

NIPOMO COMMUNITY SERVICES DISTRICT AGENDA

JUNE 6, 2001

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

BOARD MEMBERS

ROBERT BLAIR, PRESIDENT
AL SIMON, VICE PRESIDENT (DECEASED May 22, 2001)
RICHARD MOBRAATEN, DIRECTOR
MICHAEL WINN, DIRECTOR
JUDITH WIRSING, DIRECTOR

STAFF

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

John Snyder
138
20
2760
150
2910

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) PUBLIC HEARING - DRUMM LANE SEWER REIMBURSEMENT (MITCHELL)
Review sewer line reimbursement cost spread for Drumm Lane
- D-2) PUBLIC HEARING - ESTABLISHING BLACK LAKE STREET LIGHTING CHARGES
Set Black Lake Street Lighting charges for FY 2001-02
- D-3) DISTRICT ANNEXATION POLICY
Adoption of an ordinance repealing the 1983 annexation policy
- D-4) REQUEST FOR ANNEXATION - TRACTS 1802 & 1856 (TRINCON)
Review annexation agreement to annex a 82 acre development near the Santa Maria Speedway
- D-5) REQUEST FOR ANNEXATION - LUCIA MAR UNIFIED SCHOOL DISTRICT (LMUSD)
Request to annex Nipomo High School area to the District, approx. 77 acres

E. OTHER BUSINESS

- E-1) DISTRICT BUDGET FOR FISCAL YEAR 2001-2002
Resolution adopting the District's FY 2001-02 budget
Resolution adopting appropriation limitation
- E-2) BOARD OF DIRECTORS - OPEN SEAT
Review procedure for replacing an open seat on the Board
- E-3) SOLID WASTE DISPOSAL AGREEMENT
Review draft franchise agreement for providing solid waste service

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

- F-1) WARRANTS [RECOMMEND APPROVAL]
- F-2) BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Approval of Minutes of May 16, 2001 Regular Board meeting
Approval of Minutes of May 23, 2001 Special Board meeting

G. MANAGER'S REPORT

- G-1) Information of redevelopment
- G-2) CSDA - Board of Directors nominations
- G-3) CSDA - Legislative Update
- G-4) Port San Luis Harbor District Notice of Master Plan Workshops

H. DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC§54956.9

- a. Litigation CPUC Appl. No. A 00-03-029 (Gov. Code §54956.9)
- b. SMVWCD vs NCSD Santa Clara County Case No. CV 770214 and all consolidated cases.
- c. NCSD vs State Dept of Health Services CV 990716, GC §54956.9]
- d. Anticipated litigation - one case
- e. Performance Evaluation (General Counsel) GC§ 54957

ADJOURN -- In memory of Director Al Simon

The regular Board meeting of June 20 has been canceled.

The next regular Board meeting will be held on June 27, 2001.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JUNE 6, 2001

AGENDA ITEM
JUN 06 2001



PUBLIC HEARING
SEWER REIMBURSEMENT
DRUMM LANE
MITCHELL

ITEM

Hold a Public Hearing to review the sewer reimbursement spread for sewer line costs in Drumm Lane

BACKGROUND

At the regular Board meeting held on May 2, 2001, the Board reviewed the reimbursement spread for property owners for the sewer line costs on Drumm Lane. The District received correspondence from Jay Johnson of the County Planning Department indicating that the County would consider one APN (Assessor's Parcel Number) as a single parcel. The cost spread has been spread on an APN basis based on the County Planning Department interpretation. Enclosed is the reimbursement spread diagram showing the pro rata share for thirteen (13) lots is \$2,967.25. A notice was sent to each of the property owners benefiting from the sewer line improvements, including the reimbursements cost for each lot.

The District has received two protests concerning the reimbursement spread.

1. Rene Bliss - indicated that she does not wish to pay for the sewer line now or in the future. It was explained to Mrs. Bliss that as long as she did not hook to the sewer line, she would not have to pay, and after 10 years, she could connect with no reimbursement costs.
2. Jason Limbergh - indicated that the spread should be on a per parcel basis and not an APN basis. It is possible that the three separate lots with one APN could be built on but a variance from the County would be required. The letter states that Mr. Newdell and his three lots facing Honey Grove received a variance and built three houses on those parcels which had one APN. The same situation may apply to individual parcels with one APN but it will be up to the property owner to receive the variance and not the District making that determination.

Therefore based on the County Planning Department making that interpretation, the spread has been made with respect to assessor parcel numbers. For the Board's information, the old spread based on 25 lots was \$1,543 per lot. The new spread is \$2,967.25 per APN number. If a property owner wanted to develop three lots with one APN, the current pro rata share of the \$2,967.25 would be a lesser amount than three times the per lot (\$1,543.00) amount. Therefore, there would be a net savings of approx. \$1400 with respect to the APN spread.

The engineering report on the protests is attached.

RECOMMENDATION

Staff recommends that after the Public Hearing and comments are received the Board adopt Resolution 2001-771 approving the sewer reimbursement spread diagram and the cost per lot of \$2,967.25.

RESOLUTION NO. 00-715

A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING THE REIMBURSEMENT AMOUNTS
FOR DRUMM LANE SEWER LINE IMPROVEMENTS (MITCHELL)

WHEREAS, Gary and Carol Mitchell, developers of the Drumm Lane improvements, have requested a reimbursement agreement for the sewer line installed in Drumm Lane from Southland Street; and

WHEREAS, the District has established the overall costs of the Drumm Lane improvements at \$38,574.37; and

WHEREAS, the Board of Directors held a Public Hearing on June 6, 2001 to review the reimbursement agreement and the spread of cost.

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

1. The Board has accepted the sewer line improvements in Drumm Lane.
2. The costs for sewer line improvements in Drumm Lane were spread equally to each assessor parcel number that may receive service.
3. The reimbursement is spread as shown on the attached Exhibit A.
4. The President of the Board is authorized to sign the Reimbursement Agreement.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 6th day of June, 2001, on the following roll call vote:

AYES: Directors

NOES:

ABSENT:

ABSTAIN:

Robert L. Blair, President
Nipomo Community Services District


ATTEST:

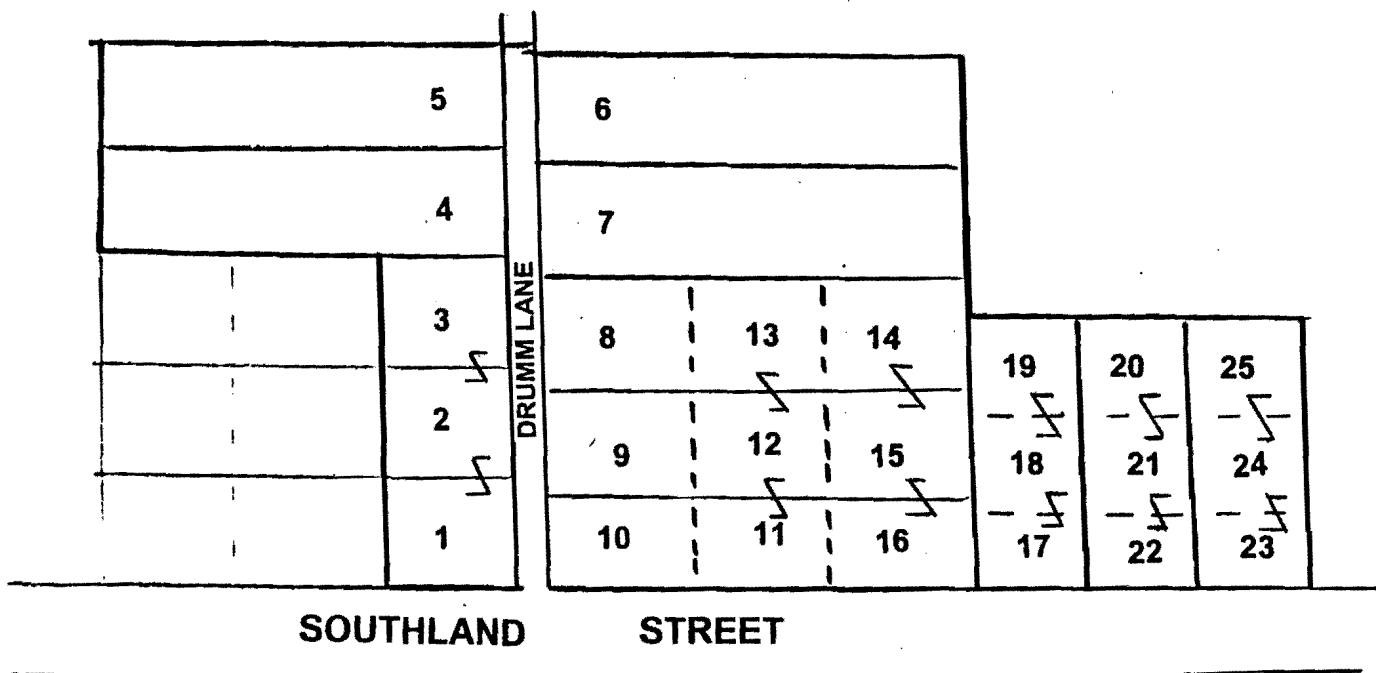
APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

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

REIMBURSEMENT FORMULA	
Cost spread equally to each lot	
Cost per lot =	\$ 1,543.00
Legend 1 =	Reimbursement Number
	= Common Ownership



SEWER REIMBURSEMENT SPREAD DRUMM LANE, NIPOMO, CA	
Reimbursement No.	Assessor's Parcel No.
1	092-331-023
2	092-331-023
3	092-331-023
4	092-331-034
5	092-331-033
6	092-331-028
7	092-331-017
8	092-331-025
9	092-331-024
10	092-331-019
11	092-331-003
12	092-331-003
13	092-331-003
14	092-331-002
15	092-331-002
16	092-331-002
17	092-341-009
18	092-341-009
19	092-341-009
20	092-341-005
21	092-341-005
22	092-341-005
23	092-341-007
24	092-341-007
25	092-341-007

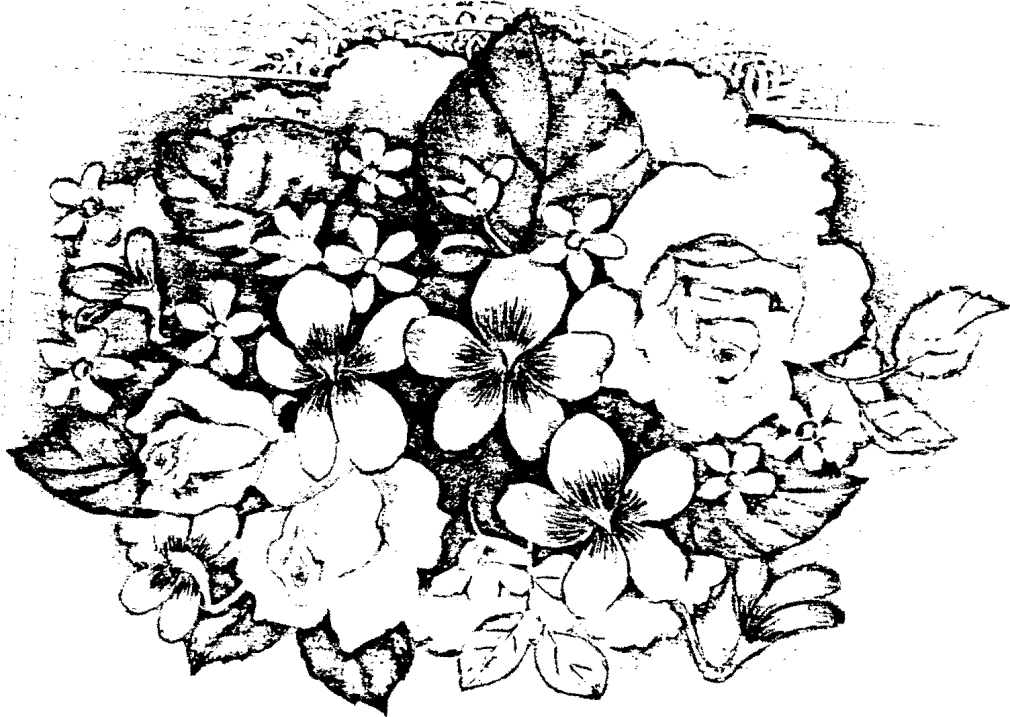
NIPOMO COMMUNITY SERVICES DISTRICT

MAY 14 2001

RECEIVED

Dear Bruce

I know please let me know
 just mandating by the fact is
 you told me this keep-up is
 of your late #7, #8, #9 -
 here, at this time in the future.
 just want to keep-up in the course
 of work to you via phone. & etc
 May 11
 Douglas Jones



MAY 17 2011

To Whom It May Concern:

WIPOMO COUNTY
SERVICES DISTRICT

I AM FILING THIS LETTER OF PROTEST ON BEHALF OF MYSELF, (JASON LINDBERGH), LUCIA DOMINGO, AND MRS. THEODORO CAMBA.; IN REFERENCE TO THE MITCHELL'S PLEA TO ELIMINATE THE DIVISION OF THE LOTS FOR THE ABOVE NAMED PROPERTY OWNERS.

WE ARE PROTESTING THE "EXHIBIT A" DIAGRAM OF THE LOTS ON SOUTHLAND STREET. (SPECIFICALLY THE USE OF THE NUMBERS 11, 12, AND 13. THESE LOTS ARE NOT RECORDED AT THE ASSESSORS OFFICE IN THIS MANNER. THE MITCHELLS NEED TO LOOK AT ACTUAL RECORDED DOCUMENTS AND REVIEW THOSE DOCUMENTS.

FIRST OF ALL SEE THE ATTACHMENTS FOR THE LOT DESCRIPTION AS RECORDED IN SAN LUIS OBISPO COUNTY. TO GIVE YOU AN EXAMPLE I WILL USE LOTS 91, 92, AND 93. SEE THE ATTACHMENTS PROVIDED BY FIDELITY NATIONAL TITLE CO. AT THE TIME OF PURCHASE OF THIS PROPERTY.

SECONDLY, CONCERNING LOTS 91, 92, 93, PORTIONS OF THESE LOTS EXTEND INTO THE NEW HOUSING DEVELOPING ON HONEYGROVE LANE. MR. ROBERT NEWDOLL IS THE DEVELOPER AND HE BUILT 3 HOMES ON THESE LOTS, THUS PROVING THAT INDEED THERE ARE 3 SEPARATE AND INDIVIDUAL LOTSEXHISTINNG IN CONJUNCTION WITH LOTS 91, 92, 93, AT 784 SOUTHLAND STREET

THIRD, THESE 3 LOTS (91, 92, 93,); ARE BUILDABLE LOTS AS THEY WERE GRANDFATHERED IN BEFORE SLO COUNTY LOTS SIZE STANDARDS WERE ALTERED. WE HAVE MORE THAN ADEQUATE LAND FOOTAGE TO ALLOW FOR THE REQUIRED 5 FOOT SETBACK AND THE 18 FOOT ROAD REQUIREMENT.

WE PROTEST THE MITCHELL'S USE OF THE LOT NUMBERS THEY USE AS THESE ARE NOT RECORDED AT THE ASSESSORS OFFICE. EVEN THOUGH THESE PROPERTIES ALL HAVE ONLY ONE "APN" EACH, THEY HAVE BEEN RECORDED AS 3 INDIVIDUAL LOTS FOR EACH "APN" NUMBER.

AS WE ALL REALIZE THIS MAKES EACH PIECE OF PROPERTY MUCH MORE VALUABLE, IN THE EVENT THE ANY OWNER WISHED TO BUILD MORE THAN ONE HOUSE OR IN THE EVENT OF SELLING THE PROPERTIES TO A LAND DEVELOPER.

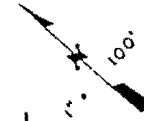
LASTLY, WE HAVE RECEIVED NO LEGAL DOCUMENT FROM ANYONE AS TO ANY CHANGES IN LOT DEVELOPMENT REQUIREMENTS AND AS MR. ROBERT NEWDOLL, THE DEVELOPER ON HONEYGROVE LANE OBTAINED VARIANCES FOR HIS HOMES, WE SEE NO REASON WHY EACH OF US COULD NOT OBTAIN THE SAME VARIANCES.

SIGNED: JASON LINDBERGH

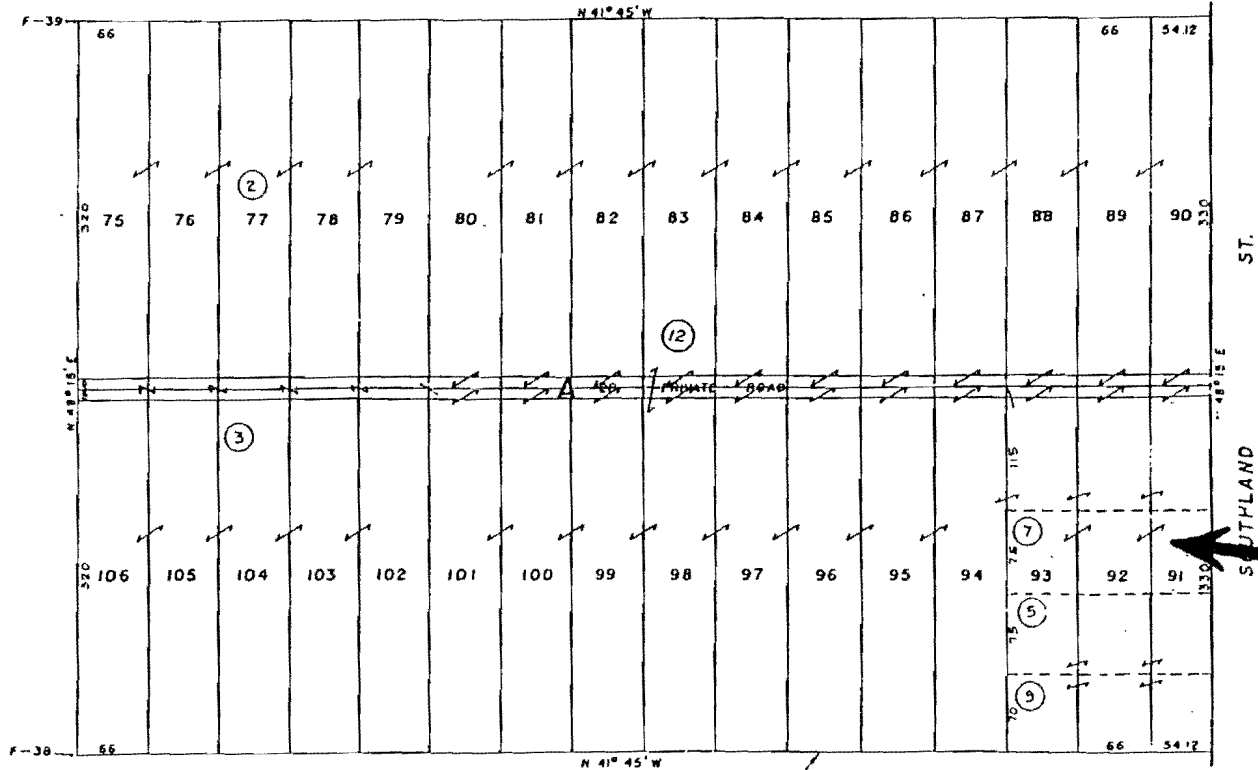


RESUB. OF LOT 18 OF STORY'S SUB.
8 LOT 2 & 3 OF ARMSTRONG'S SUB.
IN LOT 26 OF WARDS SURVEY

(35)



(32)



(152)

(33)

NOTE—ASSESSOR'S BLOCK & LDT
NUMBERS SHOWN IN CIRCLES
THIS MAP IS FOR ASSESSMENT
PURPOSES ONLY.

SOUTHLAND TRACT
RANCHO P'IPOMO
SAN LUIS OBISPO COUNTY
CALIFORNIA

RIVK/O/26
2-12-00

FIDELITY NATIONAL TITLE-CASL Plat: 092341

This map is for informational purposes
only and is not a survey. Fidelity
National Title does not assume any
responsibility or liability for its
accuracy.

EXHIBIT "ONE"

The Northeasterly 75 feet of the Southwesterly 220 feet of Lots 91, 92 and 93 in Block A of the Southland Tract the County of San Luis Obispo, State of California, as per Map recorded in Book 1, Page 25 of Maps, in the office of the County Recorder of said County.

Excepting therefrom all oil, minerals, and hydrocarbon substances as reserved in the deed from Raymond G. McKelvey, et al., recorded February 25, 1974 in Book 434, Page 398 of Official Records.

Assessor's Parcel No: 092-341-007

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 1998-1999.
2. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
3. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Raymond G. McKelvey and D. Paul McKelvey
Purpose: Access to minerals
Recorded: February 25, 1947, Book 434, Page 398, of Official Records
Affects: a portion of said land

END OF ITEMS

- Note 1.** The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.
- Note 2.** For proration purposes, the property taxes for the fiscal year shown below are as follows:
- | | |
|--------------------|---------------|
| APN: | 092-341-007 |
| Fiscal year | 1997-1998 |
| Code Area: | 052-098 |
| 1st Installment: | \$410.58 paid |
| 2nd Installment: | \$410.58 paid |
| Land: | \$76,002.00 |
| Improvements: | \$10,855.00 |
| Exemption: | \$7,000.00 |
| Personal Property: | \$none |
- Note 3.** "Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation deals with the disbursement of funds deposited with any title entity acting in an escrow or subescrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or subescrow account prior to disbursement of any funds. Some methods of funding may subject funds to a holding period which must expire before any funds may be disbursed. In order to avoid any such delays, all fundings should be done through wire transfer, certified check or checks drawn on California financial institutions.
- Note 4.** The charge where an order is cancelled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be cancelled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be \$360.00.

NIPOMO COMMUNITY



SERVICES DISTRICT

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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

May 24, 2001

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

SUBJECT: DRUMM LANE ASSESSMENT DISTRICT, LETTER OF PROTEST FROM JASON LINDBERGH

Dear Doug,

I have reviewed the letter from Mr. Lindbergh which has a receipt date of May 17, 2001 at the District Office. Mr. Lindbergh seems to be concerned about the County's determination of legal lot status for a number of the lots within the Drumm Lane Assessment District. It is my belief that the numbering of the lots as advertised is the best evidence available to the District regarding the legal status of these lots. In the event that individual property owners believe they have a different number of lots than determined by County staff (as shown on the assessment diagram), it will be necessary for the individual property owners to apply for Certificates of Compliance for those various pieces of property which they believe are legal and separate. The responsibility to seek this determination lies with the individual property owners.

If you have any questions please contact me.

GARING TAYLOR & ASSOCIATES, INC

Jim Garing
Jim Garing P.E
District Engineer

ND-1/Drumm Lane

NIPOMO COMMUNITY

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GARING TAYLOR & ASSOCIATES, INC


Jim Garing P.E
District Engineer

ND-1/Drumm Lane

NIPOMO COMMUNITY



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(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-ration 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



TO: BOARD OF DIRECTORS
 FROM: DOUG JONES *DJ*
 DATE: JUNE 6, 2001

BLACK LAKE STREET LIGHTING CHARGES

ITEM

Hold a public hearing for the establishment of charges to maintain Black Lake Street Lighting

BACKGROUND

NCSD provides street lighting to the Black Lake Golf Course Development. In order to maintain the street lighting, an annual charge is assessed on each parcel for the service rendered. The existing Black Lake street lighting assessment is exempt from the compliance requirements of Prop. 218. Any future increases in the assessment would need voter approval of the property owners. The proposed annual charge of \$34.00 will remain the same as last year. It should be noted that the County of SLO adds \$2.00 per parcel handling fee, making the total annual fee billed to each parcel \$36.00. Below is a history of the charge per parcel:

<u>Year</u>	<u>Charge</u>	<u>County Fee</u>	<u>Total</u>
1992-93	\$48.00	\$2.00	\$50.00
1993-94	\$50.00	\$2.00	\$52.00
1994-95	\$48.00	\$2.00	\$50.00
1995-96	\$40.00	\$2.00	\$42.00
1996-97	\$34.00	\$2.00	\$36.00
1997-98	\$34.00	\$2.00	\$36.00
1998-99	\$34.00	\$2.00	\$36.00
1999-00	\$34.00	\$2.00	\$36.00
2000-01	\$34.00	\$2.00	\$36.00
2001-02	\$34.00	\$2.00	\$36.00

The budget the Street Lighting Fund for 2001-02 is as follows:

<u>Revenues</u>		
Street lighting charges		\$18,258
<u>EXENDITURES</u>		
Insurance	\$ 500	
Public & Legal Notice	100	
Electricity	<u>27,000</u>	
Total expenditures		<u>(27,600)</u>
Difference		(9,342)
Interest earnings		<u>3,000</u>
Net deficit from operations		<u>(6,342)</u>
Estimated cash balance 7/1/01		\$54,000
Net deficit from operations		<u>(6,342)</u>
Estimated cash balance 6/30/02		<u>\$47,658</u>

Attached is a listing of Assessor Parcel Numbers with the proposed 2001-02 street lighting charges.

Now is the time and place for the public hearing for the Board to confirm the report for collection of the charges on the 2001-02 tax roll and to give opportunity for filing objections and for the presentation of testimony or other evidence concerning said report. The attached Resolution is presented for the Board's review, approval and adoption.

RECOMMENDATION

Approval of Resolution No. 2001-___ establishing Black Lake Street Lighting Charges

RESOLUTION NO. 2001-

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
PROVIDING FOR THE COLLECTION OF STREET LIGHT CHARGES ON
THE SAN LUIS OBISPO COUNTY TAX ROLLS FOR MAINTENANCE AND
OPERATION OF EXISTING PUBLIC STREET LIGHTS IN THE
BLACK LAKE DEVELOPMENT (GOLF COURSE AREA)**

WHEREAS, on October 15, 1992 LAFCO approved Resolution No. 92-19 "A RESOLUTION MAKING DETERMINATION APPROVING THE REORGANIZATION INVOLVING DETACHMENT OF TERRITORY FROM COUNTY SERVICE AREA NO. 1-G AND ANNEXATION NO. 7 TO THE NIPOMO COMMUNITY SERVICES DISTRICT (BLACK LAKE GOLF AND COUNTRY CLUB), and

WHEREAS, Condition 3A provides that the NCSD will provide all three services currently provided by CSA No. 1-G; water, sewer, and street-lighting, and

WHEREAS, Condition 3F provides that NCSD succeed to all rights, duties and obligations of CSA No. 1-G with respect to the enforcement of performance or payment of any outstanding contracts and obligations of CSA No. 1-G; and

WHEREAS, Condition 3H authorizes the NCSD to continue to levy, fix and collect any special, extraordinary or additional taxes, assessments, service charges and rates which were levied, fixed and/or collected by CSA No. 1-G, and

WHEREAS, public notice has been given in accordance with Section 6066 of the Government Code as specified under CSA No. 1-G Assessment procedures of this public hearing concerning collection of service charges on the 2001-02 property tax bills; and

WHEREAS, written reports specifying each parcel (attached as Exhibit "A") receiving extended service and the amount of the charge for that service have been prepared and filed with the staff report; and

WHEREAS, based on the Staff Report and public testimony, the Board finds:

- A. That the proposed charges do not exceed the reasonable costs of providing the services.
- B. That the assessment district was formed pursuant to a petition signed by the owners of the Black Lake Specific Plan.
- C. The written report does not recommend an increase in the current assessment.

WHEREAS, based on the above findings, the assessments for fiscal year 2001-02 are unaffected by Proposition 218; and

WHEREAS, this is the time and place for the public hearing for the Board to confirm the reports for collection of service charges on the 2001-02 tax bills as specified in the staff reports and to give opportunity for filing objections and for presentation of testimony or other evidence concerning said report; and

WHEREAS, it is in the public interest that the owners of property in said Black Lake Development pay the cost of said service therein.

**RESOLUTION 2001-
PAGE TWO**

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

- Section 1. That the recitals set forth are true, correct and valid.
- Section 2. The Board of Directors of NCSD fixes the street lighting charge at \$34.00 and a SLO County Administrative charge of \$2.00 for a total charge of \$36.00 per year.
- Section 3. That said service charges are directly proportionate to the benefit to each parcel from the services rendered.
- Section 4. That the charges as confirmed shall appear as separate items on the tax bill of each parcel of real property listed in said staff report, and such charges shall be collected at the same time and in the same manner as ordinary ad valorem taxes are collected, and are subject to the same penalties and the same procedures and sale in case of delinquency as provided for such taxes.
- Section 5. The Tax Collector of the San Luis Obispo County is hereby authorized to collect the street lighting charges on the property tax bill.
- Section 6. This resolution is adopted by a majority of all members of the Board of Directors of the District.

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

AYES: Directors
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby adopted this 6th day of June, 2001.

Robert L. Blair, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary of the Board

Jon S. Seitz
General Counsel

C:\W:\RES\2001-

**BLACK LAKE STREETLIGHTING CHARGES TAX YEAR 2001-02
EXHIBIT "A"**

A.P.N.	CHARGE						
091243001	\$34.00	091244005	\$34.00	091410021	\$34.00	091412009	\$34.00
091243002	\$34.00	091244006	\$34.00	091410022	\$34.00	091412010	\$34.00
091243003	\$34.00	091244007	\$34.00	091410023	\$34.00	091412011	\$34.00
091243004	\$34.00	091244008	\$34.00	091410024	\$34.00	091412012	\$34.00
091243005	\$34.00	091244009	\$34.00	091410025	\$34.00	091412013	\$34.00
091243006	\$34.00	091244010	\$34.00	091410026	\$34.00	091412014	\$34.00
091243007	\$34.00	091244011	\$34.00	091410027	\$34.00	091412015	\$34.00
091243008	\$34.00	091244012	\$34.00	091410028	\$34.00	091412016	\$34.00
091243009	\$34.00	091244013	\$34.00	091410029	\$34.00	091412017	\$34.00
091243010	\$34.00	091244014	\$34.00	091410030	\$34.00	091412018	\$34.00
091243013	\$34.00	091244015	\$34.00	091410031	\$34.00	091412019	\$34.00
091243014	\$34.00	091244016	\$34.00	091410032	\$34.00	091412020	\$34.00
091243015	\$34.00	091244017	\$34.00	091410033	\$34.00	091412021	\$34.00
091243016	\$34.00	091244018	\$34.00	091410034	\$34.00	091413001	\$34.00
091243017	\$34.00	091244019	\$34.00	091410035	\$34.00	091413002	\$34.00
091243018	\$34.00	091244022	\$34.00	091410036	\$34.00	091413003	\$34.00
091243019	\$34.00	091244023	\$34.00	091410037	\$34.00	091413004	\$34.00
091243020	\$34.00	091244024	\$34.00	091410038	\$34.00	091413005	\$34.00
091243021	\$34.00	091244025	\$34.00	091410039	\$34.00	091413006	\$34.00
091243022	\$34.00	091244026	\$34.00	091410040	\$34.00	091413007	\$34.00
091243023	\$34.00	091244027	\$34.00	091410041	\$34.00	091413008	\$34.00
091243024	\$34.00	091244028	\$34.00	091410042	\$34.00	091413009	\$34.00
091243025	\$34.00	091244029	\$34.00	091410043	\$34.00	091413010	\$34.00
091243026	\$34.00	091244030	\$34.00	091410044	\$34.00	091413011	\$34.00
091243027	\$34.00	091244031	\$34.00	091410045	\$34.00	091413012	\$34.00
091243028	\$34.00	091410001	\$34.00	091410046	\$34.00	091413013	\$34.00
091243029	\$34.00	091410002	\$34.00	091410047	\$34.00	091413014	\$34.00
091243030	\$34.00	091410003	\$34.00	091410048	\$34.00	091413015	\$34.00
091243031	\$34.00	091410004	\$34.00	091410049	\$34.00	091413016	\$34.00
091243032	\$34.00	091410005	\$34.00	091410050	\$34.00	091413017	\$34.00
091243033	\$34.00	091410006	\$34.00	091410051	\$34.00	091413018	\$34.00
091243034	\$34.00	091410007	\$34.00	091410052	\$34.00	091413019	\$34.00
091243035	\$34.00	091410008	\$34.00	091410053	\$34.00	091413020	\$34.00
091243036	\$34.00	091410009	\$34.00	091410054	\$34.00	091413021	\$34.00
091243037	\$34.00	091410010	\$34.00	091410055	\$34.00	091413022	\$34.00
091243038	\$34.00	091410011	\$34.00	091410058	\$34.00	091413023	\$34.00
091243039	\$34.00	091410012	\$34.00	091411006	\$34.00	091413024	\$34.00
091243040	\$34.00	091410013	\$34.00	091412001	\$34.00	091413025	\$34.00
091243041	\$34.00	091410014	\$34.00	091412002	\$34.00	091413026	\$34.00
091243042	\$34.00	091410015	\$34.00	091412003	\$34.00	091413027	\$34.00
091243043	\$34.00	091410016	\$34.00	091412004	\$34.00	091413028	\$34.00
091244001	\$34.00	091410017	\$34.00	091412005	\$34.00	091413029	\$34.00
091244002	\$34.00	091410018	\$34.00	091412006	\$34.00	091413030	\$34.00
091244003	\$34.00	091410019	\$34.00	091412007	\$34.00	091413031	\$34.00
091244004	\$34.00	091410020	\$34.00	091412008	\$34.00	091413032	\$34.00

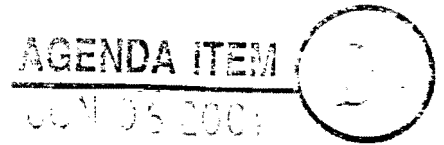
**BLACK LAKE STREETLIGHTING CHARGES TAX YEAR 2001-02
EXHIBIT "A"**

A.P.N.	CHARGE						
091413033	\$34.00	091415003	\$34.00	091416015	\$34.00	091419028	\$34.00
091413034	\$34.00	091415004	\$34.00	091416016	\$34.00	091419029	\$34.00
091413035	\$34.00	091415005	\$34.00	091416017	\$34.00	091419030	\$34.00
091413036	\$34.00	091415006	\$34.00	091416018	\$34.00	091419031	\$34.00
091413037	\$34.00	091415007	\$34.00	091416019	\$34.00	091419032	\$34.00
091413038	\$34.00	091415008	\$34.00	091416020	\$34.00	091419033	\$34.00
091413039	\$34.00	091415009	\$34.00	091416021	\$34.00	091419034	\$34.00
091413040	\$34.00	091415010	\$34.00	091416022	\$34.00	091419035	\$34.00
091413041	\$34.00	091415011	\$34.00	091416023	\$34.00	091419036	\$34.00
091413042	\$34.00	091415012	\$34.00	091416024	\$34.00	091419037	\$34.00
091413043	\$34.00	091415013	\$34.00	091416025	\$34.00	091419038	\$34.00
091413044	\$34.00	091415014	\$34.00	091416026	\$34.00	091419039	\$34.00
091413045	\$34.00	091415015	\$34.00	091416027	\$34.00	091419040	\$34.00
091413046	\$34.00	091415016	\$34.00	091416028	\$34.00	091419041	\$34.00
091414001	\$34.00	091415017	\$34.00	091416029	\$34.00	091419042	\$34.00
091414002	\$34.00	091415018	\$34.00	091416030	\$34.00	091419043	\$34.00
091414003	\$34.00	091415019	\$34.00	091416031	\$34.00	091419055	\$34.00
091414004	\$34.00	091415020	\$34.00	091416032	\$34.00	091419056	\$34.00
091414005	\$34.00	091415021	\$34.00	091416033	\$34.00	091419057	\$34.00
091414006	\$34.00	091415022	\$34.00	091416034	\$34.00	091419058	\$34.00
091414007	\$34.00	091415023	\$34.00	091416035	\$34.00	091440001	\$34.00
091414008	\$34.00	091415024	\$34.00	091416036	\$34.00	091440002	\$34.00
091414009	\$34.00	091415025	\$34.00	091419001	\$34.00	091440003	\$34.00
091414010	\$34.00	091415026	\$34.00	091419002	\$34.00	091440004	\$34.00
091414011	\$34.00	091415027	\$34.00	091419003	\$34.00	091440005	\$34.00
091414012	\$34.00	091415028	\$34.00	091419004	\$34.00	091440006	\$34.00
091414013	\$34.00	091415029	\$34.00	091419005	\$34.00	091440007	\$34.00
091414014	\$34.00	091415030	\$34.00	091419006	\$34.00	091440008	\$34.00
091414015	\$34.00	091415031	\$34.00	091419007	\$34.00	091440009	\$34.00
091414016	\$34.00	091415032	\$34.00	091419008	\$34.00	091440010	\$34.00
091414017	\$34.00	091415033	\$34.00	091419009	\$34.00	091440011	\$34.00
091414018	\$34.00	091416001	\$34.00	091419010	\$34.00	091440012	\$34.00
091414019	\$34.00	091416002	\$34.00	091419011	\$34.00	091440013	\$34.00
091414020	\$34.00	091416003	\$34.00	091419012	\$34.00	091440014	\$34.00
091414021	\$34.00	091416004	\$34.00	091419013	\$34.00	091441001	\$34.00
091414022	\$34.00	091416005	\$34.00	091419014	\$34.00	091441002	\$34.00
091414023	\$34.00	091416006	\$34.00	091419015	\$34.00	091441003	\$34.00
091414024	\$34.00	091416007	\$34.00	091419016	\$34.00	091441004	\$34.00
091414025	\$34.00	091416008	\$34.00	091419017	\$34.00	091441005	\$34.00
091414026	\$34.00	091416009	\$34.00	091419018	\$34.00	091441006	\$34.00
091414027	\$34.00	091416010	\$34.00	091419019	\$34.00	091441007	\$34.00
091414028	\$34.00	091416011	\$34.00	091419020	\$34.00	091441008	\$34.00
091414029	\$34.00	091416012	\$34.00	091419021	\$34.00	091441009	\$34.00
091414030	\$34.00	091416013	\$34.00	091419022	\$34.00	091441010	\$34.00
091415002	\$34.00	091416014	\$34.00	091419023	\$34.00	091441011	\$34.00

**BLACK LAKE STREETLIGHTING CHARGES TAX YEAR 2001-02
EXHIBIT "A"**

A.P.N.	CHARGE						
091441014	\$34.00	091443007	\$34.00	091444038	\$34.00	091445017	\$34.00
091441015	\$34.00	091443008	\$34.00	091444039	\$34.00	091445018	\$34.00
091441016	\$34.00	091443009	\$34.00	091444040	\$34.00	091445019	\$34.00
091441017	\$34.00	091443010	\$34.00	091444041	\$34.00	091445020	\$34.00
091441018	\$34.00	091443011	\$34.00	091444042	\$34.00	091445021	\$34.00
091441019	\$34.00	091443012	\$34.00	091444043	\$34.00	091445022	\$34.00
091441020	\$34.00	091443013	\$34.00	091444044	\$34.00	091445023	\$34.00
091441022	\$34.00	091443014	\$34.00	091444045	\$34.00	091445024	\$34.00
091441023	\$34.00	091443015	\$34.00	091444046	\$34.00	091445025	\$34.00
091441024	\$34.00	091443016	\$34.00	091444047	\$34.00	091445026	\$34.00
091441028	\$34.00	091444001	\$34.00	091444048	\$34.00	091445027	\$34.00
091441029	\$34.00	091444002	\$34.00	091444049	\$34.00	091445028	\$34.00
091442001	\$34.00	091444003	\$34.00	091444050	\$34.00	091445029	\$34.00
091442002	\$34.00	091444004	\$34.00	091444051	\$34.00	091445030	\$34.00
091442003	\$34.00	091444005	\$34.00	091444052	\$34.00	091445031	\$34.00
091442004	\$34.00	091444006	\$34.00	091444053	\$34.00	091446001	\$34.00
091442005	\$34.00	091444007	\$34.00	091444054	\$34.00	091446002	\$34.00
091442006	\$34.00	091444008	\$34.00	091444055	\$34.00	091446003	\$34.00
091442007	\$34.00	091444009	\$34.00	091444056	\$34.00	091446004	\$34.00
091442008	\$34.00	091444011	\$34.00	091444057	\$34.00	091446005	\$34.00
091442009	\$34.00	091444012	\$34.00	091444058	\$34.00	091446006	\$34.00
091442010	\$34.00	091444013	\$34.00	091444059	\$34.00	091446007	\$34.00
091442011	\$34.00	091444014	\$34.00	091444060	\$34.00	091446008	\$34.00
091442012	\$34.00	091444015	\$34.00	091444061	\$34.00	091446009	\$34.00
091442013	\$34.00	091444016	\$34.00	091444062	\$34.00	091446010	\$34.00
091442014	\$34.00	091444017	\$34.00	091444063	\$34.00	091446011	\$34.00
091442015	\$34.00	091444018	\$34.00	091444064	\$34.00	091446012	\$34.00
091442016	\$34.00	091444019	\$34.00	091444067	\$34.00	091446013	\$34.00
091442017	\$34.00	091444020	\$34.00	091444068	\$34.00	091446014	\$34.00
091442018	\$34.00	091444021	\$34.00	091445001	\$34.00	091446015	\$34.00
091442019	\$34.00	091444022	\$34.00	091445002	\$34.00	091446016	\$34.00
091442020	\$34.00	091444023	\$34.00	091445003	\$34.00	091446017	\$34.00
091442021	\$34.00	091444024	\$34.00	091445004	\$34.00	091446018	\$34.00
091442022	\$34.00	091444025	\$34.00	091445005	\$34.00	091446019	\$34.00
091442023	\$34.00	091444026	\$34.00	091445006	\$34.00	091446020	\$34.00
091442024	\$34.00	091444027	\$34.00	091445007	\$34.00	091446021	\$34.00
091442025	\$34.00	091444028	\$34.00	091445008	\$34.00	091446022	\$34.00
091442026	\$34.00	091444029	\$34.00	091445009	\$34.00	091446023	\$34.00
091442027	\$34.00	091444030	\$34.00	091445010	\$34.00	091446024	\$34.00
091443001	\$34.00	091444031	\$34.00	091445011	\$34.00	091446025	\$34.00
091443002	\$34.00	091444033	\$34.00	091445012	\$34.00	091446026	\$34.00
091443003	\$34.00	091444034	\$34.00	091445013	\$34.00	092441027	\$34.00
091443004	\$34.00	091444035	\$34.00	091445014	\$34.00	537	\$18,258.00
091443005	\$34.00	091444036	\$34.00	091445015	\$34.00		
091443006	\$34.00	091444037	\$34.00	091445016	\$34.00		

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JUNE 6, 2001



District ANNEXATION POLICY

ITEM

Repealing the District's existing 1983 annexation policy.

BACKGROUND

Your Honorable Board reviewed the District's annexation policy and adopted a revision of this policy at the regular Board meeting of May 16, 2001 by Resolution 2001-770. At that same meeting, the Board introduced an ordinance to repeal the existing annexation policy which was adopted in 1983. Since this policy was adopted by ordinance, it takes a two-step process to repeal it.

- Step 1: Introduce an ordinance to repeal the existing ordinance.
- Step 2: Have a second reading for adoption.

The attached Ordinance 2001-91 is presented to the Board for the second reading and adoption.

RECOMMENDATION

Staff recommends that your Honorable Board take public comments, then adopt Ordinance 2001-91, repealing Sections 40 & 41 of Ordinance 98-87, Section 14 of Ordinance 79-35 and Section 18 of Ordinance No. 78-27.

Board 2001/ANNEX-policy rev.doc

ORDINANCE NO. 2001-91

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTIONS 40 AND 41 OF ORDINANCE 98-87,
SECTION 14 OF ORDINANCE 79-35
AND SECTION 18 OF ORDINANCE 78-27**

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

A. This public meeting has been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act); and

B. That adopting and amending annexation policies by Resolution provides the District with greater flexibility in addressing annexation issues.

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

Section 1: Repeal of Prior Ordinances and Resolutions

All ordinances, sections of ordinances, including Section 40 and 41 of Ordinance 98-87, Section 14 of Ordinance 79-35 and Section 18 of Ordinance 78-27, that establish the District annexation policies are hereby repealed.

Section 2: Repeal Shall not Revive any Ordinances.

The repeal of ordinances and sections of ordinances herein shall not repeal the repealing clause of such ordinances or revive any ordinances which have been repealed thereby.

Section 3: Effect of Repeal on Past Actions and Obligations.

This ordinance does not affect prosecutions for ordinance violations committed prior to the effective date of this ordinance, does not waive any fee or penalty due and unpaid on the effective date of this ordinance, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any ordinance.

ORDINANCE NO. 2001-91
PAGE 2

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTIONS 40 AND 41 OF ORDINANCE 98-87,
SECTION 14 OF ORDINANCE 79-35
AND SECTION 18 OF ORDINANCE 78-27

Section 4: Severance Clause.

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, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 5: Effect of Headings in Ordinance.

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

Section 6: 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.

ORDINANCE NO. 2001-91
PAGE 3

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTIONS 40 AND 41 OF ORDINANCE 98-87,
SECTION 14 OF ORDINANCE 79-35
AND SECTION 18 OF ORDINANCE 78-27

Introduced at a regular meeting of the Board of Directors held on _____,
and passed and adopted by the Board of Directors of the Nipomo Community
Services District on the ____ day of May, 2001, by the following roll call vote, to
wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

ROBERT BLAIR,
President of the Board
Nipomo Community Services District

ATTEST:

DONNA JOHNSON
Secretary to the Board

APPROVED AS TO FORM:

JON S. SEITZ
District Legal Counsel

BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: JUNE 6, 2001

AGENDA ITEM

JUN 06 2001



REQUEST FOR ANNEXATION
TRACT 1802 & 1856
TRINCON

ITEM

Review and possibly approving an annexation agreement to annex Tract 1802 and 1856, an 82 acre development near the Speedway.

BACKGROUND

Trincon Inc. has requested annexation to the District for Tract 1802 And 1856, approx. 82 acres near the Santa Maria Speedway. Your Honorable Board reviewed the request at the regular Board meeting held on May 16, 2001 and a draft agreement for this annexation. Staff has prepared the annexation agreement for the Board's consideration with respect to the Speedway development.

If the Board approves the agreement and it is executed by the applicant, the applicant will need to perform a study with respect to this project and being in compliance with the District's annexation policy. Part of this process is the applicant determining the resources needed for this annexation and comply with the necessary CEQA requirements. The applicant may process his application through LAFCO after the District's report is complete or concurrently.

The State Office of Planning and Research (OPR) with respect to AB2838 (new LAFCO legislation) will be issuing guidelines for Spheres of Influence changes and annexation procedures. These guidelines will guide LAFCO in establishing upcoming spheres of influence and annexations.

Attached is the annexation agreement for the Board's review and approval.

RECOMMENDATION

Staff recommends that your Honorable Board approve the annexation agreement as presented and direct staff to acquire the necessary services for CEQA, etc. to process this application.

Board 2001/ANNEX-TRINCONDOC

ADMINISTRATIVE DRAFT FOR DIRECTOR
AND STAFF REVIEW AND COMMENTS

Exhibit A: Legal Description
Exhibit B: LAFCO Application Requirements
Exhibit C: LAFCO Information Sheet
Exhibit D: General Standards for Evaluation of Proposals
Exhibit E: Sphere of Influence Policies & Criteria
Exhibit F: NCSA Annexation Policies

RECORDING REQUEST BY AND
WHEN RECORDED RETURN TO:
NIPOMO COMMUNITY SERVICES DISTRICT
P.O. Box 326
Nipomo, CA 93444

APN# 090-301-018,34

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
TRINCON, INC.**

THIS AGREEMENT, made this ___ day of _____, 2001
by and between the Nipomo Community Services District,
(herein referred to as District), and Trincon, Inc., a
California Corporation, (hereinafter referred to as
("Applicant")), with reference to the following recitals.

RECITALS

A. Applicant is the owner of certain real property
(herein the Property) located at _____
(needs to be completed). The subject Property is
approximately 82 acres in area, is non contiguous with
District boundaries and is located outside the District's
Sphere of Influence. The Property is more particularly
described on Exhibit A attached hereto and incorporated
herein by reference.

B. Applicant desires to annex The Property into the District. The annexation process is referred to herein as "The Project".

C. The cost of processing The Project includes application fees, preparation of legal descriptions, environmental assessment expenses, processing costs, District costs and LAFCO costs. Applicant acknowledges responsibility for payment of all processing costs of the District.

NOW, THEREFORE, the parties hereto mutually agree as follows:

1. **Phases.**

The Project will be processed in phases as follows:

A. **Phase I.**

Phase I shall consist of the District's approval of (i) studies and/or proposals for the Project's compliance with the District's annexation policies including OPR guidelines, and (ii) studies and reports related CEQA compliance

B. **Phase II.**

Phase II will consist of processing the Project for LAFCO approval.

2. **Payment of Costs**

A. Applicant agrees to pay the District all incurred costs, both indirect and indirect, associated with the processing of The Project for annexation. These costs include, but are not limited to, District staff time, preparation of environmental documentation, planning, engineering, legal services, and retaining professional consultants.

B. **Deposit for District Services**

At the time of execution of this Agreement, Applicant shall deposit with the District the sum of

\$_____ for District services more particularly described in subparagraph A, above. The Applicant authorizes the District to withdraw from the deposit payment for services pursuant to this Agreement as they are incurred by District.

District will notify Applicant whenever the deposit is reduced to \$_____ or less. Within 15 days after such notification is mailed, Applicant shall make an additional deposit in the same amount as the initial deposit.

Upon completion of the annexation, any funds so deposited by Applicant in excess of the District's costs shall be refunded to the Applicant. Conversely, any costs incurred by the District over and above the amount requested by Applicant shall be paid by Applicant upon demand.

3. Obligation of Applicant

In addition to the obligations of Applicant referenced in this Agreement, the Applicant will have the following additional obligations:

- A. Phase I: Provide information, studies and proposals as requested by District for analysis, processing and/or approvals.
- B. Phase II: At its sole cost, process the Project through LAFCO.
- C. District Plan Check and Inspection Agreement

Prior to the District issuing a Will-Serve Letter for future development of the area of the proposed annexation, Applicant will enter into District's Standard Plan Check and Inspection Agreement.

- D. Water and Sewer Infrastructure

Applicant agrees to construct and provide water and sewer service, to the satisfaction of District, to the area of annexation and the development contained therein, at no cost to the District.

4. Obligation of DISTRICT

The District will use its best efforts to process The Project. Both Applicant and the District understand and agree that processing The Project by the District and the LAFCO will require many discretionary approvals. Therefore, there are no promises or guarantees that The Project will be successfully processed/approved by the District and/or LAFCO. Attached hereto are the following Exhibits which include many of the LAFCO and District policies that relate to The Project.

Exhibit B - LAFCO Application Requirements

Exhibit C - LAFCO Information Sheet

Exhibit D - General Standards for Evaluation of Proposals

Exhibit E - Sphere of Influence Policies and Criteria

Exhibit F - NCSD Annexation Policies

In the event that The Project is withdrawn or not approved, then the District will return the unused deposit to Applicant as provided in Section 1 (B), above.

District staff time and consultant time will be charged at the rates described in Exhibit G, attached hereto.

5. Indemnification and Hold Harmless

To the extent allowable by law, Applicant agree to hold District harmless from costs and expenses, including attorneys' fees, incurred by District or held to be the liability of District in connection with District's defense of its actions in any proceeding brought in any State or Federal court challenging the District's actions with respect to the project. Applicant understands and acknowledges that District is under no obligation to defend any legal actions challenging the District's actions with respect to The Project.

The Applicant recognizes and hereby agrees that the

District and its directors, officers, employees and agents shall not be liable for any injury or death to any person or damage to any property arising from the performance of any work required hereunder by the Applicant, its officers, employees, independent contractors or agents. The Applicant shall protect, indemnify and hold the District harmless from any and all claims, causes of actions, demands or charges and from any loss or liability, including all costs, penalties, expenses, attorney's fees, litigation costs, and other fees arising out of or in any way connected with the performance or with the failure to perform under this Agreement by Applicant, its officers, employees, independent contractors or agents, including, but not limited to, the construction of the Project. In addition, if the District, its directors, officers, employees or agents should be sued as a result of such performance, the District may notify the Applicant which then shall have the duty to defend the District, its directors, officers, employees or agents, or, at the District's option, pay for such defense including, but not limited to, payment of all reasonable attorney's fees and expenses incurred by the District, its directors, officers, employees or agents.

6. Term of Agreement and Termination

This Agreement shall become effective on the date first above written and shall remain in effect until terminated by the mutual consent of the parties or as otherwise provided in this Agreement

7. Waiver of Rights

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

8. Entire Agreement

This Agreement is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely

on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by the Applicant and the District.

9. Notices

All notices, statements, reports, approvals, requests, bills or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, be authorized in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in a United States Post Office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown below:

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

TRINCON:
124 W. Main St. #C
Santa Maria, CA 93453

10. Headings

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

11. Cooperation

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

12. Interpretation of this Agreement

The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

13. Venue

This Agreement has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. The duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

14. Recitals

The recitals A through D of this Agreement are incorporated herein by this reference and made a part hereof.

15. Authority to Execute Agreement

The parties hereby represent that the parties executing this agreement are expressly authorized to do so for and on behalf of the parties.

The undersigned Owner/Authorized Agent hereby represents that he/she either personally owns the subject property or is a duly authorized agent of the Owner with full authority to execute this Agreement on behalf of Owner. Applicant agrees to be jointly and severally liable with Owner for payment of all fees due under this Agreement.

////

////

In Witness Whereof, District and Applicant have

executed this Agreement the day and year first above written.

APPLICANT:

By: _____

Print Name

Title

DISTRICT:

By: _____
Robert Blair, President

Attest:

Approved as to Form

Donna Johnson
Secretary to the Board

Jon S. Seitz,
District Legal Counsel

T:\Jon\CLIENT\INCSD\Matters\BLUFFS ANNEX F-216\ANNEX 05-09-01.doc

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JUNE 6, 2001

AGENDA ITEM
JUN 06 2001



REQUEST FOR ANNEXATION
Lucia Mar Unified School District
ANNEXATION NO. 19

ITEM

LAFCO has received an application from the Lucia Mar Unified School District to annex the Nipomo High School area into the District

BACKGROUND

The District has entered into an outside user agreement with the Lucia Mar Unified School District for water and sewer service to the new Nipomo High School, known as an "Extraterritorial Agreement for Water and Sewer Services." This agreement was executed on August 10, 1999. A first amendment to this agreement was entered into on August 10, 2000, identifying the School District's water supply for the new high school. The original agreement states that the School District is to request annexation to the District within two years of the opening of the new high school. The proposed high school annexation will require LAFCO to amend the District's current Sphere of Influence.

The State Office of Planning and Research (OPR) is developing guidelines with respect to AB 2838 (new legislation for LAFCO) related to spheres of influences. The District's annexation agreement would be prepared for Annexation #19 for the Lucia Mar Unified School District and incorporating the Extraterritorial Agreement into it. The District may wish to consider expanding the District's sphere of influence beyond the school site, depending on OPR guidelines which should be implemented on July 1, 2001 with respect to changes in spheres of influence and annexations.

RECOMMENDATION

Staff recommends that your Honorable Board direct staff to prepare an annexation agreement for Annexation #19 to annex the Lucia Mar Unified School District new Nipomo High School, incorporating the existing Extraterritorial Agreement into it and bring it back to the Board for review after July 1, 2001 so that the new OPR guidelines can be considered. A copy of this staff report has been provided to the Lucia Mar Unified School District.

Board 2001\High School Annexation.DOC

LAFCO • Local Agency Formation Commission
Serving the Area of San Luis Obispo County

COMMISSIONERS

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Special District Member

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Public Member

ALLEN SETTLE
City Member

STAFF

PAUL L. HOOD
Executive Officer

RAY BIERING
Legal Counsel

NIKKI J. SCHMIDT
Clerk to the Commission

TO: DOUG JONES, NIPOMO COMMUNITY SERVICES DISTRICT
FROM: PAUL L. HOOD, EXECUTIVE OFFICER, LAFCO
DATE: MAY 16, 2001
SUBJECT: ANNEXATION NO. 19 TO THE NIPOMO COMMUNITY SERVICES DISTRICT (LUCIA MAR UNIFIED SCHOOL DISTRICT)

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

Thank you.

enclosures

o-ref

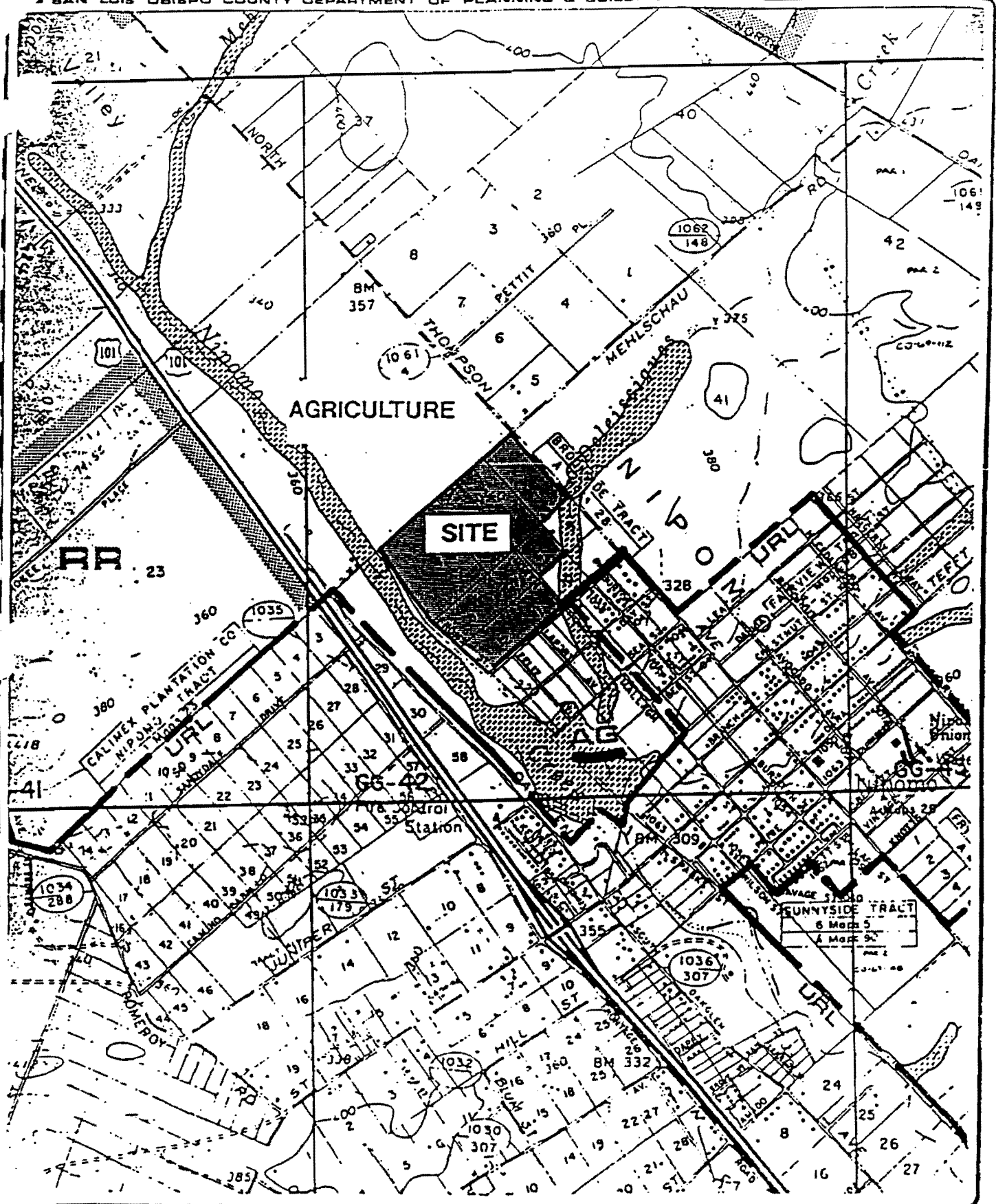
RECEIVED

MAY 18 2001

NIPOMO COMMUNITY SERVICES DISTRICT

1035 Palm Street, Room 370 • San Luis Obispo, California 93408 •
(805) 781-5795 • Fax 781-5023; www.slonet.org/~lafco •

EXTRATERRITORIAL NOTES
Aug 10, 99
11/10/01 ISA



SUBJECT

GENERAL PLAN CONFORMITY REPORT
LUCIA MAR UNIFIED SCHOOL DISTRICT



EXHIBIT

A: LAND USE CATEGORY MAP

6. Do the boundaries of the district or city overlap or conflict with the boundaries of the proposed annexation? If yes, justify the need for overlapping or conflicting boundaries.

No.

Do the boundaries of the territory propose split lines of assessment? No.

8. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? If yes, justify the necessity for the boundaries as proposed. No.
9. If the proposed boundary follows a street or highway, does it include the entire street or highway? No.
10. Name the city or district(s) which will be affected by this proposal: Nipomo Community Services District.

11. Total acreage: approximately 77 acres.

II. LAND USE AND DEVELOPMENT POTENTIAL

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

San Luis Obispo County: South County Area Plan - Agricultural

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

Pursuant to Government Code Section 65402, the San Luis Obispo County Department of Planning and Building issued a report in 1997 finding that construction of a school on this site is not in conformity with the County General Plan. The report found that while the project conflicted with policies to avoid any appreciable loss in viable farm acreage and to locate schools within a desired distance from the listed public facilities general plan locations, it also acknowledged the School District's finding that there is insufficient public land within the desired distance to accommodate construction of a high school, and it noted that the school would be closer to the future population it is intended to serve and would reduce overcrowding at existing facilities.

Since the County had found that the proposed site was not in conformity with its General Plan, pursuant to Government Code Section 53094 and based upon the EIR, the School District adopted Resolution 9899-14 on or about December 15, 1998 which, in part, made the following findings: (1) the Project site is not currently zoned for the construction or operation of a school facility; (2) the County indicated in its conformity report that it did not approve of the acquisition of the Project site for school purposes and that it disapproves of the location, purpose or extent of the acquisition; (3) notwithstanding the County's concerns, as well as those expressed by others, the proposed Project is the only feasible location on which to build the Lucia Mar Unified School District High School #2; (4) the proposed Project is to be used for the construction of classroom facilities, as described in Government

Code section 53094; (5) compliance with the County's zoning ordinance is not reasonable or practical; and (6) the County's zoning ordinances establishing development and design standards, as well as any other zoning ordinances deemed by the County to apply to the Project site, other than those required pursuant to Government Code Section 53097, are hereby rendered inapplicable to the Project and the construction of the Lucia Mar Unified School District High School #2 on the Project site. (Please see Resolution 9899-14 attached as Exhibit "C")

3. Indicate the existing land use:

Although the project site has been farmed in the past and is adjacent to agricultural uses, it is no longer farmed. The site was removed from its California Land Conservation Act of 1965 (Williamson Act) contract in compliance with all applicable state and local laws. The new high school is currently under construction on the site.

4. What is the proposed land use?

Development of a 77 acre high school site for a 108,500 square foot high school to accommodate 850 students initially, with ultimate capacity for 1,800 students. (Approximately 50 percent of the students will be relocated from existing high school facilities elsewhere.)

5. Has the affected territory been rezoned? N/A.
If yes, what is the rezoning title and densities permitted?

6. Describe the specific development potential of the property?
Although the County's current Agricultural designation does not permit construction of school facilities, Government Code Section 53094 (noted above) authorizes the school district to undertake the project.

Below, please provide names and addresses of Applicant's Agent and/or other persons to whom copies of the Agenda, Executive Officer's report and any required notice of hearing is to be furnished.

1. Michael Sears, Assistant Superintendent - Business, Lucia Mar Unified School District, 602 Orchard Street, Arroyo Grande, CA 93420
2. Nancy DePue, Superintendent, Lucia Mar Unified School District, 602 Orchard Street, Arroyo Grande, CA 93420
3. Dean Derleth, Best Best & Krieger, 3750 University Avenue, Riverside, CA 92502

4. Scott C. Smith, Best Best & Krieger, 402 West Broadway, 13th Floor, San Diego, CA 92101

Name and Address of Applicant:

Lucia Mar Unified School District
ATTN: Michael Sears
602 Orchard Street
Arroyo Grande, CA 93420
Phone No.:
(805) 473-4390, ext. 311

III. ENVIRONMENTAL ASSESSMENT FORM

1. Is the site presently zoned for, designated, or engaged in agricultural use?

Yes No

If yes, please explain:

The site is currently designated "agriculture" in the South County Area Plan; however, as noted above, the Williamson Act contract on the property has been terminated in compliance with applicable law, the School District has exercised its zoning exemption rights in compliance with Government Code Section 53094, agricultural uses have ceased, and the school is under construction.

2. Will extension of services requested for this proposal induce growth on affected property?

Yes No

Unincorporated Incorporated Both

At least 50 percent of the student population will come from developed areas currently served by overcrowded schools. Construction of the project is growth accommodating and not inherently growth inducing. In addition, the public service facilities needed for the project will be designed to accommodate the project only, and will not be oversized for other development potential. Finally, the School District's ability to construct the project on agricultural land is a specifically authorized power under Government Code Section 53094, and will not create a precedent setting effect on surrounding undeveloped lands. (See the EIR for a discussion of growth inducing issues.)

3. Will the proposal require public services from any agency or facility which is currently operating at or near capacity, i.e., sewer, water, police or fire? Yes No.

If yes, please explain:

Lucia Mar Unified School District calculates that it has acquired or has the rights to acquire sufficient water rights to serve the new facility. However, conveyance of this water to the school facilities requires use of the Nipomo Community Services District conveyance system. To this end, the parties entered into an extraterritorial service agreement on August 10, 1999, providing for the conveyance of LMUSD water through the NCS D system or, in the

alternative, the development of additional water sources. By its terms, the agreement may be amended from time to time.

4. State general description of topography:
The site consists of gentle rolling hills and is vacant of structures.
5. Has, or is, an Environmental Impact Report being prepared for this project? Yes, the EIR certified by the Lucia Mar Unified School District pursuant to Resolution 9899-13 on or about December 15, 1998. (See also the Notice of Determination attached hereto as Exhibit "D")

If yes, who is the Lead Agency for the project:

Lucia Mar Unified School District.

6. Indicate Environmental Determination by Lead Agency:

EIR certified by the Lucia Mar Unified School District pursuant to Resolution 9899-13 on or about December 15, 1998 with respect to Lucia Mar Unified School District High School #2 dated: November 1998 - SCH#98021018 (including December 7, 1998 memorandum re non-substantive corrections to EIR).

Note: Not all projects will necessitate the preparation of an Environmental Impact Report. In order to make a determination as to whether any significant adverse environmental impacts may result from the proposed project, this form must be filled out and submitted to the Executive Officer for evaluation. Final determination for Negative Declaration status or the need for an Environmental Impact Report will be made by the Local Agency Formation Commission.

Please answer the following questions to the best of your knowledge. If it is determined by the Executive Officer that answers are not sufficient or an incomplete, he will notify you and indicate the areas where further explanation is needed.

Name and/or description of Project:

Lucia Mar Unified School District High School #2 - Annexation to Nipomo Community Services District and corresponding Sphere of Influence Amendment.

Proposed development, if any:

Approximately 180,000 square foot school facility in two phases.

Location:

On the eastern side of Highway 101 in Nipomo between the Nipomo Creek to the west, Thompson Road to the east, and bounded by agricultural land on the north and a residential neighborhood to the south. (Please see map attached as Exhibit "B")

Address:

A. Site Information (if more detail is needed, attach sheet):

1. Setting: (Urban, fringe, or rural) Adjacent at one point to the northern Urban Reserve Line
2. Terrain: Level to Gently Rolling (0 to 10%)
Slopes (10 to 30%)
Steep Slopes (Over 30%)

3. Hydrology (Streams, lakes or marshes on site?) No Yes

If yes, please describe:

4. Proposed grading and land disruption: Entire site is previously disturbed by prior dry farm uses.

5. Vegetation:

All natural vegetation already removed or altered:

Natural vegetation will be undisturbed

*Significant tree-cutting or vegetation removal proposed (describe number of trees, area affected, etc.)

Is land currently under agricultural use?

*Please describe

6. Adjoining land: Same use as proposed? Yes No

If different use, describe:

Predominantly agricultural with residential to the south.

7. Describe any other unique or significant features of the site, including cultural, historical or scenic aspects: N/A

B. Please complete the following regarding the project's potential significant environmental impacts. Discuss below all items checked Yes or Potentially. (Attach additional sheets as necessary)

(For further detail, please see February 2, 1998 Initial Study attached as Exhibit "E" and the Project EIR certified by the Lucia Mar Unified School District pursuant to Resolution 9899-13 on or about December 15, 1998.)

	Yes	No	Potentially
1. Could the project disrupt or divide an established community or disrupt orderly, planned development, or is it inconsistent with plans and goals that have been adopted by the community in which the project is located?		X	
2. Could it cause increased congestion or result in higher densities than desired by the community			X
3. Could the project result in the temporary or permanent displacement or annoyance of neighboring community residents?		X	
4. Could the project have an effect on natural, ecological, cultural, or scenic resources of national, state or local concern?			X (Agricultural)
5. Is the project in an area characterized by unique physical features?		X	
6. Is the project near the shoreline, near any natural or partially channelized floor plains, or on any hillsides visible to surrounding properties?		X	
7. Could any geologic features (slide prone areas, earthquake faults, etc.) cause adverse conditions to result from this project.			X
8. Could the project disrupt or alter the appearance of the surroundings of any historic or archaeological site?			X
9. Could the project affect the potential use, extraction, or conservation of a scarce natural resource?			X (Ag. soils)
10. Could the project affect the continued use of a recreational area or area of important aesthetic value?			X
11. Could any wildlife or unique vegetative communities be disrupted or displaced by this project?			X
12. Could any wildlife migration patterns be disrupted by the project?		X	
13. Could existing noise levels be increased by this project (including during its construction period) to the extent that present or future residents or passers-by would be annoyed to any degree?			X
14. Would recreational or wildlife areas be detrimentally affected by noise increases?		X	

15. Could the project increase air pollution levels in the area or exceed any existing air pollution standards? (Particulate matter [dust] as well as chemical pollutants should be considered.)			X
16. Could any unique characteristic be introduced into the area's atmosphere, such as sonic booms, radiation, annoying electronic transmissions, etc.?		X	
17. Could the proposed project have any detrimental effect on existing water quality or quantities of either surface or subsurface supplies?			X
18. Could the project disrupt or alter any items not specifically discussed above, including Land Resources, Water Resources, Air Resources, Noise Levels or Biological Resources?		X	
19. Could the project establish any precedents or facilitate any other projects of which the impacts of these may be significant? Could the project serve to encourage development of already undeveloped areas? (Examples include the introduction of facilities such as streets, roads, water mains, or sewage lines in such a manner as to facilitate development or intensification of the use of an area.)			X
20. Could the project generate a controversy?			X
21. Could the project result in inefficient or unnecessary consumption of energy?		X	
22. Could mitigation measures minimize or eliminate such adverse impact on energy consumption? Please describe			

C. If you answered "yes" to one or more of the prior questions, but still think the project will not or cannot have any significant environmental effects, indicate your reasons below:

The Initial Study and EIR accompanying the project approval fully document and analyze these issues.

D. If development is proposed for the project site, complete the following questions:

1. Present land use:
Formerly agricultural, with school currently under construction.
2. Describe existing structures on the site and use of the structures: N/A
3. Type of land use surrounding properties (residential, commercial, etc.):
Predominantly agricultural, with residential to the south.
4. Intensity of use of surrounding properties (one-family, apartment houses, shops, etc.):
N/A

CERTIFICATION: I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Date: April 12, 2001



Scott C. Smith
of BEST BEST & KRIEGER LLP

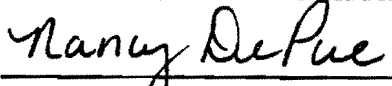
IV. PROPERTY OWNER AUTHORIZATION (MUST BE SIGNED BY PROPERTY OWNERS FOR SUBMITTAL TO BE PROCESSED)

Date: 4-14-01

Local Agency Formation Commission
County of San Luis Obispo
1035 Palm Street, Room 370
San Luis Obispo, CA 93408

Commissioners:

This will serve to notify you of our approval of the annexation of territory to the Nipomo Community Services District which includes our property as listed below.

- 

Nancy DePue, Superintendent
Lucia Mar Unified School District

Assessor's Parcel Nos.:

APN 090-151-013

V. STANDARDS FOR MAPS AND LEGAL DESCRIPTIONS

Map Preparation
Description Preparation
Back-Up Data

APPLICATION BY PETITION

TO:

Local Agency Formation Commission
County of San Luis Obispo
1035 Palm Street, Room 370
San Luis Obispo, CA 93408

PETITION

The undersigned by their signature hereon DO HEREBY REPRESENT, REQUEST AND PETITION as follows:

1. This proposal is made pursuant to Part 3, Division 3, Title 5 of the California Code (commencing with Section 56000, Cortese-Knox Local Government Reorganization Act of 1985).
2. The nature of the proposed change of organization (i.e., annexation, detachment, reorganization, etc.) is/are:

Annexation
Sphere of influence adjustment
3. The name or names of all district and/or cities for which any such change or organization is proposed as follows:

Nipomo Community Services District
4. The names of all other affected counties, cities, and districts are:

San Luis Obispo County
Nipomo Community Services District
5. The territory(ies) proposed for annexation is uninhabited.
6. This proposal is not consistent with the sphere of influence of the affected district.
7. Complete description of the exterior boundaries of the territory proposed for annexation. Please attach legal description to this petition.
8. Do the boundaries of the districts or cities, listed above, overlap or conflict with boundaries of the proposed annexation? If yes, justify the need for overlapping or conflicting boundaries.
No.

9. List any of the district or cities, as above listed, which possess authority to perform the same or similar function as requested herein. N/A
10. Do the boundaries of the territory proposed split lines of assessment? No.
11. Do the boundaries of the territory proposed create an island or corridor of unincorporated territory or a strip? If yes, justify the necessity for the island corridor or strip. No.
12. If the proposed boundary follows a street or highway does it follow the center or highway?
13. It is desired that this proposal provide for and be made subject to the following conditions:
 - A. NCSD shall accept as adequate the water source provided from the well production at Dana Elementary School.
 - B. Rates charged for water services at the new high school shall be on parity with rates charged Town Division of NCSD.
14. The reasons for this proposal are:

The school district's existing high school, located in Arroyo Grande, is significantly over capacity. No space is available at the existing campus to accommodate existing students or the anticipated increase in students. Annexation to the Nipomo Community Services District is essential to ensure the predictability of sewer and water services for the school district's educational activities at the new high school.

15. The persons signing this petition have signed as ___ registered voters or X of land (check one).
16. If the formation of a new district(s) is included in the proposal:
 - A. The principal act(s) under which said district(s) is/are proposed to be formed is/are _____
 - B. The proposed name(s) of the new district(s) is/are: _____
 - C. The boundaries of the proposed new district(s) are as described in Exhibit _____, heretofore incorporated herein.
17. If an incorporation is included in the proposal:
 - A. The name proposed for the new city is: _____
 - B. Provisions are requested for appointment of:

(i) City Manager No

(i) The City Clerk and City Treasurer No

18. If the proposal includes the consolidation of special districts, the proposed name of the new consolidated district is:

19. Proponents of this proposal: (Names of Chief Petitioners, not to exceed three (3) who hereby request that proceedings be taken in accordance with the provision of Section 56000 et seq. of the Government Code and herewith affix signature(s) as follows:
(Please sign on top line and print on line below)

- 1. Nancy DePue
Nancy DePue - Lucia Mar Unified School District (Superintendent)
- 2. _____

- 3. _____

When the form is completed and the requisite number of qualified signatures have been obtained (after circulation), it is to be filed with the Executive Officer. (The petition and signature sheets must be left intact - removal of the signature sheets from one counterpart to another counterpart will invalidate the entire petition.)

As a signer of this Petition, I hereby certify that I have read the contents of the request that proceedings be taken for the proposal as provided by said Petition.

Date of Signature	Signatures of Petitions (Please sign on one line and print on the one below)	Address of Petitioners Voting
1. <u>4-17-01</u>	<u>Nancy L. DePue</u> <u>Nancy L. DePue</u>	<u>602 Orchard Ave.</u> <u>Arroyo Grande, CA 93420</u>
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JUNE 6, 2000

AGENDA ITEM
JUN 06 2001



BOARD OF DIRECTORS
OPEN SEAT

ITEM

Replacement of the Board of Directors seat created by the passing of Al Simon.

BACKGROUND

A Board of Directors seat became open May 23, 2001 due to the passing of Director Al Simon.

The California Government Code, Section 1780, (attached) outlines the method to fill a vacancy on elected governing boards. Your Honorable Board has a period of 60 days from the date (May 23, 2001) to make an appointment to the vacated seat or call for a special election.

If your Honorable Board does not fill the vacancy within 60 days or call for election, the County Board of Supervisors may make an appointment to the Board or call for election within the following 30 days.

If the Board chooses to appoint a Director, the District will proceed to notice that there is a vacancy on the Board of Directors of the District. The notice must be posted at least 15 days before an appointment can be made. If your Honorable Board wishes to appoint, they may request anyone interested in being appointed to the District Board of Directors to fill out an application and submit it to the District by June 22 or 29, 2001.

The Board may call a special meeting to select a candidate for the open Board seat or perform this at the regular meeting held on June 27 or July 18, 2001. It is suggested that your Honorable Board hold a Special meeting to interview and select a Board member the Week of July 9th so the agenda packet may be sent to them for the July 18th regular Board meeting.

To qualify for the Board, a person must be a registered voter residing within the boundaries of the District.

If the Board wishes the appointment process, the following is a suggested procedure at the time of the appointment:

Each of the applicants or nominations from the floor may be given approx. 5 minutes to make an oral presentation to your Honorable Board. After each applicant has made a presentation, Board questions and comments, and public comments, the Board would proceed with the appointment to the vacant seat.

It is suggested that a Board member nominate a person for the open seat. After nominations are made, a motion to close nominations would be in order and then a vote taken. If more than one nomination is being considered for the Board seat, it is suggested that a roll call vote be made on each nomination. Each Board member would either vote yes or pass on the nominee up for a vote. The individual receiving the majority of yes votes would then be appointed to the vacant seat on the Board.

Attached is a Board Appointment application for the Board's review.

NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET

POST OFFICE BOX 326 NIPOMO, CA 93444-0326

(805) 929-1133 FAX (805) 929-1932

APPLICATION FOR APPOINTMENT TO THE BOARD OF DIRECTORS

(Must live within the District boundary and be a registered voter)

Request to be appointed to the Nipomo Community Services District Board of Directors

Name

Address

Phone No.

1. Why do you wish to be on the Board of Directors of the Nipomo Community Services District?

2. General background and experience that may be beneficial in being a director for the District. A resume' may be helpful.

§ 1780. Special districts; method of filling vacancies on elected governing boards; term

(a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled as provided in this section. The remaining district board members may fill the vacancy by appointment. The person appointed shall hold office until the next district general election that is scheduled 130 or more days after the effective date of the vacancy, unless an election is also held on the same date for the purpose of electing a director to serve a full term in the same office to which the person was appointed, in which event the person appointed to the vacancy shall fill the balance of the unexpired term of his or her predecessor. Appointments pursuant to this subdivision shall be made within a period of 60 days immediately subsequent to the effective date of the vacancy and a notice of the vacancy shall be posted in three or more conspicuous places in the district at least 15 days before the appointment is made. In lieu of making an appointment the remaining members of the board may within 60 days of the vacancy call an election to fill the vacancy. The election shall be held on the next available election date provided by Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the vacancy occurs.

(b) If the vacancy is not filled by the district board as specified, or if the board has not called for an election within 60 days of the vacancy, the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held, may fill the vacancy within 90 days of the vacancy, or the city council or county supervisors may order the district to call an election to fill the vacancy. The election shall be held on the next available election date provided by Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the vacancy occurs.


(c)(1) If within 90 days of the vacancy the remaining members of the board or the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, the district shall call an election to fill the vacancy. The election shall be held on the next available election date provided by Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the vacancy occurs.


(2) If the number of remaining members of the board falls below a quorum, at the request of the district secretary, or a remaining board member, the board of supervisors or the city council may waive the 60-day period provided in subdivision (a) and appoint immediately to fill the vacancy as provided in subdivision (a), or may call an election to fill the vacancy. The election shall be held on the next available election date provided by Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the vacancy occurs.

The board of supervisors or the city council shall only fill enough vacancies to provide the board with a quorum.

(d) Persons appointed to fill a vacancy shall hold office until the next district general election and thereafter until the person elected at that election to fill the vacancy has been qualified, but persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

(Added by Stats.1975, c. 1059, p. 2551, § 1.3. Amended by Stats.1977, c. 189, p. 708, § 1; Stats.1977, c. 1205, p. 4074, § 82; Stats.1978, c. 319, § 1; Stats.1986, c. 866, § 20; Stats.1987, c. 1184, § 2; Stats.1994, c. 923 (S.B.1546), § 31.)

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: JUNE 6, 2001

AGENDA ITEM 
JUN 6 2001

SOLID WASTE DISPOSAL AGREEMENT

ITEM

Review draft franchise agreement for providing solid waste service.

BACKGROUND

In January 2001, LAFCO approved latent powers for the District to provide solid waste services. On May 2, 2001, your Honorable Board adopted Ordinance 2001-90 adopting solid waste management rules, regulations, fees and charges.

Presented to the Board at this time is a draft waste disposal agreement with the franchisee for providing these services to the District. This agreement is presented to the Board for review and comments and will incorporate them along with any franchisee comments and will be brought back to your Honorable Board for approval.

RECOMMENDATION

Staff recommends that your Honorable Board review the draft agreement, direct staff of any necessary changes and bring back to the next regular Board meeting for approval.

Board 2001/solid waste agreement

JON S. SEITZ
MICHAEL W. SEITZ
KAROL M. VOGT

SHIPSEY & SEITZ, INC.
A LAW CORPORATION
1066 PALM STREET
POST OFFICE BOX 953
SAN LUIS OBISPO, CALIFORNIA 93406
(805) 543-7272 FAX (805) 543-7281

JOHN L. SEITZ
(1924-1986)
GERALD W. SHIPSEY
(RETIRED)

HAND DELIVERED

May 29, 2001

P. Terence Schubert, Esq.
Attorney for Mission Country Disposal, Inc.
1254 Marsh Street
San Luis Obispo, CA 93401

Re: Nipomo Community Services District/Mission Country Disposal, Inc.
Franchise Agreement

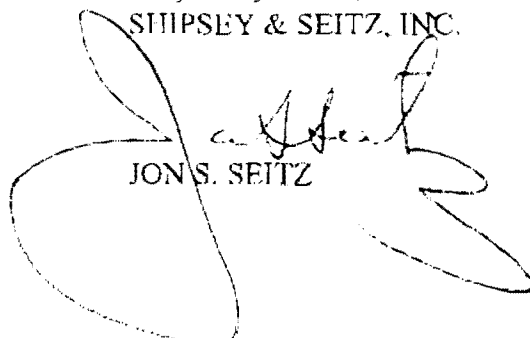
Dear Terry:

For your client's review and comment, please find appended to this letter the first working draft of the Franchise Agreement to Provide Solid Waste Collection within the Nipomo Community Services District boundaries. The proposed agreement is a modified (redlined) version of the current Mission Country/County Agreement. Please refer to my notes at the header of the Agreement. The draft contract will be presented to the Board of Directors on June 6, 2001 for comments with formal adoption currently scheduled for June 27, 2001.

I would appreciate your client's comments by June 5, 2001 so they can be presented to the Board on June 6, 2001.

Thank you for your continued cooperation in this matter. I look forward to hearing from you shortly.

Very Truly Yours,
SHIPSEY & SEITZ, INC.



JON S. SEITZ

JSS:jb

Enclosure

cc: Doug Jones, General Manager NCSD, w/o enclosures

NOTES:

Exhibit "A" Hazardous Waste Procedures (Section 16)

Exhibit "B" Related Parties (Section 18C)

Exhibit "C" Notice of Rate Changes (Section 19B)

- 1. Is there an office within the NCSD? (Section 20G)**
- 2. Do we want to use the San Luis Obispo Model for rate setting? (Section 22)**
- 3. Recitals have been reworked without redlining.**
- 4. Franchise Term has been reworked without redlining.**
- 5. The word County was replaced with the word District without redlining.**

SOLID WASTE COLLECTION

FRANCHISE AGREEMENT

THIS SOLID WASTE COLLECTION AGREEMENT ("Agreement") is entered into this _____ day of _____, 2001 by and between the Nipomo Community Services District, a community services district organized and operated pursuant to 61000 et seq. of the Government Code ("District"), and Mission Country Disposal, Inc., a California Corporation, a solid waste collection firm ("Franchisee")

WHEREAS, Franchisee has been providing sold waste collection services to the residents of the District pursuant to a Solid Waste Collection Franchise Agreement executed by Franchisee and the County of San Luis Obispo, on or about May 19, 1998; and

WHEREAS, pursuant to LAFCO Resolution 2000-1 the District is now authorized to provide its residents with solid waste collection; and

WHEREAS, on May 16, 2001, the District enacted that certain Ordinance entitled "Solid Waste Management Rules and Regulations" ("Ordinance") which is set forth in Title 6 of the District Code; and

WHEREAS, Title 6 of the District Code provides the authority for the District to establish franchise agreements for the collection of solid waste; and

WHEREAS, Title 6 of the District Code establishes rules, regulations and procedures to provide for the storage, collection, and removal of all green waste, recyclables, garbage, rubbish and waste materials, generated and/or accumulated within the District; and

WHEREAS, the Integrated Waste Management Act of 1989 imposes mandates on local government for the reduction of the waste stream by 1995 and 2000, and the District finds it is within the public interest to enter into this Agreement to fulfill those mandates; and

WHEREAS, District is confident that Franchisee possesses the expertise necessary to monitor collection activities for prohibited material and that Franchisee will participate in ongoing public education programs to inform residents and businesses about the proper disposal of household hazardous wastes; and

NOW, THEREFORE, in consideration of the promises herein contained and other good and valuable consideration, the parties hereto agree as follows:

Section 1. Definitions.

A) For purposes of this Agreement, the defined terms, phrases, words, abbreviations, and their derivations shall have the meaning given in this Section.

B) In addition to the terms defined in Title 6 of the District Code, which definitions are incorporated into this Agreement, the following terms are defined as follows:

(1) "Arranger" means any person who by contract, agreement, or otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous substances owned or possessed by such person, by any other party or entity, at any facility or incineration vessel owned or operated by another party or entity and containing such hazardous substances.

(2) "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C § 9601 et seq.

(3) "Franchise Area" means the area within the District boundaries in which the Franchisee has been granted the privilege of providing solid waste, greenwaste and recyclable collection services.

(4) "Gross Revenues" means those revenues earned, as recognized by Generally Accepted Accounting Principles (GAAP), by the Franchisee, or the value of any other economic benefit derived by the Franchisee, pursuant to rates established in accordance with this Agreement. Any rates subject to the requirements of this Agreement, which did not receive approval of the Board of Supervisors, but which the Franchisee nevertheless charged, shall also be deemed to be included in gross revenues.

(5) "Gross Receipts" means those revenues received, on the cash basis of accounting, by the Franchisee, or the value of any other economic benefit derived by the Franchisee, pursuant to rates approved by the San Luis Obispo District Board of Supervisors in accordance with this Agreement. Any rates subject to the requirements of this Agreement, which did not receive approval of the Board of Supervisors, but which the Franchisee nevertheless collected, shall also be deemed to be included in gross receipts.

(6) "In Yard" means residential collection service in which solid waste containers are located on a customer's property in excess of ten feet from a normal collection

vehicle route.

(7) "LAFCO" means the San Luis Obispo County Local Agency Formation Commission.

Section 2. Grant of Franchise.

A) Pursuant to District Code § 6.06.105 and LAFCO Resolution 2001-1, the District Board of Directors, subject to the provisions of Title 6 of the District Code hereby grants to Franchisee a right, privilege, and exclusive franchise to collect solid waste, recyclables and green waste within the District boundaries herein the "Franchise Area."

B) Franchisee represents that there are no suits or threatened suits which would impair the financial or legal ability of Franchisee to perform its obligations under this Agreement and that entering into this Agreement by Franchisee will not in any way constitute a breach of any other agreement entered into by Franchisee with other parties, or constitute a violation of any law.

C) District and Franchisee mutually agree that District's granting of this franchise shall not be construed as "arranging for" the collection and disposal of solid waste within the meaning of CERCLA. The parties further mutually agree that the granting of the franchise by District shall be construed as an action whereby the Franchisee is granted, and accepts the rights, responsibilities, benefits and liabilities of collection and disposal of solid waste, greenwaste and recyclables. Commencing on the effective date of this Agreement and concluding on the termination of this Agreement, to the extent that Franchisee's performance under this contract requires the collection and disposal of solid waste and may be construed as "arranging for" collection and disposal of solid waste within the meaning of CERCLA, such actions shall be the sole responsibility of Franchisee and Franchisee expressly agrees to be solely responsible for all such actions.

D) Franchisee acknowledges and agrees that District may permit other Persons or entities other than Franchisee to provide additional services not otherwise contemplated by this agreement.

Section 3. Franchise Term.

The rights, privileges, obligations, and duties granted and mandated under this Agreement to Franchisee shall be for a period of five (5) years from the effective date of this Agreement commencing on _____, 2001 and terminating on _____, 2006.

Section 4. Franchise Area.

The Franchise Area subject to this Agreement shall consist of that area located within the District boundaries as amended from time to time.

Section 5. Franchise Fees.

A) In consideration of the granting of this franchise, and for the privilege of providing solid waste service along and within the rights-of way of the District, Franchisee shall pay to District a franchise fee equal to ten percent (10%) of Franchisee's annual gross receipts attributable to services provided under this Agreement. The date of the initial imposition of the franchise fee shall be the effective date of this Agreement referenced in Section 3 above.

B) Franchisee shall submit to District an annual detailed revenue statement and Franchisee shall pay its franchise fee to District, submitted to District on a monthly basis. Payment of the monthly portion of the franchise fee shall be rendered to District within thirty (30) days after the end of each calendar month, or prorated portion thereof, in which the Franchisee derives receipts for the services provided under the terms of this Agreement.

C) In the event that payment is not received by District within thirty (30) days after the date specified in this Section, then Franchisee shall pay a penalty of ten percent (10%) on the outstanding balance, and Franchisee shall also pay to District interest on the outstanding balance at a rate of ten percent (10%) per annum, or the maximum legal rate of interest, whichever is greater, from the date of Franchisee's failure to pay.

D) In the event of an underpayment of franchise fees by Franchisee, within thirty (30) days of being notified of such underpayment, Franchisee shall tender the amount of the underpayment to District, together with any penalties and/or interest owed District for the period of the underpayment.

E) Payments of franchise fees made by Franchisee to District shall be considered in addition to and exclusive of any and all authorized taxes, business license fees, permit fees, other fees, other levies or assessments presently in effect, or subsequently adopted.

F) No acceptance of any payment shall be construed as a release, accord or satisfaction of any claim that District might have for further or additional sums payable under the terms of this Agreement.

G) Franchisee shall submit to District on an annual basis, within 180 days after the expiration of Franchisee's fiscal year, a detailed revenue statement clearly showing the annual gross revenues of Franchisee, its parent or any related party, attributable to the collection services provided under this Agreement, for the year just ended, and audited by a Certified Public Accountant, attesting to the fairness of said detailed revenue statement. Said detailed revenue statement shall separately classify revenues consistent with the classification of revenues as approved by the District Board of Directors pursuant to this Agreement and said classification of revenues shall illustrate the amount of revenues collected by the Franchisee for each separate rate approved by the District Board. Said detailed revenue statement shall also reconcile annual gross receipts to annual gross revenues. The Franchisee may choose to submit the detailed revenue statement to District as a supplemental statement to the Franchisee's annual financial statements pursuant to this Agreement.

H) In addition to any other reporting requirements of this Agreement, and pursuant to District Code , the District may review, test, and audit the books and records of the Franchisee, or District may engage a Certified Public Accountant for the purpose of obtaining an Auditor's Report or an Auditor's Special Report in accordance with Generally Accepted Auditing Standards, and the Franchisee shall make all the books and records available to the District or any Certified Public Accountant engaged by the District. In the event that material errors or irregularities are identified, then the cost associated with the District or the Certified Public Accountant engaged by District shall be paid by the Franchisee to District. In the case of errors, materiality shall be deemed to be one percent (1%) or greater of gross revenue of the Franchisee.

I) The District Board of Directors reserves the right to adjust the rate of the franchise fee as specified in Subsection "A" of this Section. In the event of any such adjustment, Franchisee shall be entitled to pass through any change in the amount of the franchise fee, subject to District's right to conduct a rate review. In the event that such review results solely from the adjustment of the franchise fee, the expense of the review shall be borne by the District. Any increase in the rate of the franchise fee shall not be effective until the Franchisee's rates have been reviewed and, if necessary, adjusted.

Section 6. Assignments, Subcontracts, and Changes of Ownership.

A) No interest in this Agreement may be assigned sold, subcontracted or transferred either in whole or in part, without the prior written consent of District. Franchisee shall promptly notify the District in writing in advance of any proposed assignment, sale, subcontract or transfer. In the event that the District Board of Directors approves any assignment, sale, subcontract or transfer, said approval shall not relieve Franchisee of any of its obligations or duties under this Agreement unless this Agreement is modified in writing to that effect. Franchisee shall also notify the District of any change in control and/or ownership of Franchisee. For purposes of this Agreement, change of ownership or control is presumed to include, without limitation, the sale or transfer of at least 25 percent of Franchisee's assets or at least 25 percent of Franchisee's voting stock. District will not unreasonably withhold consent to any assignment, sale, subcontract or transfer.

B) Neither party shall assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person without the prior written consent of the other party. Any such assignment made without the consent of the other party shall be void and the attempted assignment shall constitute a material breach of this Agreement. The District may, however, assign it rights and delegate its obligations under this Agreement to a joint powers authority without the prior written consent of Franchisee.

C) For purposes of this section, "assignment" shall include, but not be limited to

- (1) a sale, exchange or other transfer to a third party of at least twenty five percent of Franchisee's assets dedicated to service under this Agreement;

- (2) a sale, exchange or other transfer to a third party, including other shareholders, of outstanding common stock of Franchisee which may result in a change of control of Franchisee;
- (3) any dissolution, reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction which Franchisee or any of its shareholders is a party which results in a change of ownership or control of Franchisee; and
- (4) any assignment by operation of law, including insolvency or bankruptcy, assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Franchisee's property, or transfer occurring in the probate proceeding; and
- (5) any combination of the foregoing (whether or not in related or contemporaneous transactions, which has the effect of any such transfer or change of ownership, or change of control of Franchisee.

D) Franchisee acknowledges that this Agreement involves rendering a vital service to District residents and businesses, and that District has selected Franchisee to perform the services specified herein based on the existing Franchise Agreement with the County and LAFCO Resolution 2001. The County in turn selected Franchisee based on:

- (1) Franchisee's experience, skill and reputation for conducting its solid waste management operations in a safe, effective and responsible fashion, at all times in keeping with applicable local, state and federal environmental laws, regulations and best waste management practices, and
- (2) Franchisee's financial resources to maintain the required equipment and to support its indemnity obligations to District under this Agreement.

E) If Franchisee requests District's consideration of and consent to an assignment, District may deny or approve such request in its complete discretion. The District is concerned about the possibility that assignment could result in significant rate increases, as well as a change in the quality of service. Accordingly, the following standards have been set to ensure that assignment will result in continued quality service. In addition, the District reserves the right to solicit competitive bids for these services if the assignment results in a request by the assignee for rate increases that are higher than the inflationary index and do not reflect value changes in service standards. At a minimum, no request by Franchisee for consent to an assignment need be considered by District unless and until Franchisee has met the following requirements:

- 1) Franchisee shall undertake to pay District its reasonable expenses for attorney's fees and investigate the suitability of any proposed assignee, and to review and finalize any

documentation required as a condition for approving any such assignment;

- 2) Franchisee shall furnish District with audited financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years;
- 3) Franchisee shall furnish District with satisfactory proof:
 - a) that the proposed assignee has at least ten (10) years of solid waste management experience on a scale equal to or exceeding the scale of operations conducted by Franchisee under this Agreement;
 - b) that in the last five (5) years, the proposed assignee or affiliates has not suffered any significant citations or other censure from any federal, state or local agency having jurisdictions over its waste management operations due to any significant failure to comply with state, federal or local environmental laws and that the assignee has provided District with a complete list of such citations and censures;
 - c) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion;
 - d) that the proposed assignee conducts its solid waste management practices in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the collection and disposal of solid waste, including hazardous wastes; and,
 - e) of any other information required by District to ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.

Under no circumstances shall the District be obliged to consider any proposed assignment by Franchisee, if Franchisee is in default at any time during the period of consideration.

Section 7. Assignment of Agreement; Requests for Rate Adjustments.

In the case of any assignment, sale, lease, subcontract or transfer of all or any part of Franchisee's assets or stock, the acquiring party shall not be entitled to request any adjustment in rates based on the purchase price or any other consideration associated with said assignment, purchase, lease, subcontract or transfer. In addition, any such acquiring party shall not be entitled to request any adjustment in rates under this Agreement for any costs which said acquiring party might incur prior to the assignment, sale, lease, subcontract or transfer of Franchisee's assets or stock.

Section 8. Responsibility for Solid Waste.

All solid waste removed by Franchisee from the premises where produced, generated, and/or accumulated pursuant to this Agreement shall become the responsibility of Franchisee. Any hazardous waste or medical waste which Franchisee collects shall be the responsibility of the Franchisee provided, however, the Franchisee shall be entitled to return any such hazardous

waste to the customer who generated the hazardous waste, if the customer can be identified.. The parties expressly agree that in no event shall the ownership of any solid waste, hazardous waste, medical waste or any other waste be construed to be the property of District, either explicitly or implicitly.

Section 9. Insurance.

- A) **Liability Insurance.** Franchisee shall maintain in full force and effect, for the period covered by this Agreement, comprehensive liability insurance. The comprehensive general and automobile liability insurance shall include, but not be limited to, protection against claims arising from any act or occurrence arising out of Franchisee's operations in the performance of this Agreement, including without limitation, acts involving vehicles. The amounts of insurance shall be not less than the following: single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage, in the total amount of \$1,000,000.

The following endorsements must be attached to the policy:

- (1) If the insurance policy covers an "accident" basis, it must be changed to "occurrence".
- (2) The policy must cover personal injury as well as bodily injury.
- (3) Blanket contractual liability must be afforded and the policy must contain a cross liability or severability or interest endorsement.
- (4) *Nipomo Community Services* ~~The District of San Luis Obispo~~, its officers, employees and agents shall be named as additional insured under the policy, and the policy shall provide that the insurance will operate as primary insurance and that no other insurance maintained by District will be called upon to contribute to a loss hereunder. ✓

B) **Workers' Compensation Insurance:** In accordance with the provisions of Section 3700 of the Labor Code, Franchisee shall be required to be insured for Workers' Compensation or to undertake self-insurance. Franchisee agrees to comply with such provisions before commencing the performance of the work of this Agreement.

C) **Unemployment and State Disability Insurance:** During the term of this Agreement, Franchisee shall provide unemployment and state disability insurance as required by the laws of the State of California.

D) The following requirements apply to all insurance to be provided by Franchisee:

- (1) A copy of each insurance policy (except Workers' Compensation) shall be furnished to District. A certificate shall be provided before commencement of this Agreement. Subsequent certificates of insurance shall be provided at least ten (10) days before the expiration date of current policies.
- (2) Certificates and policies shall state that the policies shall not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to District.

- (3) Approval of the Insurance by District shall not relieve or decrease the extent to which the Franchisee may be held responsible for payment of damages resulting from Franchisee's services or operations pursuant to this Agreement.

E) If Franchisee fails or refuses to procure or maintain the insurance required by this paragraph or fails or refuses to furnish District with required proof that insurance has been procured and is in force and paid for, District shall have the right, at District's election, to terminate this Agreement in accordance with the provisions herein.

Section 10. Performance Surety.

Franchisee shall provide to District within ten (10) days after execution of this Agreement, a cash or surety bond in an amount equal to two hundred (200%) percent of the yearly average of monthly gross revenue or \$50,000, whichever is greater, provided by a Surety Company with a Best rating of "A" or better and licensed to do business in the State of California, conditioned upon the full and faithful performance of all covenants and conditions of this Agreement and any extensions or amendments thereto.. Said surety bond must be approved by District prior to performance of any work under this Agreement. A certificate of deposit or an irrevocable letter of credit for the required amount from a bank acceptable to District may be provided in lieu of said surety bond.

Subject to the notice and hearing procedures set forth herein, if District determines that Franchisee has substantially failed to keep and perform any covenant or condition of this Agreement and any extensions or amendments thereto, District may require Surety to perform or may resort to any certificate of deposit or irrevocable letter of credit received in lieu of a bond. In that event, District shall notify the Surety of Franchisee's failure to keep and perform a covenant or condition, as well as the amount of time necessary for performance as determined by District. If the Surety fails to perform, District may perform and assess the Surety on its bond for all costs associated with such performance. The costs of performance may include all labor, equipment, insurance, and any and all other reasonably necessary resources as determined by District to perform the work required under this Agreement.

District shall annually review the adequacy of the amount of the surety bond and increase or decrease the bond in an amount equal to two hundred percent (200%) of the yearly average of monthly gross revenue or \$50,000, whichever is greater. District shall notify Franchisee in writing of any changes in the required bond amount not later than thirty (30) days after the completion of said review. Franchisee shall renew said surety bond as necessary and file it with District at least thirty (30) days prior to the expiration of the bond; provided, however, that Franchisee shall not be required to increase or decrease the amount of the bond prior to six (6) months after any such bond adjustment required pursuant to this paragraph.

Section 11. Indemnification.

Franchisee shall defend, indemnify and save harmless District, its officer, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or connected with the performance or attempted performance of provisions hereof, including but not limited to any act or omission to act on the part of Franchisee or its agents, employees, or subcontractors directly responsible to it,

except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of District.

The Franchisee shall also defend and indemnify District for all actions of the Franchisee associated with the Franchisee's role as the arranger of solid waste service, or as a "potentially responsible party" within the meaning of CERCLA in performing solid waste service under any Federal, State or local laws, rules or regulations. The Franchisee shall further defend and indemnify District from any and all legal actions against District on the basis of the assertion that District is an arranger of solid waste services as a result of this Agreement, as long as District has not exercised flow control in accordance with this Agreement. Notwithstanding any language to the contrary in this Agreement, Franchisee shall not be required to defend and/or indemnify District from any liability that District may have as a generator or disposer of solid waste, nor shall Franchisee be required to defend and/or indemnify District from any allegations or legal actions which assert that the District has liability for a period prior to the commencement of this Agreement, or which allege that District's liability arises from actions taken by District after the termination of this Agreement.

Franchisee shall also defend and indemnify District for any fines or penalties imposed by the California Integrated Waste Management Board or its agents in the event that Franchisee's delays in providing information or reports required pursuant to this Agreement prevent District from submitting reports or attaining goals in a timely manner as required by the Integrated Waste Management Act.

Section 12. Technical and Performance Standards.

In addition to the requirements set forth in Title 6 of the District Code and this Agreement, the Franchisee shall comply with all reasonable technical performance standards and requirements imposed by the San Luis Obispo County Health Officer, Local Enforcement Agency, and other responsible enforcement agencies.

Section 13. Collector Permit Requirements.

The Franchisee shall maintain a valid Solid Waste Collection and Transportation Permit pursuant to County Code § 8.12.501. In order for the Franchisee to collect recyclables or green waste, all other required permits must be obtained. If the Franchisee fails to continuously maintain any one of these valid permits pursuant to said County Code, such failure shall constitute a breach of this Agreement. In that event, this Agreement shall immediately be subject to termination upon written notice by District without the necessity of suit or other proceeding, pursuant to the procedures set forth herein.

Section 14. Disposal and Processing Requirements/Flow Control.

Franchisee shall dispose of all solid waste and recyclables collected under this Agreement at Franchisee's own expense and in accordance with all Federal, State and local laws, rules, and regulations. Franchisee shall be solely responsible for securing an appropriate location for disposal of all solid waste and processing of all recyclables collected by Franchisee pursuant to this Agreement.

Franchisee has secured sufficient disposal site capacity commitment including landfill disposal site capacity to adequately serve the reasonable anticipated solid waste disposal needs of Franchisee's customers. District reserves the right to review said disposal capacity commitments.

If Franchisee receives notice from the landfill operator, greenwaste processor, or recyclables processor or otherwise finds, during the term of the Agreement, to be prevented from delivering solid waste, greenwaste or recyclables to the designated site, Franchisee shall immediately notify, in writing, the District General Manager, stating the reason(s) Franchisee is prevented, or expects to be prevented, from delivering solid waste, greenwaste or recyclables at the designated facility. Franchisee shall expeditiously identify and evaluate alternative sites. An alternative designated site or sites shall be arranged for and secured by Franchisee.

The parties understand and agree that District intends to commence and participate in waste diversion and resource recovery programs pursuant to regional and/or local implementation of the California Integrated Waste Management Act of 1989, or such other programs as may be established by District. Franchisee hereby agrees to comply with the implementation of such programs, including providing District with records of solid waste, greenwaste, and recyclable diversions.

Section 15. Prohibited Service - Hazardous Waste and Medical Waste Collection.

Subject to the provisions of Section 8 of this Agreement, the Franchisee, shall not collect hazardous waste or medical waste as a service within the terms of this Agreement.

Section 16. Mandatory Response Procedures - Hazardous Waste and Medical Waste.

The Franchisee has developed and shall maintain written hazardous waste and medical waste response procedures to assure compliance with Section 15 above. Performance of the procedures shall be the sole responsibility of the Franchisee. The procedures, as amended from time to time shall be lodged with the District. . At a minimum, the procedures shall provide instruction to employees and agents of the Franchisee on actions to be followed in the event hazardous waste or medical waste are found in the possession of Franchisee. The purpose of the procedures will be to ensure that any hazardous waste or medical waste collected by the Franchisee is handled and disposed of by the Franchisee in compliance with all Federal, State and local laws, rules and regulations.

To the extent required by Franchisee's hazardous and medical waste response procedures, Franchisee shall provide proof of an agreement or other suitable arrangement with a certified hazardous and medical waste hauler, or procure and maintain in force and effect all necessary governmental permits and licenses, including registrations to transport hazardous waste and medical waste. Franchisee shall be responsible for all charges and notices necessary for the due and lawful performance of the response procedures.

Section 17. Education and Public Information.

Franchisee shall cooperate with District in waste diversion and public education activities in accordance with regional and/or local implementation of the California Integrated Waste Management Act of 1989, and such other programs as may be reasonably determined by the District. Franchisee shall encourage its customers and the general public to divert solid waste and recyclables to the extent practicable from disposal by reducing the amount of solid

waste generated and/or accumulated by recycling or by other appropriate waste diversion strategies.

Franchisee shall include information in customer bills, including information on recycling and green waste programs, in a form and content mutually acceptable to the Franchisee and the District.

In the event Franchisee intends to request inclusion of the expenses of recycling and waste reduction information and public education activities through the rate review process, Franchisee shall be required to obtain, consistent with Section 19 of this Agreement, the prior review and written approval of the District in advance of publication and education. A copy of this approval shall be submitted with the rate request and the public education and waste reduction costs shall be stated as a separate line item within all rate requests.

At the direction of District, Franchisee shall participate in and promote waste reduction and recycling activities and other solid waste management techniques at community events and local activities. Such participation would normally include providing educational and publicity information promoting the goals of the District's solid waste, greenwaste and recycling programs at least twice per year at the direction of District.

Subject to reasonable prior notice, Franchisee agrees to permit District access to review and inspect Franchisee's customer lists, including customer names and addresses. The District acknowledges and agrees that the information contained in Franchisee's customer lists is proprietary trade secret information, and further agrees that it will not disclose or distribute any customer list information to any person.

Section 18. Reporting Requirements.

In addition to any other reporting requirements pursuant to any Federal, State or local laws, rules and regulations, other terms of this Franchise Agreement, or other provisions of Title 6 of the District Code the Franchisee shall report the following information:

A) ^I Information reasonably obtainable by Franchisee relating to the quantities, types, volumes, weights, nature and location, according to geographic areas identified by the District, of solid waste, recyclables and green waste collected, transported and disposed as required by the District General Manager ;

B) No later than 180 days after the end of the Franchisee's fiscal year, the Franchisee shall submit annual financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by a Certified Public Accountant. The financial statements shall include a supplemental detailed revenue statement if said revenue statement is not separately submitted to the District pursuant to this Agreement. The financial statements shall include an opinion of a Certified Public Accountant which attests to the fairness of any financial information submitted to satisfy the requirements of this paragraph. Any opinion which reflects a 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 in accordance with the procedures set forth in this Agreement;

C) ^T the Franchisee shall annually disclose to the Franchise Administrator the entire nature and extent of transactions with related parties, as such parties are recognized by Generally

Accepted Accounting Principles, on forms provided by the District. . The related parties known at the execution of this Agreement are disclosed on a form which is attached hereto and incorporated herein by reference as Exhibit "B". .

D) Franchisee shall accurately report to receiving landfill, all solid waste collected by Franchisee. The reports given to the landfill shall also be available to the District General Manager .

E) District may request that Franchisee provide such additional information in the reports as may be reasonably necessary or appropriate to meet its needs, including, but not limited to, provision of California Integrated Waste Management Act of 1989 information.

F) Franchisee shall promptly provide District General Manager with copies of each adverse report from, and each regulatory action from local, state or federal regulatory agencies. In addition, Franchisee shall send copies to District General Manager of any reports that Franchisee submits to regulatory agencies with respect to performance of this Agreement.

Section 19. Customer Relations.

Notwithstanding Section 17 of this Agreement, Franchisee shall provide new and existing customers with information regarding the service described below. All such information will be reviewed by the District prior to printing and distribution and the presentation shall be clear, easy to read, and concise. The Franchisee may provide information through means other than described below if previously approved by the District General Manager . Franchisee shall provide proof to District of the distribution of the information within 30 days of mailing distribution. No proof shall be required for the new-subscriber information distribution.

A) Subscriber Information At the time a customer subscribes to service and annually thereafter for all residential and commercial customers, the following information, at a minimum, shall be distributed: a list of solid waste, greenwaste and recyclables eligible for collection, complaint procedures, rates, recycling opportunities, company contact information including billing address, office hours, location, and telephone numbers, holiday collection schedule, and Clean-Up Week information. Information regarding no-cost dumpster cleanings shall be included for commercial customers. Copies shall be provided to each customer at time of subscription and upon customer's request and annually.

The Franchisee shall prepare and update as necessary a flier with this information in a form and content mutually acceptable to the Franchisee and the District General Manager . Franchisee shall print all necessary copies of the flier and Franchisee's employees and agents shall inform customers that said flier is available upon request.

B) Information in Advance of Rate Changes Franchisee shall provide its customers written notice a minimum of 30 days prior to any rate change. The notice will include information about all rates and services available to the customer. The form and content of the notice shall be in accordance with the form attached hereto and incorporated by reference as Exhibit C. It shall include a brief explanation for the rate change and ways each customer can determine which level of service will meet his or her needs.

C) Billing Statements All residential and commercial billing statements shall clearly list the customer's level of service, the monthly rate, a telephone number to call with

questions, and the telephone number of the District General Manager if the customer is unable to resolve his or her problem with the Franchisee. Because abbreviations used on the billing statement need to be easily understood by the average customer, Franchisee shall submit a list of abbreviations for prior approval to the District General Manager. The Franchisee shall issue to the District General Manager, on the same schedule as the customers, a sample residential bill and a sample commercial bill for the most popular level of service offered by the Franchisee to those customers.

D) Throughout the term of this Agreement, Franchisee shall maintain a complete record of all written and verbal complaints received pertaining to the performance of services subject to this Agreement, which shall be provided to District within 24 hours of request. Said record shall contain, at a minimum, the following information:

1. Names, addresses, and telephone numbers of complaining parties;
2. Customer names, service addresses, and telephone numbers, if different than above;
3. Descriptions of problems/complaints and related dates and times, if applicable;
4. Dates received; and
5. Dates and descriptions of Franchisee's responses and actions taken.

Complaints received from customers or District shall be acted upon immediately and Franchisee shall make every reasonable effort to resolve said complaints within seventy-two (72) hours of notification.

E) Franchisee shall fully participate with the District in preparing, processing, mailing and tabulating customer satisfaction surveys to residential and commercial customers. The surveys will be conducted within 90 days of a request by District, but not more than once a year.

Section 20. Service Requirements.

A) Frequency of Solid Waste Collection: Franchisee shall provide weekly collection of solid waste, greenwaste and recyclables for all places and premises within Franchise Area or such other level of service as may be permitted by District at rates approved by the District Board of Directors. Franchisee shall also provide more frequent collection services required pursuant to District Code § 6.02.130. All customers shall be provided with collection service within 7 days of the customer's request.

B) Collection Schedule: Franchisee shall establish a collection schedule in accordance with District Code § 6.02.140. When a regular collection day occurs on a holiday, Franchisee shall either provide collection on the holiday or one calendar day before or after the holiday. Franchisee shall notify residential and commercial customers of their respective holiday collection schedules.

C) Solid Waste Collection Practices and Standards: Franchisee shall, at all times during the term of this Agreement, provide efficient, effective, prompt, courteous, and

professional service to all residential and commercial customers to the reasonable satisfaction of District. Franchisee shall not litter premises while collecting solid waste or allow such waste materials to blow or fall from any collection vehicle. All collection activities shall be conducted in such manner that public and private property will not be damaged. Premises shall be left in a neat and clean condition and containers shall be handled in a manner to not damage them. Franchisee shall replace containers and covers where found and shall not place them in the street or on adjoining property.

Franchisee shall direct its drivers to note the addresses of any premises at which they observe that solid waste is accumulating and is not being delivered for collection or to disposal; and the address, or other location description, at which solid waste has been dumped in an unauthorized manner. Franchisee shall report the address or description to District within seventy-two (72) hours of such observation.

D) Non-Collection of Solid Waste: In the event Franchisee does not collect any item or container of solid waste, Franchisee shall attach a tag securely to the item or container not collected specifying the reasons for non-collection. The tag shall contain Franchisee's name and telephone number.

In the event Franchisee fails, without good cause, to collect, remove, and dispose of solid waste on a customer's regularly scheduled collection day or within twenty-four (24) hours of a request from District or a customer to do so, District may collect said materials and Franchisee shall be liable for all related expenses incurred by District, including disposal, administrative, and legal costs.

E) Extra Collection of Solid Waste: Franchisee shall be allowed to provide extra and special services, at rates approved by District Board of Supervisors, in addition to the normal scheduled collection services. Franchisee shall quote to the customer the rate for such services prior to performing said services.

F) Clean-Up Week: At least once per year throughout the term of this Agreement, Franchisee shall provide, in addition to regularly scheduled service, a one week collection event pursuant to guidelines established by the Franchisee and approved by the District General Manager for solid waste placed at the curb by residential customers in addition to each customer's normal collection service.

The dates for the event shall be proposed by Franchisee and approved by District General Manager prior to September 1st of each year.

Franchisee shall record and report to District, by class and weight (in tons), the solid waste, greenwaste recyclable, etc., collected during the Clean Up events. Franchisee shall record the kinds and weights (in tons) of waste diverted during these events from the landfill through recycling, reuse, transformation, or other means of diversion. Franchisee shall provide the report to District no later than 10 days after the event.

G) Office: Franchisee shall maintain an office within the Franchise Area, or such other convenient location approved by District, where customers may arrange for service, pay bills, and file complaints. Said office shall be equipped with a telephone and two-way radio and

all collection vehicles shall also be equipped with two-way radios to communicate with Franchisee's office. Franchisee shall, for at least seven hours between 9:00 a.m. and 5:00 p.m., Monday through Friday, except holidays, have responsible personnel with whom District and customers may communicate. Franchisee shall provide to District a local emergency telephone number and contact person accessible twenty-four (24) hours per day. Franchisee's office shall be open to public during normal business hours.

H) Traffic and Noise Problems: Franchisee shall conduct all operations in accordance with District Code § 6.02.140(b) and in a manner which minimizes obstruction or disruption to the peace and quiet of the areas in which collections are made.

I) Equipment:

1) All equipment used by Franchisee to perform work under this Agreement shall conform to industry standards and shall be maintained in a clean, neat, attractive, and efficient condition and kept in good repair at all times. Said equipment shall be operated in a safe manner consistent with industry standards. All vehicles, conveyances, or containers used by Franchisee for hauling or storing solid waste, greenwaste or recyclables within the District shall be constructed to comply with all applicable Federal, State and local laws, rules, and regulations and shall be designed to prevent leakage, spillage, or overflow.

2) All solid waste, greenwaste or recyclables in Franchisee's vehicles, conveyances, or containers used by Franchisee shall be completely covered when en route from the last collection station to a disposal area or processing facility to prevent spillage, overflow, blowing, or dropping out of said vehicles, conveyances, or containers. Any material dropped or spilled in collection, transfer, or transport shall be immediately cleaned up by Franchisee. Appropriate equipment for this purpose shall be carried at all times on each vehicle.

3) Franchisee shall maintain a fleet of collection trucks sufficient in number and capacity to efficiently perform the work required in the Agreement in strict accordance with the terms of this Agreement. Franchisee shall provide District a detailed description concerning the number and type of vehicles necessary for performance. Franchisee shall have available on collection days sufficient back-up vehicles for each type of collection vehicle (e.g., rear loader, front loader, roll-off, etc.) used to respond to complaints and emergencies.

4) All customers shall be provided with solid waste, recycling or green waste collection service consistent with the District approved collection programs within 7 days of the customer's request.

J) Vehicle Identification: A distinct identification number shall be assigned to each vehicle used for collection activities. Said number shall be prominently displayed on the appropriate vehicle. Each vehicle shall also permanently display Franchisee's name and telephone number.

K) Equipment Storage: All vehicles used in collection activities, shall be kept on property in proper zoning within a building or fenced yard. Franchisee shall not store any vehicle on any public street or other public property.

L) Cleaning Commercial Dumpsters: Franchisee shall steam clean and refurbish all commercial dumpsters twice per year upon request, at no additional expense to customers

utilizing these units. Customers desiring more frequent cleaning may arrange with Franchisee additional cleaning (including pick-up, cleaning, and replacement of dumpster), at rates approved by the District Board of Supervisors. Commercial customers shall be notified annually of the availability of the cleaning service and charges for the service. ✓

M) Recycling Services:

1) Subject to rates established by Board of Directors through the rate setting process, Franchisee shall provide recycling services to all solid waste customers within the Franchise Area, and as may be revised from time to time by mutual agreement. The recycling collection is to include at least the following materials. Changes to this list can only be made with the approval of the District General Manager.

- Glass bottles and containers
- paper
- cardboard
- plastic (1-7) bottles and containers
- newsprint
- junk mail
- magazines
- gable top containers
- chipboard
- aseptic boxes
- aluminum
- steel and tin containers

2) Franchisee shall service all public recycling containers.

3) Residential recycling shall be provided on the same day as solid waste collection.

4) Commercial customers with multiple collections during the week, shall have recycling and green waste collections provided at least once during that week, on a solid waste collection day.

N) Green waste collection.

1) Subject to rates established by Board of Directors through the rate setting process, Franchisee shall provide green waste collection service to all customers within the Franchise Area, and as may be revised from time to time by mutual agreement. The recycling collection is to include at least the following materials. Changes to this list can only be made with the approval of the District General Manager. The green waste collection is to include at least the following materials:

- brush (maximum 4 foot lengths), tree trimmings, branches (<6" diameter.)
- dimension lumber (maximum 4 foot lengths), scrap wood (not painted)
- grass, dead plants
- weeds, leaves
- Christmas trees

Changes to this list can only be made with the approval of the District General Manager.

2) Green waste collection shall only use containers that are reusable and

capable of being emptied at the curb. Green waste shall not be collected in plastic bags.

3) Residential green waste collection must be provided on the same day as solid waste collection. Commercial green waste collection must be provided once during the week, on a solid waste collection day.

O) Intentionally omitted.

P) Franchisee shall provide, with one week's notice, collection of solid waste or bulky wastes from District Yards. The collection shall be provided by Franchisee at no expense to District for not more than 25 times per year.

Q) District may request Franchisee to perform additional services (including new diversion programs, billing services, etc) or modify the manner in which it performs existing services. Franchisee shall present, within 30 days of a request to do so by District, a proposal to provide additional or expanded diversion services. Franchisee shall be entitled to consideration of an adjustment in its compensation in the next rate or CPI adjustment.

R) Intentionally omitted.

Section 21. Special Service Requirements.

In addition to any other requirements mandated by District Code or otherwise required by law, Franchisee shall provide "in yard" solid waste collection service to those disabled customers requiring such service at no additional cost to those customers.

Section 22. Rates.

A) The Franchisee may only charge rates approved by the District Board of Directors for the services performed or rendered under this Agreement.

Changes to Franchisee existing billing format and billing frequency shall be subject to approval of District. District shall have the right to require Franchisee to revise the billing format in order to itemize specific charges.

B) In the event that District approves an adjustment in the tipping fee at a solid waste disposal facility that Franchisee uses, collection rates for residential and commercial customers shall also be adjusted. The Board of ~~Supervisors~~ ^{Directors} will adjust the Franchisee's collection rate at the same time as the facility rate. ✓

C) District agrees to consider the rate review application in a timely manner, subject to the constraints of staff availability. All items of revenue and expense in a rate review are subject to the reasonableness test of District.

D) Franchisee shall provide its customers written notice a minimum of 30 days prior to any rate change. The notice will include information about all rates and services available to the customer. The form and content of the notice shall be in accordance with the form attached hereto and incorporated by reference as Exhibit C.

E) District shall allow Franchisee a reasonable rate of return. For purposes of determining a reasonable rate of return, District shall refer to the rate setting processes utilized by

the California Public Utilities Commission and other comparable agencies for similar industries.

F) Franchisee shall implement one, two and three can service and rate levels for all residential customers requesting solid waste service.

Section 23. Discriminatory Practices Prohibited.

Except as expressly provided in this Agreement or by law, Franchisee shall not subject any person to prejudice or disadvantage on the basis of age, gender, race, creed, color, national origin, disability, medical condition, or religious affiliation.

Section 24. Equal Employment.

Franchisee shall not refuse to hire, employ, nor bar or discharge from employment, or otherwise discriminate against any person in compensation, or in terms and conditions of employment because of age, gender, race, creed, color, national origin, disability, medical condition, religious or political affiliation or belief.

Section 25. Violations and Liquidated Damages.

A) The parties agree that in the event that Franchisee violates the provisions of Title 6 of the District Code, or any other applicable law, or the terms of this Agreement, the resulting damages will be impracticable or extremely difficult to determine. Therefore, the parties agree that Franchisee shall pay liquidated damages in the amounts and for the violations specified in Section 26 of this Agreement. Prior to any determination by the District General Manager that Franchisee is obligated to pay liquidated damages as provided herein, the District General Manager shall provide written notice to Franchisee of the alleged violation. If the violation is capable of being corrected by Franchisee, the District General Manager shall include in the notice, a demand that Franchisee correct the violation within 10 days following receipt of said notice. For purposes of this Agreement and any notice required thereunder, the term "days" shall mean calendar days.

B) After notice has been given to Franchisee by the District General Manager, and after the expiration of the 10 days following receipt of said notice in those instances where the violation is capable of being corrected and Franchisee has failed to correct the violation, the District General Manager shall conduct a hearing. At least 10 days prior to the date scheduled for the hearing, the District General Manager shall notify Franchisee of the time and place for the hearing.

C) At the hearing the District General Manager shall hear any persons interested or concerned with the alleged violation and shall determine whether the alleged violation occurred and, if so, whether the violation was without just cause or excuse.

D) If the District General Manager determines the violation was with just cause or excuse, then the District General Manager shall direct Franchisee to comply with this Agreement and applicable rules and regulations at such time, and in such manner, and upon such terms and conditions as the District General Manager deems reasonable and necessary.

E) If the District General Manager determines the violation was without just cause

or excuse, then the District General Manager shall either:

- 1) impose the liquidated damages hereafter described as being applicable; or
- 2) allow Franchisee additional time to correct the violation, subject to such conditions as the District General Manager finds necessary and appropriate.

F) Franchisee may appeal the decision of the District General Manager imposing liquidated damages to the District Board of Directors by filing with the District General Manager, within ten (10) days of the District General Manager's decision imposing the liquidated damages, a written appeal setting forth the particular errors alleged to have been made by the District General Manager. The District Board of Directors shall, within 45 days of the filing of the appeal, commence the hearing of the appeal. On appeal, the standard of review shall be whether there is substantial evidence on the record of the proceedings before the District General Manager which supports the decision of the District General Manager. The District Board of Directors shall affirm or deny the appeal and may modify any action taken by the District General Manager.

Section 26. Liquidated Damages Amounts.

A) Subject to the procedures set forth above, the parties agree that Franchisee shall pay liquidated damages of \$200.00 per day per occurrence for the unexcused failure to meet one or more of the requirements of the District Code or of this Agreement, or the unexcused failure by Franchisee to meet or complete a requirement by a prescribed date, or the unexcused failure by Franchisee to provide a service.

B) The liquidated damages established above shall be imposed in accordance with Section 25 for any of the following:

- 1) for failure by Franchisee to provide solid waste, greenwaste or recyclable pursuant to this Agreement and Title 6 of the District Code.
- 2) for failure by Franchisee to obtain the prior consent of the District Board of Directors for any assignment or transfer.
- 3) for failure by Franchisee to maintain and possess a valid permit for collection of solid waste from the County Health Officer;
- 4) for engaging in impermissible discrimination contrary to the provision of Title 6 of the District Code or any other provision of this Agreement;
- 5) for denying collection service and/or access to the service on the basis of the race, creed, color, age, religion, disability, national origin, or gender of the persons seeking such service;
- 6) for failure by Franchisee to adhere to the equal employment opportunity provisions contained in this Agreement (specifically any provisions concerning fair contracting policies);

- 7) for failure by Franchisee to submit a written Response Procedures for hazardous waste, medical waste.
- 8) for failure by Franchisee to properly comply with written Response Procedures for hazardous waste or medical waste;
- 9) for failure by Franchisee to maintain an office, and/or to keep the office open and/or to maintain a toll-free telephone for calls within the Franchise Area and/or maintain a log of customer complaints, as required by District Code and this Agreement ;
- 10) for charging or collecting rates not approved by the Board of Directors for any service subject to this Agreement.

C) The liquidated damages set forth above shall be in addition to any other penalties or remedies otherwise provided by law or in accordance with this Agreement.

Section 27. Breach and Termination.

All terms and conditions of this Agreement are material and binding and failure by either party to perform in accordance with this Agreement, or in accordance with any covenants and conditions described herein, shall be considered a breach of this Agreement. In the event this Agreement is breached in any manner, and Franchisee has failed to remedy said breach after at least twenty (20) days after written notice setting forth the nature of the breach, District may terminate this Agreement on further written notice. Franchisee shall thereafter have no further rights, powers, or privileges against District under or arising out of this Agreement. In the event a breach does not result in termination, but does result in costs being incurred by District, said costs shall be charged to and paid by Franchisee, which costs may include, but are not limited to, costs incurred by District in investigating and communicating with Franchisee regarding said breach, including staff time, and any penalties provided in accordance with this Agreement.

In the event District terminates this Agreement as provided herein, Franchisee shall pay to District on the effective date of termination all customer revenues collected in advance for all services which would have been provided by Franchisee after the effective date of termination. Franchisee shall also pay to District any unearned revenues received after the date of termination. The provisions of this Section shall not be exclusive, but shall be cumulative and in addition to any other remedies provided herein or pursuant to law. District agrees that it will not unreasonably enforce the termination provisions set forth in this Agreement.

Section 28. Bankruptcy.

If at any time during the term of this Agreement Franchisee becomes insolvent, or if proceedings in bankruptcy are instituted by Franchisee, or if Franchisee is adjudged bankrupt or insolvent by any court, or if a receiver or trustee in bankruptcy is appointed in any suit or proceeding brought by Franchisee, then and in each and every such case, the Agreement shall immediately cease, terminate, and be canceled upon written notice by District and without the necessity of suit or other proceeding.

Section 29. Notices

A) All notices required by this Agreement to be served on District shall be personally delivered to District General Manager or mailed return receipt requested.

B) All notices required by this Agreement to be served on Franchisee shall be personally delivered to Mission Country Disposal, Inc., Attn: Tom Martin, 970 Monterey Street, San Luis Obispo, California, 93401, or mailed return receipt requested.

Section 30. Applicability of Adopting Additional Rules, Regulations, Laws, and Ordinances.

The District Board of Directors specifically reserves the right to adopt, in addition to the provisions contained in the current Title 6 of the District Code such additional rules, regulations, laws, resolutions and/or ordinances as the District Board of Directors may find necessary in the exercise of its powers; provided, however, that such additional rules, regulations, laws, resolutions and/or ordinances do not directly conflict with the material privileges granted in this Agreement, or the obligations of Franchisee set forth herein.

Section 31. Applicable Law and Venue.

This Agreement shall be governed in all respects by the laws of District, the laws of the County of San Luis Obispo, the State of California, and the Federal Government of the United States and Franchisee and District expressly stipulate that this Agreement is entered into and to be performed in San Luis Obispo District and, therefore, venue shall be in said County.

Section 32. Waiver and Estoppel.

District's failure to enforce any provision of District Code, or of this Agreement, for a breach or violation by Franchisee of said District Code or Agreement, shall not constitute an acquiescence, waiver, estoppel or bar on District pursuing and seeking enforcement in the event that one or more of the same provisions of District Code or this Agreement are subsequently breached or violated by Franchisee.

Section 33. Entire Agreement: Procedure for Amendment, Modification, Extension, or Renewal.

This Agreement, together with any attachments, sets forth the entire Agreement between the District and Franchisee, and any change, amendment, modification, extension, or renewal shall be in writing, and shall be executed by duly authorized representatives of both District and Franchisee.

Section 34. Resolution of Conflicts Between the District Code and the Franchise Agreement.

In the event of any conflict between this Agreement and the District Code, the terms, conditions, and provision of District Code shall control.

Section 35. Headings.

The headings set forth in this Agreement are for ease of reference only, and shall not be construed to modify, limit, or restrict the provisions contained in one, or all, of the Sections of this Agreement.

Section 36. Severability.

Jon S. Seitz, District Legal Counsel

P. Terrance Schubert, Attorney for Mission
Country Disposal, Inc.

Donna Johnson
Secretary to the Board
[SEAL]

APPROVED AS TO FORM:

ATTEST:

Robert Blair, President
Board of Directors

By _____

NIPOMO COMMUNITY SERVICES
DISTRICT

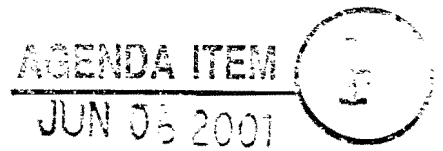
Alvizio Rizzoli, President

By _____

FRANCHISEE
Mission Country Disposal, Inc.,
a California Corporation

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day
and year first above written.

If any provision of this Agreement, or the application thereof to any person or
circumstance, is held to be unconstitutional or to be otherwise invalid by a final judgment of any
court of competent jurisdiction, such invalidity shall not affect other provisions or applications
thereof which can be implemented without the invalid provisions or application and, to this end,
the provisions of this Agreement are severable.



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JUNE 6, 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 May 16, 2001 Regular Board meeting
 - Approval of Minutes of May 23, 2001 Special Board meeting



WARRANTS JUNE 6, 2001

HAND WRITTEN CHECKS

18442	05/11/01	POSTMASTER	636.80
18443	05/21/01	SLO County RECORDER	14.00
18444	05/25/01	SLO County RECORDER	19.00
18445	05/31/01	B. McNAMARA	10.00

VOID 5862, 5893

5921	06/06/01	RICHARD MOBRAATEN	100.00
5922	06/06/01	NOBEL SYSTEMS	24250.00
5923	06/06/01	PERS RETIREMENT	1938.62
5924	06/06/01	PERS HEALTH BENEFITS	3540.28
5925	06/06/01	PERRY'S ELECTRIC MOTORS	868.53
5926	06/06/01	P G & E	44976.71
5927	06/06/01	POSTALIA	527.21
5928	06/06/01	PRECISION JANITORIAL	275.00
5929	06/06/01	QUILL CORPORATION	598.64
5930	06/06/01	QUINN ENGINE SYSTEMS	186.58
5931	06/06/01	RICHARDS, WATSON, GERSHON	13439.02
5932	06/06/01	SAIC	2944.75
5933	06/06/01	SANTA MARIA TIMES	27.50
5934	06/06/01	SHIPSEY & SEITZ, INC	3763.50
5935	06/06/01	DIV OF ENVIRON HEALTH	522.00 869.06
		Check Total.....	1391.06
5936	06/06/01	THE GAS COMPANY	51.17
5937	06/06/01	UNDERGROUND SERVICE ALERT	149.00
5938	06/06/01	USA BLUEBOOK	1615.87 74.77
		Check Total.....	1690.64
5939	06/06/01	VERIZON	29.27
5940	06/06/01	VERIZON WIRELESS	27.31
5941	06/06/01	MICHAEL WINN	100.00
5942	06/06/01	WIRSING, JUDY	100.00
5943	06/06/01	CARNIVAL MARKET PLACES	433.39

COMPUTER GENERATED CHECKS

5899	06/01/01	EMPLOYMENT DEVELOP DEPT	344.95
5900	06/01/01	MID STATE BANK	1576.12 382.84
		Check Total.....	1958.96
5901	06/01/01	MIDSTATE BANK - DIRECT DP	11495.62
5902	06/01/01	DEBRA SIMMONS	150.00
5903	06/01/01	STATE STREET GLOBAL	935.00
5904	06/06/01	ADVANTAGE ANSWERING PLUS	105.95
5905	06/06/01	BASIC CHEMICAL SOLUTIONS	844.93 332.58
		Check Total.....	1177.51
5906	06/06/01	ROBERT L BLAIR	100.00
5907	06/06/01	LISA BOGNUDA	13.80
5908	06/06/01	CHARTER COMMUNICATIONS	46.35
5909	06/06/01	CORBIN WILLITS SYSTEMS	505.00
5910	06/06/01	CREEK ENVIRONMENTAL LABS	30.00 50.00 30.00 30.00
		Check Total.....	140.00
5911	06/06/01	DANONE WATERS	32.40
5912	06/06/01	DATAMATIC INC	175.00
5913	06/06/01	J B DEWAR INC	335.30
5914	06/06/01	DIGITAL WEST NETWORKS	99.19
5915	06/06/01	FGL ENVIRONMENTAL	44.80 44.80 44.80 44.80
		Check Total.....	179.20
5916	06/06/01	GMAC COMMERCIAL MORTGAGE	11575.00
5917	06/06/01	KENNEDY/JENKS CONSULTANTS	6331.00
5918	06/06/01	LEE WILSON ELECTRIC	2821.33
5919	06/06/01	MIDSTATE BANK MASTERCARD	42.16 110.93 653.40
		Check Total.....	806.49
5920	06/06/01	MILLS-KOEHLER	50.00

NIPOMO COMMUNITY SERVICES DISTRICT
MINUTES

MAY 16, 2001

F 2

JUN 06 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 10:32 a.m.

B. ROLL CALL

At Roll Call, the following Board members were present: President Blair, Directors Mobraaten, Winn and Wirsing. Vice President Simon was ill.

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 Comment. There was none.

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

D-1) REFINANCING OF EXISTING DEBT - AD93-1

Review of refinancing of Assessment District 93-1 (Summit Station)

Present Blair excused himself from the Board for this item because of a Conflict of Interest. He owns property in the area being discussed.

Richard Brandis and Nicki Tallman of IBIS Securities discussed the savings if the District refinanced the AD 93-1 (Summit Station). Members of the Board and Legal Counsel, Jon Seitz, asked questions.

The following members of the public spoke:

Jessie Hill, rural Arroyo Grande - asked about new parcels being formed within the assessment district.

Bob Blair, Summit Station area - stated that his neighbors would like to see the assessment costs go down.

Upon motion of Director Wirsing and seconded by Director Winn, the Board unanimously approved Resolution 2001-767. Vote 3-0

RESOLUTION NO. 2001-767

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT MAKING PRELIMINARY DETERMINATIONS, DECLARING INTENTION TO ISSUE REFUNDING BONDS FOR PROPOSED REASSESSMENT DISTRICT NO. 93-1R AND ORDERING A REPORT THEREON

Upon motion of Director Winn and seconded by Director Wirsing, the Board unanimously approved Resolution 2001-768. Vote 3-0

RESOLUTION NO. 2001-768

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT APPROVING THE REPORT OF THE REASSESSMENT ENGINEER AND CONFIRMING REASSESSMENTS WITHIN REASSESSMENT DISTRICT NO. 93-1R

- D-1) REFINANCING OF EXISTING DEBT - AD93-1 (continued)
Review of refinancing of Assessment District 93-1 (Summit Station)

Upon motion of Director Mobraaten and seconded by Director Wirsing, the Board unanimously approved Resolution 2001-769. Vote 3-0

RESOLUTION NO. 2001-769
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A REFUNDING NOTE, APPROVING FORM OF LOAN AGREEMENT AND ESCROW AGREEMENT AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH

- D-2) DISTRICT ANNEXATION POLICY
Consideration to approve revisions to the District's annexation policy

The existing annexation policy was considered to approve revisions. Since the policy was adopted by ordinance, it must be repealed by ordinance.

The following members of the public spoke:

Jessie Hill, rural Arroyo Grande - NCAC Chairman - against change in annexation policy

Jon Martin, property owner near Black Lake - in favor of change in annexation policy

Vince McCarthy, Nipomo resident - against change in annexation policy

John Snyder, 662 Eucalyptus Rd., Nipomo - pointed out inconsistency of new annexations policy in light of NCSD's claim to be overdrafting the basin.

Donna Mehlschau, Nipomo resident - cautioned that DWR report may not be accurate

Erik Benham, 124 W. Main, Suite C, Santa Maria, Trincon Inc. representative - in favor of change in annexation policy

Directors Mobraaten and Winn and President Blair expressed their opinions in favor of the change in the existing annexation policy. Director Wirsing stated her opposition.

Upon motion of Director Winn and seconded by Director Mobraaten, the Board agreed to have Ordinance 2001-91 read in title only. Vote 3-1 with Director Wirsing voting no.

Legal Counsel, Jon Seitz, read the title of the proposed ordinance.

Upon motion of Director Winn and seconded by Director Mobraaten, the Board approved the first reading of Ordinance 2001-91. Vote 3-1 with Director Wirsing voting no.

ORDINANCE NO. 2001-91
AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT REPEALING SECTIONS 40 AND 41 OF ORDINANCE 98-87, SECTION 14 OF ORDINANCE 79-35 AND SECTION 18 OF ORDINANCE 78-27

A new annexation policy may be adopted by a resolution. Upon motion of Director Winn and seconded by Director Mobraaten, the Board adopted Resolution 2001-770. Vote 3-1 with Director Wirsing voting no.

RESOLUTION 2001-770
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING AN ANNEXATION POLICY

- D-3) REQUEST FOR ANNEXATION - TRACTS 1802 & 1856 (TRINCON)
Review draft annexation agreement to annex a 77-lot dev. on 82 acres near Santa Maria Speedway

Legal counsel, Jon Seitz, reviewed the draft annexation agreement for the 77-lot development by Trincon, Inc.

The following members of the public spoke:

John Snyder, 662 Eucalyptus Rd., Nipomo - pointed out inconsistency of new annexations policy in light of NCSD's claim to be overdrafting the basin.

Jessie Hill, rural Arroyo Grande - NCAC Chairman - spoke against annexation.

Erik Benham, Trincon Corp., developer of the Bluffs - spoke in favor of his project

Some Board members felt that the County would approve this development regardless of who maintained the utilities, so it would be better if the District were managing water and sewer facilities. Upon motion of Director Winn and seconded by Director Mobraaten, the Board unanimously agreed to direct staff to proceed with the annexation agreement for consideration at the next meeting. Vote 4-0

E. OTHER BUSINESS

None

- 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 May 2, 2001 Regular Board meeting
Approval of Minutes of May 9, 2001 Study Session

There were no public comments.

Upon motion of Director Mobraaten and seconded by Director Winn, the Board unanimously approved all the items on the Consent Agenda. Vote 4-0

G. MANAGER'S REPORT

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

- G-1) Review future Board meeting schedule June 6, 27, and July 18, 2001
G-2) Elimination of the Unitary Roll from the Teeter Plan by SLO County

H. DIRECTORS COMMENTS

Some Board members commented on meetings they have attended and plan to attend. Director Winn commended Mr. Jones for letters written in behalf of the District. He also explained some of the fine points of the TDC refinements decided upon at the Board of Supervisors meeting May 15, 2001. He also reported that Lucia Mar Unified School District had tentatively set the boundaries for the high school District.

Legal Counsel, Jon Seitz, announced the need to go into Closed Session concerning the following.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL GC§54956.9

1. Public Employee Performance Evaluation (Gen Mgr) GC§ 54957

ADJOURN

President Blair adjourned the meeting at 12:40 p.m.
There will be a Special Board meeting May 23, 2001 at 2:00 p.m.
The next regular Board meeting will be held on June 6, 2001.

NIPOMO COMMUNITY SERVICES DISTRICT

F2

JUN 06 2001



MINUTES SPECIAL MEETING

MAY 23, 2001 WEDNESDAY 2:00 P.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, SECRETARY TO THE BOARD
JON SEITZ, GENERAL COUNSEL

ROLL CALL

At Roll Call, all Board members were present except Al Simon who passed away Tuesday night, May 22, 2001.

Public Comment on Agenda Items

The public has the right to comment on any item on the Special Meeting Agenda. Comments are limited to 3 minutes or otherwise at the discretion of the Chair.

ADMINISTRATIVE ITEM

Approval of Warrants

Upon motion of Director Mobraaten and seconded by Director Wirsing the Board unanimously approved the Warrants presented.

Legal Counsel, Mike Seitz, announced the need to go into a Closed Session.

CLOSED SESSION

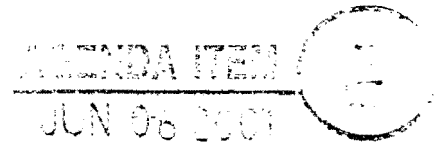
- 1) Conference with legal counsel Gov. Code §54956.9
 - a) Litigation CPUC Appl. No. A 00-03-029
- 2) Employee Performance Evaluation - Gov. Code §54957
 - a) General Manager
 - b) Legal Counsel

OPEN SESSION

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

ADJOURN

President Blair adjourned the meeting at 4:08 p.m.
The next regular Board meeting will be held June 6, 2001.



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 16, 2001

MANAGER'S REPORT

G-1) INFORMATION OF REDEVELOPMENT

The attached information on redevelopment programs is from the law firm of McDonough, Holland & Allen to the Los Osos CSD via legal counsel.

G-2) CSDA BOARD OF DIRECTORS NOMINATIONS

The District received information from the California Special District Association requesting nominations for Region 4 Seat B to be on the Board of Directors of the California Special District Association. If any of the Board members are interested, a nomination form is included in the packet.

G-3) CSDA - Legislative Update (information attached)

G-4) Port San Luis Harbor District Notice of Master Plan Workshops (information attached)

Received
05-26-01

61

McDONOUGH, HOLLAND & ALLEN
A PROFESSIONAL CORPORATION
ATTORNEYS

555 CAPITOL HALL, 9TH FLOOR
SACRAMENTO, CALIFORNIA 95814-4692
TELEPHONE: (916) 444-3900
FACSIMILE: (916) 444-6334
INTERNET: WWW.MHSLAW.COM

JOS COOMES, JR.
DAVID GYTIKWOOD
DONALD E. POOLE
RICHARD W. OSER
RICHARD E. BRANDT
S. RICHARD BROWN
DAVID W. POST
SUSAN M. EDLING
DAVID F. BEATTY
MICHAEL T. FOGARTY
KATALIE C. WEST
ANN O'CONNELL
ROBERT W. O'CONNOR
JEFFREY B. JONES
T. BRENT HARRIS
JAMES M. RUDDICK
DANN H. COLE
SHARON DAY RUFENE
SUSAN L. SCHOERIG
JAMES L. LEET
VIRGINIA A. CAHILL
HARRIET A. STEINF
WILLIAM A. LIGHTIO

EDWARD J. QUINN, JR.
MARK GORTON
ROBERT R. RUBIN
NORMAN T. JONES
PATRICIA D. ELLIOTT
WILLIAM C. HILSON, JR.
IRIK R. YANG
CATHY DEUBEL HAIENKO
JACK D. BROWN
THOMAS L. HILL
HARRY P. LEE
MARY E. OLDF
MICHELLE MARCETTA KENYON
STEPHEN L. UNOFF
MICHAEL K. IWANIRO
GLENN W. PETERSON
DAVID L. KROTING
TIMOTHY P. HAYES
TODD N. BAILEY
MARCIA L. AUGSBURGER
NANCY T. ZEMPLETON
DAVID E. BRACCHIARELLI
KENT W. SILVESTER

DANIEL V. MARTINEZ
STEVEN A. LANDON
PAUL C. ANDERSON
L. EDHART LIST
JEREMY S. MILLSTONE
STACEY N. BRISTON
ANDRE K. CAMPBELL
TYSON W. ANDWER
ERIC N. ROBINSON
SETH MEREWITZ
JAMES CLARKE
LAURA J. FOWLER
GERALD J. RAMIZA
CLARISA R. FORINWAIN
CAROL S. VICTOR
KAREN WHITE MURPHY
DANIEL V.M. SIEDLER
CAITLIN E. BOES
JANA DU BOIS
ETYAN WALSH
RODNEY R. MOY
THOMAS J. HOSUEROLA
STEPHEN M. LERNER

JEREMY B. BARNHAM
KEVIN D. SIEGEL
NANCY K. PARR

OF COUNSEL
V. BARLOW ROFF
RICHARD W. NICHOLS
ANN YAVON ACHMING
TACHARY SMITH
CLEMERT J. KUMMERHUT, JR.
LINDA B. BECK
RICHARD G. HYMAN
JOHN R. BRIGGS
CHRISTINE B. HALL
RETIRED
STEFAN F. HOLLAND
BRUCE P. ALLEN
MARTIN McDONOUGH
(1815-1907)

March 21, 2001

iyang@mhsllaw.com
Direct Fax Line (916) 444-3626

Bruce Buel
Executive Director
Los Osos Community Services District
350 Mitchell Drive
Los Osos, CA 93402

Re: Proposed Redevelopment Plan Adoption

Dear Bruce:

You have asked what financial impact, if any, a proposed redevelopment plan would have on the Los Osos Community Services District (the "District") if a portion of the District's territory is included within the redevelopment project area. You have also asked what opportunities the District would have to comment on the redevelopment plan or if there were ways in which the redevelopment agency could either mitigate the impacts of the plan or assist the District in other ways.

Under the provisions of the California Constitution and the Community Redevelopment Law, a redevelopment agency may be allocated a portion of property taxes (commonly referred to as "tax increments") that are generated within a redevelopment project area after a redevelopment plan has been adopted and if the redevelopment plan authorizes such allocation. There are a number of procedural steps that must be followed before a redevelopment plan can be adopted. These include consultations with taxing agencies that receive property taxes from the proposed project area, notices and public hearings. Several documents must be prepared, including an environmental impact report. The process generally can take nine months to a year or longer.

Generally speaking, the year in which the redevelopment plan is adopted is considered the "base year." All of the property taxes generated on the assessed value of property in the project area in that base year (the "base year assessment roll") are distributed to all of the taxing agencies in accordance with

Bruce Buel
March 21, 2001
Page 2

the standard allocation. However, those property taxes generated from increased assessed valuation over the base year assessment roll are allocated to the redevelopment agency as tax increments.

The Community Redevelopment Law now requires that an agency must pay 20% of the tax increments it receives each year to all of the affected taxing entities, allocated on a pro rata basis. In other words, if the District's share of the property tax dollar from the project area was six percent (6%), it would be entitled to receive 6% of that 20%. These payments would continue throughout the period of time that the agency is receiving tax increments under the redevelopment plan. (For purposes of this letter, I will refer to these payments as the "first tier payments.")

Beginning in the eleventh fiscal year of the plan, the agency begins making additional payments to the affected taxing entities. The agency must pay to the taxing entities 21% of the tax increments generated from the growth in assessed valuation in the project area that occurs after the 10th year of the plan. Again, if the District's share of the property tax dollar is 6%, it would receive 6% of that 21%. These payments would be the "second tier payments," would continue as long as the agency receives tax increments and are in addition to the first tier payments.

Beginning in the 31st fiscal year, the agency begins a third tier of payments, equal to 14% of the tax increments generated above the assessed valuation in the project area in the 30th year of the plan. Again, these payments would continue on a pro rata basis for as long as the agency receives tax increments; and they are in addition to the first and second tier payments.

Thus, to the extent that these three levels of payments are equivalent to the amount of property taxes that the district would receive whether or not a redevelopment plan was adopted, there would be little fiscal impact upon the district. However, if the area is developing rapidly on its own now or is likely to do so without the agency's assistance, the agency's payments may be less than the District would otherwise receive in property taxes if no plan were adopted.

In the District's discussions with the agency about the redevelopment plan, the District may wish to explore the possibility of having the agency include a capital improvement project that will benefit the District. The Community Redevelopment Law allows an agency to help pay for public improvements and facilities within a project area or that will primarily benefit a project area. However, if an agency helps pay for a public facility that would be owned or leased by the District, it must reduce the amounts of the payments to the District described above by an equivalent amount. The agency does not have

Bruce Buel
March 21, 2001
Page 3

the authority to pay for operation and maintenance of facilities or to purchase equipment (although the District could certainly do so with the payments it receives from the Agency.)

I hope this information is helpful to you. Please feel free to call me if you have any questions.

Very truly yours,



Iris P. Yang

IPY;jjh

cc: Jon S. Seitz

12

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

BOARD OF DIRECTORS - CALL FOR NOMINATIONS

SEAT B – TERM WILL EXPIRE IN 2004

The California Special Districts Association (CSDA) Board of Directors is the governing body responsible for all policy decisions effecting CSDA's member services and legislative programs. Its functions are crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration.

Serving on the Board requires one's interest in the issues confronting special districts statewide. In addition, it means traveling to all Board meetings, usually eight per year. CSDA reimburses directors for all related travel expenses as outlined in Board policy.

The Board's most important function is directing CSDA's Legislative Advocate in Sacramento. Board members are intimately involved in responding to pending legislation and other public policy documents that may impact the operation of special districts. The Board is also responsible for direction to CSDA staff and consultants on all member service programs. CSDA has recognized significant growth over the last five years and remains committed to expanding our membership base and member services. The Board will be responsible for guiding that future.

Election Rules

Each of CSDA's six (6) regional divisions has three seats on the Board. Candidates must be affiliated with a member district located within the geographic region that they seek to represent. Directors are nominated and elected by region by regular members. In 1999, the CSDA membership passed an amendment changing the election from in-person at the annual meeting to an all mail ballot.

The officers of the Board of Directors are elected from the Board membership.

Directors elected from the six (6) regions will hold staggered, three (3) year terms. Individuals elected to fill an unexpired term, will be up for reelection when original seat term expires.

Nomination Procedures

Any independent special district with current membership in CSDA is eligible to designate one person, such as a board member or managerial employee (as defined by that district's Board of Directors) for election as a director of CSDA. A copy of the member district's resolution or minute action must accompany the nomination form. **The 2001 deadline for receiving nominations is Friday, July 20, 2001.** Nominations and supporting documentation can be mailed or faxed.

Election ballots will be mailed out prior to August 5, 2001 and must be returned and received in the mail by CSDA no later than September 14, 2001. A committee chaired by the Elections and Bylaws Committee Chair will count the ballots. Successful candidates will be announced at CSDA's 32nd Annual Conference, September 19-21, 2001 (watch your mailbox for registration materials).

Nominees will receive a candidates' packet in the mail once the nominations deadline has passed. The packet will include campaign guidelines.

If you have any questions, please call Melissa Soria at (877) 924-CSDA.

Expiring Terms

(see enclosed map for regional breakdown)

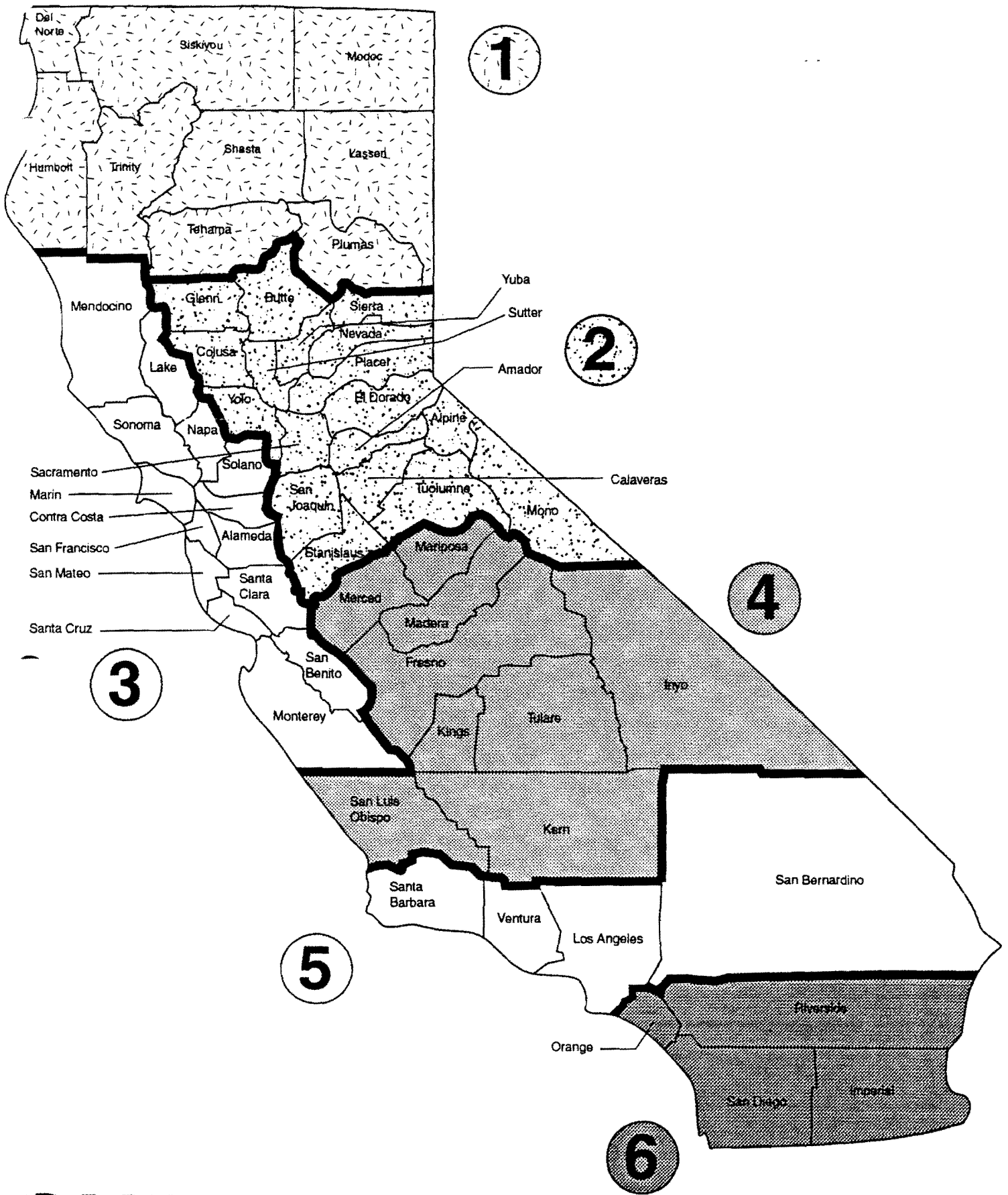
Region 1	Seat B (1999-2001)	Pete Kampa
Region 2	Seat B (1998-2001)	Michael Glaze
Region 3	Seat B (1998-2001)	Sherry Sterrett
Region 4	Seat B (1998-2001)	Bill Miller
Region 5	Seat B (1998-2001)	Gerald Smith
Region 6	Seat B (2000-2001)	Arlene Schafer

RECEIVED

MAY 23 2001

CSDA
1215 K Street, Suite 930
Sacramento, CA 95814
(916) 442-7887/(916) 442-7889 fax

NIPON COMMUNITY
SERVICES DISTRICT



CURRENT

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
BOARD OF DIRECTORS**

NOMINATING FORM

Name of candidate: _____

District: _____

Region: _____

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the
candidate by fax or mail to:

CSDA
Attn: Melissa Soria
1215 K Street, Suite 930
Sacramento, CA 95814
(916) 442-7887/(916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – JULY 20, 2001



California Special Districts Association LEGISLATIVE UPDATE

May 24, 2001

Legislation

Assembly Bill 1355 (Daucher), relating to modifications of the property tax growth increment, is now a two-year bill. Assemblymember Daucher decided to hold the measure over until next year after a number of concerns were raised by interested parties, CSDA included. CSDA currently opposed AB 1355, but will continue to work with Assemblymember Daucher on amendments to ensure that independent special districts do not lose additional property tax revenues.

State Budget

On Tuesday, May 22, the Senate Budget Committee adopted the Senate version of the state budget, the first step in moving the measure to the Budget Conference Committee. At the conclusion of the Senate Budget Committee hearing, Vice Chair Ackerman expressed his desire to reinstate a number of items deleted in the Governor's May Revision. Among them was the additional funding for local government fiscal relief. Senator Peace indicated that he has had conversations with both Senators and Assemblymembers regarding reinstating the additional funding, and most of them support that action. Senator Peace also indicated that reinstating the funding presents the Legislature with opportunities for confronting local needs, including, but not limited to, infrastructure, water/sewer, and housing.

Governor's Office of Planning and Research (OPR)

OPR has established a working group to allow and facilitate input into the development of the municipal service review guidelines. Two special district representatives (Rita Velasquez of Elk Grove CSD and Harry Ehrlich of Olivenhain MWD), as well as CSDA's Executive Director Catherine Smith, are currently participating in this development process. The draft guidelines should be completed by the end of July, at which time OPR will hold meetings to gather feedback on the draft and to refine the final product. CSDA will continue to update its members on the progress of this working group.

Energy Conservation Outreach Program

If your district has not yet done so, please send a copy of your board resolution regarding your energy conservation efforts to CSDA as soon as possible. CSDA will continue to deliver these resolutions to the Governor's office.

The California Public Utilities Commission (PUC) is currently accepting applications from electricity users who may be exempt from rolling blackouts on the basis of public health and safety issues. The deadline for applications is June 1, 2001, 5:00pm. Applications will be prioritized based on the degree of risks posed to public health and safety, and will be acted upon no later than August 2, 2001. To submit an application to the PUC, please fill out the form on their website, www.rotating-outages.com. If your agency does not have internet access, please call 888.741.1106 to receive information on alternative means of submitting an application.

Mark your calendars! CSDA's 32nd Annual Conference will be held September 19-21, 2001, at the Sheraton Grand Hotel in Sacramento. Watch your mailbox for more information!

CSDA is now accepting nominations for its Board of Directors. If your district did not receive a nomination form in the mail, or you would like more information, please contact us.

Be sure to check the CSDA website on a regular basis to obtain up-to-date information on legislative and education activities!

CSDA
1215 K Street, Suite 930
Sacramento, CA 95814
(916) 442-7887*(877) 924-CSDA*(916) 442-7889 fax
www.csdanet.net

**Port San Luis Harbor District
SPECIAL BOARD MEETINGS
AGENDA**

Port San Luis Harbor District
Master Plan Workshops

6:30 – 8:30 p.m. all three nights

The Harbor Commission will host three community meetings at the following locations

Workshop 1	Workshop 2	Workshop 3
Thursday May 31st	Monday June 4th	Thursday June 7th
6:30 to 8:30 p.m.	6:30 to 8:30 p.m.	6:30 to 8:30 p.m.
Avila Beach Civic Center	City Library San Luis Obispo	South County Regional Center
191 San Miguel St. Avila Beach	995 Palm St. San Luis Obispo	800 West Branch St. Arroyo Grande

1. Public Comment: The public may address the Harbor Commission on any item regarding the Harbor District during the workshops.
2. The Harbor District’s consultant RRM Design Group will facilitate the workshops. RRM staff will moderate the meeting with assistance from Harbor District staff.
3. The Harbor Commission will be in attendance to hear suggestions and comments from the public regarding all aspects of the Harbor District.
4. The Harbor Commission does not intend to take any formal action at these workshops.
5. The Harbor Commission will hold special meetings [Public Hearings] before making any decisions on the Harbor Master Plan 2002.
6. A summary of the three workshops will be presented at the harbor Commissioners regular meeting on June 26, 2001 at Pier #3, Port San Luis Harbor Office, Avila Beach, Ca.

The Port San Luis Harbor Commission is updating the Harbor Master Plan and invites you to attend any or all of the public workshops so we can hear your comments and ideas

The Harbor Master Plan will be the key roadmap that the Harbor Commission will use to guide the wise use and development of land and natural resources within the Port. It will include the historic Harford Pier, Avila Pier, Avila Beach (the public beach), fishing and boating facilities, Point San Luis Lighthouse, and the Harbor Terrace properties.