTH) COLLECTIONS PER WEEK						
NUMBER OF CANS	1	2	3	4	5	6
1	\$12.25	\$20.50	\$24.65	\$30.05	\$35.30	\$42.10
2	\$24.50	\$41.00	\$49.30	\$60.10	\$70.60	\$84.20

Maximum volume and weight per garbage can: 33 gallons and 80 pounds
 Extra bags or cans above service level \$3.00 each
 Commercial waste wheeler rent \$2.30 per month

COMMERCIAL DUMPSTER CONTAINERS (PER MONTH) COLLECTIONS PER WEEK							
Size of container (cubic yards)	1	2	3	4	5	6	7
1	\$42.50	\$61.15	\$80.80	\$99.45	\$120.15	\$139.85	\$186.45
1.5	\$50.75	\$77.65	\$104.65	\$146.05	\$178.15	\$212.35	\$280.75
2	\$54.90	\$90.10	\$128.40	\$187.50	\$230.00	\$274.50	\$376.00
3	\$65.25	\$122.20	\$170.90	\$304.50	\$361.50	\$422.60	\$582.10
4	\$94.25	\$141.95	\$204.05	\$320.10	\$396.70	\$450.60	\$700.00

The rates shown above include the monthly container rental fee and are the same for bins and garwoods, when volume is identical.

UNSCHEDULED EXTRA COLLECTIONS FOR COMMERCIAL CUSTOMERS PER YARD \$6.35

SINGLE FAMILY and MULTI-UNIT RESIDENTIAL (4 UNITS OR LESS) VOLUME-BASED RATES				
INCLUDES WASTE WHEELER(S) FOR GARBAGE, ORANGE BIN FOR RECYCLING GREENWASTE CUSTOMERS USE THEIR OWN CANS FOR GREENWASTE				
one can	32 gallon	WASTE WHEELERS	\$11.45	PER MONTH
two can	64 gallon	WASTE WHEELERS	\$16.40	PER MONTH
three can	96 gallon	WASTE WHEELERS	\$21.50	PER MONTH
four can	two-64 gallon	WASTE WHEELERS	\$25.60	PER MONTH
five can	one 64 & one 96 gallon	WASTE WHEELERS	\$29.70	PER MONTH
six can	two-96 gallon	WASTE WHEELERS	\$33.80	PER MONTH
REQUESTED DRIVE-IN CHARGE			\$6.95 PER MONTH	
GARBAGE EXTRAS PER BAG/CAN			\$3.00 EACH	

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EXHIBIT A

BLACK LAKE AND SUMMIT STATION AREAS

ALL RATES EFFECTIVE 4-1-2000

COMMERCIAL GARBAGE CANS (PER MONTH) COLLECTIONS PER WEEK						
NUMBER OF CANS	1	2	3	4	5	6
1	\$12.25	\$20.50	\$24.65	\$30.05	\$35.30	\$42.10
2	\$24.50	\$41.00	\$49.30	\$60.10	\$70.60	\$84.20

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 Commercial waste wheeler rent \$2.30 per month

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**TITLE 6
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6.01.100 GENERAL

6.01.110 Definitions.

Except as otherwise provided herein, the following words and phrases shall be interpreted consistent with the definitions set forth in Public Resources Code commencing with Section 40100.

(1) "Act" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.) and all regulations adopted under that legislation, as may be amended from time to time.

(2) "Approved Collector" means a Collector who has been awarded a franchise agreement for the collection of solid waste and/or industrial waste within the District boundaries.

(3) "Board" means the Nipomo Community Services District Board of Directors.

(4) "Bulky waste" means and includes, but not by way of limitation, discarded white goods i.e., major household appliances, furniture, tires, carpets, mattresses and similar large items.

(5) "Collection" means the act of collecting solid waste materials or recyclables at residential, commercial, industrial or governmental sites and hauling it to a facility for processing, transfer, disposal or burning.

(6) "Collection vehicle or equipment" means any vehicle or equipment used in the collection of residential, commercial, industrial or governmental solid waste or recyclables.

(7) "Collector" means any person who operates a service route or provides service and is directly or indirectly reimbursed for the collection, transportation and disposal or recycling of solid waste, greenwaste, recyclables or industrial waste from residential, commercial or industrial premises within the District boundaries..

(8) "Construction and demolition waste" means the residual building materials, packaging and rubble resulting from construction, remodeling, repair and demolition operations on pavements, houses, commercial buildings and other structures.

(9) "Container" means any bin, vessel, can or receptacle used for collecting solid waste from commercial and residential properties.

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(10) "County " means the County of San Luis Obispo.

(11) "Curbside collection" means the collection of solid waste from a location adjacent to the street or alleyway.

(12) "District" means the Nipomo Community Services District and/or the Nipomo Community Services District Board of Directors.

(13) "Franchise" means the right and privilege in accordance with a franchise agreement with the District (a) to collect; (b) to transport to a landfill or other permitted disposal facility; and/or (c) to recycle, from collected solid waste and recyclables, all solid waste kept, generated and/or accumulated within the District authorized franchise area.

(14) "Franchise fee" means the fee or assessment imposed by the District on a franchisee because of his or her status as a franchisee.

(15) "Garbage" means the putrescible animal, fish, fowl, food, fruit, bakery goods or vegetable matter resulting from the preparation, storage, processing, handling, decay, distribution, manufacturing or consumption of such substance except suet, tallow, bones or meat trimmings that are not rejected by the owner or producer as worthless or useless.

(16) "General Manager" means the District General Manager.

(17) "Greenwaste" means all grass clippings, leaves, branches and tree trunks and other yard waste generated by residents.

(18) "Hazardous waste" means any waste material or mixture of waste which is toxic, corrosive, flammable, or reactive if such a waste or mixture of waste may cause injury, illness or harm to humans, animals, or the environment during or as an approximate result of any disposal of such waste or mixture of waste as defined in Article 2 Chapter 6.5 Section 25117 of the Health and Safety Code and Public Resource Code Section 40141.

(19) "Health Officer" means the duly appointed director of the County health agency or his or her duly authorized representative.

(20) "Industrial waste" means waste originating from mechanized manufacturing facilities, factories, refineries, or publicly operated treatment works.

(21) "Litter" means all improperly discarded waste material, including but not limited to, convenience food, beverage and other product packages or containers constructed of steel, aluminum, glass, paper, plastic and other natural and synthetic materials thrown or deposited on the lands and waters of the state but not including the

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properly discarded waste of the primary processing of agriculture, mining, logging, saw milling or manufacturing pursuant to California Code of Regulations Title 14 Section 17225.42.

(22) "Local enforcement agency" means the agency which has been certified by the California Integrated Waste Management Board as a comprehensive solid waste management agency which performs inspection, enforcement and permitting duties in all jurisdictions within San Luis Obispo County . The current local enforcement agency is the County health agency.

(23) "Medical waste" means biohazardous waste, sharps waste, waste which is generated or produced, as a result of the diagnosis, treatment or immunization of human beings or animals, in research pertaining thereto or in the production or testing of biologicals pursuant to California Health and Safety Code, Section 25023.2.

(24) "Multi-family dwelling" means a structure or structures containing a total of two or more dwelling units in any vertical or horizontal arrangement on a single lot or building site that shares common solid waste storage.

(25) "Nuisance" means anything which is injurious to human health or is indecent or offensive to the senses and interferes with the comfortable enjoyment of life or property.

(26) "Occupant" means every owner, tenant or person having the care or control of any property or premises.

(27) "Office building" means any office and/or combination of offices enclosed in a single or connected buildings used for commercial, governmental or educational purposes.

(28) "Person" means any individual, firm, association, partnership, political subdivision, government agency, municipality, public or private corporation or any other entity whatsoever.

(29) "Pollution" means the condition caused by the presence in or on a body of water, soil or air of any solid waste or substance derived therefrom in such quantity of such nature and duration or under such condition that the quality, appearance or usefulness of the water, soil, land or air is significantly degraded or adversely altered.

(30) "Premises" means a tract or parcel of land with or without habitable buildings or appurtenant structures.

(31) "Processing" means the reduction, separation, recovery, conversion or recycling of solid waste.

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(32) "Putrescible waste" means organic material with a decomposition capacity to emit noticeable quantities of odor and gaseous byproducts. Material in this category includes but is not limited to kitchen waste, dead animals, and food waste.

(33) "Radioactive waste" means any waste which exceeds regulatory levels of activity as defined in Chapter 7 of the California Health and Safety Code.

(34) "Recyclables" means aluminum, glass bottles and jars, paper, newspaper, cardboard, plastic containers, tin and bimetel, white goods, yard or green waste and other materials which can be processed and returned to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace.

(35) "Removal" means the act of taking solid waste, recyclables or recoverable material from the place of generation either by an Approved Collector or by a person in control of the premises.

(36) "Removal frequency" means the frequency of removal of solid waste or recyclables from the place of generation.

(37) "Residential service" means collection of all types of domestic solid waste and rubbish which originate in residential dwellings.

(38) "Residential solid waste" means solid waste originating from single family or Multifamily dwellings.

(39) "Roll-off box," also called a drop box, means an open top, movable container in which primarily nonputrescible solid waste such as construction and demolition debris or nonputrescible recyclables are stored until removed from the premises.

(40) "Rubbish" means nonputrescible plastic waste, solid waste, bulky waste, construction and demolition waste, litter and industrial waste.

(41) "Segregation of waste material or segregate solid waste material" means the placement of garbage, recyclables and green waste in separate containers.

(42) "Single-family dwelling" means a structure containing a single dwelling unit.

(43) "Solid Waste" means all waste substances including garbage, green waste, recyclables and industrial waste but does not include demolition or construction waste.

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(44) "Solid waste container" means a covered or fully enclosed movable container, or waste wheeler in which garbage, green waste and/or recyclables are segregated and stored until removed from the premises.

(45) "Solid waste customer" means a person who's solid waste is collected from an Approved Collector.

(46) "Solid waste facility" means a disposal site, composting facility, transfer or processing station, incinerator or any facility specified in the Public Resources Code Section 40194.

(47) "Solid waste management" means a planned program for effectively controlling the storage, collection, transportation, processing, recycling, reuse, conversion or disposal of solid waste in a safe, sanitary, aesthetically acceptable, environmentally sound and in an economical manner. It includes all administrative, financial, environmental, legal and planning functions as well as the operational aspects of solid waste handling, disposal, litter control and resource recovery systems necessary to achieve established objectives.

(48) "Solid Waste Officer" shall mean the District Manager or his or her appointee.

(49) "Source separation" means the separation, at the place of generation or production, of wastes and resources for separate collection, processing, recycling, reuse, recovery or disposal.

(50) "Storage" means the interim containment of solid waste materials and recyclables in an approved manner after generation and prior to disposal.

(51) "Transporter" means any person providing solid waste hauling service who transports said solid waste within the District boundaries.

(52) "Waste wheeler" means a covered plastic bin varying in size and capacity equipped with wheels or casters. Such bins may be used for putrescible and nonputrescible waste or recyclable materials.

6.01.120 Administration

These Rules and Regulations shall be administered and enforced by the District General Manager and/or his/her designee.

**TITLE 6
SOLID WASTE MANAGEMENT
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6.01.130 Notices

All notices required or given pursuant to these Rules and Regulations shall be deemed properly served when served by personal delivery or when deposited by certified mail, postage prepaid, in the United States post office, or a mail box, subpost office, substation or mail chute, or other like facility.

6.01.140 Policies and Procedures

The District General Manager is charged with enforcement and administration of these Rules and Regulations, and he/she is authorized to make necessary and reasonable policies and procedures with respect to the accumulation and collection of various types of solid waste, bulky waste, construction and demolition waste and putrescible waste, consistent with these Rules and Regulations.

6.01.150 Indemnification

Any , agreement, franchise or other instrument authorized by these Rules and Regulations shall include an indemnification provision, in a form and content to be approved by District Legal Counsel , which provides for indemnification to the District for actions, misconduct or violations of law or regulations on the part of the indemnitor or indemnitor's agents and employees

6.01.160 Use of District Name

No franchisee or other Collector or transporter shall use a firm name containing the words Nipomo Community Services District or other words implying District ownership.

6.01.170 Appeal Process

(a) When any party, by reason of special circumstances, believes that the Rules and Regulations prescribed here are unjust or inequitable as applied to a particular place or business within the District boundaries, the applicant may make written application to the General Manager stating the special circumstances, citing the provisions complained of, and requesting suspension or modification of such provision or charges as applied to his or her place and premises. The General Manager shall then forthwith consult with the collection service provider and cause an investigation of the conditions upon which the application is based. If after consultation with the collection service provider, the General Manager finds that such provisions or charges are unjust or inequitable as applied to the applicant's place or premises within the specified area, the General Manager may suspend or modify the provision or charge complained of as applied to such place or premises, so long as the modification does not materially affect the Franchise Agreement, to be effective as of a date specified and to continue during the period of the special circumstances so found.

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(b) Modifications or suspensions granted pursuant to (a) above are effective for one year.

6.02.100 HEALTH AND SAFETY

6.02.110 Private Property to be Free of Excess Solid Wastes, Litter, and Construction and Demolition Waste.

The owner, occupant or operator of any premises, business establishment or other property, vacant or occupied, shall be responsible for the safe and sanitary storage of all solid waste, recyclables, industrial waste, construction and demolition waste, bulky waste accumulated on the property. The property shall be free of excessive amounts of solid wastes, recyclables, industrial waste, construction and demolition waste and bulky waste.

6.02.120 Careless Disposal of Solid Waste

No person shall place or dump, or hire any person to place or dump, any solid waste or recyclables upon the right of way of any public highway, street, or thoroughfare, or upon the banks of any stream or dry watercourse, or upon the private property of any person, inhabited or uninhabited, or in a container that is either owned or under the control of another person.

6.02.130 Solid Waste Disposal Frequency

(a) Except as provided in subsection (b) below, the occupant of any residential or commercial property shall dispose of or remove from the premises, at least once each week, all solid waste created or produced or accumulated in or about the premises.

(b) All solid waste created, produced or accumulated at or about any restaurant, retail or wholesale market, food processing facility, hotel, motel, or other business establishment where food is sold, prepared or served, shall be removed from the premises at least twice each week, or more frequently if determined necessary by the General Manager

6.02.140 Collection Schedule

(a) Each franchisee shall provide a minimum regular collection schedule, consistent with Section 6.02.130 above, for his or her customers within the territory specified in the franchise agreement. The schedule shall be set forth in the franchise agreement

(b) No collections shall be made in residential districts or at schools, churches, hospitals, offices, motels, hotels or commercial establishments adjacent to such residential districts prior to six a.m. or after nine p.m.

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6.02.150 Servicing all Requests Required

- (a) Each franchisee shall provide pickup service to all residential premises and commercial establishments situated within the franchise area, subject to payment by the residential occupant or operator of a commercial establishment.
- (b) All solid waste collection services shall be provided to every person, commercial establishment or other entity on an equal, nondiscriminatory basis.

6.02.155 Solid Waste Storage Containers

- (a) No person maintaining any premises where solid waste is created, accumulated, or produced shall fail or neglect to procure and store solid waste containers, as specified in subsections (1), (2), (3) ,(4) or (5) below:

(1) All garbage created, accumulated or produced on the premises shall be stored watertight, impervious containers having close-fitting lids and shall be constructed of substantial, nonabsorbent materials.

(2) All recyclables, green waste or other solid wastes, other than garbage, shall be stored in separate containers which are sufficient in size to hold all such material without spilling or causing litter or a nuisance.

(3) Mechanically lifted solid waste bins may be used if they meet the requirements of the State Minimum Standards for Solid Waste Handling and Disposal, Title 14 California Code of Regulations, commencing with Section 17301.

(4) All solid waste containers, with the exception of mechanically dumped bins, shall have external handles or a bail. With the exception of mechanically dumped bins or waste wheelers, containers shall not exceed thirty-five gallons in capacity and a total weight of seventy-five pounds. Where putrescible waste is deposited, the container shall have doors or covers which are insect resistant and such doors or covers shall remain closed except during loading and unloading.

(5) Containers for solid waste and recyclables shall be of an adequate size and in sufficient numbers to contain, without overflowing, all the material that a household or other establishment generates within the designated removal period.

6.02.160 Requirements for Solid Waste Storage Area.

- (a) Except as provided in Section 6.02.170 below, solid waste shall be stored in a solid waste storage area as defined by Subsection (b) and (c) below.

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(b) The solid waste storage area shall be located within one hundred feet of the dwelling or building it serves. Containers or bins with a capacity of over one hundred gallons shall not be permanently located closer than twenty-five feet to any windows, doors or ventilation intake in any dwelling or other building, either on the subject property or adjacent properties. No can or bin shall be permanently located in any front setback area or on public property.

(c) In addition to the requirements of Subparagraph (b) above, commercial and industrial storage areas shall be constructed with sufficient retaining walls, fences, guard rails or bumpers to protect adjacent parking spaces. The floor or bottom surface of the solid waste storage area shall be made of concrete or other approved impervious material and shall provide an anti-roll curb. The geometry of the waste collection area shall be such that bins may be conveniently loaded onto or emptied into collection vehicles without having to move the bins prior to their initial contact with the collection vehicle at the start of the vehicle loading cycle, except that bins equipped with wheels or casters may be located such that they do not have to be moved more than ten feet to properly position them to make the initial contact with the vehicle.

6.02.170 Collection of Solid Waste.

Each solid waste container provided by the franchisee, owner, manager or person in possession, charge or control of any residential, complexes, developments and projects and every person occupying a dwelling within the District boundaries shall be kept or placed entirely above ground level at a location which is convenient for access by collection personnel during the time for collection, as set forth below.

(a) All residential containers shall be placed for collection along the street in front of the premises or the rear alley, when applicable, only on the date established for the collection of solid waste on the particular route, or after 5:30 p.m. on the day immediately prior to such collection, and shall not remain thereon for more than twelve (12) hours after it has been emptied unless in yard service has been contracted for. Upon collection, the Franchisee shall place all standard containers approximately 3 feet from the edge of the street or roadway, to avoid creating a safety hazard.

(b) Provisions shall be made for easy access, with no obstacles. Where in-yard service is provided, proportionately higher rates may be charged by the hauler subject to the rate setting process pursuant to these Rules and Regulations.

6.02.180 Roll – off Box Service

(a) Roll-off box service shall not be utilized to replace residential and/or commercial collection and transportation services provided by a franchisee.

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(b) Roll-off box service in the District is limited to the collection and transportation of bulky waste, construction and demolition waste, industrial waste, and green waste.

(c) Roll-off boxes shall not be utilized for the storage, collection or transportation of putrescible solid waste or putrescible recyclables.

(d) Roll-off box service providers shall be subject to the requirements of Sections 8.12.510(b), 8.12.515, 8.12.520, 8.12.540, and 8.12.555 below.

(e) Roll-off boxes shall be covered during transportation.

(f) Roll-off boxes shall be identified with the name and telephone number of the service provider and shall be equipped with reflectors or reflective markings on each exterior corner.

6.03.100 SOLID WASTE SERVICE

6.03.110 Service Requirements

(a) Each solid waste and recyclables collection permittee shall provide pickup service to all residential premises and commercial establishments situated within the area specified in his or her Franchise Agreement, subject to payment by the residential occupant or operator of a commercial establishment.

(b) It shall be the responsibility of each solid waste customer to segregate solid waste in separate containers for collection.

(c) All commercial and residential properties receiving solid waste collection services shall be provided under one billing structure that will include the collection of solid waste and recyclables. However, there may be joint or multiple use of commercial solid waste containers, subject to reasonable conditions established by the collection service and that are approved by the General Manager.

(d) The party responsible for payment for solid waste service is deemed to be the property owner and all the fees and charges hereinafter referred to shall be collected directly by the authorized collection service, unless otherwise provided for in a written agreement, including a franchise agreement, by and between the collection service and the District.

6.03.120 Interference

No person other than a franchisee or customer shall interfere in any manner with any solid waste container or the contents thereof, or remove any such solid waste

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container from the location where it was placed by the customer or Franchisee, nor remove the contents from any solid waste container.

6.03.130 Rates and Charges

Rates and charges for residential and commercial solid waste collection shall be established by the District Board of Directors pursuant to the District's ordinance adoption policies. The rate schedule, as amended from time to time, for residential and commercial solid waste service shall be referenced as Appendix A to this Title.

6.04.100 RESERVED

6.05.100 COLLECTOR REGULATIONS

6.05.110 Permit and Franchise Agreement Required

(a) It is unlawful for any person to collect, haul, or transport for hire solid waste within the Nipomo Community Services District boundary unless said person has been issued:

(1) A County permit to engage in such occupation that is filed with the General Manager; and

(2) A Franchise Agreement with the District.

(b) It is unlawful for any person to collect, haul, or transport for hire bulky waste, construction and demolition waste unless said person has a County permit to engage in such occupation.

6.05.115 Collector—Litter Control

Any person collecting or transporting solid wastes, recyclables, bulky waste, construction and demolition or putrescible waste shall be responsible for the prevention of littering or the creation of a nuisance at the loading point, during transport and during unloading operations.

6.05.120 Identification

The identification of solid waste and recyclables storage containers and vehicles used in the collection and transport of solid wastes shall be governed by Title 14 California Code of Regulations Sections 17316 and 17344.

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6.05.125 Vehicle—Type and Condition

(a) All vehicles used in the collection or transportation of solid waste or recyclables shall be kept in good mechanical condition, clean and neatly painted. The vehicle shall carry a shovel, broom and fire extinguisher.

(b) Packer type completely enclosed trucks shall be used to the greatest possible extent for solid waste collection. Other suitable equipment as required by terrain, type of solid waste and recyclables to be hauled, or other special conditions may be approved by the General Manager.

(c) Vehicles used for the collection and transport of solid waste shall have an enclosed waste compartment, be self-unloading and be originally constructed for the purpose of solid waste collection. Solid waste vehicles with a rated capacity of more than one and one-half tons (three thousand pounds) shall be equipped with audible, automatic backup warning devices.

(d) Vehicles used for the collection and transport of recyclable materials shall have a covered materials holding compartment and shall, to the greatest extent possible, be originally constructed for the purpose of recyclables collection and transportation. Recyclables vehicles with a rated capacity of more than one and one-half tons (three thousand pounds) shall be equipped with audible, automatic backup warning devices.

(e) No person, including but not limited to franchisees shall transport wet solid waste within the District boundary unless such solid waste is enclosed in containers or equipment which meets the requirements of Title 14 California Code of Regulations, commencing with Section 17341, and which in all instances shall be equipped with close-fitting covers. The covers shall be affixed to the tanks, containers or other receptacles, in such a manner as to prevent the dropping or spilling of any solid waste within the District boundaries.

6.05.130 Records Required

(a) Each Franchisee shall keep and maintain such operating records as the General Manager may reasonably require to ascertain the extent of compliance with this chapter, and shall, if so requested by the General Manager, submit periodic reports of his or her operations.

(b) Each Franchisee shall maintain a record of customer complaints, to include a record of the action taken to resolve each complaint. Such record shall be available for inspection by the General Manager for a period of at least three years.

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6.05.135 Vehicle and Equipment Inspection

Subject to the provisions of existing law, the vehicles and equipment of a Collector may be inspected by the General Manager at any reasonable time, at the point of operation or at the Collector's service yard.

6.05.140 Collector's Employees

It shall be the Collector's responsibility to assure that all employees driving vehicles used by or belonging to the Collector have in their possession, at all times, a valid commercial vehicle operator's license. The General Manager may periodically review these licenses.

6.05.145 Interruption of Service by Labor Dispute

(a) In the event that an approved Franchisee's operations are interrupted by a labor dispute and scheduled collections, or solid waste facilities' operations are discontinued for more than a seventy-two-hour period, the District shall have the right to take temporary possession of all facilities and equipment of the Franchisee for the purpose of continuing the service which the Franchisee has agreed to provide, and in order to protect the public health and safety. The District shall have the right to retain possession of the facilities and equipment and to render the required service until the Franchisee demonstrates to the satisfaction of the District that the required services can be resumed by the Franchisee. However, such temporary assumption of the Franchisee's obligation under her or his franchise agreement shall not be continued by the District for more than one hundred twenty days from the date such operations were undertaken. Should the Franchisee fail to demonstrate to the satisfaction of the District that the required services can be resumed by the Franchisee prior to the expiration of the one-hundred-twenty-day period, the franchise agreement granted under these Rules and Regulations shall be forfeited and the rights and privileges granted in the franchise agreement shall be canceled and annulled.

(b) During any period in which the District temporarily assumes the obligations of a Franchisee, as specified in subsection (a) above, the District shall be entitled to the gross revenue attributed to the operations during each period and shall pay therefrom only those costs and expenses applicable or allocable to the period. The excess, if any, of revenue over applicable costs and expenses during such period shall be deposited in the treasury of the District. Final adjustment and allocation of gross revenue, costs and expenses for the period during which the District temporarily assumes the obligations of a Franchisee shall be determined by an audit by a certified public accountant or licensed public accountant and prepared in report form with his or her opinion annexed thereto.

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6.05.150 Customer Information

Each collection franchisee shall establish and maintain an office where service may be applied for and complaints made. The office shall be equipped with a listed telephone, to which calls from residents within the franchisee collection area may be placed without payment of a toll charge and shall have a responsible person in charge, for at least seven hours between the hours of nine a.m. and five p.m. of each day except Saturdays, Sundays and legal holidays. The office shall maintain an answering service or shall be equipped with a recording answering machine during non-office hours. Each collection franchisee shall supply all serviced premises with printed information cards containing information regarding amounts of solid waste or recyclables which will be collected, complaint procedures, days of collection, rates, and regulations affecting service. Information cards shall be provided to each customer at the time of subscription and at least once every year thereafter, or more often upon request, and shall be provided in advance of changes in the affected Franchisee's route, rate or regulation affecting service.

6.05.155 Nonliability of District

Neither the District nor any of its officers or employees shall be liable, or in any way responsible, for the payment of any service rates or charges due the Franchisee/Collector for performing services for any person or entity other than the District

6.05.160 Franchisee—Nonassignable

No permit or franchise granted under these Rules and Regulations shall be assignable or transferable, either voluntarily or by operation of law, without the written permission of the District Board of Directors pursuant to the terms and conditions of the franchise agreement.

6.05.165 Limitations of Regulations

(a) Except for Sections 6.05.115, 6.05.140 and 6.05.155 these Collector regulations do not apply to the collection and removal of greenwaste by individual residents and by individuals doing business as professional landscapers and/or tree service providers, when the collection is directly related to their work.

(b) Except for the provisions of Section 6.05.115, 6.05.140, and 6.05.155 these Collector regulations do not apply, or prohibit any producer of solid waste, bulky waste, construction and demolition waste from hauling the same to a permitted disposal site.

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6.06.100 FRANCHISE AGREEMENTS

6.06.105 Award by the Board of Directors

The Board of Directors may award exclusive or nonexclusive franchises, with or without competitive bidding, for the collection of solid waste within the district boundaries.

6.06.110 Services

Any right of the franchisee to perform services pursuant to this section and a franchise agreement shall be set forth in the franchise agreement.

6.06.115 Territory

The territory where the franchisee has been provided a geographical right to perform services shall be set forth in the franchise agreement.

6.06.120 Customers

The franchise agreement shall require the franchisee to maintain a record of customer complaints and of the franchisee's response to those complaints, and the franchise agreement shall further require that any said records pertaining to customer complaints shall be made available, or reported to the General Manager.

6.06.130 Lawful Disposal of Solid Waste

The franchise agreement shall require the franchisee to assume the sole responsibility for securing a location to dispose of solid waste, and shall further require that the franchisee dispose of waste materials in compliance with all applicable federal, state and local laws and regulations.

6.06.135 Term

The franchise agreement shall provide for a term which does not exceed ten years.

6.06.140 Indemnification

The franchise agreement shall include an indemnification provision, subject to approval of District Legal Counsel, which shall provide that the franchisee will defend and indemnify the District for any actions, including negligence, misconduct or violations of law or regulations on the part of the franchisee or the franchisee's agents and employees. The franchise agreement shall also include a provision requiring the franchisee to defend and indemnify the District for all actions of the franchisee associated with the franchisee's role as the arranger of municipal solid waste service, or as a principal related party in performing solid waste service under any federal or state laws or regulations. The franchisee shall also defend and indemnify the District from any and all legal action

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against the District on the basis of the assertion that the District is an arranger of municipal solid waste services as a result of the franchise agreement.

6.06.145 Reporting

Notwithstanding the reporting requirements pursuant to any other provision of these Rules and Regulations, the franchise agreement shall require the franchisee to report the following information to the District.

(a) Information relating to the quantities, types, volumes, weights, nature and location of waste collected, transported and disposed;

(b) Annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant. The financial statement shall include an opinion of the certified public accountant, and any opinion which reflects any breach of the terms and conditions of the franchise agreement by the franchisee may result in a limitation or loss of the franchisee's right to perform services.

6.06.150 Related Parties

The franchise agreement shall require the franchisee to annually disclose the entire nature and extent of transactions with related parties, as such parties are recognized by generally accepted accounting principles. The disclosure shall be on forms provided by the District.

6.06.155 Assignment

All franchise agreements awarded by the Board of Directors shall be subject to the limitations on transfer or assignment:

6.06.160 Permit Requirement

The franchisee shall be required to possess, and at all times maintain compliance with, County permits to collect solid waste in those geographical areas defined in the franchise agreement. The franchise agreement shall also include a provision that a loss or limitation of the franchisee's permit shall result in the loss or limitation of the franchisee's right to perform services established in the franchise agreement.

6.06.170 Penalties for Noncompliance

The franchise agreement shall require that the franchisee's right to perform services may be limited or lost for noncompliance with the terms and conditions of the franchise agreement. In addition, the franchise agreement shall establish reasonable fines, penalties and liquidated damages for nonperformance or breaches of the agreement.

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SOLID WASTE MANAGEMENT
RULES AND REGULATIONS**

6.07.100 EXCEPTIONS

6.07.110

Nothing in these Rules and Regulations shall be deemed to prohibit the removal and hauling by a licensed person of materials considered by the General Manager to constitute a health menace of such nature as necessary to be ordered to be promptly removed.

6.07.120

The provisions of these Rules and Regulations shall not be interpreted to prevent the maintenance of a household compost pile on private property so long as it does not become a public or private nuisance.

6.07.130

Nothing in this Ordinance shall limit the right of an individual person, organization or other entity to donate, sell or otherwise dispose of recyclable material, provided that any such disposal is in accordance with the provisions of these Rules and Regulations.

6.08.100 ENFORCEMENT-PENALTIES-NUISANCE

6.08.110 Violations, Misdemeanors and Infractions

It is unlawful for any person to violate any provision or to fail to comply with any of the requirements of these Rules and Regulations. A violation of any of the provisions or a failure to comply with any of the requirements shall constitute a misdemeanor except for those specifically declared by these Rules and Regulations to be an infraction. Notwithstanding any other provision of these Rules and Regulations, any misdemeanor violation or failure to comply may, in the discretion of the District Legal Counsel, be initially charged or subsequently prosecuted as an infraction. Each and every infraction violation is punishable by a fine not exceeding one hundred dollars for a first violation; a fine not exceeding two hundred dollars for a second violation of these Rules and Regulations within one year; and a fine not exceeding five hundred dollars for a third violation of these Rules and Regulations within one year. Each and every misdemeanor violation is punishable by a fine not exceeding one thousand dollars, or by imprisonment in the county jail for a period not exceeding six months, or by both such fine and imprisonment.

Each person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provisions of these Rules and Regulations is committed, continued, or permitted by such person and shall be punishable accordingly.

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SOLID WASTE MANAGEMENT
RULES AND REGULATIONS**

6.08.120 Violations: Aiding, Abetting and Concealing

Every person who causes, aids, abets, or conceals the fact of a violation of these Rules and Regulations is guilty of a violation of these Rules and Regulations.

6.08.130 Public Nuisance: Enforcement by Civil Action

In addition to the penalties provided in these Rules and Regulations, any condition caused or permitted to exist in violation of any of the provisions of these Rules and Regulations shall be deemed a public nuisance and may be abated as such, and every day such condition continues shall be regarded as a new and separate offense.

6.08.140 Injunctive Relief

These Rules and Regulations may also be enforced by injunction issued by the superior court upon the suit of the District or the owner or occupant of any real property affected by such violation or prospective violation. This method of enforcement shall be cumulative and shall not affect the penal provisions hereof.

6.08.150 Attorneys' Fees

— In any civil action commenced by the District to abate a public nuisance, to enjoin a violation of any provision of these Rules and Regulations, or to collect a civil debt owing to the District, the District shall be entitled to recover from the defendant in any such action reasonable attorneys' fees and costs of suit.

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2001-90**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING SOLID WASTE MANAGEMENT
RULES, REGULATIONS AND FEES AND CHARGES**

APPENDIX A

BLACK LAKE AND SUMMIT STATION AREAS

ALL RATES EFFECTIVE 4-1-2000

COMMERCIAL GARBAGE CANS (PER MONTH)						
COLLECTIONS PER WEEK						
NUMBER OF CANS	1	2	3	4	5	6
1	\$12.25	\$20.50	\$24.65	\$30.05	\$35.30	\$42.10
2	\$24.50	\$41.00	\$49.30	\$60.10	\$70.60	\$84.20

Maximum volume and weight per garbage can: 33 gallons and 80 pounds
 Extra bags or cans above service level \$3.00 each
 Commercial waste wheeler rent \$2.30 per month

COMMERCIAL DUMPSTER CONTAINERS (PER MONTH)							
COLLECTIONS PER WEEK							
Size of container (cubic yards)	1	2	3	4	5	6	7
1	\$42.50	\$61.15	\$80.80	\$99.45	\$120.15	\$139.85	\$186.45
1.5	\$50.75	\$77.65	\$104.65	\$146.05	\$178.15	\$212.35	\$280.75
2	\$54.90	\$90.10	\$128.40	\$187.50	\$230.00	\$274.50	\$376.00
3	\$65.25	\$122.20	\$170.90	\$304.50	\$361.50	\$422.60	\$582.10
4	\$94.25	\$141.95	\$204.05	\$320.10	\$396.70	\$450.60	\$700.00

The rates shown above include the monthly container rental fee and are the same for bins and garwoods, when volume is identical.

UNSCHEDULED EXTRA COLLECTIONS FOR COMMERCIAL CUSTOMERS PER YARD \$6.35

SINGLE FAMILY and MULTI-UNIT RESIDENTIAL (4 UNITS OR LESS)				
VOLUME-BASED RATES				
INCLUDES WASTE WHEELER(S) FOR GARBAGE, ORANGE BIN FOR RECYCLING				
GREENWASTE CUSTOMERS USE THEIR OWN CANS FOR GREENWASTE				
one can	32 gallon	WASTE WHEELERS	\$11.45	PER MONTH
two can	64 gallon	WASTE WHEELERS	\$16.40	PER MONTH
three can	96 gallon	WASTE WHEELERS	\$21.50	PER MONTH
four can	two-64 gallon	WASTE WHEELERS	\$25.60	PER MONTH
five can	one 64 & one 96 gallon	WASTE WHEELERS	\$29.70	PER MONTH
six can	two-96 gallon	WASTE WHEELERS	\$33.80	PER MONTH
REQUESTED DRIVE-IN CHARGE			\$6.95	PER MONTH
GARBAGE EXTRAS PER BAG/CAN			\$3.00	EACH

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2001-90**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING SOLID WASTE MANAGEMENT
RULES, REGULATIONS AND FEES AND CHARGES**

APPENDIX A

IN TOWN NIPOMO

ALL RATES EFFECTIVE 4-1-2000

COMMERCIAL GARBAGE CANS (PER MONTH)						
COLLECTIONS PER WEEK						
NUMBER OF CANS	1	2	3	4	5	6
1	\$12.25	\$20.50	\$24.65	\$30.05	\$35.30	\$42.10
2	\$24.50	\$41.00	\$49.30	\$60.10	\$70.60	\$84.20

Maximum volume and weight per garbage can: 33 gallons and 80 pounds
 Extra bags or cans above service level \$3.00 each
 Commercial waste wheeler rent \$2.30 per month

COMMERCIAL DUMPSTER CONTAINERS (PER MONTH)							
COLLECTIONS PER WEEK							
Size of container (cubic yards)	1	2	3	4	5	6	7
1	\$42.50	\$61.15	\$80.80	\$99.45	\$120.15	\$139.85	\$186.45
1.5	\$50.75	\$77.65	\$104.65	\$146.05	\$178.15	\$212.35	\$280.75
2	\$54.90	\$90.10	\$128.40	\$187.50	\$230.00	\$274.50	\$376.00
3	\$65.25	\$122.20	\$170.90	\$304.50	\$361.50	\$422.60	\$582.10
4	\$94.25	\$141.95	\$204.05	\$320.10	\$396.70	\$450.60	\$700.00

The rates shown above include the monthly container rental fee and are the same for bins and garwoods, when volume is identical.

UNSCHEDULED EXTRA COLLECTIONS FOR COMMERCIAL CUSTOMERS PER YARD \$6.35

SINGLE FAMILY and MULTI-UNIT RESIDENTIAL (4 UNITS OR LESS)				
VOLUME-BASED RATES				
INCLUDES WASTE WHEELER(S) FOR GARBAGE, ORANGE BIN FOR RECYCLING				
GREENWASTE CUSTOMERS USE THEIR OWN CANS FOR GREENWASTE				
one can	32 gallon	WASTE WHEELERS	\$11.45	PER MONTH
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three can	96 gallon	WASTE WHEELERS	\$21.50	PER MONTH
four can	two-64 gallon	WASTE WHEELERS	\$25.60	PER MONTH
five can	one 64 & one 96 gallon	WASTE WHEELERS	\$29.70	PER MONTH
six can	two-96 gallon	WASTE WHEELERS	\$33.80	PER MONTH
REQUESTED DRIVE-IN CHARGE			\$6.95	PER MONTH
GARBAGE EXTRAS PER BAG/CAN			\$3.00	EACH

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 2, 2001



DISTRICT ANNEXATION POLICY

ITEM

Review revisions to the District Annexation Policy

BACKGROUND

The District Annexation Policy was established February 2, 1983 and modified in 1996 with respect to water supply. Current developments and changes that have occurred in the past 18 years may warrant a review of the current policy.

The Board's annexation committee, consisting of Directors Blair and Winn, has reviewed the existing policy. The policy has been modified to give the Board more flexibility and directions for annexations.

The attached draft annexation policy has been prepared for the Board's comments and consideration.

RECOMMENDATION

Staff recommends that after the draft annexation policy has been reviewed, Your Honorable Board may wish to proceed to adopt the attached annexation policy for the Nipomo Community Services District.

Board 2001\Annexation policy.DOC

PROPOSED REVISIONS TO ANNEXATION POLICY

THE ANNEXATION POLICY
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

MAY 2001

I. PURPOSE

In order to promote efficient processing of all requests for annexation to the Nipomo Community Services District, this policy documents the present basis upon which this Board of Directors will evaluate such requests and provides notice thereof to the owners of the property which is the subject of such requests.

II. INTENT

The Board of Directors intends to review all annexation requests with the aim of supporting the viability of the Nipomo Community Services District in providing essential services. The Nipomo Community Services District must be operated so as to best provide:

Low cost water, sewerage and other authorized services for the residents of the Nipomo Community Services District.

Efficient governmental services for orderly land use development within the District, conservation of natural and environmental resources, including local water resources; its availability and quality, growth consistent with the General Plan of San Luis Obispo County and the established policies of the Local Agency Formation Commission, including specifically the Commission's adopted spheres of service and influence for Nipomo Community Services District.

III. GENERAL POLICIES

A. In order to provide for the orderly development of public service facilities, only those properties will be considered for annexation for which the owners are willing to accept all conditions for service required by the Nipomo Community Services District. More specifically, but without limitation, requests for annexation solely for sewerage services to the exclusion of water service will be considered on an individual basis but generally will be discouraged by the Board of Directors.

Further, the District generally will not attempt to require the annexation of territory over the objections of the owners of the property to be annexed.

B. In order to evaluate the impacts of a potential annexation upon the Nipomo Community Services District, the Board of Directors will consider more favorably those annexation requests which include the submittal of a comprehensive use or development plan for the subject property in sufficient detail to provide a complete picture of the full impact of the annexation in the foreseeable future upon the District's long term water resources, water distribution facilities, sewerage services, financial program and other services required.

PROPOSED REVISIONS TO ANNEXATION POLICY

THE ANNEXATION POLICY
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

MAY 2001

If any such use or development plan requires future County approvals for zoning or subdivision, etc., the District's approval of the annexation shall be conditioned upon the owners obtaining such County approvals before the annexation becomes effective.

- C. After review of the use or development plan, the Board of Directors will consider annexation requests where it can be demonstrated that:

There is a bona fide need for Nipomo Community Services District Services at the site of the proposed annexation in the immediate future or in conformance with a phased plan of development approved by San Luis Obispo County.

The proposed annexation will provide identified benefits to: (1) the future residents and property owners within the annexed area; and (2) the residents and property owners of the remainder of the Nipomo Community Services District.

- D. The proposed annexation area boundary should include all properties that may receive the proposed services to be provided. I.e. use rear property lines rather than streets as boundary lines.
- E. The District is opposed to the formation of homeowner associations for the operation of water and/or sewer systems in the Nipomo Mesa area. Typically, associations lose efficiency over time and it becomes necessary for a public entity to take over their operations. A public entity operating from the beginning would eliminate the later acquisition and rejuvenation of the system at a potential additional cost to the property owners.

IV. GENERAL STANDARDS

- A. The Board of Directors will consider the present capacity of its public facilities and the adequacy of those facilities to provide services to its current residents receiving service, those properties within the District that have paid capacity charges (issued Will-Serve Letters) but not currently being served, and other undeveloped property within the District boundaries.
- B. The Board of Directors will consider annexations where it can be demonstrated that:
1. There is excess service capacity to provide services to the area of proposed annexation or:

PROPOSED REVISIONS TO ANNEXATION POLICY

THE ANNEXATION POLICY
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

MAY 2001

2. The applicant demonstrates to the satisfaction of the Board of Directors that applicant, at its sole cost, is prepared to develop and dedicate to the District appropriate resource capacity to supply the area of annexation with District services prior to commencing construction of residential and/or commercial units.
- C. The District will consider a supplemental water in-lieu fee, which may be established from time to time, to acquire a supplemental water supply, provided that the Board of Directors first determines that there is adequate excess capacity to supply the area of annexation during the period of time reasonably determined to acquire said supplemental water.
- D. The Board will only consider "island" annexations when it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of the District and the applicant is willing to extend adequate facilities at no cost to the Nipomo Community Services District.
- E. The Board of Directors will consider the policies of the Local Agency Formation Commission that apply to annexations and spheres' of influence.

V. ANNEXATION AGREEMENT

The applicant for annexation shall be required to enter into an Annexation Agreement. Said Annexation Agreement shall provide:

- A. That all infrastructure and service line extensions shall be designed and constructed at no cost to District in accordance with District's standards.
- B. Reimburse District for its costs in processing the annexation, including administrative costs, legal costs and engineering costs.
- C. Payment of applicable District capacity, meter and connection charges.

PROPOSED REVISIONS TO ANNEXATION POLICY

THE ANNEXATION POLICY
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

MAY 2001

VI. SUBMITTAL OF ANNEXATION REPORT

Prior to consideration by this Board of Directors, the proponents of any annexation request must prepare a comprehensive written report for submission to the District to demonstrate that the annexation would conform to this Annexation Policy.

VII. ANNEXATION - ASSESSMENT OF FEE

- A. All property hereafter annexed to the District shall be assessed a fee, as established by Resolution of the Board of Directors to be paid by the developer to the District at the time of application for annexation.
- B. If the Board fails to adopt an annexation resolution within a reasonable time after payment of the fees, the fee shall be returned to the person or persons paying the same, less an amount necessary in preparing the necessary forms of the District, not to exceed fifty dollars.
- C. All other provisions of this chapter shall be in full force and effect from the time of acceptance of the annexation by the Board.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *D*
DATE: MAY 2, 2001

AGENDA ITEM
MAY 02 2001



DRUMM LANE SEWER REIMBURSEMENT
(MITCHELL)

ITEM

Review reimbursement spread for sewer line costs in Drumm Lane and set a public hearing

BACKGROUND

At their regular Board meeting held March 21, 2001, the Board review a reimbursement spread to property owners based on the assessor's parcel map. The developers, Mr. and Mrs. Gary Mitchell, mentioned that the spread should be on the existing lots and not on the assessor's parcel map allocation. The District contacted Jay Johnson of the County Planning Department. He indicated that the County would consider one APN as a single lot, therefore, the cost spread has been adjusted based on the County Planning Department's interpretation.

Enclosed is the Sewer Reimbursement Spread diagram showing a total of 13 lots. The costs have been spread based on the Planning Department's recommendation.

The pro-rata share for each lot is \$2,967.25.


The reimbursement procedure is as follows:

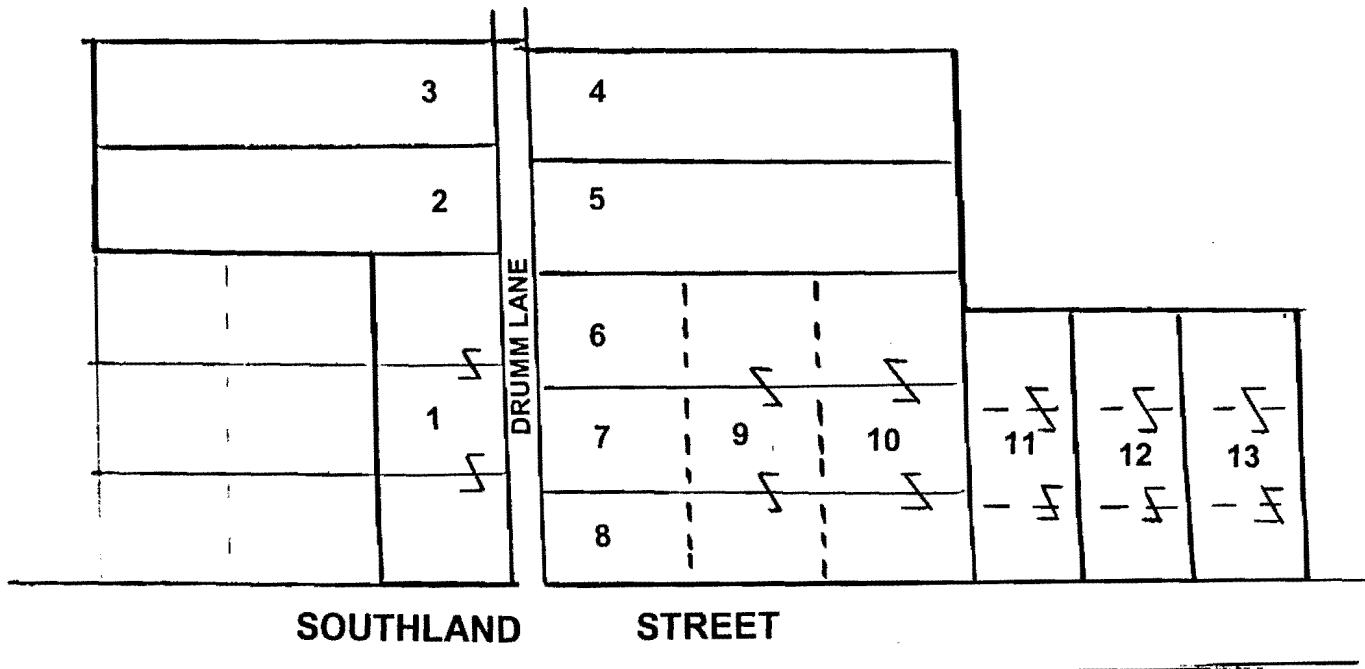
1. A notice is sent to each property owner benefiting from the sewer line including the reimbursement cost for each lot.
2. The property owners are allowed 14 days from the mailing date to protest the spread.
3. The engineer would prepare a report on any protests received.
4. A Public Hearing is set to hear any comments on the sewer reimbursement spread, after which the Board may consider approving the pro-rata share of the cost per parcel.

RECOMMENDATION

Staff recommends that your Honorable Board set a public hearing for June 6, 2001 at 10:30 a.m. in the District Board room for the Drumm Lane sewer reimbursement spread.

**EXHIBIT A
SEWER REIMBURSEMENT SPREAD DIAGRAM
DRUMM LANE AREA**

REIMBURSEMENT FORMULA	
Cost spread equally to each lot	
Cost per lot =	\$ 2,967.25
Legend 1 =	Reimbursement Number
 =	Common Ownership



SEWER REIMBURSEMENT SPREAD DRUMM LANE, NIPOMO, CA	
Reimbursement No.	Assessor's Parcel No.
1	092-331-023
2	092-331-034
3	092-331-033
4	092-331-028
5	092-331-017
6	092-331-025
7	092-331-024
8	092-331-019
9	092-331-003
10	092-331-002
11	092-341-009
12	092-341-005
13	092-341-007

NIPOMO COMMUNITY



SERVICES DISTRICT

BOARD MEMBERS

ROBERT BLAIR, PRESIDENT
AL SIMON, VICE PRESIDENT
RICHARD MOBRAATEN, DIRECTOR
MICHAEL WINN, DIRECTOR
JUDITH WIRSING, DIRECTOR

STAFF

DOUGLAS JONES, GENERAL MANAGER
JON SEITZ, GENERAL COUNSEL
LEE DOUGLAS, MAINTENANCE SUPERVISOR

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Email address - NCSD@ix.netcom.com

NOTICE OF PUBLIC HEARING DRUMM LANE SEWER LINE IMPROVEMENTS

APN 092-331-000
«OWNER»
«Address1»
«CityStatePostalCode»

Dear Property Owner:

Mr. Gary & Mrs. Carol Mitchell (developers) have installed a sewer main in the Southland St. and Drumm Lane area to provide sewer service to this area. They have offered the dedication of the sewer improvements to the Nipomo Community Services District. The improvements were accepted on December 13, 2000.

Pursuant to District Code Section 5.01.010, any lot or property, which in the future may be served by this sewer line, will be required to reimburse the Developers a pro-rated share of the cost of constructing the sewer line. The District has determined that your property is to be included in the developer-installed sewer reimbursement area. Attached is a copy of the reimbursement boundary area and sewer reimbursement spread. The cost is spread equally among all the lots. This spread is made per buildable size lot regardless of the number of lots owned.

The Board of Directors set a Public Hearing on the proposed reimbursement allocations for Wednesday, June 6, 2001 at 10:30 a.m. in the District Board Room at 148 South Wilson Street, Nipomo, California. The Board will take public testimony before making their final determination on the proposed reimbursement allocation.

If you wish to protest your pro-rated share, the reason for your protest must be in writing and received at the District office no later than 14 calendar days from the date of this notice. A protest will be considered only with the division or spread of the actual construction costs between or among the properties to be included in the area subject to the pro-ratation procedure. A protest shall not be concerned with the actual construction costs unless the protester can demonstrate fraud or willful concealment of the actual cost information as presented by the applicant or his agent to the District's engineer. The reimbursement period expires ten years after the District's acceptance of the improvements.

If you connect to the sewer line, the District will require you to pay the Drumm Lane sewer reimbursement fee, as well as the District's standard Sewer Capacity Fee per lot. The Sewer Capacity Fee is currently \$2,370 per single family unit. This fee will increase to \$2,500 on July 1, 2001.

APN	092-331-000	DRUMM LANE SEWER REIMBURSEMENT COSTS	
Reimbursement No.	1	Engineering	\$ 3,384.37
Pro-rated Share	<u>\$2,967.25</u> per	Construction Costs	34,650.00
	Reimbursement No.	Other Costs (Fee)	<u>500.00</u>
		Total	\$38,574.37
		Shared by 13 lots	\$ 2,967.25 per developable lot

PUBLIC HEARING DATE: **June 6, 2001**

If you have any question, please feel free to contact our office at 929-1133.

Doug Jones, General Manager Copy of document found at www.NoNewWipTax.com

NIPOMO COMMUNITY



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148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Email address - NCSD@ix.netcom.com

4/19/01
March 22, 2001

To: Doug Jones.

From: Jay Johnson
San Luis Obispo County
Planning Department
SLO County Govt. Center
Room 317
San Luis Obispo, CA 93408

NOTE #1: These APN's are considered one lot due to previous lot line adjustments from the late 1970's.

SUBJECT: LEGAL BUILDABLE LOTS

Please provide information to the Nipomo Community Services District if each of the three lots for each assessor parcel number listed below is a buildable lot and what procedure and conditions would be required to build.

The following properties are in the area of Southland Street and Drumm Lane. See attached APN maps.

APN	NUMBER OF LOTS	SMALLEST LOT SIZE	*	APN	NUMBER OF LOTS	SMALLEST LOT SIZE
092-341-007	X 1	4057 sq ft	*	092-331-002	X ?	5907 sq ft
092-341-005	X 1	4057 sq ft	*	092-331-003	X 1	5907 sq ft
092-341-009	X 1	3788 sq ft	*	092-331-023	X 1	7265 sq ft

See Note #1

NOTE #2
see note #1

The reason for this request is that the District is entering into a reimbursement agreement with a developer for installing a sewer line. It needs to be known how many lots in each parcel are buildable to be assessed a reimbursement fee.

Your earliest response to this matter would be greatly appreciated. If you have any questions, please contact me.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT

Doug Jones
General Manager

NOTE #2: This ~~lot~~ APN is probably only one lot. The property owner would have to demonstrate through deed history that each lot has been individually sold at a time it was legal to do so. Therefore, County Planning will treat it as one lot.

REIMBURSEMENT /MITCHELL-DRUMM/BUILDABLE LOTS

BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 2, 2001

AGENDA ITEM

MAY 2, 2001



REQUEST FOR ANNEXATION
TRACTS 1802 AND 1858 (TRINCON)

ITEM

Review a request for annexation of Tract 1802 and 1856, a 77-lot development on 82 acres near Santa Maria Speedway

BACKGROUND

Your Honorable Board reviewed a request for annexation at the regular Board meeting held on April 18, 2001. Attached is the Board letter from that meeting outlining the issues associated with the proposed annexation.

Annexation Agreement

Staff has prepared a revised annexation agreement. The agreement indicates that the developer is to be the applicant to LAFCO for processing this annexation. The developer will be responsible for doing the off-site engineering improvements and CEQA requirements for a well-site and water line to the project.

CEQA

LAFCO would be the conducting agency in processing environmental documents with respect to the annexation. The Nipomo Community Services District would be the lead agency in processing the CEQA requirements for the well site and water line improvements.

RECOMMENDATION


Staff has prepared an annexation agreement which covers the above mentioned items:

Lead agency
LAFCO
Engineering services
Payment of fees

The Board may review and approve for the annexation of Tract2 1802 & 1856

Board 2001\Annex 1802&1856 Trincon.DOC

BOARD OF DIRECTORS

FROM:  DOUG JONES

DATE: APRIL 18, 2001

AGENDA ITEM
APR 18 2001



REQUEST FOR ANNEXATION
TRACTS 1802 & 1856
TRINCON

ITEM

Request for annexation of Tracts 1802 and 1856, 82 acres near the Santa Maria Speedway, "The Bluffs", a 77-lot development south of Joshua Rd.

BACKGROUND

The District has received a request from Mr. Erik Benham, a general partner of Trincon, Inc. Santa Maria, for annexation of Tracts 1802 & 1856, a 77-lot development near the Santa Maria Speedway, which also includes six existing homes on Marsh Lane. The developer is proposing an on-site community septic system, which the District would operate as a separate unit for disposal of wastewater. The water supply for the proposed annexation would be coming from an off-site well either on Dawn Rd. or near the racetrack area. The project area also consists of drainage basins and a small park near the center of the development. The developer has requested the District to process the annexation application for this area through LAFCO. The developer would pay all the associated fees incurred by the District.

The following items are for review:

WATER SUPPLY

The applicant is proposing a water supply from a well either next to the project site or near Dawn Road and Westwind, south of Black Lake Golf Course. It is unknown if these wells have a 5-year pumping record, which currently is required by the District's annexation policy. The water transmission to the project would be a water line extension from Southland Street to the project site to provide peaking and fire flows. A developer proposed to install this water line instead of installing a storage facility and a hydromatic system to support this development. The District infrastructure would need to be evaluated with respect to the District providing service.

SEWER SERVICE

The developer is proposing to install sewer lines in the street with laterals to each property going to a community septic tank system and leach field. It is proposed that this sewer collector and disposal system would be operated by the District as an independent wastewater system and would not be associated with the town division sewer system.

DRAINAGE

The project consists of a number of storm drainage ponds for collecting run-off during the rainy system which the District could maintain.

PARKS

The proposed development has a small community park in the center which is proposed to be low maintenance and no playground equipment to be installed. The District presently does not exercise latent powers for parks and recreation but if the Board wishes to proceed in this manner, that could take place through the LAFCO annexation process.

JM: BOARD OF DIRECTORS
JATE: DOUG JONES
APRIL 18, 2001

REQUEST FOR ANNEXATION
TRACTS 1802 & 1856
TRINCON
PAGE TWO

LIGHTING

It is proposed that minor street lighting would be installed in the proposed development.

The drainage, parks and lighting could have a tax assessment to support the operation and maintenance of each of the facilities. The Board would need to make a determination if providing drainage, lighting and parks & recreation services is desired.

PRESENT DISTRICT ANNEXATION POLICY

General:

1. To benefit annexed property and existing residents
2. Located within NCSD Sphere of Influence
3. Lands need to be adjacent to this District
4. Extend services at no cost to the District

Water requirements:

1. Well with a 5 year pumping record
2. Retrofit (None available)
3. A supplemental water supply

ANNEXATION AGREEMENT

District staff has prepared a draft annexation agreement. The developer has requested the District to be the applicant with respect to the annexation and the developer would pay all costs of the annexation process through LAFCO.

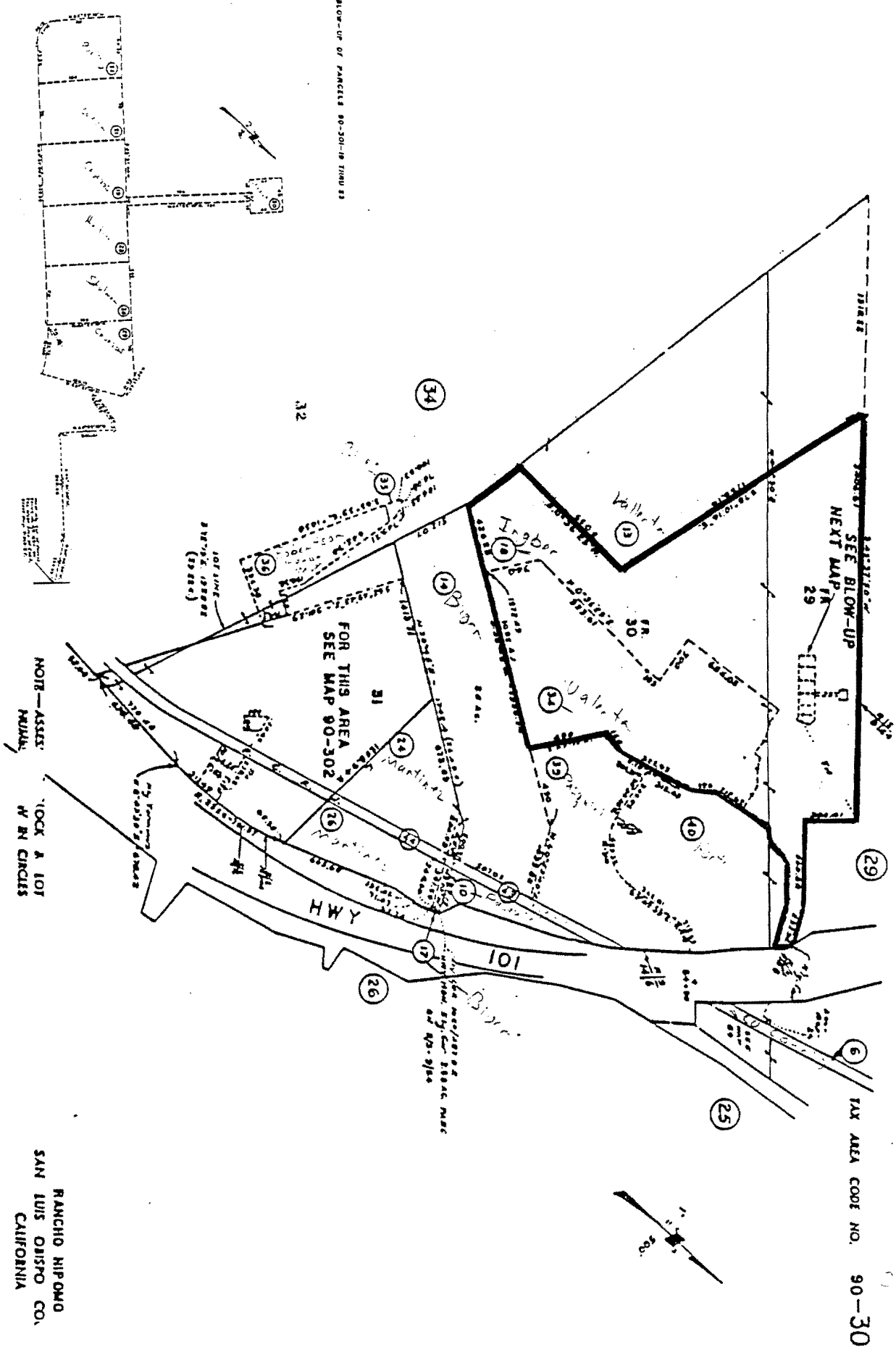
CEQA

LAFCO would be the lead agency in processing the environmental documents for the annexation. LAFCO will require a number of documents to be filled out and sent to LAFCO for their review.

The Annexation Committee, consisting of Directors Blair and Winn, reviewed the proposed annexation and looked favorably upon the annexation. Since this proposed annexation has variances with respect to the existing annexation policy, the Board could deny the request for annexation or make certain findings or modify the present policy and proceed with the annexation. Staff has prepared a draft resolution requesting LAFCO to proceed with the annexation and conditional with the annexation agreement between NCSD and Trincon, Inc. (attached)

RECOMMENDATION

Since the District's annexation policy was established in 1983 and water requirements were added in 1996, it is suggested that your Honorable Board may wish to review and possibly modify it to address current District activities.

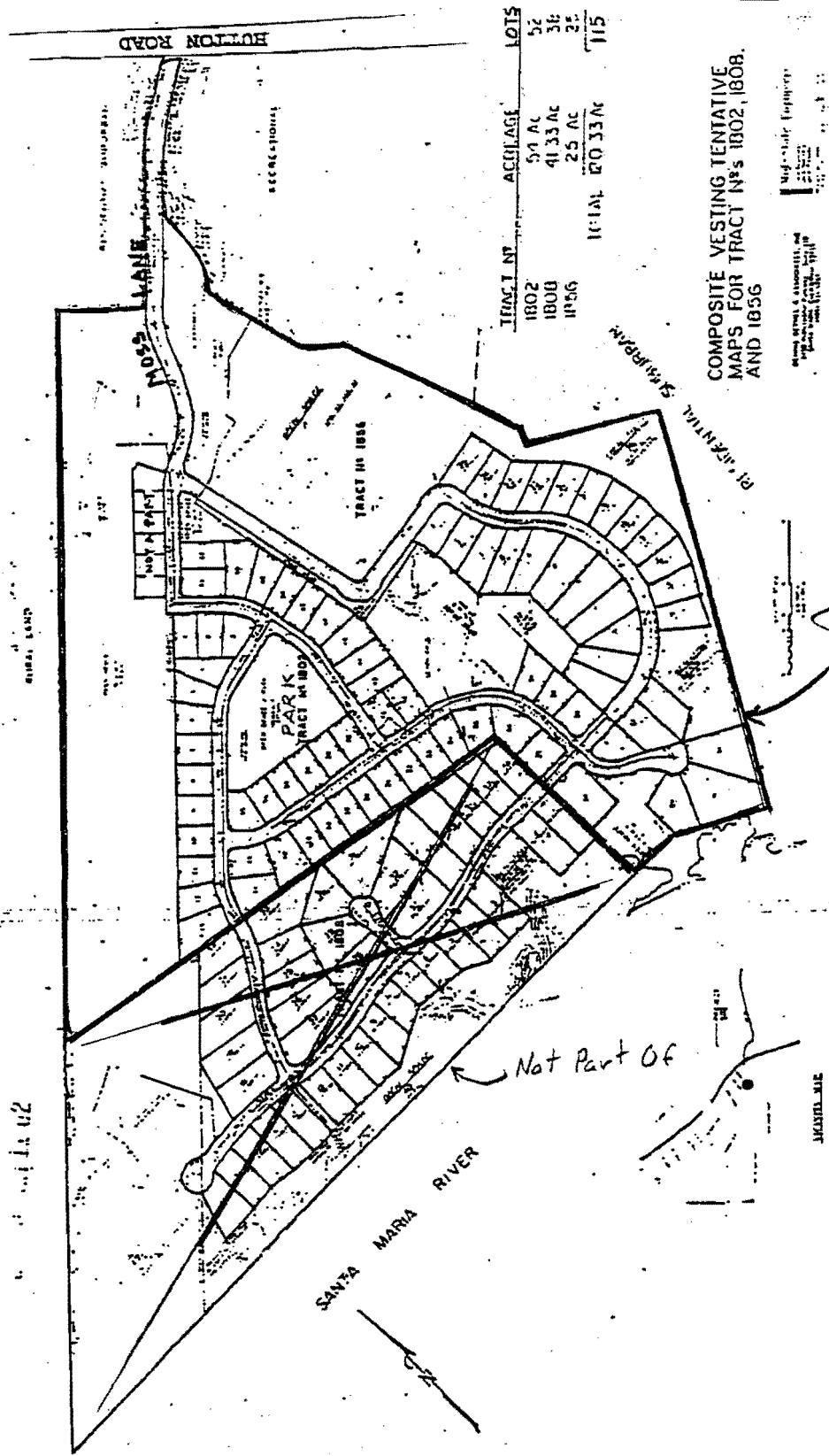


BLOW-UP OF PARCELS 28-30-31-18 7/18/82

TAX AREA CODE NO. 90-30

NOTE - ASSESS NUMBER LOCK & LOT # IN CIRCLES

RANCHO NIPOMO
SAN LUIS OBISPO CO.
CALIFORNIA



COMPOSITE VESTING TENTATIVE
MAPS FOR TRACT N^os 1802, 1808,
AND 1856

Map Scale: 1" = 100'
Map Date: 10/15/00

Proposed
Annexation
Area

Not Part Of

PROJECT

ANNEXATION NO. 6 TO CSA NO. 1
(TRACTS 1802, 1808 & 1856)



EXHIBIT

LAFCo FILE 4-R-00
COMPOSITE MAP OF TRACTS 1802/1808/1856

NIPOMO COMMUNITY SERVICES DISTRICT

Request For Annexation

Property/Project Information and Proposal
(To be completed by Project Proponents/Owners)

1. Property Owner: TRINCON, INC.
Address: 124 W. MAIN ST.#C, SANTA MARIA
2. Developer: TRINCON, INC.
3. Engineer: _____
4. Assessor's Parcel Number: 090-301-018, 034
5. Location: NIPOMO, CALIFORNIA
 - A. Text/Legal Description: ATTACHED ALL LEGAL DESCRIPTIONS.

 - B. Provide Map (attachments)
6. General Description of Project: 77 LOT SUBDIVISION CONSISTING OF LOTS RANGING IN SIZE FROM 11,200 TO 38,355 SQUARE FEET.

7. Services Requested from NCSD: _____
 - A. Water: PROVIDED BY NCSD
 - B. Sewer: ON SITE SEPTIC /COMMUNITY
8. Current Zoning: ONE ACRE MINIMUM
9. Identify any proposed or pending zone changes on the property to be annexed (Ref. District Resolution No. 197):
 - A. Maximum number of units based on current zoning: 77 UNITS
 - B. Maximum number of units based on proposed zoning: 77 UNITS
10. Proposed number of Residential Units: 77 UNITS
(Describe phased construction plan if applicable)
N/A

- 11. If non-residential use, provide information as to number of plumbing fixtures, manloading, intended use, etc. (Describe phased construction plan if applicable):
N/A

- 12. Total acreage of proposed project: 82 ACRES
- 13. Total acreage of proposed annexation: 82 ACRES
- 14. If total acreage to be annexed differs from the acreage to be developed, explain the difference:
N/A


- 15. Status of water resources available on proposed annexation acreage:
 - A. Quantity (pumping log and date: 100/ 05-20-89)
 - B. Quality (quality tests and date: _____)
 - C. Other information: COORDINATING AND TESTING
APPLICABLE WELLS POSSIBLY LOCATED ON ADJACENT
PROPERTY AND/OR DAWN ROAD.
 - D. Water resources to be dedicated to NCSD: _____
APPLICABLE WELLS
- 16. Description of existing and proposed wastewater disposal system: ONSITE SEWER SEPTIC SYSTEM DESIGN
IN ACCORDANCE WITH ENGINEER ACCORDANCE TO TITLE 19.
- 17. Reason proponents are requesting annexation: _____


- 18. Other comments: _____

Note:

In its effort to make a competent and informed annexation decision, NCSD may, at its sole discretion, request additional information from the proponent(s) of the annexation, and/or revise this checklist as NCSD deems necessary.

By signing below, I certify that I am the Owner of said property, or am empowered to act on the Owner's behalf, and that I understand the information provided herein by me or my representatives is true to the best of my knowledge

Signed:  for Tricon, Inc.
Full Name: ERIK BENHAM Tricon Inc.
Street Address: 124 W. MAIN ST#C, SANTA MARIA, CA
Mail Address (If different): _____
Home telephone number: (805)925-0031
Work telephone number: (805)925-0031

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: MAY 2, 2001

AGENDA ITEM



DRAFT DISTRICT BUDGET
FISCAL YEAR 2001-2002

ITEM

Receive the District's proposed budget for the 2001-02 Fiscal Year.

BACKGROUND

Each year District staff prepares a budget for the Board's review of the operations and expenditures for the coming fiscal year, July 1, 2001 through June 30, 2002. The Board's Financial Committee (Al Simon and Richard Mobraaten) has reviewed the budget. Their input has been incorporated into the Draft Budget.

THE BUDGET

- Summary of revenues and expenditures of each of the funds, including the estimated fund balance of 7/1/02 is found on pages 22/23.
- Budgeted details of each fund follows page 26.
- Budgeted fund replacement activities are listed on page 52
- Capital expenditures are on page 53 for water & 55 for sewer

General Procedure:

- Board receives the proposed 2001-02 FY budget.
- Board holds a study session to review the budget
- Hold a Public Hearing and adoption of the budget at a regular Board meeting.

RECOMMENDATION

Staff recommends that your Honorable Board set a date for a Study Session to review the proposed budget for Fiscal Year 2001-2002.

AGENDA ITEM
MAY 02 2001



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 2, 2001

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 April 4, 2001 Regular Board meeting
- F-3) THIRD QUARTER FINANCIAL STATEMENT [RECOMMEND RECEIVE AND FILE]



WARRANTS MAY 2, 2001

HAND WRITTEN CHECKS

18434	04/23/01	W. KENGEL	\$3,900.00
18435	04/24/01	A. SIMON	50.00
18436	04/24/01	R. MOBRAATEN	50.00
18437	04/26/01	R. BLAIR	50.00
18438	04/26/01	M. WINN	50.00

VOID 5741

5801	05/02/01	P G & E	14.49
5802	05/02/01	PIONEER EQUIPMENT CO	240.69
5803	05/02/01	PRECISION JANITORIAL	275.00
5804	05/02/01	RICHARDS, WATSON, GERSHON	16036.15
5805	05/02/01	SAIC	7212.32
5806	05/02/01	SANTA MARIA TOOL	189.00
5807	05/02/01	ALBERT SIMON	100.00
5808	05/02/01	DIV OF ENVIRON HEALTH	639.58
			396.00
		Check Total.....:	1035.58
5809	05/02/01	STATEWIDE SAFETY & SIGNS	17.01
5810	05/02/01	TERMINIX	226.80
5811	05/02/01	THE GAS COMPANY	118.70
5812	05/02/01	U S POSTAL SERVICE	49.20
			340.00
		Check Total.....:	389.20
5813	05/02/01	VERIZON WIRELESS	43.85
5814	05/02/01	MICHAEL WINN	100.00
5815	05/02/01	WIRSING, JUDY	100.00
5816	05/02/01	XEROX CORPORATION	80.17
5817	05/02/01	COASTAL OAK PROPERTIES,	474.71
5818	05/02/01	FRUIT PROPERTIES,	468.39
5819	05/02/01	RW SCOTT CONSTRUCTION,	410.35
5820	05/02/01	SANSONE CONSTRUCTION,	500.00

COMPUTER GENERATED CHECKS

5778	04/16/01	EMPLOYMENT DEVELOP DEPT	328.80
5779	04/16/01	MID STATE BANK	1957.42
5780	04/16/01	MIDSTATE BANK - DIRECT DP	11761.16
5781	04/16/01	DEBRA SIMMONS	150.00
5782	04/16/01	STATE STREET GLOBAL	935.00
5783	05/02/01	ADB SYSTEMS	241.66
5784	05/02/01	ROBERT L BLAIR	100.00
5785	05/02/01	CHARTER COMMUNICATIONS	46.35
5786	05/02/01	COMMUNICATION SOLUTIONS	120.64
5787	05/02/01	CORBIN WILLITS SYSTEMS	505.00
5788	05/02/01	CREEK ENVIRONMENTAL LABS	30.00
			25.00
			30.00
			30.00
			30.00
		Check Total.....:	145.00
5789	05/02/01	DWIGHT'S AUTOMOTIVE	10.00
			69.58
		Check Total.....:	79.58
5790	05/02/01	FGL ENVIRONMENTAL	25.00
			44.80
			75.00
		Check Total.....:	144.80
5791	05/02/01	GOVERNMENT FINANCE OFFICE	125.00
5792	05/02/01	GWA INC	25.00
			25.00
		Check Total.....:	50.00
5793	05/02/01	IKON OFFICE SOLUTIONS	47.17
5794	05/02/01	KENNEDY/JENKS CONSULTANTS	4225.35
5795	05/02/01	LAHR ELECTRIC MOTORS, INC	621.51
5796	05/02/01	MCI WORLD COM	11.09
			15.01
			14.16
			3.71
		Check Total.....:	43.97
5797	05/02/01	MIDSTATE BANK MASTERCARD	37.00
			1342.68
			30.00
		Check Total.....:	1409.68
5798	05/02/01	RICHARD MOBRAATEN	100.00
5799	05/02/01	PACIFIC BELL	33.96
			68.80
			50.45
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5800	05/02/01	PERS HEALTH BENEFITS	3540.28

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

APRIL 18, 2001

AGENDA ITEM

MAY 02 2001



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

BOARD MEMBERS

ROBERT BLAIR, PRESIDENT
AL SIMON, VICE PRESIDENT
RICHARD MOBRAATEN, DIRECTOR
MICHAEL WINN, DIRECTOR
JUDITH WIRSING, DIRECTOR

STAFF

DOUGLAS JONES, GENERAL MANAGER
DONNA JOHNSON, SEC. 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 10:31 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all Board members were present.

C. PUBLIC COMMENTS PERIOD

PUBLIC COMMENTS

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

President Blair opened the meeting to Public Comments. There was none.

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

D-1) REQUEST FOR SERVICE (GEIHS)

Request for water and sewer service to a 9-lot development on Butterfly Lane

Cary Geihs, the developer, and his architect from Cebulla, answered questions from the Board about the project. There were no other public comments. Upon motion of Director Winn and seconded by Director Mobraaten, the Board unanimously approved the Intent-to-Serve letter conditional upon receiving assurance for the County that it meets their standards. Vote 5-0.

D-2) REQUEST FOR WATER SERVICE (BODGER)

Request for water service for a 4-lot development between Sandydale & Inga Rds.

The applicant was not in the audience. There were no public comments. Upon motion of Director Mobraaten and seconded by Director Winn, the Board unanimously agreed to continue this item until a representative from the project could be present to answer questions from the Board. Vote 5-0

D-3) SOLID WASTE DISPOSAL SERVICE ORDINANCE

Introduction & first reading - ordinance to establish rules & regulations to provide solid waste services

Jon Seitz, District Legal Counsel, answered question from the Board members concerning the ordinance to establish rules & regulations to provide solid waste services.

The following members of the public spoke:

John Epphard, Black Lake area - Asked about rates

D-3) continued

Mr. Seitz said the transition should be seamless. Should be no change.

Upon motion of Director Winn and seconded by Director Wirsing, the Board unanimously approved having the ordinance read in title only. Mr. Seitz read the title of Ordinance 2001-90.

Upon motion of Director Wirsing and seconded by Director Simon, the Board unanimously approved the introduction and first reading of Ordinance 2001-90. Vote 5-0

**ORDINANCE 2001-90
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING SOLID WASTE MANAGEMENT
RULES, REGULATIONS AND FEES AND CHARGES**

D-4) REQUEST FOR ANNEXATION - TRACTS 1802 & 1856 (TRINCON)
Request to annex a 77-lot development south of Joshua Rd., 82 acres

Michael Hodge, project engineer, answered some questions from the Board about the project.

Jon Seitz, District Legal Counsel, said there will be additional conditions.

The following members of the public spoke:

Jessie Hill, NCAC Chairperson - Feels this project not appropriate for NCSD

Vince McCarthy, Nipomo - See what Planning Dept has to say

Herb Kandel, Nipomo resident - Opposed to annexation

John Snyder, Nipomo - Asked who was doing CEQA?

Mr. Seitz said project will continue but question of who will serve the area still remains.

Director Winn suggested that the annexation be conditional on 1) modifying our annexation policy in terms of our sphere of influence, our general conditions for annexation and what we require for our water supply. Currently, it seems to fail in all three counts. We must look at how this will affect the entire area. 2) that we activate our powers for parks and recreation 3) the six residents in area should be notified of any future hearings and a Spanish language interpreter be provided so that those not fluent in English could fully participate in the process. 4) Staff should meet and confer with the Director of LAFCO and discuss who would conduct environmental impact studies and other necessary things.

Upon motion of Director Winn and seconded by Director Mobraaten, the Board agreed to continue this item until further information can be provided.

Vote 5-0

E. OTHER BUSINESS

E-1) AGREEMENT FOR CROSS CONNECTION INSPECTION SERVICES

Agreement with County Health to provide cross connection inspection for the District

SLO County proposed an agreement to provide cross connection inspection services for the District. They have been providing the service for years without a formal agreement. The Board wished to have more information regarding the service provided.

There were no public comments.

Upon motion of Director Mobraaten and seconded by Director Simon, the Board agreed to continue this item for further information. Vote 5-0

E-2) MONTECITO VERDE II SEWER LINE EASEMENT

Approval of appraisal agreement to establish a value of the Montecito Verde II sewer line easement

The District received a proposal from Reeder, Gilman and Associates to appraise the Montecito Verde II sewer line easement between Montecito Verde II and Story St.

There were no public comments.

Upon motion of Director Mobraaten and seconded by Director Winn, the Board unanimously approved the proposal from Reeder, Gilman and Associates to establish the value of the sewer line easement for Montecito Verde II and authorized the Board President to execute the agreement. Vote 5-0.

**RESOLUTION 2001-764
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING REEDER, GILMAN & ASSOCIATES TO PERFORM
AN APPRAISAL OF THE MONTECITO VERDE II SEWER LINE EASEMENT**

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 April 4, 2001 Regular Board meeting

F-3) ACCEPTANCE OF IMPROVEMENTS - TRACT 1658 (KENGEL)

Accepting water & sewer improvements for Tract 1658

RESOLUTION NO. 2001-765

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 1658 (KENGEL)**

F-4) ACCEPTANCE OF IMPROVEMENTS - TRACT 1876 (NEUHAUSER)

Accepting water & sewer improvements for Tract 1876

Resolution No. 2001-766

RESOLUTION NO. 2001-766

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER AND SEWER IMPROVEMENTS FOR TRACT 1876 (NEUHAUSER)**

F-5) INVESTMENT POLICY - QUARTERLY REPORT

March 31, 2001 First Quarterly Report

Received into file

There were no public comments.

Upon motion of Director Winn and seconded by Director Simon, the Board unanimously approved the items on the Consent Agenda. Vote 5-0

G. MANAGER'S REPORT

H. DIRECTORS COMMENTS

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

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC§54956.9

b. SMWWCD vs NCSA Santa Clara County Case No. CV 770214 and all consolidated cases.

The Board came back into Open Session and announced the receipt of a report from legal counsel. No was taken

President Blair adjourned the meeting at 12:42 p.m.

The next regular Board meeting will be held on May 2, 2001.

AGENDA ITEM

MAY 02 2001



TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: MAY 2, 2001

THIRD QUARTER FINANCIAL STATEMENTS

Attached is the summary of revenues and expenses and cash balances for each fund as of March 31, 2001 and March 31, 2000 (Page 1). The prior year is presented for comparison purposes. Also, attached is the Consolidated Balance Sheet as of March 31, 2001 (Page 2) and the Consolidated Income Statement for the nine months ended March 31, 2001 (Page 3 - 4).

Detailed information by Fund (balance sheet and income statement with budgeted amounts) is available in the office.

If you have any questions, please don't hesitate to ask.

RECOMMENDATION

It is staff's recommendation, to accept and file the third quarter financial statements.

**SUMMARY OF REVENUES AND EXPENSES BY FUND
NINE MONTHS ENDED MARCH 31, 2001**

FUND	FUND #	YTD REVENUES	YTD EXPENSES	(1) FUNDED REPLACEMENT	03/31/01 YTD SURPLUS/ (DEFICIT)	(2) TRANSFERS TO/FROM	AFTER TRANSFERS YTD SURPLUS/ (DEFICIT)	3/31/00 YTD SURPLUS/ (DEFICIT)
Administration	110	85,141	(85,141)	0	0	0	0	0
Town Water	120	912,351	(943,238)	(115,497)	(146,384)	0	(146,384)	384,955
Town Sewer	130	452,625	(196,752)	(74,997)	180,876	(400,000)	(219,124)	169,028
Blacklake Water	140	179,858	(158,557)	(20,250)	1,051	(400,000)	(398,949)	57,371
Blacklake Sewer	150	92,736	(71,748)	(6,750)	14,238	0	14,238	15,734
Montecito Verde II	160	5,955	(11,818)	0	(5,863)	0	(5,863)	4,636
Blacklake Streetlighting	200	14,662	(12,840)	0	1,822	0	1,822	3,285
Drainage Maintenance	400	6,727	0	0	6,727	(7,833)	(1,106)	11,719
Property Taxes	600	168,963	(6,386)	0	162,577	7,833	170,410	133,289
Town Water Capacity Fees	700	31,178	(1,979)	0	29,199	0	29,199	17,796
Town Sewer Capacity Fees	710	118,155	0	0	118,155	0	118,155	90,194
Funded Replacement-Town Water	800	28,089	0	115,497	143,586	0	143,586	96,012
Funded Replacement-Town Sewer	810	40,992	0	74,997	115,989	400,000	515,989	92,313
Funded Replacement-BL Water	820	12,611	0	20,250	32,861	400,000	432,861	9,531
Funded Replacement-BL Sewer	830	1,918	0	6,750	8,668	0	8,668	6,153
TOTAL		2,151,961	(1,488,459)	0	663,502	0	663,502	1,092,016

**CASH BALANCE OF EACH FUND
AS OF MARCH 31, 2001**

FUND	FUND #	CASH BALANCE 03/31/01	COMPARISON CASH BALANCE 03/31/00
Administration	110	(54,756)	(994)
Town Water	120	43,941	419,499
Town Sewer	130	571,573	667,359
Blacklake Water	140	230,007	652,744
Blacklake Sewer	150	57,893	24,653
Montecito Verde II	160	45,683	50,385
Blacklake Streetlighting	200	54,258	53,420
Drainage Maintenance	400	5,848	137,022
Property Tax	600	674,305	298,614
Town Water Capacity Fees	700	774,793	374,952
Town Sewer Capacity Fees	710	2,634,984	2,369,711
Funded Replacement-Town Water	800	649,626	505,936
Funded Replacement-Town Sewer	810	1,125,133	585,603
Funded Replacement-BL Water	820	484,331	54,639
Funded Replacement-BL Sewer	830	44,960	34,321
TOTAL		7,342,579	6,227,864

(1) Transfers from Operations & Maintenance to Funded Replacement

(2) Transfers pursuant to the following Resolutions:
Resolution 00-733 and Resolution 00-749

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF MARCH 31, 2001

ASSETS

Cash and Cash Equivalents	7,346,204.33
Accounts Receivable - Utility Billing	74,782.50
Unbilled Accounts Receivable	257,000.00
Property, Plant & Equipment	25,792,354.81
Accumulated Depreciation	(6,399,425.72)
Prepaid Insurance	3,068.10
Accrued Interest Receivable	111,114.81
Notes Receivable - MV I	55,361.89
Deposit - W/C Insurance	2,802.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(10,477.88)

Total Assets	27,489,618.84
	=====

LIABILITIES

Accounts Payable	39,750.54
Construction Meter Deposits	8,500.00
Compensated Absences Payable	42,735.00
Customer Deposit	7,528.34
Payroll Taxes Payable	1,070.80
Retention Payable	30,000.00
Deposit - Maintenance Guarantee	11,400.00
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Revenue Bonds - Current Portion	7,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue Bonds Payable - Long Term Portion	176,000.00
SRF Loan #110 Payable - Long Term Portion	627,630.30
SRF Loan #120 Payable - Long Term Portion	801,424.75

Total Liabilities	1,860,558.33

FUND EQUITY

Contributed Capital - Assets	6,108,934.66
Contributed Capital - Capacity Fees (CY)	346,630.00
Contributed Capital - Capacity Fees (PY)	9,216,946.90
Contributed Capital - Right of Way	31,600.00
Contributed Capital - Assessment Districts	1,563,451.00
Contributed Capital - Grants	3,178,335.00
Retained Earnings-Reserved (Debt Service)	15,600.00
Retained Earnings-Reserved (Emergencies)	50,000.00
Retained Earnings-Reserved (Sewer Grant)	195,000.00
Retained Earnings-Reserved (Funded Replacement)	1,073,428.50
Retained Earnings - Unreserved	3,185,632.40
CURRENT EARNINGS	663,502.05

Total Fund Equity	25,629,060.51

Total Liabilities and Fund Equity	27,489,618.84
	=====

UNAUDITED

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING MARCH 31, 2001

	YTD ACTUAL	ANNUAL BUDGET	% REMAINING
	-----	-----	-----
REVENUES			

Water - Fixed Charge	256,506.95	342,000.00	25.00 %
Water - Usage	719,732.51	918,000.00	21.60 %
Construction Water	15,393.87	0	.00 %
Fire System Fee	1,620.69	0	.00 %
Emergency Intertie Water Sales - SCWC	108.20	0	.00 %
Sewer Charges	474,752.82	619,300.00	23.34 %
Fees and Penalties	21,346.17	26,800.00	20.35 %
Meters	15,924.00	9,350.00	(70.31) %
Plan Check & Inspection Fees	7,050.00	4,500.00	(56.67) %
Sewer Lift Station Fees	5,500.00	0	.00 %
Front Footage Fees	15,445.25	0	.00 %
Miscellaneous Income	42,562.03	0	.00 %
Street Lighting Charges	12,066.00	18,258.00	33.91 %
Operating Transfers In - Funded Administration	79,871.32	124,120.00	35.65 %
Operating Transfers In - Funded Replacement	217,494.00	290,000.00	25.00 %
	-----	-----	-----
Total Revenues	1,885,373.81	2,352,328.00	19.85 %
	-----	-----	-----
OPERATIONS AND MAINTENANCE			

Wages and Benefits	155,868.71	221,630.00	29.67 %
Electricity	173,663.43	289,000.00	39.91 %
Natural Gas	29,379.08	40,500.00	27.46 %
Chemicals	10,506.51	14,600.00	28.04 %
Lab Tests	14,599.02	25,500.00	42.75 %
Operating Supplies	20,192.53	23,600.00	14.44 %
Outside Services	16,477.66	26,685.00	38.25 %
Permits and Operating Fees	8,444.19	8,800.00	4.04 %
Repairs and Maintenance	60,998.74	74,500.00	18.12 %
Engineering	45,597.64	27,800.00	(64.02) %
Fuel	6,956.92	8,000.00	13.04 %
Paging Service	1,038.72	1,500.00	30.75 %
Dues and Subscriptions	111.00	0	.00 %
Meteres - New Installation	988.72	2,000.00	50.56 %
Automatic Meter Reading Devices - New Installation	302,600.00	312,000.00	3.01 %
Meters - Replacement Program	26,849.60	17,000.00	(57.94) %
Uniforms	1,801.12	3,000.00	39.96 %
Contingency	0	2,000.00	100.00 %
Operating Transfers Out - Funded Replacement	217,494.00	290,000.00	25.00 %
	-----	-----	-----
Subtotal - O & M	1,093,567.59	1,388,115.00	21.22 %
	-----	-----	-----
GENERAL AND ADMINISTRATIVE			

Wages and Benefits	165,167.19	240,725.00	31.39 %
Utilities	3,291.44	5,140.00	35.96 %
Audit	3,348.00	3,350.00	.06 %
Bank Charges and Fees	311.30	505.00	38.36 %
Computer Expense	11,947.77	12,000.00	.44 %

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING MARCH 31, 2001

	YTD ACTUAL	ANNUAL BUDGET	% REMAINING
	=====	=====	=====
Consulting	31,721.88	108,395.00	70.73 %
Director Fees	10,950.00	17,000.00	35.59 %
Dues and Subscriptions	3,176.63	4,800.00	33.82 %
Education and Training	3,416.53	6,500.00	47.44 %
Elections	2,408.78	6,500.00	62.94 %
Insurance - Liability	9,328.94	13,000.00	28.24 %
Landscape and Janitorial	2,553.50	5,000.00	48.93 %
Legal - General Counsel	34,078.14	34,000.00	(.23) %
Legal - Water Counsel	212,984.05	220,000.00	3.19 %
Miscellaneous	2,083.91	3,500.00	40.46 %
Newsletters & Mailers	749.55	3,050.00	75.42 %
Office Supplies	2,228.64	5,000.00	55.43 %
Operating Supplies	8,366.33	7,000.00	(19.52) %
Outside Service	6,041.76	2,215.00	(172.77) %
Postage	7,145.39	8,000.00	10.68 %
Public Notices	412.50	2,100.00	80.36 %
Repairs and Maintenance	3,059.28	3,000.00	(1.98) %
Property Taxes	567.34	545.00	(4.10) %
Telephone	2,641.90	5,000.00	47.16 %
Travel and Mileage	2,274.69	12,500.00	81.80 %
Operating Transfer Out - Funded Administration	79,871.32	124,120.00	35.65 %
Subtotal - G & A	610,126.76	852,945.00	28.47 %
NON OPERATING INCOME			

Interest Income	333,868.42	295,285.00	(13.07) %
Property Tax Revenues	149,979.17	200,500.00	25.20 %
Gain on Sale	2,550.00	0	.00 %
Subtotal - Non Operating Income	486,397.59	495,785.00	1.89 %
NON OPERATING EXPENSES			

Interest Expense	4,575.00	0	.00 %
Subtotal - Non Operating Expenses	4,575.00	0	.00 %
Net Surplus/(Deficit)	663,502.05	607,053.00	9.30 %
	=====	=====	=====

UNAUDITED

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 2, 2001

AGENDA ITEM
MAY 02 2001



MANAGER'S REPORT

- G-1) ARTICLES ON FUNDING INFRASTRUCTURE NEEDS
Attached are two articles on replacing old infrastructures
One from American City and County Magazine
Second from Water World News

Board 2001\mgr050201.DOC

Locals call for federal support on water bill



By Mark Preston

The author is Washington correspondent for American City & Country.

Facing a \$23 billion annual shortfall that could hamper efforts to maintain the integrity of the nation's water systems, city and county leaders are urging Congress and President Bush to quickly pass comprehensive legislation to bridge the funding gap. Local governments are calling for passage of legislation that would create a five-year, \$57 billion plan that would pump federal dollars back to city and county governments to help them pay for myriad water infrastructure needs such as modernizing treatment plants and replacing old piping.

"As the federal government addresses the nation's \$5.7 trillion surplus, I am hopeful that investment in America's water infrastructure will be a priority for both Congress and the new administration," says Detroit Mayor and National League of Cities President Dennis Archer.

King County (Wash.) Council Member Jane Hague notes that county governments are "facing unprecedented financial needs" in the maintenance of their water systems and risk not meeting those needs unless the federal government steps in to help shoulder some of the costs. "On our own, we simply will not be able to keep pace," warns Hague, who also is president of the National Association of Counties.

Promoted by the Water Infrastructure Network (WIN), a coalition of water suppliers, local government organizations, environmentalists, labor unions and construction trade groups, the legislation would provide credit assistance, grants, loans and loan subsidies

the Congressional efforts to repair America's infrastructure," says Rep. Sherwood Boehlert (R-N.Y.), co-chair of the House Water Infrastructure Caucus. "We cannot go backward on clean and safe water."

Elected officials are not alone in calling for swift passage of this legislation. Groups such as the American Coal Ash Association, the Laborers' International Union of North America and the National Society of Professional Engineers also are supporting the measure.

According to local government estimates, addressing water infrastructure needs nationwide for the next two decades will run \$1 trillion. The money is needed for upgrades to treatment and wastewater plants and piping.

Archer is quick to point out that the additional funding sought by WIN will not replace money already being spent by local governments. "No one should lose sight of the fact that a renewed federal investment, while of enormous value in helping to meet critical local infrastructure needs, would be in addition to the \$60 billion invested annually in these systems by local taxpayers and ratepayers," he says.

However, if Congress fails to act on the issue, utilities will be forced to pass on those expenses to ratepayers, and that could mean a doubling or tripling of water bills, according to a report recently released by WIN. The group warns that access to clean drinking water could be jeopardized for some people if rates were to increase.

"An investment in our nation's water infrastructure is an investment in our public

The money is needed for upgrades to plants and piping.

to municipalities to help pay for water infrastructure costs. It is modeled on two similar infrastructure improvement bills developed to help maintain and upgrade the nation's highways and airports. In those two separate efforts, Congress approved \$215 billion for the Transportation Efficiency Act and \$40 billion for the Aviation Investment and Reform Act for the 21st Century.

"Water 21 is the obvious next chapter in

health," says Jack Hoffbuhr, executive director of the American Water Works Association, which has been working to raise awareness about the issue. "The WIN proposal is a sensible place to start work on closing the investment gap. We must ensure that our investment will reach all communities in need. Equipping communities with the resources to improve their water infrastructure merits Congress' support." ☆

Federal Aid Needed For Water Infrastructure

Congress should pass legislation this year to renew the nation's commitment to clean and safe water, according to a new report from the Water Infrastructure Network (WIN), a coalition of local elected officials, drinking water and wastewater service providers, environmental groups, labor unions, and construction and engineering professionals.

In a recent report, entitled *Water Infrastructure Now*, the network called for a five-year, \$57 billion federal investment in drinking water, sewer and stormwater infrastructure to replace aging pipes, upgrade treatment systems and continue to protect public health and the environment. The report also urged Congress to create a long-term, sustainable and reliable source of federal funding for clean and safe water.

The funding increase is urgently needed to help close a \$23 billion per year gap between infrastructure needs and current spending. Local governments and their ratepayers currently cover 90 percent of the costs to build, operate and maintain public water and sewer systems. But, as older systems deteriorate and water quality rules tighten, local budgets simply cannot keep pace, the report said.

"The staggering cost of maintaining, operating, rehabilitating, and replacing our aging water infrastructure requires a new partnership between federal, state and local government," said Detroit Mayor

Dennis Archer, President of the National League of Cities. "We call upon the new leadership in Washington to renew the federal financial commitment to assist local governments in meeting the growing water and wastewater infrastructure needs."

To bridge the investment gap, the federal government should meet localities halfway – by authorizing an average of \$11.5 billion in capitalization funds over five years – the report proposes. States would receive the funds and in turn offer grants and loans to local agencies.

Other legislative recommendations in the report include:

- Authorizing a variety of financing mechanisms, such as grants, loans, loan subsidies and credit assistance;
- Focusing on critical "core" water and wastewater infrastructure needs and nonpoint source pollution;
- Streamlining the federal and state administration of infrastructure funds and adequately financing state programs;
- Establishing a new program for technology and management innovation to reduce costs, prolong the life of America's water infrastructure and improve productivity; and

See WATER INFRASTRUCTURE on Page 34

Continued from page 1

- Providing expanded, targeted technical assistance to communities most in need.

"The costs facing water systems arise from a number of factors, including aging distribution systems and treatment facilities, changing demographics of urban communities and expensive, new water treatment technologies," said Julius Ciaccia, the Water Commissioner of Cleveland and a board member of the Association of Metropolitan Water Agencies.

The need for up-to-date drinking water systems is undeniable. The Centers for Disease Control in 1999 pointed to drinking water agencies as the first line of defense in protecting public health. And by providing adequate supplies to industries that rely on treated water for processing and manufacturing, water systems create direct economic benefit across every sector of the economy.

"New options and more dollars are needed to continue protecting public health," Ciaccia said, "and the nation's water suppliers are eager to work with

Congress to do this."

Although most people in the industry agree that additional funding is needed to help support infrastructure needs, concerns about the WIN Now report have been raised by the H₂O Coalition, which represents a number of water industry associations.

"WIN would have the American taxpayer pay for a multi-billion dollar bailout of the coming infrastructure funding problem without doing anything systematically to address the underlying causes of the looming crisis," said Peter Cook of

the National Association of Water Companies, and H₂O Coalition member.

"History has shown that these sorts of programs breed inefficiency, encourage dependency, stifle innovation, and do nothing to solve the fundamental problems," said Cook. "The goal of our industry should be long-term self-sustainability, not perpetual reliance on subsidies to water utilities.

Dawn Kristof, President of the Water and Wastewater Equipment Manufacturers Association and H₂O Coalition member, said the WIN Now Report "represents a step backward for an industry that has already evolved away from dependency on federal grants."

Members of the H₂O Coalition want to see additional federal funding through expansion of the existing State Revolving Loan Fund program and through limited grants. Utilities receiving grants should have to show an economic need for the funding, coalition members believe.

At some water and wastewater utilities, if customers were to pay for the increased capital investment needed, the resulting rates would be unaffordable to many customers. This is a social problem with health and other implications that federal assistance can help address, the H₂O Coalition stated in a press release. The most serious health or environmental problems that communities cannot afford to address on their own should be considered for federal assistance first. Since federal funds are not unlimited, communities whose customers can afford to pay should not be a high priority for federal assistance, the release said. \WW/