

NIPOMO COMMUNITY SERVICES DISTRICT AGENDA

JANUARY 22, 2003

REGULAR MEETING 9:00 A.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

BOARD MEMBERS

MICHAEL WINN, PRESIDENT
JUDITH WIRSING, VICE PRESIDENT
ROBERT BLAIR, DIRECTOR
CLIFFORD TROTTER, DIRECTOR
LARRY VIERHEILIG, DIRECTOR

STAFF

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

John
01/23
12:30

NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson. Consistent with the Americans with Disabilities Act, NCSB Board agendas and other writings will be made available to disabled persons in an appropriate alternate format.

A. CALL TO ORDER AND FLAG SALUTE

NEXT RESOLUTION 2003-849

B. ROLL CALL

NEXT ORDINANCE 2003-96

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) CITY INCORPORATION

Paul Hood, LAFCo Executive Officer, will present information on incorporation

D-2) SOLID WASTE FRANCHISE INTERIM RATE INCREASE

Amend franchise agreement for an interim year rate increase and inclusion of cardboard recycling

D-3) ANNEXATION NO.22 – TRACT 2384 - PUDWILL

Review annexation agreement to annex 40 acres at Dawn and Sun Dale Roads

D-4) ANNEXATION NO.23 – TRACT 2384 - LEM

Review annexation agreement to annex 18 acres on Pomeroy at Waypoint

E. OTHER BUSINESS

E-1) YEAR 2003 DISTRICT INVESTMENT POLICY

Resolution adopting the District's Investment Policy for 2003

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]

Minutes of January 8, 2003, Regular Board meeting

F-3) 2002 FOURTH QUARTER INVESTMENT REPORT

F-4) 2002/2003 SECOND QUARTER FINANCIAL REPORT

G. MANAGER'S REPORT

G-1) ANNEXATION NO 21 (KNOLLWOOD) HAS BEEN COMPLETED

G-2) LAFCO DRAFT NCSB SPHERE OF INFLUENCE REVIEW

G-3) SPECIAL BOARD MEETING JAN. 31, 2003 – INITIATE SALE OF BONDS, LEGAL AND UNDERWRITING SERVICES

H. COMMITTEE REPORTS

I. DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

A. SMVWCD VS NCSB SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.

B. SAVE THE MESA VS. NCSB CV 020181

C. ANTICIPATED LITIGATION, ONE CASE

CONFERENCE WITH NEGOTIATOR GC§54956.8


D. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES.

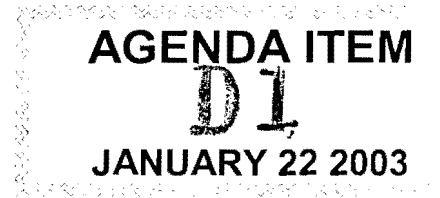
COUNTY NEGOTIATOR - PETE JENNY. REGARDING TERMS & PRICE. POSSIBLE LITIGATION INITIATION GC§54956.9

ADJOURN

There will be a Special Meeting January 31, 2003, at 9:00 a.m.

The next regular Board Meeting will be held on February 5, 2003, at 9:00 a.m.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: JANUARY 22, 2003



CITY INCORPORATION

ITEM

Paul Hood, LAFCo Executive Officer, will present information on incorporation

BACKGROUND

At the last Board meeting, your Honorable Board discussed the possibility of the District initiating incorporation proceedings through LAFCo. Mr. Paul Hood has graciously accepted an invitation to make a presentation to the Board about process of city incorporation.

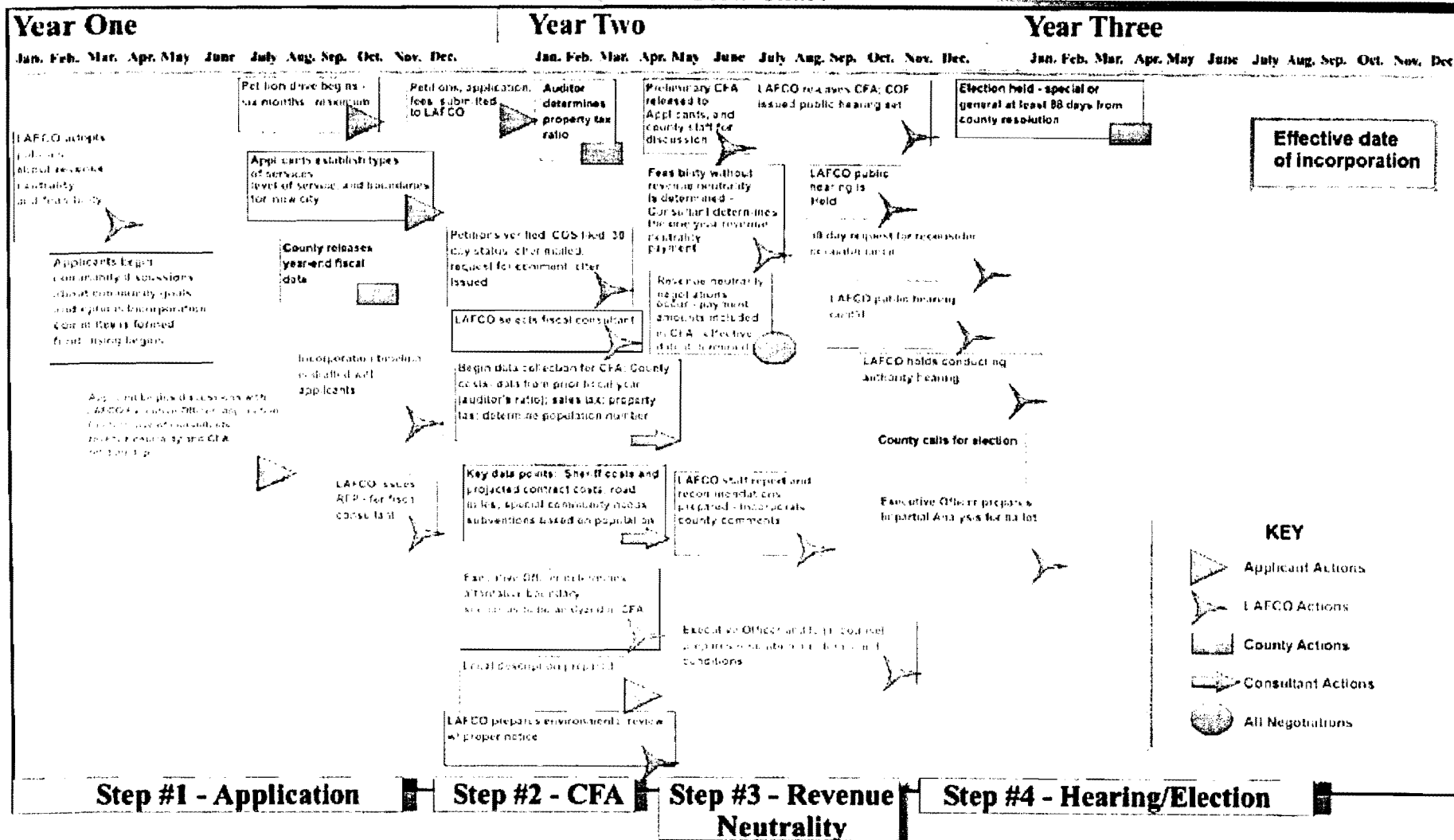
Attached is a flow chart outlining the incorporation procedure.


RECOMMENDATION

Your Honorable Board may direct staff how you wish to proceed in this matter.

Board 2003/City-Paul Hood.DOC

Incorporation Flow Chart



TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: JANUARY 22, 2003

AGENDA ITEM
D2
JANUARY 22 2003

SOLID WASTE FRANCHISE INTERIM RATE INCREASE

ITEM

Amend franchise agreement for an interim year rate adjustment and inclusion of cardboard recycling for commercial accounts

BACKGROUND

The District has acquired the solid waste franchise with Nipomo Garbage Service (South County Sanitation District) to provide trash collection service to the District. Section 22 C of the Franchise Agreement allows the franchiser to request interim year rate reviews. Attached is correspondence received from the South County Sanitation District (Nipomo Garbage) requesting an interim year rate adjustment for their services. The proposed rate increases for a single family residence are as follows:

Current Rate	Proposed Rate
32 gallon container \$13.07	\$13.62
64 gallon 18.73	19.52
96 gallon 24.55	25.58

The residential and non-residential rate increase is 4.21%. Attached is an ordinance adopting the schedule of the new rates including a recycling dumpster container section for picking up commercial cardboard for recycling. In the past, Ralcoa was collecting commercial cardboard, but may have gone out of business and no longer picked up the cardboard, creating a waste disposal problem. After the District received a number of calls, the Nipomo Garbage Co. was contacted and assisted in picking up the cardboard. Since there was not an official commercial recycling schedule in the franchise agreement, the recycle dumpster container rate has been incorporated into the ordinance to allow Nipomo Garbage to provide this service. The proposed rate is one-half the commercial dumpster container rate.

RECOMMENDATION

Staff recommends that your Honorable Board have the first reading of an ordinance adjusting the garbage collection rates for the Nipomo Garbage Co. This ordinance will be brought back to the next regular Board meeting (February 5, 2003) for the second reading and adoption.

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2003-_____**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE**

WHEREAS, pursuant to San Luis Obispo County Local Agency Formation Commission (LAFCO) Resolution 2001-02 the South County Sanitary Services, Inc. has an exclusive franchise to provide District residents with the collection and disposal of solid waste within their respective franchise areas ("Franchisee"); and

WHEREAS, Section 22 of the Franchise Agreement of the Nipomo Community Services District ("District Franchise Agreement") provides in relevant part:

- 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.
- 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.
- 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; and

WHEREAS, Franchisee filed its 2003 Interim Rate Increase proposal to increase revenues by 4.21 percent on January 10, 2003; and

WHEREAS, District Staff has reviewed Franchisee's submittal and confirms that the 4.21 percent rate increase is warranted under the Franchise Agreement; and

WHEREAS, Section 7.08.030 of the District Code states "rates and charges for residential and commercial solid waste collection shall be established by the District Board of Directors pursuant to District's Ordinance Adoption Policy. The rate schedule, as amended from time to time, for residential and commercial solid waste service shall be referenced as Appendix "A" to this Title; and

WHEREAS, based on the staff report, staff presentation, and public comment the District finds that:

1. The public meetings adopting this Ordinance have been properly noticed; and
2. The fees, rates and charges that are the subject of this Ordinance are fair and reasonably relate to the services provided.

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

Section 1. Authority.

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

Section 2. District Rates and Charges.

The Rates and Charges for Solid Waste Collection as identified in Exhibit "A" attached hereto are hereby adopted and approved and shall be identified as Appendix A to Title 7 of the District Code.

Section 3. Notice to Property Owners

Pursuant to Section 22(d) of the Franchise Agreement, thirty (30) days prior to the effective date of the rate change, Franchisee shall provide District customers with notice by letter that will include information about rates and services available to District customers. Said Notice shall be approved by the General Manager prior to mailing.

Section 4. Effective Date of Rate Change

The effective date of the rate change shall be April 1, 2003.

Section 5. CEQA Findings

The Board of Directors of the District finds that the fees and charges adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines

Section 15273. The Board of Directors further finds that the adoption of the Rules and Regulations established by this Ordinance fall within the activities described in Section 15061(b)(3) of the CEQA Guidelines which are deemed not to be "projects" for the purposes of CEQA, because it can be seen with certainty that there is no possibility that the adoption of the fees and charges referenced in this Ordinance will have a significant effect on the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 6. Severability

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

Section 7. Effect of Headings 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 8. Inconsistency

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

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 a newspaper of general circulation within the District.

Introduced at a regular meeting of the District Board of Directors held on _____, 2003, and passed and adopted by the District Board of Directors on the ____ day of _____, 2003, by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

Michael Winn, President
Nipomo Community Services District
Board of Directors

ATTEST:

Donna K. Johnson,
Secretary to the Board

T:\Jon\CLIENT\1NCSD\Matters\2003 Rate Increase - Solid Waste F-276\ORDINANCE revised 01-13-03.doc

Exhibit 'A'

4.21%

NIPOMO COMMUNITY SERVICE DISTRICT

ALL COMMERCIAL RATES EFFECTIVE 4-1-2003
ALL RESIDENTIAL RATES EFFECTIVE 4-1-2003

COMMERCIAL GARBAGE CANS (PER MONTH)						
COLLECTIONS PER WEEK						
number of cans	1	2	3	4	5	6
1	\$14.58	\$24.40	\$29.34	\$35.75	\$42.01	\$50.09
2	\$29.16	\$48.79	\$58.67	\$71.52	\$84.01	\$100.20

Maximum volume and weight per garbage can: 33 gallons and 80 pounds

Extra bags or cans above service level	\$3.57	Each
Commercial waste wheeler rent	\$1.04	per month

COMMERCIAL DUMPSTER CONTAINERS (PER MONTH)							
COLLECTIONS PER WEEK							
Size of container (cubic yards)	1	2	3	4	5	6	7
1	\$50.57	\$72.77	\$96.15	\$118.34	\$142.98	\$166.41	\$221.87
1.5	\$60.39	\$92.40	\$124.53	\$173.79	\$211.99	\$252.69	\$334.09
2	\$65.33	\$107.22	\$152.79	\$223.12	\$273.70	\$326.65	\$447.43
3	\$77.65	\$145.41	\$203.37	\$362.35	\$430.18	\$502.89	\$692.68
4	\$112.15	\$168.91	\$242.81	\$380.91	\$472.06	\$536.20	\$833.22

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

UNSCHEDULED EXTRA COLLECTIONS FOR COMMERCIAL CUSTOMERS PER YARD	\$7.58
SUNDAY SERVICE (IN ADDITION TO THE GARBAGE SERVICE LEVEL)	\$45.81

SINGLE FAMILY and MULTI-UNIT RESIDENTIAL (4 units or less)				
VOLUME-BASED RATES				
INCLUDES WASTE WHEELER(S) FOR GARBAGE, ORANGE BIN FOR RECYCLING				
GREENWASTE CUSTOMERS USE THEIR OWN CANS FOR GREENWASTE				
one can	32 gallon	WASTE WHEELERS	\$13.62	PER MONTH
two can	64 gallon	WASTE WHEELERS	\$19.52	PER MONTH
three can	96 gallon	WASTE WHEELERS	\$25.58	PER MONTH
four can	two-64 gallon	WASTE WHEELERS	\$30.46	PER MONTH
five can	one 64 & one 96 gallon	WASTE WHEELERS	\$35.34	PER MONTH
six can	two-96 gallon	WASTE WHEELERS	\$40.23	PER MONTH
DRIVE-IN CHARGE (SEE CRITERIA)			\$8.95	PER MONTH
EACH ADDITIONAL GREENWASTE CAN			\$3.50	PER MONTH
GARBAGE EXTRAS PER BAG/CAN			\$3.57	EACH

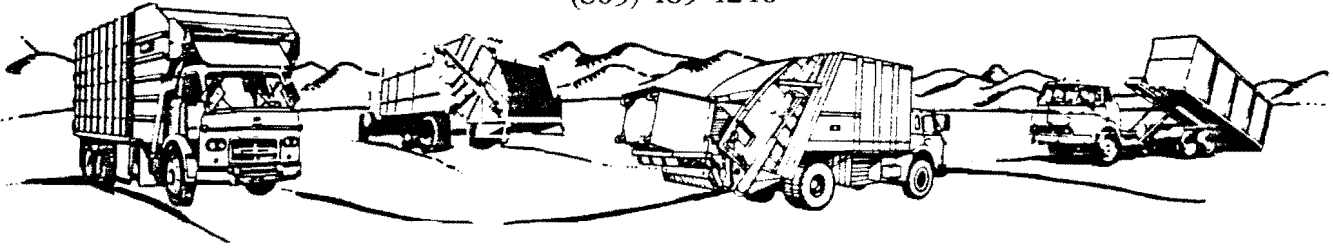
RECYCLING DUMPSTER CONTAINERS (PER MONTH)							
COLLECTIONS PER WEEK							
Size of container (cubic yards)	1	2	3	4	5	6	7
1/2	\$20.38	\$26.58	\$33.89	\$31.44	\$36.98		
1	\$25.29	\$36.39	\$48.08	\$59.17	\$71.49		
1.5	\$30.20	\$46.20	\$62.27	\$86.90	\$106.00	\$126.35	\$167.05
2	\$32.67	\$53.61	\$76.40	\$111.56	\$136.85	\$163.33	\$223.72
3	\$38.83	\$72.71	\$101.69	\$181.18	\$215.09	\$251.45	\$346.34
4	\$56.08	\$84.46	\$121.41	\$190.46	\$236.03	\$268.10	\$416.61

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

UNSCHEDULED EXTRA COLLECTIONS FOR COMMERCIAL CUSTOMERS PER YARD	\$3.79
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South County Sanitary Service Inc.

(805) 489-4246



Tri-City Disposal Service

(805) 489-3534

874 Grand Avenue

Grover Beach, California 93433

Nipomo Garbage Company

(805) 489-3534

Doug Jones
Nipomo Community Services District
148 South Wilson
Nipomo, CA 93444

January 10, 2003

Dear Doug,

Enclosed please find the 4-1-2003 Interim Year Rate Application. It was prepared in accordance with the Rate Setting Manual as in prior years. This is the 2nd interim request. A base year review will be prepared for the 4-1-04 time frame. Please feel free to have your staff call me if there are any questions at all. I generally can be reached at (805) 543-2910 x17. My cell number is (805) 471-7979.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Martin'.

Tom Martin
General Manager
Enclosure (1)

Interim Year Rate Adjustment Application

FOR: THE NIPOMO COMMUNITY SERVICE DISTRICT

Requested Increase

1. Rate Increase Requested 4.21%

Rate Schedule

	Current Rate	Increased Rate	Adjustment (a)	New Rate
Single Family Residential				
2. 32 gallon Waste Wheeler	\$13.07	\$13.62		\$13.62
3. 64 gallon Waste Wheeler	\$18.73	\$19.52		\$19.52
4. 96 gallon Waste Wheeler	\$24.55	\$25.58		\$25.58
5.				


5. **Multiunit Residential and Non-residential** 4.21%
 Rate increases of 4.21%
 will be applied to all rates in each structure

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the City of San Luis Obispo Rate Making Manual

Name: TOM MARTIN

Title: Controller

Signature: 

Date: 01/03/2003

Interim Year Rate Adjustment Application

Financial Information

Section I-Base Year Costs

Base Year Controllable Costs			
6.		Total Allowable Costs	\$4,874,002
7.	Plus	Allowable Operating Profit	\$423,826
8.	Plus	Lease Payments to Affiliated Companies	\$0
9.	Equals	Total Controllable costs	\$5,297,828 74.3%
Base Year Pass Through Costs			
10.		Tipping Fees	\$1,373,835
		Franchise Fees	\$461,906
11.	Plus	AB 939 and Regulatory Fees	\$0
12.	Equals	Total Pass Through Costs	\$1,835,741 25.7%
13.		Base Year Revenue Requirements (less Franchise Fee)	\$7,133,569 100%

Section II-Changes in Costs

Change in Controllable Cost			
14.		Historical Percentage Change in Consumer Price Index (July 2000 to July 2001)	3.3%
Change in Pass Through Cost			
15.		Base Year Tipping Fees	\$1,373,835
		Base Year Franchise Fees	\$461,906
16.	Plus	Base Year AB939 Fees	\$0
17.	Equals	Total Base Year Pass Through Costs	\$1,835,741
18.		Projected Interim Year Tipping Fees	\$1,469,082
		Projected Interim Year Franchise Fees	\$461,906
19.		Projected Interim Year AB939 Fees	\$0
20.	Equals	Total Projected Interim Year Pass Through costs	\$1,930,988
21.		Projected Percentage Change in Pass Through Costs	5.19%

Section III-Calculation of Percent Change in Rates

Weighted Change in Controllable Costs			
22.		Controllable Costs as a Percent of Base Year Revenue Requirements	74.3%
23.	Multiplied by	Percent change in CPI	3.3%
24.	Equals	Weighted Percent Change in Controllable Costs	2.45%
Weighted Change in Pass Through Costs			
25.		Pass Through Costs as a Percent of Base Yr Revenue Requirements	25.7%
26.	Multiplied by	Percent Change in Pass Through Costs	5.19%
27.	Equals	Weighted Percent Change in Pass Through Costs	1.3%
Total Change			
28.		Total Percent Change in Cost	3.79%
29.	Divided by	Adjustment for Franchise Fee	90.0%
30.	Equals	Percent change in Existing Rates	4.21%



U.S. Department of Labor
Bureau of Labor Statistics

Bureau of Labor Statistics Data



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Data extracted on: January 3, 2003 (1:12:52 PM)

Consumer Price Index - All Urban Consumers

12 Months Percent Change

Series Id: CUURA421SA0
Not Seasonally Adjusted
Area: Los Angeles-Riverside-Orange County, CA
Item: All items
Base Period: 1982-84=100

Year	Nov
1992	3.3
1993	2.3
1994	0.9
1995	1.0
1996	2.6
1997	1.5
1998	1.7
1999	2.3
2000	3.8
2001	2.7
2002	3.3

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Phone: (202) 691-5200
Fax-on-demand: (202) 691-6325
Data questions: blsdata_staff@bls.gov
Technical (web) questions: webmaster@bls.gov
Other comments: feedback@bls.gov

GARBAGE TRUCK LEDGER FROM COLD CANYON LANDFILL 2002

S.C. MAIN	BAL FWD	ROA	CHGS	TOTAL DUE
December-01	1,498,382.00	0.00	102,747.00	\$1,601,129.00
January-02		0.00	110,682.50	\$1,711,811.50
FEBRUARY		\$0.00	\$95,050.25	\$1,806,861.75
MARCH		\$0.00	\$102,459.50	\$1,909,321.25
APRIL		\$0.00	\$116,005.25	\$2,025,326.50
MAY		\$0.00	\$113,301.25	\$2,138,627.75
JUNE		\$2,245,582.25	\$106,954.50	\$0.00
JULY		\$126,678.25	\$126,678.25	\$0.00
AUGUST		\$122,799.25	\$122,799.25	\$0.00
SEPTEMBER		\$112,426.50	\$112,426.50	\$0.00
OCTOBER		\$112,799.75	\$112,799.75	\$0.00
NOVEMBER		\$109,369.75	\$109,369.75 (c)	\$0.00
DECEMBER				\$0.00
GRAND TOTAL	\$1,498,382.00	\$2,829,655.75	\$1,331,273.75	\$0.00
S.C. GREENWASTE	BAL FWD	ROA	CHGS	TOTAL DUE
December-01	\$9,782.25	\$0.00	\$6,911.50	\$16,693.75
January-02		\$16,693.75	\$9,639.50	\$9,639.50
FEBRUARY		\$0.00	\$8,135.25	\$17,774.75
MARCH		\$17,774.75	\$10,190.25	\$10,190.25
APRIL		\$10,190.25	\$12,898.00	\$12,898.00
MAY		\$0.00	\$12,548.75	\$25,446.75
JUNE		\$36,233.25	\$10,786.50	\$0.00
JULY		\$13,100.50	\$13,100.50	\$0.00
AUGUST		\$12,306.25	\$12,306.25	\$0.00
SEPTEMBER		\$11,102.25	\$11,102.25	\$0.00
OCTOBER		\$10,732.50	\$10,732.50	\$0.00
NOVEMBER		\$9,757.25	\$9,757.25 (1)	\$0.00
DECEMBER				\$0.00
GRAND TOTAL	\$9,782.25	\$137,890.75	\$128,108.50	\$0.00
S.C. EXTRAS	BAL FWD	ROA	CHGS	TOTAL DUE
December-01	\$493.25	\$0.00	\$503.00	\$996.25
January-02		\$996.25	\$582.25	\$582.25
FEBRUARY		\$0.00	\$218.75	\$801.00
MARCH		\$801.00	\$158.50	\$158.50
APRIL		\$158.50	\$5,685.25	\$5,685.25
MAY		\$0.00	\$34.00	\$5,719.25
JUNE		\$5,938.25	\$219.00	\$0.00
JULY		\$378.50	\$378.50	\$0.00
AUGUST		\$142.50	\$142.50	\$0.00
SEPTEMBER		\$1,195.75	\$1,195.75	\$0.00
OCTOBER		\$338.75	\$338.75	\$0.00
NOVEMBER		\$243.75	\$243.75 (2)	\$0.00
DECEMBER				\$0.00
GRAND TOTAL	\$493.25	\$10,193.25	\$9,700.00	\$0.00
donation from april (267.00) per tsm				
MORRO BAY MAIN	BAL FWD	ROA	CHGS	TOTAL DUE
December-01	\$43,647.25	\$43,647.25	\$19,048.25	\$19,048.25
January-02		\$19,048.25	\$19,687.50	\$19,687.50
FEBRUARY		\$19,048.25	\$16,833.00	\$17,472.25
MARCH DEBIT ADJ 9/01		\$17,472.25	\$19,515.50	\$19,515.50
APRIL		\$19,515.50	\$19,239.50	\$19,239.50
MAY		\$0.00	\$19,721.00	\$38,960.50
JUNE		\$57,340.00	\$18,379.50	\$0.00
JULY		\$22,585.50	\$22,585.50	\$0.00
AUGUST		\$21,840.75	\$21,840.75	\$0.00
SEPTEMBER		\$19,115.75	\$19,115.75	\$0.00
OCTOBER		\$19,990.50	\$19,990.50	\$0.00
NOVEMBER		\$18,247.50	\$18,247.50 (3)	\$0.00
DECEMBER				\$0.00
GRAND TOTAL	\$43,647.25	\$277,851.50	\$234,204.25	\$0.00

Solid Waste Fee Survey

Section I – Introduction

1. Name of City/County	Bakersfield	Redding	
2. Contact Person	Sal Moretti	Larry Morales	
3. Title of Contact Person			
4. Telephone Number	661-326-3114	530-224-6207	
5. Date Contacted	12-12-02	12-13-02	

Section II – General Information

6. Are residential curbside collection and disposal services provided by the municipality or private contractor?	City	City	
7. Is a franchise for refuse collection granted to the hauler?	No	No	
8. Is a franchise for recyclable material collection granted to the hauler?	No	No	
9. Is there a franchise fee? If so, how much is it?	No	No	
10. What is the franchise hauler's disposal cost per ton?	None City	None City	
11. Who bills customers?	City	City	

Section III – Residential Service

12. Are residential rates regulated?	Yes	Yes	
13. What is the monthly charge for residential service?	96 gal 12.00	64 gal 15.40 96 gal 16.40	
14. How many cans are picked up at this charge?	3	1	
15. What is the charge for additional cans?		14.40	

Solid Waste Fee Survey

Bakersfield

Rolling

Section III -- Residential Service (continued)

16. Is there a separate charge for yard waste collection?	No	No	
17. Are there any City-wide clean-up days provided at no additional charge by the hauler?	4x year drop off location	Yes Dec & April curb no bulky items	
18. Does your community have a curbside recycling program?	Yes	Yes	
19. Is there an additional charge to residents for this program, or is it included in the monthly charge for solid waste collection?	No	No	
20. If separate, what is the charge per month?	No	No	

Section V -- Non-residential Service

21. Are non-residential rates regulated?	Yes	Yes	
22. Provide the monthly fee for the following services, assuming pick-up is one time per week:			
23. 1 cubic yard	_____	_____	
24. 1 1/2 cubic yards	79.75	58.75	
25. 2 cubic yards	100.77	69.63	
26. 3 cubic yards	126.11	96.98	
27. 6 cubic yards	_____	167.85	
28. Effective period of rates quoted:	2002	2002	

Downtown are cans or bags

no bags toters used No bags toters used

Solid Waste Fee Survey

Section I -- Introduction

1. Name of City/County	Santa Maria	Davis	Raso Robles
2. Contact Person	Jackie	Merce	Charlene
3. Title of Contact Person			
4. Telephone Number	925-0951	530-756-4646	238-2381
5. Date Contacted	12-13-02	12-13-02	12-13-02

Section II -- General Information

6. Are residential curbside collection and disposal services provided by the municipality or private contractor?	City	Private	Private
7. Is a franchise for refuse collection granted to the hauler?	No	Yes	Yes
8. Is a franchise for recyclable material collection granted to the hauler?	No	No	Yes
9. Is there a franchise fee? If so, how much is it?	No	No	Don't know
10. What is the franchise hauler's disposal cost per ton?		36.00	Don't know
11. Who bills customers?	City	City	Private

Section III -- Residential Service

12. Are residential rates regulated?	Yes	Yes	Yes
13. What is the monthly charge for residential service?	60 gal 21.11 90 24.36	32 gal 24.39	40 gal 21.19 60 28.09 90 29.63
14. How many cans are picked up at this charge?	3 2	Unlimited	3
15. What is the charge for additional cans?	16.72	none	2.47

Solid Waste Fee Survey

SM

Davis

Paso

Section III -- Residential Service (continued)

16. Is there a separate charge for yard waste collection?	No does not offer	No	No
17. Are there any City-wide clean-up days provided at no additional charge by the hauler?	free designated days with ID card	1x drop off location	1x drop off location
18. Does your community have a curbside recycling program?	Yes	Yes	Yes
19. Is there an additional charge to residents for this program, or is it included in the monthly charge for solid waste collection?	no	no	no
20. If separate, what is the charge per month?	No	NO	No

Section V -- Non-residential Service

21. Are non-residential rates regulated?	Yes	Yes	Yes
22. Provide the monthly fee for the following services, assuming pick-up is one time per week:			
23. 1 cubic yard	None	72.01	None
24. 1 1/2 cubic yards	None	98.75	78.70
25. 2 cubic yards	131.81	120.92	92.59
26. 3 cubic yards	150.69	180.36	120.35
27. 6 cubic yards	169.57	346.59	None
28. Effective period of rates quoted:	2002	Aug 2001	1-2003

Need toters

Need toters

Need toters

Is the downtown area allowed to use bags or do they need cans or toters

Solid Waste Fee Survey

	<i>NAPA</i>	<i>NAPA AMERICAN</i>	<i>Monterey</i>
Section III -- Residential Service (continued)			
16. Is there a separate charge for yard waste collection?	No	No	No
17. Are there any City-wide clean-up days provided at no additional charge by the hauler?	2x year drop off location	2x year drop off location	every 4 months
18. Does your community have a curbside recycling program?	Yes	Yes	Yes
19. Is there an additional charge to residents for this program, or is it included in the monthly charge for solid waste collection?	No	No	No
20. If separate, what is the charge per month?	No	No	No

Section V -- Non-residential Service			
21. Are non-residential rates regulated?	Yes	Yes	Yes
22. Provide the monthly fee for the following services, assuming pick-up is one time per week:			
23. 1 cubic yard	None	None	None
24. 1 1/2 cubic yards	263.31	276.76	None
25. 2 cubic yards	338.52	360.29	108.87
26. 3 cubic yards	498.37	537.16	163.46
27. 6 cubic yards	959.18	1050.94	272.54
28. Effective period of rates quoted:	2002	2002	10-99 no increase

toters only
toters only
toters only

Is the downtown area allowed to use bags or do they need cans or toters

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JANUARY 22, 2003

AGENDA ITEM
DJ
JANUARY 22 2003

ANNEXATION NO. 22
TRACT 2384
PUDWILL

ITEM

Review annexation agreement to annex 40 acres at Dawn and Sun Dale Roads

BACKGROUND

At the regular meeting held on November 20, 2002, your Honorable Board reviewed the request for proposed Annexation No. 22 (Pudwill). Staff was directed to prepare an annexation agreement for Tract 2384, a 40 acre parcel at Dawn and Sun Dale Roads. Attached is the annexation agreement for the Board's review and possible approval.

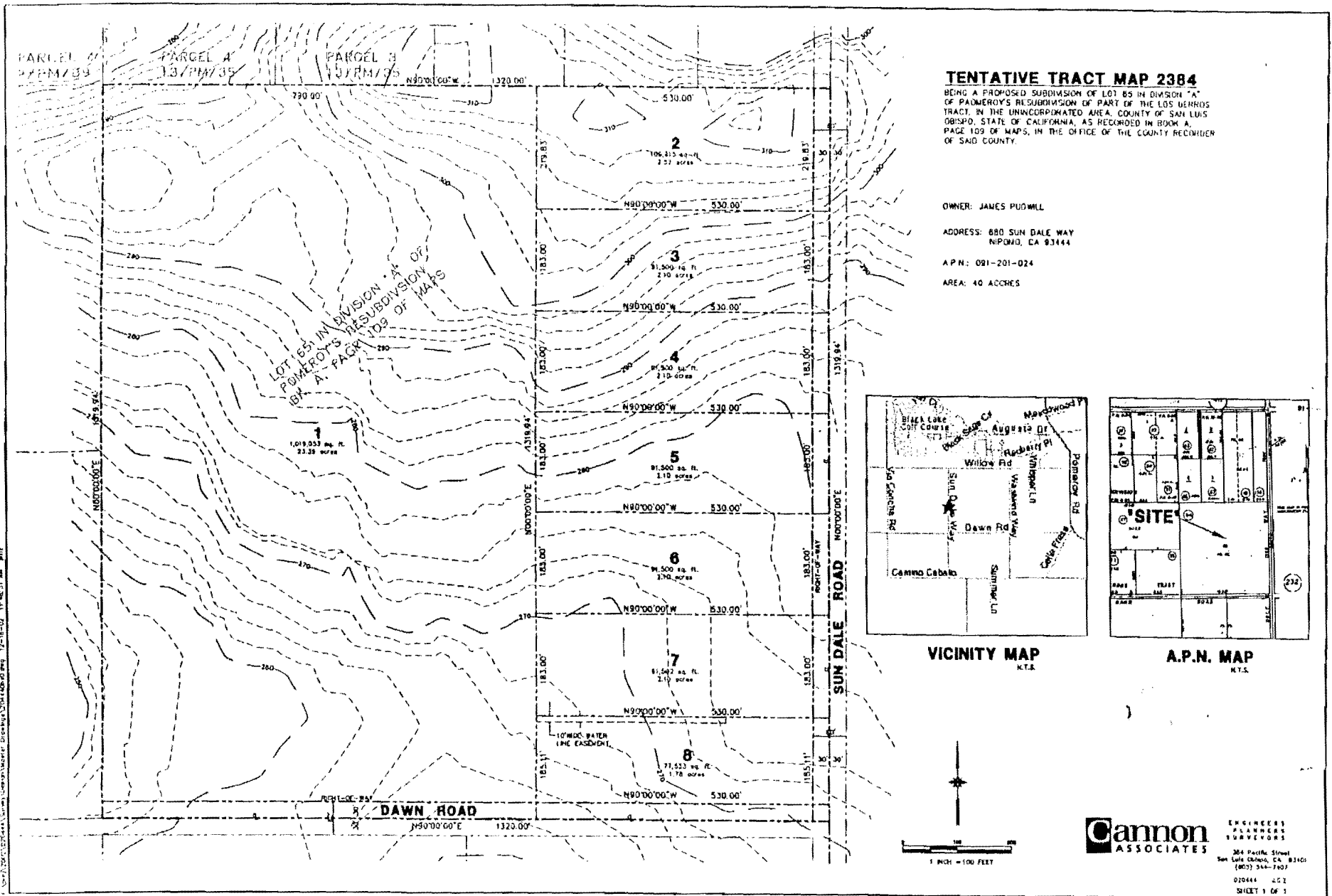
The applicant has applied to LAFCo for annexation to the District.

RECOMMENDATION

After your Honorable Board has reviewed the annexation agreement, you may direct staff to process the agreement.

Board 2003/Annex Pudwill.DOC

Exhibit 'A'



DEC 16 2002

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

December 23, 2002

COMMISSIONERS

Doug Jones
Nipomo CSD
P.O. Box 326
Nipomo, Ca 93444

RICHARD ROBERTS, Chair
Public Member

CAROLYN MOFFATT, Vice Chair
Special District Member

Subject: Annexation No. 22 to the Nipomo CSD (Tract 2384)

VACANCY
City Member

Dear Mr. Jones:

BARBARA MANN
Special District Member

I would appreciate receiving any comments that you may have regarding the above-referenced proposal. Please provide a plan for providing services to the proposed annexation area. A plan is required by the Government Code and should include the following:

DUANE PICANCO
City Member

- An enumeration and description of the services to be extended to the affected area;
- The level and range of those services;
- An indication of when those services can feasibly be extended to the affected area;
- An indication of any improvements or upgrading of structures, sewer or water facilities; and/or other conditions that would be imposed or required within the affected area; and
- Information with respect to how those services would be financed.

SHIRLEY BIANCHI
County Member

MICHAEL P. RYAN
County Member

ALTERNATES

KATCHO ACHADJIAN
County Member

VACANCY
Special District Member

TOM MURRAY
Public Member

Maps, a legal description, Justification of Proposal, and Environmental Assessment form are enclosed for your information. A response by January 6, 2003, would be greatly appreciated.

ALLEN SETTLE
City Member

Respectfully,

STAFF

PAUL L. HOOD
Executive Officer



RECEIVED

RAY BIERING
Legal Counsel

Paul L. Hood
Executive Officer

DEC 30 2002

DAVID CHURCH
LAFCO Analyst

Enclosures: Maps
Legal Description
Justification of Proposal
Environmental Assessment Form

INFORMATIONAL DISTRICT
SERVICES DISTRICT

LEAHA K. MAGEE
Clerk to the Commission

1042 Pacific Street, Suite A • San Luis Obispo, California 93401
Phone: 805.781.5795 Fax: 805.788.2072
www.siolafco.com

LOCAL AGENCY FORMATION COMMISSION
NOTICE TO COMMENCE NEGOTIATION
FOR TRANSFER OF PROPERTY TAX REVENUE

COPY

Proposed Jurisdictional Change: Annexation No. 22 to the Nipomo CSD (Tract 2499)

LAFCO File No: 9-R-02

Negotiating Agencies:

Nipomo CSD
County of San Luis Obispo

Agenda Date for
Start of Negotiations:

January 28, 2003

Subject Property:

<u>Tax Code Area</u>	<u>Parcel Nos.</u>	<u>Valuation</u>
052-041	091-201-024	\$543,824

Estimated property tax revenue generated within subject property: \$5,439 in fiscal year 2003-2004.

Property Tax attributed to following local agencies:

<u>Agency</u>	<u>Revenue from Proposed Annexation Area</u>
General Fund	\$1,474
Air Pollution Control	\$4
Special Roads	\$36
County Library	\$110
SLO Co Flood Control	\$16
Nacimiento Water Cons	\$17
Lucia Mar Unified	\$2,401
Port San Luis Harbor	\$79
County School Service	\$251
ERAF	\$615
Totals:	\$5,439

Percentage of annual tax increment to be exchanged: 6.05086%,

Negotiation Period: January 28, 2003 to April 1, 2003.

Property Tax Exchange effective fiscal year: 2003-2004.

By: _____
Paul L. Hood, Executive Officer

Date: January 13, 2003

Note: At close of negotiations, each agency shall immediately transmit to the LAFCO Executive Officer a certified copy of the resolution setting forth the amount of property tax revenue to be transferred. For dependent districts, the Clerk of the Board of Supervisors shall transmit a certified copy of the Board's resolution adopted on behalf of both parties. This will allow LAFCO to commence processing of the jurisdictional change.

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

APN# 091-201-024

Exhibit "A" – Legal Description
Exhibit "B" - Hourly Rates for District Staff and Consultants

ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL

THIS AGREEMENT, made this ___ day of _____, 2003, by and between the Nipomo Community Services District, (herein referred to as District), and Jim Pudwill, (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 the intersection of Dawn Road and Sun Dale Way otherwise known as Tract 2384. The subject Property is approximately 40 acres in area, is adjacent to the District boundary on Sun Dale Way. The Property is more particularly described on Exhibit A attached hereto and incorporated herein by reference.
- B. The Property is located outside the District's Sphere of Influence as established by the Local Agency Formation Commission ("LAFCO"). Further LAFCO is in the process of updating the District's Sphere of Influence.
- C. Applicant desires to annex the Property into the District. The annexation process is referred to herein as the "Project".
- D. The cost of processing the Project includes application fees, preparation of legal descriptions, processing costs (including environmental assessment expenses), District costs (including legal, engineering and administrative costs) LAFCO costs (including administrative costs and environmental assessment costs). Applicant acknowledges responsibility for payment of all processing costs of the District.

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

1. Project Description:

The Project shall consist of the Annexation of approximately forty (40) acres to be developed into seven (7) two acre parcels, one (1) 26 acre parcel with a maximum of eight (8) residential units.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL**

2. Phases:

The Project will be processed in phases as follows:

A. Phase I.

The parties shall work cooperatively to identify a supplemental water source for providing water to the Project, the cost of said supplemental water and the method for payment (herein "Supplemental Water Study"). The District Board of Directors shall approve the Supplemental Water Study prior to final LAFCO approval of the annexation of the Project.

B. Phase II.

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

3. Payment of Costs

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

B. At the time of execution of this Agreement, Applicant shall deposit with the District the sum of five thousand (\$5,000.00) 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 \$1,000.00 or less. Within 15 days after such notification is mailed, Applicant shall make an additional deposit in the same amount as the initial deposit.

C. 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.

4. Payment of District's Fees and Charges

A. Prior to final LAFCO approval of the proposed Annexation Applicant shall deposit with District the sum of twenty thousand dollars (\$20,000.00) representing the District's Annexation fee.

B. Prior to recording the final map or providing District service, whichever occurs first, Applicant shall pay District, District's then established connection and capacity charges for water service.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL**

5. Obligations 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. Water Infrastructure

Applicant agrees, in accordance with District's Standard Plan Check and Inspection Agreement, to construct, at its sole cost, water infrastructure to the area of Annexation and the development contained therein. Applicant acknowledges that said obligation to construct water infrastructure requires Applicant to pay prevailing wages.

D. Further Conditions

Comply with conditions placed on the Project as a result of the Supplemental Water Study.

E. LAFCO Conditions

Comply with all conditions placed on the Project by LAFCO.

6. Obligations 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.

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 3B, above.

District staff time and consultant time will be charged at the rates described in Exhibit B, attached hereto. If environmental consultants are required by District then Applicant shall be responsible for payment of such costs.

7. 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.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL**

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.

8. 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

Further, Applicant may terminate this Agreement with fifteen (15) days written notice to District. Termination shall not relieve Applicant of its responsibility for payment of District costs as provided in Section 2 of this Agreement.

9. 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.

10. 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.

11. 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL**

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

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

APPLICANT:

James Pudwill
880 Sun Dale Way
Nipomo, CA 93444

Greg Nester
111 Nelson Street
Arroyo Grande, CA 93420
(805) 481-5182

12. 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.

13. 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.

14. 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.

15. 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
JAMES PUDWILL**

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.

16. Recitals

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

17. 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: _____
James Pudwill
(Note: Signature must be notarized)

DISTRICT:

By: _____
Michael Winn,
President of the District
Board of Directors

Attest:

Approved as to form

Donna Johnson,
Secretary to the Board

Jon S. Seitz,
District Legal Counsel

ANNEX AGREEMENT PUDWILL

Exhibit 'A'

LEGAL DESCRIPTION

Real property in the unincorporated area , County of San Luis Obispo, State of California, described as follows:

Lot 65 in division "A" of Pomeroy's Resubdivision of part of the Los Berros Tract, in the unincorporated area, County of San Luis Obispo, State of California, as per map recorded in Book A, Page 109 of Maps, in the office of the County Recorder of said County.

Excepting therefrom one-half of all oil, gas and other hydrocarbon substances and minerals in or under said land.

EXHIBIT "B"

NIPOMO COMMUNITY SERVICES DISTRICT
HOURLY RATE SCHEDULE

General Manager	\$53.00
Assistant Administrator	\$31.77
Utility Supervisor	\$32.96
Secretary	\$23.16
Attorney	At hourly rate
Engineer	At hourly rate
Consultants	At hourly rate

RESOLUTION NO. 2003-PUDWILL

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 22, APPROXIMATELY 40 ACRES
LOCATED ADJACENT TO SUN DALE WAY, NIPOMO, CALIFORNIA**

WHEREAS, JAMES PUDWILL ("Applicant"), is the owner of certain real property (herein "Property") located at the intersection of Dawn Road and Sun Dale Way, Nipomo, California, otherwise known as Tract 2384, Assessor's Parcel Number 091-201-024; and

WHEREAS, Applicant desires to annex the Property to the Nipomo Community Services District ("District");

WHEREAS, this item was properly placed on the agenda for District consideration pursuant to the Ralph M. Brown Act; and

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

- A. That the above recitals are true and correct.
- B. That subject to Applicant satisfying the below specified conditions, the proposed annexation is consistent with the District's Annexation Policy. Said policies and supporting material are attached hereto as Exhibit "A".

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

That the Board of Directors of the District does approve the annexation of the Applicant's Property, subject to the following conditions:

1. That Applicant diligently comply with the Annexation Agreement.
2. That the District Board of Directors approve the Supplemental Water Supply Study referenced in Section 2A of the Annexation Agreement prior to final Local Agency Formation Commission ("LAFCO") approval.
3. That Applicant receives all required approvals and clearances from the LAFCO Commission and the County of San Luis Obispo, including but not limited to compliance with the California Environmental Quality Act and the Cortese Knox Hershberg Local Government Reorganization Act.
4. The issue of the property tax exchange is resolved either with the County of San Luis Obispo or by other acceptable proposals of the Applicant.

RESOLUTION NO. 2003-PUDWILL

D 3

A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 22, APPROXIMATELY 40 ACRES
LOCATED ADJACENT TO SUN DALE WAY, NIPOMO, CALIFORNIA

5. The Applicant enters into an agreement with the District to:
 - (a) Supply infrastructure to and within the proposed area of annexation at no cost to the District.
 - (b) Pay all District fees and costs associated with the annexation, including the District annexation fees.
6. The Applicant complies with all additional conditions that may be imposed by the District or LAFCO through the date of annexation.

NOW THEREFORE, BE IT FURTHER RESOLVED, DETERMINED AND ORDERED:

1. The Annexation Agreement ("Agreement") is hereby approved; and
2. The District President is authorized to sign the Agreement on behalf of the District.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this ____ day of ____, 2003, on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

RESOLUTION 2003-PUDWILL ANNEX

EXHIBIT "A"

**PROPOSED ANNEXATION NO. 22 – PUDWILL
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION**

1. CONSISTENCY WITH DISTRICT'S GENERAL POLICIES

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

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

FINDING:

The Applicant is the sole owner of the Property to be annexed and has signed a District Annexation Agreement, which includes a Supplemental Water Study to be approved by the Board as a condition to final LAFCO approval of the Annexation. (See Annexation Agreement Section 2A). The minimum lot size is two (2) acres and therefore qualifies for onsite wastewater disposal systems.

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

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

FINDING:

The Applicant has completed the District's Annexation Request Form which states that the Property is currently zoned RR (one (1) unit per five (5) acres). The Applicant desires to develop the forty (40) acres with eight (8) proposed residential units and therefore appears to be consistent with current County zoning. The long range impact on the District's water sources would equate to eight (8) residential units or approximately four to five (4-5) acre feet per year. The Project will not have an impact on the District's sewer service (see findings to Section 1A above).

RESOLUTION 2003-PUDWILL ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 22 – PUDWILL
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

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

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

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

FINDING:

The District opposes the formation of a Homeowner's Association to provide water service to projects on the Mesa. (See Section E below). Therefore there appears to be a bonafide need for NCSD water services.

The Applicant will pay the District five hundred dollars (\$500) per acre as the District's Annexation fee. The Annexation fee is in addition to the cost reimbursements required by the Annexation Agreement and represents lost property taxes that would have been collected by the District if the Property was included within the District when the District was initially formed.

Further the Applicant is willing to find supplemental water to provide water service to the proposed area of annexation (see Section 2A of the Agreement).

Therefore, in addition to the back payment of property taxes (five hundred dollars (\$500) per acre) the District residents would benefit from the Annexation's use of a supplemental water supply.

D. The proposed annexation area boundary should include all properties that may receive the proposed services to be provided. i.e. Use Rear Property lines rather than streets as boundary lines.

FINDING:

The property is adjacent to the District's boundary along Sun Dale Road.

E. The District is opposed to the formation of homeowner associations for the operation of water and/or sewer systems in the Nipomo Mesa area. Typically, associations lose efficiency over time and it becomes necessary for a public entity to take over their operations. A public entity operating from the beginning would eliminate the later acquisition and rejuvenation of the system at a potential additional cost to the property owners.

FINDING:

The proposed Annexation is consistent with this policy.

RESOLUTION 2003-PUDWILL ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 22 – PUDWILL
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

2. CONSISTENCY WITH GENERAL STANDARDS

A. The Board of Directors will consider the present capacity of its public facilities and the adequacy of those facilities to provide services to its current residents receiving service, those properties within the District that have paid capacity charges (issued Will-Serve Letters) but not currently being served, and other undeveloped property within the District boundaries.

FINDING:

The Applicant is required to identify a supplemental water source to provide water service to the proposed Annexation.

B. The Board of Directors will only consider annexations where it can be demonstrated that:

1. There is excess service capacity to provide services to the area of proposed annexation or:

2. The applicant demonstrates to the satisfaction of the Board of Directors that applicant, at its sole cost, has developed and dedicated to the District appropriate and/or sufficient resource capacity to supply the area of the annexation with District services prior to commencing construction of residential and/or commercial units.

FINDING:

The Applicant is willing to identify and use a supplemental water source to provide water service to the Project.

C. The District will consider a supplemental water in-lieu fee, which may be established from time to time, to acquire a supplemental water supply, provided that the Board of Directors first determines that there is adequate excess capacity to supply the area of annexation during the period of time reasonably determined to acquire said supplemental water.

FINDING:

The District may consider a supplemental water in-lieu fee based on the Supplemental Water Study that is required by Section 2A of the Annexation Agreement.

D. The Board will only consider "island" annexations when it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of the District and the applicant is willing to extend adequate facilities at no cost to the Nipomo Community Services District.

RESOLUTION 2003-PUDWILL ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 22 – PUDWILL
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

FINDING:

This is not an "island". The Property is located immediately adjacent to the District boundary and therefore is not an "island" annexation.

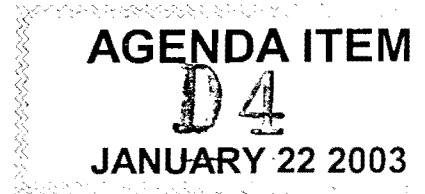
E. The Board of Directors will consider the policies of the Local Agency Formation Commission that apply to annexations and spheres' of influence.

FINDING:

The LAFCO is in the process of establishing the District's sphere of influence boundary. Further the proposed Annexation must comply with all current LAFCO policies and procedures as a condition of final Annexation (see Section 5E of the Annexation Agreement).

End of Exhibit A
Resolution 2003-Pudwill Annex

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JANUARY 22, 2003



ANNEXATION NO. 23
TRACT 2499
LEM

ITEM

Review annexation agreement to annex 18 acres at Pomeroy and Waypoint

BACKGROUND

At the regular meeting held on November 20, 2002, your Honorable Board reviewed the request for proposed Annexation No. 22 (LEM). Staff was directed to prepare an annexation agreement for Tract 2499, an 18-acre parcel at Pomeroy Road and Waypoint. Attached is the annexation agreement for the Board's review and possible approval.

The applicant has applied to LAFCo for annexation to the District.

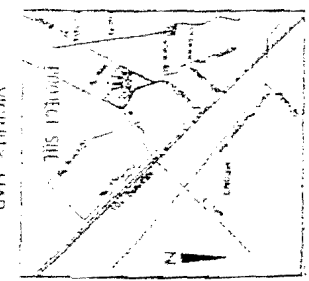
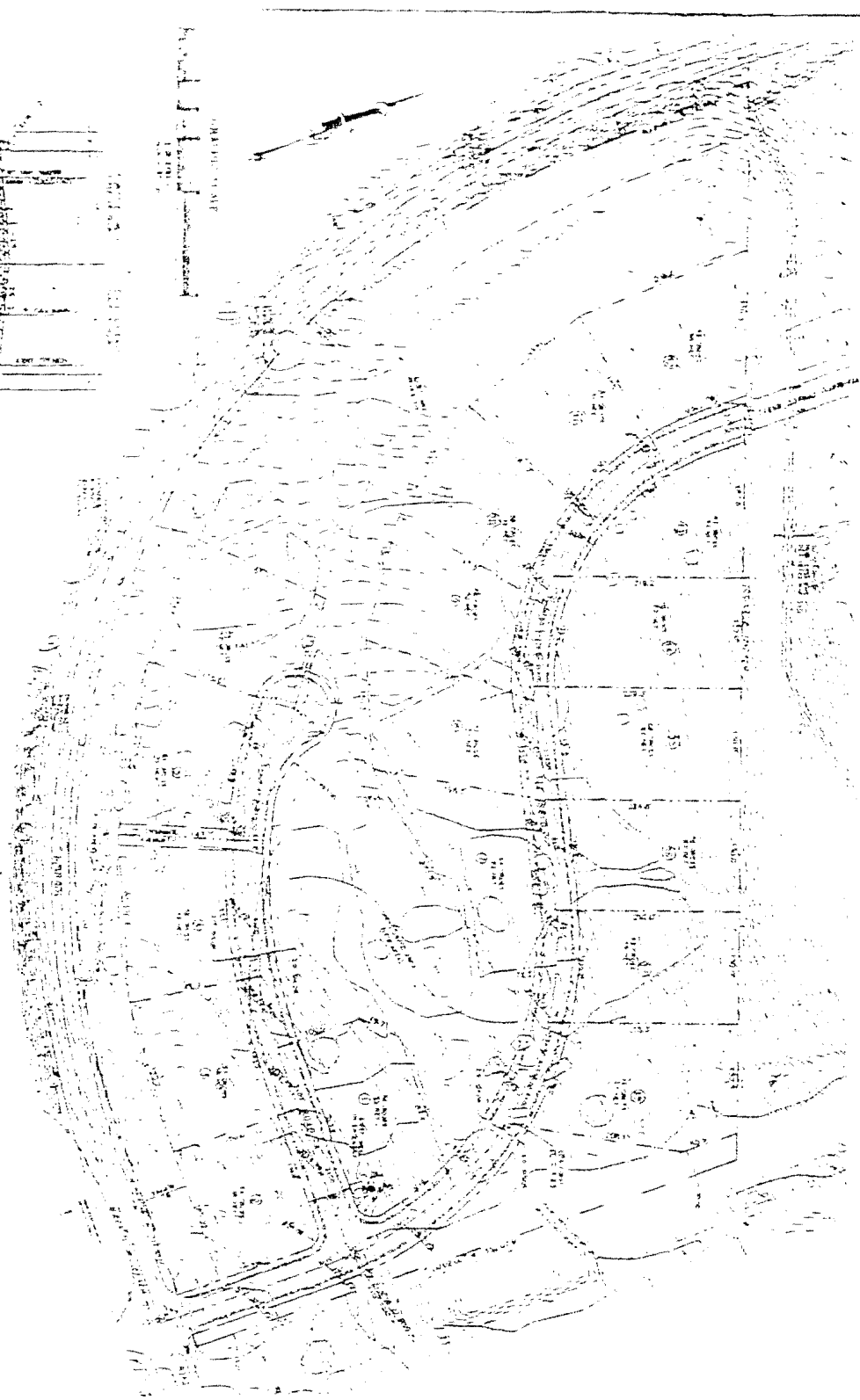
RECOMMENDATION

After your Honorable Board has reviewed the annexation agreement, you may direct staff to process the agreement.

Board 2003/Annex LEM.DOC

Usa Raha - Ph RII

Jan 06 03 03:43P



LEGEND
 SYMBOLS AND LINE TYPES
 ...
 ...

LEGAL DESCRIPTION
 BEING A PORTION OF A SECTION OF ...
 ...
 ...

OWNER'S CERTIFICATE

I, the undersigned, being the owner of the above described property, hereby certify that the same is as shown on the above described map and that the same is as shown on the above described map and that the same is as shown on the above described map.

ENGINEER'S CERTIFICATE

I, the undersigned, being a duly licensed professional engineer, hereby certify that the above described map is a true and correct representation of the same as shown on the above described map and that the same is as shown on the above described map.

VIA SLOO & BOND A LEGAL SECTION

TENTATIVE TRACT MAP 2499

NO.	DESCRIPTION	DATE	BY	FOR
1	PREPARED	1/1/03	[Signature]	OWNER
2	REVISION	1/1/03	[Signature]	OWNER
3	REVISION	1/1/03	[Signature]	OWNER
4	REVISION	1/1/03	[Signature]	OWNER
5	REVISION	1/1/03	[Signature]	OWNER
6	REVISION	1/1/03	[Signature]	OWNER
7	REVISION	1/1/03	[Signature]	OWNER
8	REVISION	1/1/03	[Signature]	OWNER
9	REVISION	1/1/03	[Signature]	OWNER
10	REVISION	1/1/03	[Signature]	OWNER

PREPARED BY: [Signature]
 ENGINEER: [Signature]
 CHECKED BY: [Signature]

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

APN# 091-232-014

Exhibit "A" – Legal Description
Exhibit "B" - Hourly Rates for District Staff and Consultants

ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM

THIS AGREEMENT, made this ___ day of _____, 2003, by and between the Nipomo Community Services District, (herein referred to as District), and Hoy Lem, (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 the intersection of Pomeroy and Waypoint, otherwise known as Tract 2499. The subject Property is approximately 18 acres in area, is adjacent to the District boundary on Pomeroy Road. The Property is more particularly described on Exhibit A attached hereto and incorporated herein by reference.
- B. The Property is located outside the District's Sphere of Influence as established by the Local Agency Formation Commission ("LAFCO"). Further LAFCO is in the process of updating the District's Sphere of Influence.
- C. Applicant desires to annex the Property into the District. The annexation process is referred to herein as the "Project".
- D. The cost of processing the Project includes application fees, preparation of legal descriptions, processing costs (including environmental assessment expenses), District costs (including legal, engineering and administrative costs) LAFCO costs (including administrative costs and environmental assessment costs). Applicant acknowledges responsibility for payment of all processing costs of the District.

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

1. Project Description:

The Project shall consist of the annexation of approximately eighteen (18) acres to be developed into eighteen (18) one-half acre parcels and one (1) 9-acre open space parcel.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM**

2. Phases:

The Project will be processed in phases as follows:

A. Phase I.

The parties shall work cooperatively to identify a supplemental water source for providing water to the Project, the cost of said supplemental water and the method for payment (herein "Supplemental Water Study"). The District Board of Directors shall approve the Supplemental Water Study prior to final LAFCO approval of the annexation of the Project.

B. Phase II.

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

3. Payment of Costs

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

B. At the time of execution of this Agreement, Applicant shall deposit with the District the sum of five thousand (\$5,000.00) 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 \$1,000.00 or less. Within 15 days after such notification is mailed, Applicant shall make an additional deposit in the same amount as the initial deposit.

C. 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.

4. Payment of District's Fees and Charges

A. Prior to final LAFCO approval of the proposed Annexation Applicant shall deposit with District the sum of nine thousand dollars (\$9,000.00) representing the District's Annexation fee.

B. Prior to recording the final map or providing District service, whichever occurs first, Applicant shall pay District, District's then established connection and capacity charges for water service.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM**

5. Obligations 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. Water Infrastructure

Applicant agrees, in accordance with District's Standard Plan Check and Inspection Agreement, to construct, at its sole cost, water infrastructure to the area of Annexation and the development contained therein. Applicant acknowledges that said obligation to construct water infrastructure requires Applicant to pay prevailing wages.

D. Further Conditions

Comply with conditions placed on the Project as a result of the Supplemental Water Study.

E. LAFCO Conditions

Comply with all conditions placed on the Project by LAFCO.

6. Obligations 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.

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 3B, above.

District staff time and consultant time will be charged at the rates described in Exhibit B, attached hereto. If environmental consultants are required by District then Applicant shall be responsible for payment of such costs.

7. 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.

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM**

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.

8. 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

Further, Applicant may terminate this Agreement with fifteen (15) days written notice to District. Termination shall not relieve Applicant of its responsibility for payment of District costs as provided in Section 2 of this Agreement.

9. 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.

10. 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.

11. 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM**

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

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

APPLICANT:

Hoy Lem
3904 W 182nd St
Torrance, CA 90504

Greg Nester
111 Nelson Street
Arroyo Grande, CA 93420
(805) 481-5182

12. 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.

13. 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.

14. 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.

15. 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
HOY LEM**

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.

16. Recitals

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

17. 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: _____
Hoy Lem
(Note: Signature must be notarized)

DISTRICT:

By: _____
Michael Winn,
President of the District
Board of Directors

Attest:

Approved as to Form

Donna Johnson,
Secretary to the Board

Jon S. Seitz,
District Legal Counsel

ANNEX AGREEMENT LEM

Exhibit 'A'

LEGAL DESCRIPTION

BEING A DIVISION OF A PORTION OF LOT 55 IN
DIVISION B OF POMEROY'S RESUBDIVISION OF PART
OF THE LOS BERROS TRACT, PER A/MAPS/109 AS
FILED IN THE OFFICE OF THE COUNTY RECORDER,
LYING IN THE COUNTY OF SAN LUIS OBISPO, STATE
OF CALIFORNIA

APN: 091-232-014

EXHIBIT "B"

NIPOMO COMMUNITY SERVICES DISTRICT
HOURLY RATE SCHEDULE

General Manager	\$53.00
Assistant Administrator	\$31.77
Utility Supervisor	\$32.96
Secretary	\$23.16
Attorney	At hourly rate
Engineer	At hourly rate
Consultants	At hourly rate

RESOLUTION NO. 2003-LEM

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 23, APPROXIMATELY 18 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA**

WHEREAS, HOY LEM ("Applicant"), is the owner of certain real property (herein "Property") located at the intersection of Pomeroy Road at Waypoint, Nipomo, California, otherwise known as Tract 2499, Assessor's Parcel Number 091-232-014; and

WHEREAS, Applicant desires to annex the Property to the Nipomo Community Services District ("District");

WHEREAS, this item was properly placed on the agenda for District consideration pursuant to the Ralph M. Brown Act; and

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

- A. That the above recitals are true and correct.
- B. That subject to Applicant satisfying the below specified conditions, the proposed annexation is consistent with the District's Annexation Policy. Said policies and supporting material are attached hereto as Exhibit "A".

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

That the Board of Directors of the District does approve the annexation of the Applicant's Property, subject to the following conditions:

1. That Applicant diligently comply with the Annexation Agreement.
2. That the District Board of Directors approve the Supplemental Water Supply Study referenced in Section 2A of the Annexation Agreement prior to final Local Agency Formation Commission ("LAFCO") approval.
3. That Applicant receives all required approvals and clearances from the LAFCO Commission and the County of San Luis Obispo, including but not limited to compliance with the California Environmental Quality Act and the Cortese Knox Hershberg Local Government Reorganization Act.
4. The issue of the property tax exchange is resolved either with the County of San Luis Obispo or by other acceptable proposals of the Applicant.

RESOLUTION NO. 2003-LEM

A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 23, APPROXIMATELY 18 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA

5. The Applicant enters into an agreement with the District to:
 - (a) Supply infrastructure to and within the proposed area of annexation at no cost to the District.
 - (b) Pay all District fees and costs associated with the annexation, including the District annexation fees.
6. The Applicant complies with all additional conditions that may be imposed by the District or LAFCO through the date of annexation.

NOW THEREFORE, BE IT FURTHER RESOLVED, DETERMINED AND ORDERED:

1. The Annexation Agreement ("Agreement") is hereby approved; and
2. The District President is authorized to sign the Agreement on behalf of the District.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this ____ day of ____, 2003, on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

RESOLUTION 2003-LEM ANNEX

EXHIBIT "A"

**PROPOSED ANNEXATION NO. 22 – LEM
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION**

1. CONSISTENCY WITH DISTRICT'S GENERAL POLICIES

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

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

FINDING:

The Applicant is the sole owner of the Property to be annexed and has signed a District Annexation Agreement, which includes a Supplemental Water Study to be approved by the Board as a condition to final LAFCO approval of the Annexation. (See Annexation Agreement Section 2A). The minimum lot size is one-half (½) acre and therefore qualifies for onsite wastewater disposal systems.

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

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

FINDING:

The Applicant has completed the District's Annexation Request Form which states that the Property is currently zoned RR (one (1) unit per eighteen (18) acres. The Applicant desires to develop the eighteen (18) acres with eighteen (18) proposed residential units and therefore appears to be consistent with current County zoning. The long range impact on the District's water sources would equate to eighteen (18) residential units or approximately ten (10) acre feet per year. The Project will not have an impact on the District's sewer service (see findings to Section 1A above).

RESOLUTION 2003-LEM ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 23 – LEM
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

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

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

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

FINDING:

The District opposes the formation of a Homeowner's Association to provide water service to projects on the Mesa. (See Section E below). Therefore, there appears to be a bonafide need for NCSD water services.

The Applicant will pay the District five hundred dollars (\$500) per acre as the District's Annexation fee. The Annexation fee is in addition to the cost reimbursements required by the Annexation Agreement and represents lost property taxes that would have been collected by the District if the Property was included within the District when the District was initially formed.

Further the Applicant is willing to find supplemental water to provide water service to the proposed area of annexation (see Section 2A of the Agreement).

Therefore, in addition to the back payment of property taxes (five hundred dollars (\$500) per acre) the District residents would benefit from the Annexation's use of a supplemental water supply.

D. The proposed annexation area boundary should include all properties that may receive the proposed services to be provided. i.e. Use rear property lines rather than streets as boundary lines.

FINDING:

The property is adjacent to the District's boundary along Pomeroy Road.

E. The District is opposed to the formation of homeowner associations for the operation of water and/or sewer systems in the Nipomo Mesa area. Typically, associations lose efficiency over time and it becomes necessary for a public entity to take over their operations. A public entity operating from the beginning would eliminate the later acquisition and rejuvenation of the system at a potential additional cost to the property owners.

FINDING:

The proposed Annexation is consistent with this policy.

RESOLUTION 2003-LEM ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 23 – LEM
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

2. CONSISTENCY WITH GENERAL STANDARDS

A. The Board of Directors will consider the present capacity of its public facilities and the adequacy of those facilities to provide services to its current residents receiving service, those properties within the District that have paid capacity charges (issued Will-Serve Letters) but not currently being served, and other undeveloped property within the District boundaries.

FINDING:

The Applicant is required to identify a supplemental water source to provide water service to the proposed Annexation.

B. The Board of Directors will only consider annexations where it can be demonstrated that:

1. There is excess service capacity to provide services to the area of proposed annexation or:

2. The applicant demonstrates to the satisfaction of the Board of Directors that applicant, at its sole cost, has developed and dedicated to the District appropriate and/or sufficient resource capacity to supply the area of the annexation with District services prior to commencing construction of residential and/or commercial units.

FINDING:

The Applicant is willing to identify and use a supplemental water source to provide water service to the Project.

C. The District will consider a supplemental water in-lieu fee, which may be established from time to time, to acquire a supplemental water supply, provided that the Board of Directors first determines that there is adequate excess capacity to supply the area of annexation during the period of time reasonably determined to acquire said supplemental water.

FINDING:

The District may consider a supplemental water in-lieu fee based on the Supplemental Water Study that is required by Section 2A of the Annexation Agreement.

D. The Board will only consider "island" annexations when it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of the District and the applicant is willing to extend adequate facilities at no cost to the Nipomo Community Services District.

RESOLUTION 2003-LEM ANNEX

EXHIBIT "A"

PROPOSED ANNEXATION NO. 23 – LEM
STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

FINDING:

This is not an "island". The Property is located immediately adjacent to the District boundary and therefore is not an "island" annexation.

E. The Board of Directors will consider the policies of the Local Agency Formation Commission that apply to annexations and spheres' of influence.

FINDING:

The LAFCO is in the process of establishing the District's sphere of influence boundary. Further the proposed Annexation must comply with all current LAFCO policies and procedures as a condition of final Annexation (see Section 5E of the Annexation Agreement).

End of Exhibit A
Resolution 2003-LEM Annex

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: JANUARY 22, 2003

AGENDA ITEM
E1
JANUARY 22, 2003

YEAR 2003 DISTRICT INVESTMENT POLICY

ITEM

Annual adoption of District Investment Policy

BACKGROUND

The California Government Code Section 53646 (2) requires local government entities to adopt an annual investment policy.

GC§ 52646(2) reads as follows:

In the case of any other local agency, the treasurer or chief fiscal officer of the local agency shall annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting, Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

Your Honorable Board adopted an investment policy for last year and it is proposed that the same investment policy be continued. Attached for the Board's review is the Year 2003 Investment Policy along with a resolution for adopting the policy.

RECOMMENDATION

Staff recommends that the Board approve Resolution 2003-invest adopting the Year 2003 District Investment Policy.

Board 2003\Investment policy.DOC

RESOLUTION NO. 2003-INVESTMENT

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2003 DISTRICT INVESTMENT POLICY**

WHEREAS, the Board of Directors of the Nipomo Community Services District believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle, and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District hereby adopts a District investment policy attached hereto as Exhibit "A".

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 22ND day of January, 2003 on the following roll call vote:

AYES: Directors

NOES:

ABSENT:

ABSTAIN:

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of Nipomo Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Administrative Assistant shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code § 61730)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors California Government Code § 61737.02).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs **A** (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

7. REPORTS

A. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.B, above.

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of Nipomo Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Administrative Assistant shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

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4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs **A** (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

**RESOLUTION 2003-inv
EXHIBIT A**

**YEAR 2003 INVESTMENT POLICY
NIPOMO COMMUNITY SERVICES DISTRICT**

7. REPORTS

A. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.B, above.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JANUARY 22, 2003

AGENDA ITEM
F
JANUARY 22, 2003

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]
Minutes of January 8, 2003, Regular Board meeting
- F-3) 2002 FOURTH QUARTER INVESTMENT REPORT [RECEIVE & FILE]
- F-4) 2002/2003 SECOND QUARTER FINANCIAL REPORT [RECEIVE & FILE]

WARRANTS JANUARY 22, 2003

**AGENDA ITEM
F-1
JANUARY 22, 2003**

HAND WRITTEN CHECKS

18581	01-06-03	POSTMASTER	95.044
18582	01-07-03	POSTMASTER	302.36
18583	01-15-03	POSTMASTER	334.76
18584	01-17-03	POSTMASTER	392.48

COMPUTER GENERATED CHECKS

VOID 7639

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
7669	01/17/03	EMP01	EMPLOYMENT DEVELOP DEPT	442.41	.00	442.41	A30113	STATE INCOME TAX
7670	01/17/03	MID01	MIDSTATE BANK-PR TAX DEP	1727.23 428.36	.00 .00	1727.23 428.36	A30113 1A30113	FEDERAL INCOME TAX MEDICARE (FICA)
			Check Total.....:	2155.59	.00	2155.59		
7671	01/17/03	MID02	MIDSTATE BANK - DIRECT DP	12908.36	.00	12908.36	A30113	NET PAY DEDUCTION
7672	01/17/03	PER01	PERS RETIREMENT	2214.42	.00	2214.42	A30113	PERS PAYROLL REMITTANCE
7673	01/17/03	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A30113	WAGE ASSIGNMENT
7674	01/17/03	STA01	STATE STREET GLOBAL	735.00	.00	735.00	A30113	DEFERRED COMP
007675	01/22/03	BLA01	BLAIR, ROBERT L	100.00	.00	100.00	012203	REG BD MEETING 012203
007676	01/22/03	CAR02	JACK CARSON	2000.00	.00	2000.00	20791	REIMBURSEMENT FOR PRESSUR
07677	01/22/03	COM02	COMMUNICATION SOLUTIONS	414.64 290.00 217.50	.00 .00 .00	414.64 290.00 217.50	3110 3112 3113	REPAIR WORK - EUREKA WELL REPAIR WORK-EUREKA & VIA REPAIR WORK - EUREKA WELL
			Check Total.....:	922.14	.00	922.14		
007678	01/22/03	COU01	COURIER SYSTEMS	115.00	.00	115.00	101360	LAB PICK UP
007679	01/22/03	CRE01	CREEK ENVIRONMENTAL LABS	30.00 30.00 30.00	.00 .00 .00	30.00 30.00 30.00	J5033 K0007 K0019	BL WWTP LAB BL WWTP LAB BL WWTP LAB
			Check Total.....:	90.00	.00	90.00		
007680	01/22/03	DEN01	DENDY & ASSOCIATES	3810.61	.00	3810.61	DEC02	WOODLANDS CONSULTING
007681	01/22/03	EAG01	EAGLE COMMUNICATIONS	631.28	.00	631.28	6953	INSTALL CONFERENCE LINE
007682	01/22/03	FGL01	FGL ENVIRONMENTAL	680.00 44.80 44.80 44.80 44.80	.00 .00 .00 .00 .00	680.00 44.80 44.80 44.80 44.80	212977 209782A 212984A 213214A 213215A	CHROMIUM VI WELL MONITORI NIPOMO WWTP LAB NIPOMO WWTP LAB NIPOMO WWTP LAB BL WWTP LAB
			Check Total.....:	859.20	.00	859.20		
007683	01/22/03	GAR01	GARING TAYLOR & ASSOC	3877.36 1131.00 780.73 345.50 3174.32	.00 .00 .00 .00 .00	3877.36 1131.00 780.73 345.50 3174.32	3151 3152 3153 3154 3155	WOODLANDS TEFFT WATER LINE IMG TANK DESIGN TEFFT L/S BID ADMIN-MVII PROJECT
			Check Total.....:	9308.91	.00	9308.91		
007684	01/22/03	GRO01	GROENIGER & CO	2331.66	.00	2331.66	11012169	MISC SUPPLIES
007685	01/22/03	GSI01	GSI SOILS, INC.	1072.50	.00	1072.50	8630	TEFFT ST WATERLINE
007686	01/22/03	HAY01	HAYES & SONS	725.00	.00	725.00	501091	PAVE PINO SOLO
007687	01/22/03	MID05	MID STATE BANK PETTY CASH	185.71	.00	185.71	011403	MISC SUPPLIES
007688	01/22/03	MIS01	MISSION UNIFORM SERVICE	199.57	.00	199.57	123102	UNIFORMS
007689	01/22/03	NIP01	NICKSON'S MACHINE SHOP	1986.33	.00	1986.33	1020849	SUNDALE WELL
007690	01/22/03	NIP01	NIPOMO ACE HARDWARE INC	93.87	.00	93.87	123102	MISC SUPPLIES

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
007691	01/22/03	NIP03	NIPOMO SHELL	582.21	.00	582.21	0212	GASOLINE FOR TRUCKS
007692	01/22/03	ONE01	1-800-CONFERENCE	72.71	.00	72.71	3258	CONFERENCE CALL 12/11/02
007693	01/22/03	PAC01	PACBELL/WORLDCOM	35.48 72.98 65.35	.00 .00 .00	35.48 72.98 65.35	T0956654 T0956656 T0956657	PHONE PHONE PHONE
			Check Total.....:	173.81	.00	173.81		
007694	01/22/03	PGE01	P G & E	37637.89	.00	37637.89	010303	ELECTRICITY
007695	01/22/03	PRO01	PROTO DIE MANUFACTURING	265.00	.00	265.00	2675	WISE & GRINDER MAINT
007696	01/22/03	PUL01	PULITZER CENTRAL COAST NP	648.00 540.00 84.00	.00 .00 .00	648.00 540.00 84.00	134129 134130 134131	PUBLIC NOTICE ORD 2003-95 PUBLIC NOTICE FEE ORD PUBLIC NOTICE REPEAL CHAP
			Check Total.....:	1272.00	.00	1272.00		
007697	01/22/03	QUI01	QUILL CORPORATION	1099.64	.00	1099.64	7658234	CONFERENCE PHONE
007698	01/22/03	SHI01	SHIPSEY & SEITZ, INC	11862.48	.00	11862.48	121302	LEGAL SERVICES
007699	01/22/03	SLO02	DIV OF ENVIRON HEALTH	520.00 1058.32	.00 .00	520.00 1058.32	24755 24803	LAB CROSS CONNECTION
			Check Total.....:	1578.32	.00	1578.32		
007700	01/22/03	SOU01	SOUTH COUNTY SANITARY	14.99	.00	14.99	176794	TRASH COLLECTION
007701	01/22/03	THE01	THE GAS COMPANY	50.00	.00	50.00	123102	SUNDALE WELL GAS
007702	01/22/03	TIE01	TIERRA CONTRACTING, INC.	58050.00	.00	58050.00	1885	PROGRESS BILLING-MVII
007703	01/22/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	012203	REG BD MEETING 012203
007704	01/22/03	TRO02	CLIFF TROTTER	57.08	.00	57.08	011102	CSDA SEMINAR
007705	01/22/03	USA01	USA BLUEBOOK	781.45	.00	781.45	624177	PAPER FILTERS/SEWER BLOWE
007706	01/22/03	VAL01	VALLEY SEPTIC SERVICE	327.00 346.80	.00 .00	327.00 346.80	1040 1042	JETTING PALMS LIFT STN JETTING TO PALMS LIFT STN
			Check Total.....:	673.80	.00	673.80		
007707	01/22/03	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	012203	REG BD MEETING 012203
007708	01/22/03	WHI01	WHITAKER CONTRACTORS INC.	150878.56 72659.48	.00 .00	150878.56 72659.48	0220-04 0220-X4	PROGRESS BILLING-TEFFT WA PROGRESS BILLING-TEFFT WA
			Check Total.....:	223538.04	.00	223538.04		
007709	01/22/03	WIN01	WINN, MICHAEL	100.00	.00	100.00	012203	REG BD MEETING 012203
007710	01/22/03	WIR02	WIRSING, JUDY	100.00	.00	100.00	012203	REG BD MEETING 012203

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

JANUARY 8, 2003

REGULAR MEETING 9:00 A.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

BOARD MEMBERS

MICHAEL WINN, PRESIDENT
JUDITH WIRSING, VICE PRESIDENT
ROBERT BLAIR, DIRECTOR
CLIFFORD TROTTER, DIRECTOR
LARRY VIERHEILIG, DIRECTOR

STAFF

DOUGLAS JONES, GENERAL MANAGER
DONNA JOHNSON, SEC. TO THE BOARD
MICHAEL SEITZ, DEPUTY 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 NEXT RESOLUTION 2003-848

President Winn called the meeting to order at 9:00 a.m. and led the flag salute.

- B. ROLL CALL NEXT ORDINANCE 2003-95

At Roll Call, all Board members were present.

- C. PUBLIC COMMENTS PERIOD

PUBLIC COMMENTS

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board.

Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.

The following member of the public spoke:

Jim McGillis, office inside District – Referred to an article in the newspaper about the number of houses to be built in Nipomo. "Don't believe everything you read."

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

- D-1) WATER AND WASTEWATER PROPOSED RATE INCREASES

Second reading and adoption of an ordinance to increase water & wastewater rates/capacity fees

The Board discussed the ordinance on the table. There was no public comment.

Upon motion of Director Vierheilg and seconded by Director Blair, the Board unanimously approved Ordinance 2003-95, adjusting the water and sewer rates. Vote 5-0

ORDINANCE NO. 2003-RATES

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING TITLE 3 AND TITLE 4 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO

- (1) ESTABLISH BI-MONTHLY RATES FOR WATER AND SEWER SERVICE;
- (2) ESTABLISH CAPACITY CHARGES FOR WATER AND SEWER SERVICE; AND
- (3) REAFFIRM PRIVATE FIRE SERVICE MONTHLY FEES AND CAPACITY CHARGES

- D-2) MUNICIPAL FINANCIAL CONSULTANT SERVICES

Agreement with Perry Louck, CPA, for financial services for issuance of indebtedness.

The Board discussed a proposal from Mr. Perry Louck, CPA to perform a municipal financial consultant service.

There was no public comment.

Upon motion of Director Trotter and seconded by Director Blair, the Board unanimously approved Resolution 2003-848 accepting the proposal from Mr. Louck. Vote 5-0

E. OTHER BUSINESS

E-1) CITY INCORPORATION

Review procedure for the District to initiate incorporation

The Board discussed the possibility of the District initiating city incorporation. The following members of the public spoke:

Jim Kinneger, 660 Camino Roble – In favor of incorporation

Jim McGillis, office inside District – In favor of incorporation study

Guy Murray, local resident – In favor of incorporation

Ed Eby, Inside District – Cautioned Board and asked questions to be answered.

“What role would NCSD play? Who pays for the feasibility study? What authority to give money? Which funds would study be paid from?”

Homer Fox, Inside District – In favor of incorporation

Pastor Bill Johnson, Inside District – In favor of incorporation

The Board directed staff to invite Mr. Hood to make a presentation about incorporation. Director Trotter wanted it on the record that he is not against incorporation, he is simply cautioning the Board.

E-2) BOARD OF DIRECTORS COMMITTEES

Review and appointment to Board committees

President Winn assigned the following members to committees

Committee Assignments	Member	Alternate
Nipomo Community Advisory Committee (Includes NCAC Water subcommittee)	Mike Winn	Judy Wirsing
Water Resources Advisory Committee	Doug Jones	Bob Blair
Chamber of Commerce	Judy Wirsing	Mike Winn

These committees require two (2) members.

Present Committee Assignments	Present Members	
Finance	Larry Vierheilg	Cliff Trotter
Water Resources	Cliff Trotter	Bob Blair
High School	Bob Blair	Larry Vierheilg
Annexation Policy	Mike Winn	Judy Wirsing
Personnel	Cliff Trotter	Mike Winn
Flood Control	Mike Winn	Cliff Trotter
New Community Services	Larry Vierheilg	Judy Wirsing

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]

Minutes of December 16, 2002, Special Board meeting

Minutes of December 18, 2002, Regular Board meeting

Minutes of December 20, 2002, Special Board meeting

There was no public comment. Upon motion of Director Vierheilg and seconded by Director Wirsing, the Board unanimously approved the Consent Agenda with amendment in Minutes of the December 18, 2002, meeting. (Include Mr. Eby's letter in the minutes.)
 Vote 5-0

G. **MANAGER'S REPORT**

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

- G-1) SAVE THE MESA LAWSUIT – NCSO PREVAILED ON ALL COUNTS
- G-2) LEGAL FEE UPDATE

H. **COMMITTEE REPORTS**

None

I. **DIRECTORS COMMENTS**

Director Blair talked about chipping of diseased trees and then the spread of the disease. He feels the trees should be burned to rid the disease.

President Winn – 1) Gave an overview of WRAC meeting agenda being held today at 1:30 p.m. 2) He presented his ideas of tasks ahead for the year of 2003. Director Trotter added to develop a hydrologic inventory. 3) Informed Board of the Regional Planning Seminar, Friday Feb. 28 from 9-4 at the SLO Embassy Suites. Cost \$35.00 per person. 4) Save the Mesa judge's comments about planning issues 5) Water Forum, Jan. 20, 6:30 at NCSO bldg.

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

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSO SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
- B. SAVE THE MESA VS. NCSO CV 020181
- C. ANTICIPATED LITIGATION, ONE CASE

CONFERENCE WITH NEGOTIATOR GC§54956.8

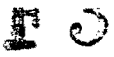
- D. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES.
COUNTY NEGOTIATOR - PETE JENNY, REGARDING TERMS & PRICE. POSSIBLE LITIGATION INITIATION GC§54956.9

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

ADJOURN

President Winn adjourned the meeting at 10:46 a.m. in memory of Lucia Mar Unified School District Board member Carol Harvey.

*The regular Board meeting of January 15, 2003 has been canceled.
The next regular Board Meeting will be held on January 22, 2003, at 9:00 a.m.*



TO: BOARD OF DIRECTORS

FROM: DOUG JONES *DJ*

DATE: JANUARY 22, 2003

INVESTMENT POLICY - QUARTERLY REPORT

The Board of Directors have adopted an Investment Policy for NCSD which states that the Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the Board of Directors.

Below is the December 31, 2002 Quarterly Report for your review. The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the Investment Policy.

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and minute order.

**NIPOMO COMMUNITY SERVICES DISTRICT
INVESTMENT POLICY - QUARTERLY REPORT 12/31/02**

The District's investments are as follows:


TYPE OF INVESTMENT	INSTITUTION	DATE OF MATURITY	AMOUNT OF DEPOSIT 12/31/02	RATE OF INTEREST	ACCRUED INTEREST 12/31/02	AMOUNT OF DEPOSIT 12/31/01	RATE OF INTEREST	ACCRUED INTEREST 12/31/01
Money Market Checking	Mid-State Bank	n/a	\$6,460.50	0.25%	\$0.00	\$52,275.86	0.25%	\$0.00
Savings	Mid-State Bank	n/a	\$884.34	1.00%	\$0.00	\$876.20	1.00%	\$0.00
Pooled Money Investment	Local Agency Investment Fund	n/a	\$12,656,965.67	2.31%	\$71,305.91	\$10,734,671.86	3.52%	\$86,920.05

n/a = not applicable

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2002 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

Respectfully submitted,

Doug Jones
Doug Jones
General Manager and
Finance Officer/Treasurer

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: JANUARY 22, 2003

SECOND QUARTER FINANCIAL STATEMENTS

Attached is the summary of revenues and expenses and cash balances for each fund as of December 31, 2002 (Page 1). Also, attached are the Consolidated Balance Sheet as of December 31, 2002 (Page 2) and the Consolidated Income Statement for the six months ended December 31, 2002 (Page 3 - 4).

The fiscal year is 50% complete. The Total Revenues are at 58.83% of the budgeted amount, Operation and Maintenance (O & M) Expenditures are at 44.84% of the budgeted amount, and General and Administrative (G & A) Expenditures are at 45.34% of the budgeted amount.

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

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

RECOMMENDATION

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

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF DECEMBER 31, 2002

ASSETS

Cash and Cash Equivalents	12,589,924.31
Accounts Receivable - Utility Billing	87,141.34
Unbilled Accounts Receivable	321,000.00
Property, Plant & Equipment	28,768,455.75
Accumulated Depreciation	(7,816,444.72)
Prepaid Insurance	10,908.54
Accrued Interest Receivable	70,828.55
Notes Receivable - MV I	32,359.36
Deposit - W/C Insurance	2,039.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(53,321.93)

Total Assets 34,269,724.20

LIABILITIES

Accounts Payable	126,967.55
Construction Meter Deposits	11,000.00
Compensated Absences Payable	45,360.00
Deposits	176,520.13
Payroll Taxes Payable	(2,239.46)
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Revenue Bonds - Current Portion	7,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue Bonds Payable - Long Term Portion	162,000.00
SRF Loan #110 Payable - Long Term Portion	557,893.60
SRF Loan #120 Payable - Long Term Portion	717,064.25

Total Liabilities 1,909,084.67

FUND EQUITY

Contributed Capital - Assets	7,680,782.72
Contributed Capital - Capacity Fees (CY)	833,752.10
Contributed Capital - Capacity Fees (FY)	12,448,756.11
Contributed Capital - Right of Way	31,600.00
Contributed Capital - Assessment Districts	1,495,305.00
Contributed Capital - Grants	3,005,487.00
Retained Earnings-Reserved (Debt Service)	15,600.00
Retained Earnings-Reserved (Emergencies)	50,000.00
Retained Earnings-Reserved (Sewer Grant)	225,000.00
Retained Earnings-Reserved (Funded Replacement)	2,222,511.74
Retained Earnings - Unreserved	3,546,516.44
CURRENT EARNINGS	805,328.42

Total Fund Equity 32,360,639.53

Total Liabilities and Fund Equity 34,269,724.20

UNAUDITED

NIPOMG COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING DECEMBER 31, 2002

	YTD ACTUAL -----	ANNUAL BUDGET -----	% OF BUDGET -----
REVENUES			
Water - Fixed Charge	179,758.98	348,150.00	51.63 %
Water - Usage	716,060.42	1,065,911.00	67.18 %
Construction Water	41,319.63	25,000.00	165.28 %
Fire System Fee	1,895.24	4,000.00	47.38 %
Sewer Charges	356,687.07	700,600.00	50.91 %
Fees and Penalties	14,815.24	23,900.00	61.99 %
Meters	22,765.00	27,500.00	82.78 %
Plan Check & Inspection Fees	12,092.00	7,000.00	172.74 %
Sewer Lift Station Fees	9,500.00	0	.00 %
Maintenance Guarantee	20,250.00	0	.00 %
Franchise Fees	27,776.72	64,000.00	43.40 %
Miscellaneous Income	100,760.21	27,400.00	367.74 %
Street Lighting Charges	10,014.00	18,258.00	54.85 %
Operating Transfers In - Funded Administration	(9,825.63)	144,470.00	(6.80) %
Operating Transfers In - Funded Replacement	333,899.94	667,800.00	50.00 %
Total Revenues	1,837,768.82	3,123,989.00	58.83 %
OPERATIONS AND MAINTENANCE			
Wages and Benefits	103,247.85	259,800.00	39.74 %
Electricity	294,413.33	596,000.00	49.40 %
Natural Gas	16,804.88	50,000.00	33.61 %
Chemicals	7,754.20	17,100.00	45.35 %
Lab Tests	16,554.00	24,230.00	68.32 %
Operating Supplies	19,932.74	30,500.00	65.35 %
Outside Services	16,537.22	36,200.00	45.68 %
Permits and Operating Fees	8,300.95	10,925.00	75.98 %
Repairs and Maintenance	42,639.46	96,800.00	44.05 %
Engineering	8,763.75	11,000.00	79.67 %
Fuel	3,581.32	11,000.00	32.56 %
Paging Service	479.70	1,500.00	31.98 %
Meters - New Installation	2,294.09	15,000.00	15.29 %
Automatic Meter Reading Devices - New Installation	0	20,000.00	.00 %
Meters - Replacement Program	0	2,000.00	.00 %
Automatic Meter Reading - Replacement Program	0	12,000.00	.00 %
Uniforms	1,358.18	4,500.00	30.18 %
Clean Up	2,136.79	6,000.00	35.61 %
Rebate Program-Summit Station	5,765.53	100,000.00	5.77 %
Operating Transfers Out - Funded Replacement	333,899.94	667,800.00	50.00 %
Subtotal - O & M	884,463.93	1,972,355.00	44.84 %
GENERAL AND ADMINISTRATIVE			
Wages and Benefits	128,873.35	286,205.00	45.03 %
Utilities	2,087.89	5,155.00	40.50 %
Audit	3,550.00	3,550.00	100.00 %
Bank Charges and Fees	404.55	660.00	61.30 %

NIPOMO COMMUNITY SERVICES DISTRICT
 INCOME STATEMENT - CONSOLIDATED
 FOR THE PERIOD ENDING DECEMBER 31, 2002

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
	=====	=====	=====
Computer Expense	7,986.65	13,000.00	61.44 %
Consulting	18,990.00	16,000.00	118.69 %
Director Fees	8,500.00	17,000.00	50.00 %
Dues and Subscriptions	4,175.68	5,500.00	75.92 %
Education and Training	2,079.00	6,800.00	30.57 %
Elections	3,549.86	3,500.00	101.42 %
Insurance - Liability	11,487.00	24,000.00	47.86 %
LAFCO Funding	15,371.00	17,000.00	90.42 %
Landscape and Janitorial	4,676.72	8,390.00	55.74 %
Legal - General Counsel	54,502.66	74,000.00	73.65 %
Legal - Water Counsel	182,166.19	300,000.00	60.72 %
Miscellaneous	354.19	35,000.00	1.01 %
Newsletters & Mailers	0	3,700.00	.00 %
Office Supplies	2,973.63	5,000.00	59.47 %
Operating Supplies	57.75	7,500.00	.77 %
Outside Service	661.12	2,000.00	33.06 %
Postage	6,109.52	15,600.00	39.16 %
Public Notices	2,980.95	3,150.00	94.63 %
Repairs and Maintenance	3,016.68	5,200.00	58.01 %
Property Taxes	650.80	625.00	104.13 %
Telephone	2,083.27	5,200.00	40.06 %
Travel and Mileage	3,273.94	8,000.00	40.92 %
Operating Transfer Out - Funded Administration	(9,825.63)	144,470.00	(6.80) %
Subtotal - G & A	460,736.77	1,016,205.00	45.34 %
NON OPERATING INCOME			
Interest Income	148,374.84	353,350.00	41.99 %
Property Tax Revenues	164,385.46	243,200.00	67.59 %
Subtotal - Non Operating Income	312,760.30	596,550.00	52.43 %
NON OPERATING EXPENSES			
Net Surplus/(Deficit)	805,328.42	731,979.00	110.02 %

UNAUDITED

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JANUARY 22, 2003

AGENDA ITEM

JANUARY 22, 2003

MANAGER'S REPORT

G-1) ANNEXATION NO 21 (KNOLLWOOD) HAS BEEN COMPLETED

The District has received notification from LAFCO that this annexation has been completed.

G-2) LAFCO DRAFT NCSD SPHERE OF INFLUENCE REVIEW

At the LAFCO Board meeting held on January 16, 2003, the LAFCo commissioners reviewed the proposed Sphere of Influence presented by LAFCO staff. They directed staff to bring back more information.

G-3) SPECIAL BOARD MEETING JAN. 31, 2003 – INITIATE SALE OF BONDS, LEGAL AND UNDERWRITING SERVICES

There will be a Special Board Meeting held January 31, 2003, at 9:00 a.m. to review Consultant Perry Louck, CPA, initiation of the sale of bonds and reviewing agreements for legal services.

Board 2003/MGR 1-8-03.DOC

Nipomo Community Service District

Figure 1 - Study Areas - Sphere of Influence

C-2-3

