

NIPOMO COMMUNITY SERVICES DISTRICT AGENDA

FEBRUARY 5, 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**

NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson. Consistent with the Americans with Disabilities Act, NCSD 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 2003-851**
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
Review Draft Request for Proposal (RFP) for a feasibility study
 - D-2) SOLID WASTE FRANCHISE INTERIM RATE INCREASE – PUBLIC HEARING
Ordinance adopting solid waste rate adjustments
 - D-3) FORMATION OF STREET LANDSCAPING DISTRICT NO. 1
Setting a Public Hearing for March 19, 2003, to establish landscaping district and assessments
 - D-4) ANNEXATION NO. 22 – TRACT 2784 - PUDWILL
Review resolution conditionally approving annexation No. 22 and Annexation Agreement
 - D-5) ANNEXATION NO. 23 – TRACT 2499 - LEM
Review resolution conditionally approving annexation No. 23 and Annexation Agreement
 - D-6) PROPOSED ANNEXATION NO. 24 - LYN ROAD (Previously called Robertson Annexation)
Review water service report, resolution conditionally approving the annexation and Annexation Agreement
 - D-7) REQUEST FOR ANNEXATION – NIPOMO HILLS
Request to annex approx. 88 acres for a 600 unit housing development at Thompson Ave & Knotts St.
- E. OTHER BUSINESS**
- E-1) REVIEW BOARD OF DIRECTORS BY-LAWS
Annual review of the By-Laws
 - E-2) REQUEST TO STORE NCAC ITEMS IN THE DISTRICT BOARD ROOM
NCAC request to have a cabinet(s) for storage of items
- 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 22, 2003, Regular Board meeting
 - F-3) ACCEPTANCE OF WATER IMPROVEMENTS – TRACTS 2370 (KRICHEVSKY) (RES. APPROVAL)
Resolution accepting water improvements
- G. MANAGER'S REPORT**
- G-1) AWWA CONFERENCE
 - G-2) SLO COUNTY ANNUAL RESOURCE REPORT
- H. COMMITTEE REPORTS**
- I. DIRECTORS COMMENTS**

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
- B. ANTICIPATED/INITIATE LITIGATION, ONE CASE

CONFERENCE WITH NEGOTIATOR GC§54956.8

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

ADJOURN

The next regular Board Meeting will be held on February 19, 2003, at 9:00 a.m.

Copy of document found at www.NoNewWipTax.com

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 5, 2003

AGENDA ITEM

FEBRUARY 5, 2003

CITY INCORPORATION

ITEM

Review Request for Proposal (RFP) for a feasibility study on city incorporation

BACKGROUND

At the last Board meeting, your Honorable Board directed staff to look into the possibility of acquiring a feasibility study proposal to evaluate the possibility of incorporating the community of Nipomo. Staff has made numerous phone calls contacting other agencies (i.e., League of California Cities, LAFCOs, etc.) to determine information on initial feasibility study. A number of agencies are in the process of sending information on this item. The consulting firm of Economic and Planning Systems was contacted and is sending information but has not yet been received. This company has done numerous initial feasibility studies for other communities (such as Carmel Valley, Castro Valley and others) and comes highly recommended from other LAFCO officials. For the Board's review is a draft "Request for Proposals" for a feasibility study for the community of Nipomo. Funding for this proposed study would come from the District's property tax fund.

RECOMMENDATION

Staff recommends that your Honorable Board make comments on the draft "RFP" for the feasibility study, which may be incorporated into the information to be received from Economic and Planning Systems.

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR PROPOSAL
CITY INCORPORATION
FEASIBILITY STUDY

DRAFT

I. The Nipomo Community Services District is requesting proposals for initial feasibility study for the incorporation of the unincorporated community of Nipomo, California. One of the motivational factor of incorporation is to have land use power decisions locally.

- The Nipomo Community Services District is a special district established in 1965 under Section 61000 of the Government Code. The District provides water, sewer, drainage, lighting, solid waste and street landscaping services to the unincorporated community of Nipomo within San Luis Obispo County, California. The present population within the District's boundary is approx. 9,000. The population of the proposed area for incorporation is approx. 15,000.
- The proposed tasks for the initial feasibility study for incorporation would be as follows:

II. TASKS:

1. PROJECT INITIATION
2. REFINE BOUNDARIES AND ALTERNATES, AND PROPOSED SERVICES
3. COUNTY BUDGET ANALYSIS
4. ESTIMATE OF ANNUAL EXPENSES
5. ESTIMATE OF ANNUAL REVENUES
6. REPORT PREPARATIONS AND PRESENTATION

III. PROPOSAL SHOULD INCLUDE THE FOLLOWING:

1. History and experience of your firm
2. Time schedule to complete the initial study
3. Other items you wish to include

IV. THE DISTRICT WILL SUPPLY

1. Present District budget and services
2. Possible boundaries of the proposed city
3. Answer questions

Your proposal should be submitted to the District by 2:00 P.M. February 21, 2003.

Attn: Doug Jones, General Manager
148 S. Wilson St.
Post Office Box 326
Nipomo, CA 93444

DRAFT

The proposals will be reviewed by the District's staff and Board of Directors, which will approve the final selection.

Any inquiries, contact Doug Jones at 805-929-1133.

Newly Incorporated Cities – Contact Information

2003

Rancho Cordova (Sacramento County) – July 2003

2002

Goleta (Santa Barbara County)

Edward Wohlenberg, Interim City Manager
6500 Hollister Ave., Suite 120
Goleta, CA 93117
805/961-7500

2001

Aliso Viejo (Orange County)

William (Bill) Woollett, Jr., City Manager
12 Journey
Aliso Viejo, CA 92656
949/425-3800

2000

Elk Grove (Sacramento County)

City Manager
8400 Laguna Palms Way
Elk Grove, CA 95758
916/683-7111

Rancho Santa Margarita (Orange County)

William O. Talley, City Manager
30211 Ave. de las Banderas #101
Rancho Santa Margarita, CA 92688
949/635-7950

1999

Laguna Woods (Orange County)

Leslie Keane, City Manager
24310 Moulton Pkwy, Ste K
Laguna Woods, CA 92653
949/452-0600


Oakley (Contra Costa County)

Michael Oliver, City Manager
3633 Main St.
Oakley, CA 94561
925/625-9116

1997

Citrus Heights (Sacramento County)

Henry Tingle, City Manager
6237 Fountain Square Dr.
Citrus Heights, CA 95621
916/725-2448

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

AGENDA ITEM
D2
JANUARY 22 2003

SOLID WASTE FRANCHISE INTERIM RATE INCREASE
PUBLIC HEARING
ORDINANCE ADJUSTING SOLID WATER RATES

ITEM

Public Hearing to adopt ordinance adjusting solid waste rates

BACKGROUND

In 2001, the District 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 franchisee 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. On January 22, 2003, the first reading of Ordinance 2003-96 was completed. A Public Hearing is now in order, prior to your Honorable Board considering adoption of the ordinance.

RECOMMENDATION

After the Public Hearing, it is recommend that your Honorable Board adopt the Solid Waste ordinance adjusting the garbage collection rates for the South County Sanitation District.

ORDINANCE 2003-96
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2003-96**

**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.
- 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

NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2003-96
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE

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

NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2003-96
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE

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

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE 2003-96
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE**

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 January 22, 2003, and passed and adopted by the District Board of Directors on the 5th day of February, 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

Ordinance/2003-96

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)						
number of cans	COLLECTIONS PER WEEK					
	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)							
Size of container (cubic yards)	COLLECTIONS PER WEEK						
	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

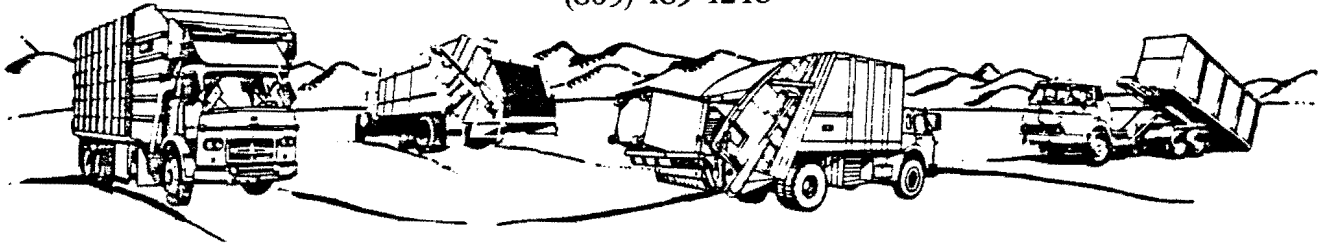
RECYCLING DUMPSTER CONTAINERS (PER MONTH)							
Size of container (cubic yards)	COLLECTIONS PER WEEK						
	1	2	3	4	5	6	7
1/2	\$20.38	\$26.58	\$33.89	\$31.44	\$36.98		
1	\$25.29	\$36.39	\$48.08	\$59.17	\$71.49		
1.5	\$30.20	\$46.20	\$62.27	\$86.90	\$106.00	\$126.35	\$167.05
2	\$32.67	\$53.61	\$76.40	\$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

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', written over a horizontal line.

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.				

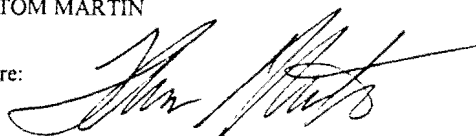
5. **Multiunit Residential and Non-residential** Rate increases of 4.21%
will be applied to all rates in each structure

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

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 5, 2003

AGENDA ITEM

FEBRUARY 5, 2003

LANDSCAPE MAINTENANCE DISTRICT
TRACT 2409 (EDWARDS)

ITEM

Review the creation of a Landscape Maintenance District to maintain street landscaping for Tract 2409 (Edwards)

BACKGROUND

The developer of Tract 2409 has asked the District to provide street landscaping. The District did not have the inherent powers to provide that service. The District petitioned the State Legislature for such authority. This was granted and became effective January 1, 2003.

Mr. Edwards has supplied the District with the tract map and legal description of the development, along with a diagram showing the street landscaping areas to be maintained through the District's landscape maintenance functions. The process for establishing a landscape maintenance district is as follows.

- The property owners within the proposed improvement area must submit a petition signed by all property owners requesting a landscape maintenance district.
Since Mr. Edwards is the only property owner and has executed the petition requesting the formation of the maintenance district, this matter is complete.
- The District passes a resolution initiating the proceedings.
The resolution sets a hearing date for 45 days after the adoption of the resolution.
The Public Hearing will be held March 19, 2003, for the formation of the Landscape Maintenance District No. 1.
- The District's engineer will supply the assessment diagram and the spread of the assessment to maintain the street landscaping.
- The developer is to put up sufficient funds and a deposit to maintain the landscaping until sufficient revenues are received via the assessment to fund the maintenance district.

RECOMMENDATION

Staff recommends that your Honorable Board adopt the Resolution initiating proceedings to create Landscape Maintenance District No. 1 and set a Public Hearing for March 19, 2003.

RESOLUTION NO. 2003- Landscape Tr 2409

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
INITIATING PROCEEDINGS

LANDSCAPE MAINTENANCE DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

RESOLUTION NO. 2002- _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
INITIATING PROCEEDINGS**

**LANDSCAPE MAINTENANCE DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)**

WHEREAS, pursuant to Government Code Section 61601.20 and Article XIII D of the California Constitution, the District is authorized, under the procedures of the Landscaping and Lighting Act of 1972 (Part 2, (commencing with §22500) of Division XV of the Streets and Highways Code) to install, plant and maintain landscape within public street right of ways or easements within the District; and

WHEREAS, on October 7, 2002, the District pursuant to Government Code §61601.20 adopted District Resolution No. 2001-795 authorizing the District to install or plant and maintain landscaping within public street right of ways or easements within the Nipomo Community Services District; and

WHEREAS, Paul Edwards Promotions, LLC, the Developer of Tract 2409 (herein the "Project") will construct certain street landscape improvements within the Project; and

WHEREAS, Paul Edwards Promotions, LLC, as the Owner and Developer of Tract 2409, has filed a Petition with the District's Secretary requesting the District to form a Street and Landscape Maintenance District pursuant to the Landscape and Street Lighting Act of 1972 to provide a means for payment of the costs of the maintenance, operation and service (including administrative costs, and establishing a reasonable reserve), for the above-referenced landscape improvements,

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

1. The Petition of the Developer is received and filed, the Petition and all reports, diagrams, formulas and assessments referenced in said Petition are hereby approved and incorporated herein by reference.

2. The Board proposes to form an Assessment District for the purpose of the following improvements:

To provide for the annual costs of the maintenance, operation and service (including administrative costs and a reasonable reserve) for the Street Landscaping Improvements within Tract 2409 as referenced in Section 4 of the Petition.

3. The proposed Assessment District shall be designated the Nipomo Community Services District Landscape Maintenance District No.1 ("Landscape Maintenance District No. 1"), Nipomo Community Services District, San Luis Obispo County, California, and shall include the land shown on the map designated "Assessment Diagram, Landscape Maintenance District No.1, Nipomo Community Services District, San Luis Obispo County, California." which map is on file with the District Secretary and is attached hereto as Exhibit "A" (Exhibit "D" to the Petition), and is hereby approved.

RESOLUTION NO. 2003- _____
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
INITIATING PROCEEDINGS

LANDSCAPE MAINTENANCE DISTRICT NO. 1
(Pursuant to the Landscaping and Lighting Act of 1972)

4. The District Engineer of Nipomo Community Services District is hereby designated Engineer for the purpose of these formation proceedings.

5. The regularly scheduled meeting of the District Board of Directors set for March 19, 2003 is the hearing date established for:

- (a) Hearing protests to the formation of Nipomo Community Services District Landscape Maintenance District No. 1.
- (b) Approving the formation of Nipomo Community Services District Landscape Maintenance District No. 1.
- (c) Receiving and counting ballots establishing assessments.
- (d) Approving assessments for Nipomo Community Services District Landscape Maintenance District No. 1.
- (e) Taking other necessary actions to form the Nipomo Community Services District Landscape Maintenance District No. 1 and to levy the resulting assessments.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby passed and adopted this ____ day of _____, 2003

MICHAEL WINN
President of the Board
Nipomo Community Services District

ATTEST:

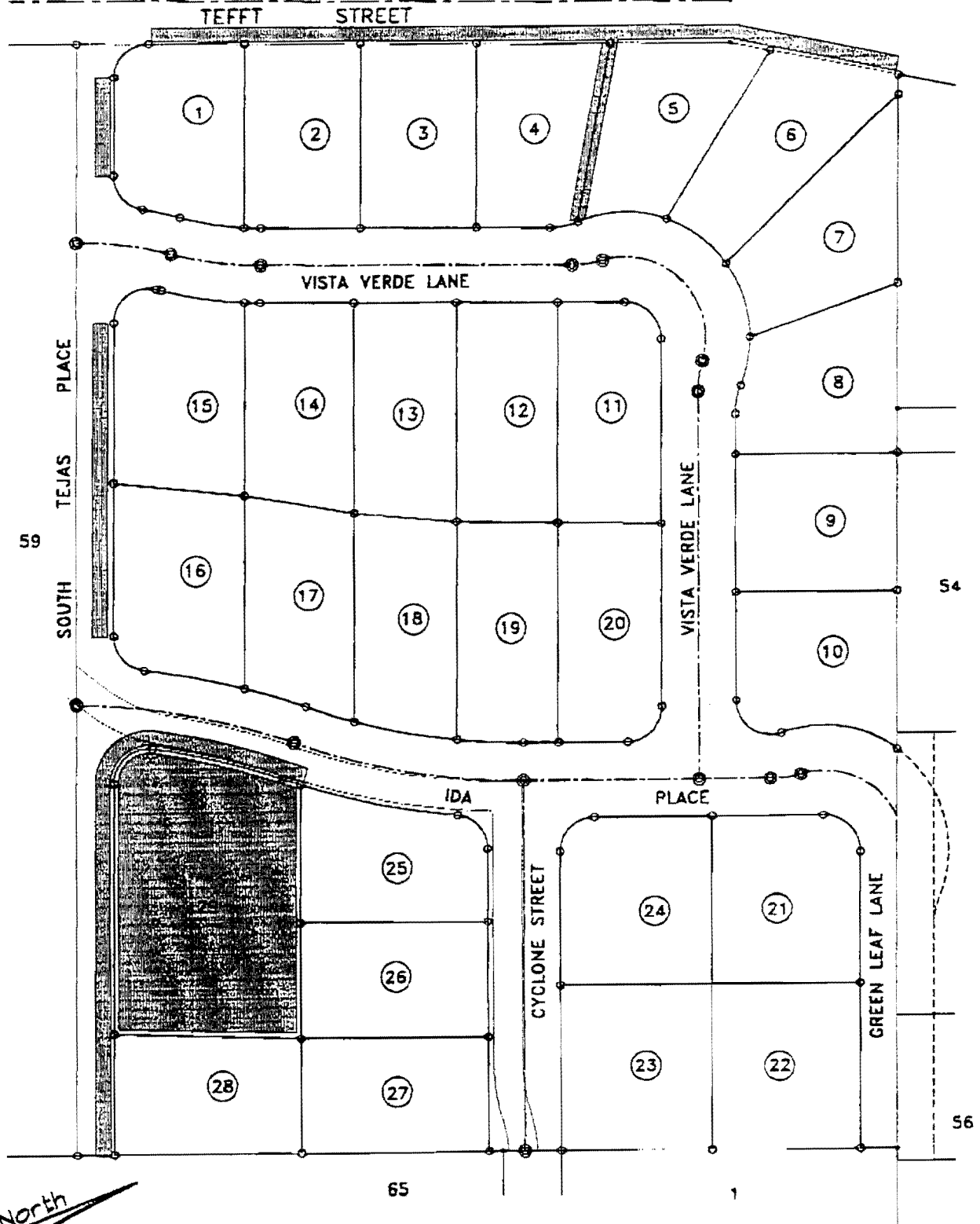
APPROVED:

DONNA K. JOHNSON
Secretary to the Board

JON S. SEITZ
District Legal Counsel

EXHIBIT "A" ENGINEER'S ASSESSMENT DIAGRAM

LANDSCAPE MAINTENANCE DISTRICT NO. 1



LEGEND

③ LOTS TO BE ASSESSED

[Shaded Area] AREA TO BE MAINTAINED

TRACT 2409

VISTA VERDE ESTATES

RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:
Nipomo Community Services District
148 S. Wilson Street
Nipomo, CA 93444

MAIL TAX STATEMENTS TO:
Same as above.

APN # : 092-512-001 through 029

Exhibits:

Exhibit "A" – Tract Map
Exhibit "B" - District Engineer's (or District Assessment Engineer's) calculation and basis for assessments
Exhibit "C" - Assessment chargeable to individual parcels within the Assessment District
Exhibit "D" - Engineer's Assessment Diagram
Exhibit "E" – Owner's Ballot

PETITION

**PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1**

100% PROPERTY OWNER PETITION/BALLOT

WITNESSETH:

A. WHEREAS, the Petitioner, Paul Edwards Promotions, LLC, a Limited Liability Corporation, is the sole owner and developer (herein "Developer") of that certain real property located in the Nipomo Community Services District (herein "District"), County of San Luis Obispo, State of California, more particularly described as follows (herein the "Property"):

Lots 1 through 29 of Tract 2409 recorded in book 20 of Maps at Page 3 in the office of the County Recorder of the County of San Luis Obispo, California.

APN #:092-512-01 through 29

B. WHEREAS, Developer is developing the Property as a single-family residential subdivision, approved as Tract 2409 (hereinafter referred to as the "Project"). The tract map is attached hereto as Exhibit "A"; and

C. WHEREAS, for the purposes of this Petition, the terms "Property" and "Project" are often used interchangeably; and

D. WHEREAS, as a condition to final approval of the Project and the recordation of the final tract map to be recorded on the Project, the County of San Luis Obispo has required the Project be improved with landscaping (herein "Street and Landscape Improvements"); and

PETITION
PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1
100% PROPERTY OWNER PETITION/BALLOT

E. WHEREAS, pursuant to Government Code Section 61601.20 and Article XIII D of the California Constitution, the District is authorized, pursuant to Landscaping and Lighting Act of 1972 (Part 2, (commencing with §22500) of Division XV of the Streets and Highways Code) to install, plant and maintain landscape within public street right of ways or easements within the District; and

F. WHEREAS, Developer, as the owner of all of the real property to be benefited by the Street and Landscape Improvements, has requested the District Board of Directors to establish an assessment district to provide for the cost of the maintenance and operation (including administrative costs and establishing a reasonable reserve), for the Street and Landscape Improvements; and

G. WHEREAS, District requires that the undersigned developer provide a means satisfactory to District for assuring the continued maintenance and operation of the Street and Landscape Improvements; and

H. WHEREAS, attached hereto as Exhibit "C" is the District Engineer's (or District Assessment Engineer's) assessment for each parcel or lot and formula for calculating such assessments for:

1. Assessment Diagram;
2. The total amount of the assessment for the Project;
3. The amount to be apportioned among subdivision lots or parcels within the proposed Project.

NOW, THEREFORE, by this Petition, the undersigned Developer requests the District Board of Directors to form Nipomo Community Services District Landscape Maintenance District No. 1 ("Landscape Maintenance District No. 1") for the purpose of levying an annual assessment against the Property and each lot or parcel therein in the amount, for the purpose, and otherwise subject to the terms and conditions set forth herein.

1. **Purpose of the Annual Assessment.** The annual assessment to be levied against the Property and each lot or parcel to be created therein shall be used exclusively for the purpose of funding the annual costs of the maintenance and operation (including administrative costs and establishing a reasonable reserve) for the Street Landscape Improvements. The undersigned Developer agrees that such public improvements and the operation and maintenance of same are of special benefit to the Property and each lot or parcel to be created therein.

PETITION
PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1

100% PROPERTY OWNER PETITION/BALLOT

2. **Description of Land to be Included in Proposed Improvement District.** The land to be included in the proposed Landscape Assessment District No. 1 is the property described in Tract Map 2409, attached hereto as Exhibit "A" and the property described in Recital A above.

3. **Names of all Owners of Land Within Landscape Assessment District No.**
1. Paul Edwards Promotions, LLC is the sole owner whose address is Sculpture by Edwards, Inc., P O Box 2490, Orcutt, CA 93457-2490

4. **Amount of the Annual Assessment.** The formula for establishing the assessment and the annual assessment to be levied against the Property to fund the operation and maintenance (including administrative costs and establishing a reasonable reserve) of the Street and Landscape Improvements is described in Exhibit "C", attached hereto. The annual assessment to be charged shall be levied against the Property and each individual lot therein, during each fiscal year the Assessment District remains in effect, effective at the date the Street Landscape Improvements are accepted by the District. The undersigned Developer agrees that the annual assessment established in Exhibit "C" does not exceed the cost of operating and maintaining the Street Landscape Improvements.

5. **CPI Adjustment to the Amount of the Annual Assessment.** Commencing with the first District fiscal year following the date Street Landscape Improvements are accepted, and each fiscal year thereafter that the Assessment District remains in effect, the annual assessment to be levied against the Property and each individual lot therein, shall be increased in an amount necessary to reflect the increase in the cost of operating and maintaining the Street and due to inflation. The determination of whether there has been an increase in the cost of operating and maintaining the Street and Landscape Improvements and the amount of the increase in the annual assessment which is proportional to the increase in such costs shall be based exclusively on the percentage increase in CPI Index for Urban Wage Earners and Clerical Workers in San Francisco/San Jose for March 31 of the current year over the previous year's index on the same date. The undersigned Developer agrees that the foregoing consumer price index most accurately reflects the likely annual increase in the cost of operating and maintaining the Street Lighting Improvements due to inflationary factors.

6. **Credits Against Annual Assessment.** If, in any fiscal year in which an assessment is levied against the Property and each individual lot therein, to operate and maintain the Street Landscape Improvements, the amount of such assessment is greater than the actual cost of operating and maintaining the Street Landscape Improvements (including administrative costs and establishing a reasonable reserve), the difference between the assessment and the actual cost of operating and maintaining the Street Landscape Improvements shall be credited against the assessment levied against the Property and each individual lot therein, during the next succeeding fiscal year. As a result, the assessment levied against the Property and each individual lot therein, during such next succeeding fiscal year will be reduced during that fiscal year, and that fiscal year only, by an amount equal to the amount of such credit.

PETITION
PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1
100% PROPERTY OWNER PETITION/BALLOT

7. **Apportionment of Annual Assessments Among Subdivision Lots or Parcels.** At such time as the Property is subdivided into a number of separate lots and/or parcels by reason of the recordation of a final subdivision map or final parcel map, the assessments shall be apportioned among the lots or parcels as established in Exhibit "C", attached hereto. The undersigned Developer agrees that the formula used to calculate the assessments accurately reflect the proportionate special benefit received by each such lot or parcel arising from the operation and maintenance of the Street Landscape Improvements, and therefore is an appropriate way of apportioning the cost of operating and maintaining the Street Landscape Improvements among such lots or parcels.

8. **Duration of the Annual Assessment.** The annual assessment to be levied against the Property and each lot or parcel created therein to operate and maintain the Street Landscape Improvements shall continue until such time as the District Board of Directors shall determine to abolish the Assessment District.

9. **Waiver of Notice of Assessment District Protest Hearing.** The undersigned Developer, as sole Owner(s) of the property to be included in Landscape Maintenance District No. 1, hereby waives the resolution, report, notices of hearing, and right of majority protest.

10. **Ballot in Favor of Assessment District.** The undersigned Developer executes this Petition both as the Owner's Petition for the formation of Street Landscape Improvement District No. 1, and as the Owner's Ballot in favor of the assessments to be charged or levied against the Property and the individual lots and parcels therein. Attached hereto as Exhibit "E" is Owner's Ballot. In addition, the undersigned Owner hereby authorizes the District Secretary to file this Petition as Owner's Ballot in favor of forming Street Landscape Improvement District No. 1. Further, the undersigned Developer herein authorizes District Secretary to file Exhibit "E" as Owner's Ballot in favor of the annual assessments.

11. **Hearing/Revocation of Petition/Ballot.** The hearing on the undersigned Developer's ballot will be set concurrently with the District's hearing for the formation of Landscape Maintenance District No. 1, and at least forty-five (45) days from the date the District adopts a Resolution initiating improvements for Landscape Maintenance District No. 1. The undersigned Developer may revoke this Petition/Ballot up to and including the time of the public hearing set by the District for approval of the formation of Landscape Maintenance District No. 1. A revocation of any portion of this Petition and the attached Ballot shall be considered a revocation of the entire Petition and Ballot.

12. **Effect of Revocation.** In the event this Petition and Ballot is revoked by Developer, then the District shall have no obligation for the maintenance, operation and service of the Street Landscape Improvements.

13. **Effect of District's Failure to Accept Developer Installed Landscaping.** Will revert to the CCR's.

PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1

100% PROPERTY OWNER PETITION/BALLOT

14. **Notices.** Unless otherwise provided, all notices herein required shall be in writing and delivered in person or sent by United States First Class Mail, postage prepaid. Notices required to be given shall be addressed as follows:

DISTRICT:

DOUG JONES
DISTRICT GENERAL MANAGER
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

DEVELOPER:

Paul Edwards Promotions, LLC,
P O Box 2490,
Orcutt, CA 93457-2490

15. **Successors and Assigns.** The District and Developer agree that this Agreement/Petition shall run with the land and shall be binding upon the Developer, his/her heirs, successors, executors, administrators and assigns, and shall inure to the benefit of District and its successors and assigns.

16. **Severability.** If any term or provision of this Agreement is found to be invalid or unenforceable, the District and Paul Edwards Promotions, LLC, both agree that they would have executed this Agreement notwithstanding the invalidity of such term or provision. The invalid term or provision may be severed from the Agreement and the remainder of the Agreement may be enforced in its entirety.

17. **Attorneys Fees.** In the event that any action or proceeding, including arbitration, is commenced by either the District or Paul Edwards Promotions, LLC, against the other to establish the validity of this Agreement or to enforce any one or more of its terms, the prevailing party in any such action or proceeding shall be entitled to recover from the other, in addition to all other legal aid equitable remedies available to it, its actual attorneys' fees and costs of litigation, including, without limitation, filing fees, service fees, deposition costs, arbitration of costs and expert witness fees, including actual costs and attorneys' fees on appeal.

18. **Venue.** This Agreement is executed and is to be performed in County of San Luis Obispo, and any action or proceeding brought relative to this Agreement shall be heard in the appropriate court in the County of San Luis Obispo, California. The District and Paul Edwards Promotions, LLC, each consent to the personal jurisdiction of the court in any such action or proceeding.

19. **Incorporation of Recitals.** Recitals A through H of this Petition are incorporated herein by this reference and made a part hereof.

PETITION

PETITION REQUESTING FORMATION
OF NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1

100% PROPERTY OWNER PETITION/BALLOT

20. **Authority to Execute Agreement.**

The undersigned hereby represent that the individuals executing this Petition are expressly authorized to do so for and on behalf of Paul Edwards Promotions, LLC, a Limited Liability Corporation.

PROPERTY OWNER/ DEVELOPER:

Paul Edwards Promotions, LLC,
a Limited Liability Corporation

By: _____,
Paul Edwards, Partner
(SIGNATURES MUST BE NOTARIZED)

Date: _____

By: _____,
(SIGNATURES MUST BE NOTARIZED)

Date: _____

By: _____,
(SIGNATURES MUST BE NOTARIZED)

Date: _____

Tracts/2409/Landscape Maintenance Petition

EXHIBIT "A"

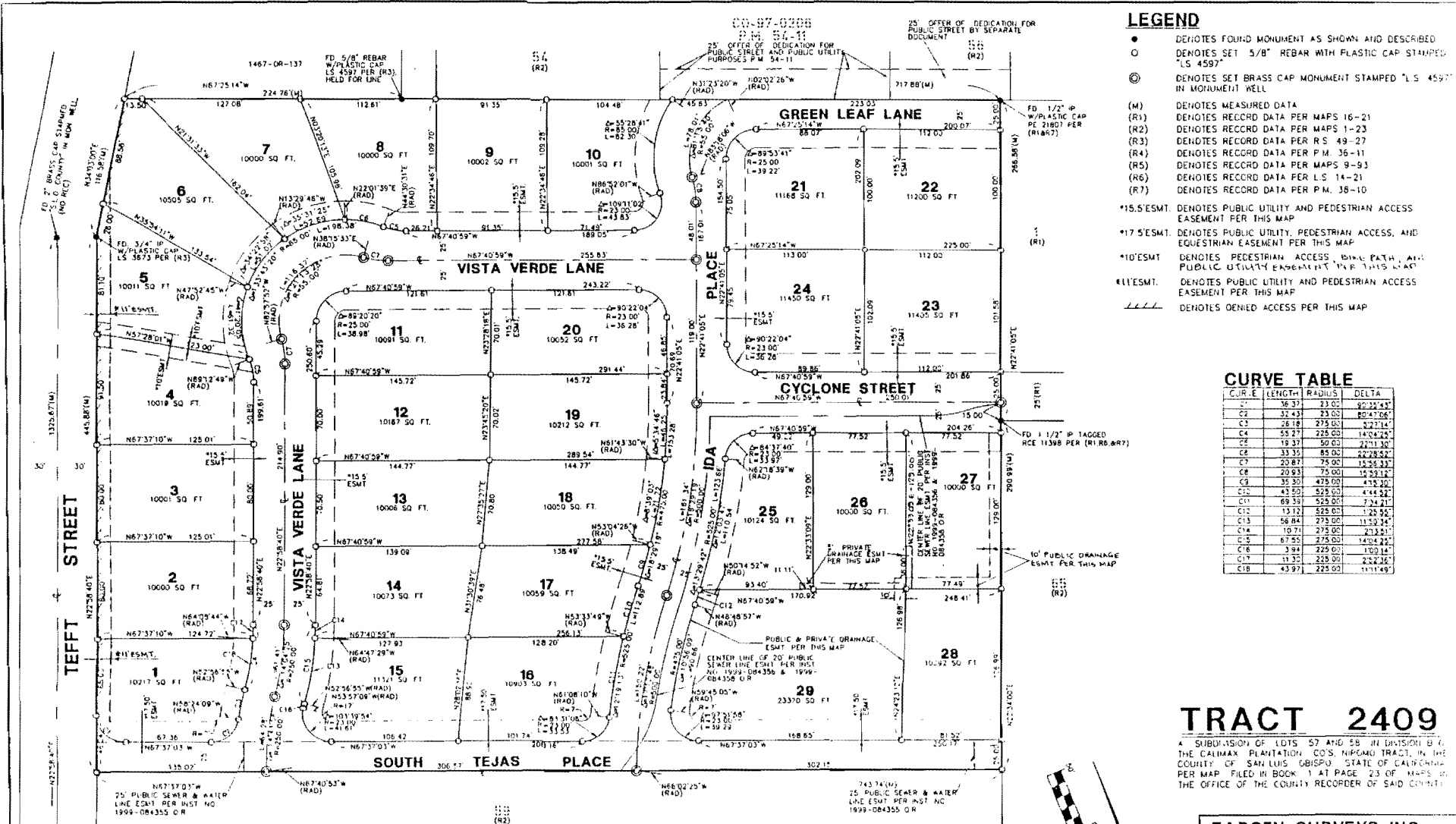


EXHIBIT "A" TO NCSD STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1 PETITION

Copy of document found at www.NoNewWipTax.com

TRACT 2409

A SUBDIVISION OF LOTS 57 AND 58 IN DIVISION B OF THE CALMAX PLANTATION CO'S. NIPOMO TRACT, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA PER MAP FILED IN BOOK 1 AT PAGE 23 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

FARGEN SURVEYS INC.

2450 PROFESSIONAL PARKWAY, SUITE 210
 SANTA MARIA, CALIFORNIA 93455
 PHONE: 805-934-5727
 FAX: 805-934-3448

DATE: MAY, 2001
 JOB: G1014
 SHEET: 3 OF 4

**NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1**

EXHIBIT "B"

District Engineer's Calculation and Basis for Assessments

Costs

	Month	Year
1. Contract Landscape Maintenance	\$600.00	\$7,200.00
2. Plant Attrition, Normal Loss	60.00	720.00
3. Water	35.00	420.00
4. Reserve	60.00	720.00
5. Administration	50.00	600.00
Total Cost	<u>\$805.00</u>	<u>\$9,660.00</u>

EXHIBIT "B" TO NCS DISTRICT
STREET AND LANDSCAPE MAINTENANCE
DISTRICT NO. 1 PETITION

**NIPOMO COMMUNITY SERVICES DISTRICT
STREET AND LANDSCAPE MAINTENANCE DISTRICT NO.1**

EXHIBIT "C"

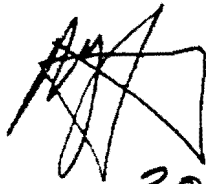
Assessment chargeable to individual parcels within the Assessment District.

The purpose of this assessment district is to maintain landscaping only within the following areas:

- A. Landscaping bordering the frontage of lots 1 through 6 on Tefft Street.
- B. Landscaping bordering the frontage of lots 1, 15, 16, 28, and 29 (drainage basin) on Tejas Place.
- C. Landscaping within the drainage basin (Lot 29).
- D. The pathway between lots 4 and 5 between Tefft Street and Vista Verde.

It is hereby determined that all the maintenance associated costs described in Exhibit "A" are a proportionate special benefit to each lot in Tract 2409, such lots numbered one through 28 (Lot 29 is not to be assessed as it is part of the facilities to be maintained). The Assessment Engineer finds that no particular lot receives a benefit greater than any other lot, therefore it is hereby determined that each lot (1 through 28) shall bear an equal assessment as follows:

$$\begin{array}{r} \text{(Total Cost) } \$9,660/\text{year} \\ \hline 28 \\ \hline = \$345.00/\text{Lot/Year} \end{array}$$



30 Jan. 03

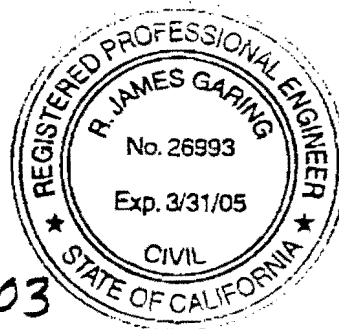


EXHIBIT "C" TO NCS D STREET
AND LANDSCAPE MAINTENANCE
DISTRICT NO. 1 PETITION

EXHIBIT "C" Cont'd

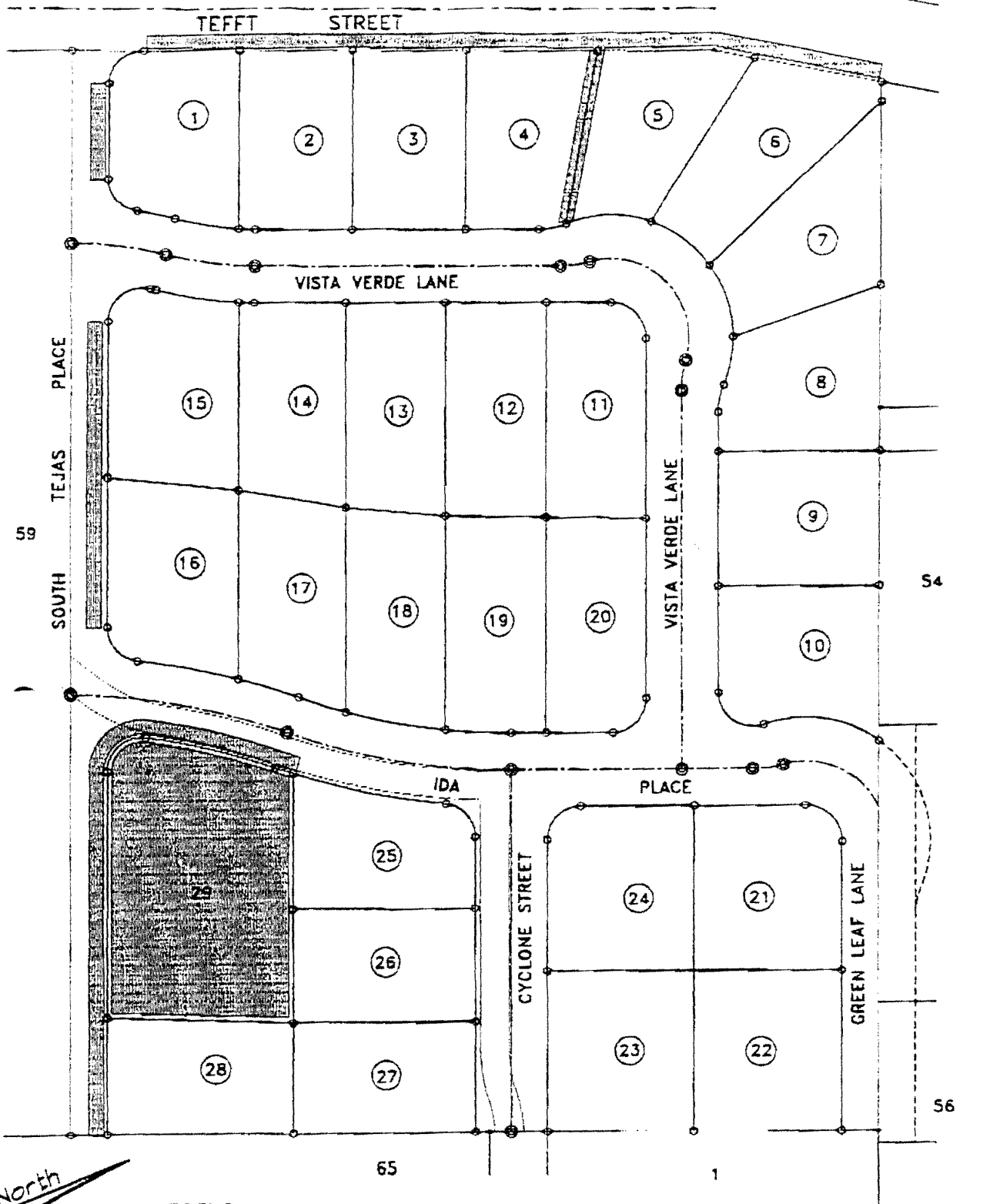
NIPOMO COMMUNITY SERVICES DISTRICT
LANDSCAPE MAINTENANCE DISTRICT NO. 1

LOT NO.	ASSESSOR PARCEL NUMBER	ANNUAL ASSESSMENT**
1	091-512-001	\$345.00
2	091-512-002	\$345.00
3	091-512-003	\$345.00
4	091-512-004	\$345.00
5	091-512-005	\$345.00
6	091-512-006	\$345.00
7	091-512-007	\$345.00
8	091-512-008	\$345.00
9	091-512-009	\$345.00
10	091-512-010	\$345.00
11	091-512-011	\$345.00
12	091-512-012	\$345.00
13	091-512-013	\$345.00
14	091-512-014	\$345.00
15	091-512-014	\$345.00
16	091-512-014	\$345.00
17	091-512-014	\$345.00
18	091-512-018	\$345.00
19	091-512-019	\$345.00
20	091-512*020	\$345.00
21	091-512-021	\$345.00
22	091-512-022	\$345.00
23	091-512-023	\$345.00
24	091-512-024	\$345.00
25	091-512-025	\$345.00
26	091-512-026	\$345.00
27	091-512-027	\$345.00
28	091-512-028	\$345.00

**Subject to CPI adjustment pursuant to Section 5 of the Petition for Formation

EXHIBIT "C" TO NCSO STREET
AND LANDSCAPE MAINTENANCE
DISTRICT NO. 1 PETITION

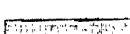
EXHIBIT "D" ENGINEER'S ASSESSMENT DIAGRAM



North

LEGEND

③ LOTS TO BE ASSESSED

 AREA TO BE MAINTAINED

TRACT 2409

VISTA VERDE ESTATES

EXHIBIT "D" TO NCSD STREET AND LANDSCAPE MAINTENANCE DISTRICT NO. 1 PETITION

Exhibit "E"
STREET LANDSCAPE IMPROVEMENTS
OFFICIAL BALLOT

**NIPOMO COMMUNITY SERVICES DISTRICT SPECIAL PROPERTY OWNER PROTEST
PROCEEDING TO PROPOSE THE LEVY AND COLLECTION OF ASSESSMENTS AND
ASSESSMENT FORMULA FOR THE NIPOMO COMMUNITY SERVICES DISTRICT
LANDSCAPE MAINTENANCE DISTRICT NO. 1**

HEARING DATE: March 19, 2003

HEARING TIME: 9:00 a.m.

HEARING LOCATION: District Board Room
148 South Wilson Street
Nipomo, California

This Ballot represents Name: Paul Edwards Promotions, LLC
Address: P O Box 2496
City, State: Orcutt, CA 93457
Property: Tract 2409
Levy Amount: Annual levy amount: \$9,660 for the
Property, and \$345/year per parcel
subject to annual the CPI adjustment
pursuant to Section 5 of the Petition
for Formation

Pursuant to Section 4, Sub-Section 4(e) of Article XIII D of the California Constitution, the ballots are weighted according to the proportional financial obligation of the affected Property. The proposed assessment for your Property is presented above and the total proposed Balance to Levy for the Area is \$9,660 and \$345.00 per parcel is subject to an annual CPI adjustment pursuant to Section 5 of the Petition for Formation.

To vote, make a cross (+) in the voting square next to the word "YES" or the word "NO", sign and date the ballot. If you wrongly mark, tear, or deface this ballot, return it to the District Manager and obtain another. Mail or deliver this completed ballot to:

District Secretary
Nipomo Community Services District
P.O. Box 326
148 South Wilson Street
Nipomo, CA 93444

Ballots may be sent or delivered to the District Secretary at any time between the time it is received by you and the close of the Public Hearing on March 19, 2003. Completed ballots MUST be received by the District Secretary no later than before the conclusion of the Public Hearing scheduled on March 19, 2003, and held at the District Offices, 148 South Wilson Street, Nipomo, California.

Exhibit "E"
STREET LANDSCAPE IMPROVEMENTS
OFFICIAL BALLOT

NIPOMO COMMUNITY SERVICES DISTRICT SPECIAL PROPERTY OWNER PROTEST PROCEEDING TO
PROPOSE THE LEVY AND COLLECTION OF ASSESSMENTS AND ASSESSMENT FORMULA FOR THE
NIPOMO COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 1

PLEASE CAST YOUR VOTE BY MARKING AND SIGNING BELOW

___ Yes, I approve of the proposed assessment of \$9,660.00 for the Property and \$345.00 per parcel for the 2002/2003 fiscal year on the parcel(s) identified in the Petition for Formation, and the establishment of an annual assessment of \$345.00 per parcel adjusted for inflation as provided in Section 5 of the Petition Requesting Formation of Landscape Maintenance District No.1.

___ No, I do not approve the proposed assessment of \$9,660.00 for the property and \$345.00 per parcel for the 2002/2003 fiscal year on the parcel(s) identified on this ballot, and the establishment of an annual assessment of \$345.00per parcel adjusted for inflation as provided in Section 5 of the Petition Requesting Formation of Landscape Maintenance District No.1.

The undersigned hereby represent that the individuals executing this ballot are expressly authorized to do so for and on behalf of Paul Edwards Promotions, LLC, a Limited Liability Corporation.

PROPERTY OWNER/ DEVELOPER:

By: _____ Member of Paul Edwards Promotion, LLC
Ron Edwards, Partner

Date: _____

By: _____

Date: _____

Tracts/2409/Landscape Ballot

**REIMBURSEMENT AGREEMENT BETWEEN
THE NIPOMO COMMUNITY SERVICES DISTRICT
AND PAUL EDWARDS PROMOTIONS, LLC TO ESTABLISH
NIPOMO COMMUNITY SERVICES DISTRICT
LANDSCAPE MAINTENANCE DISTRICT NO. 1**

THIS AGREEMENT is made this ____ day of _____, 2003, in San Luis Obispo County, California, by and between the Nipomo Community Services District, State of California, hereinafter referred to as "District", and the Paul Edwards Promotions, LLC hereinafter referred to as "Developer" with reference to the following recitals.

A. Developer is the sole owner and developer (herein "Developer") of that certain real Property located in the Nipomo Community Services District, County of San Luis Obispo, State of California, more particularly described as follows (herein the "Property"):

Lots 1 through 29 of Tract 2409 recorded in book 20 of Maps at Page 3 in the office of the County Recorder of the County of San Luis Obispo, California.

APN #:092-512-01 through 29

B. Developer is developing the Property as a single family residential subdivision tentatively approved by the County of San Luis Obispo as Tract 2409 (herein referred to as the "Project").

C. As a condition to final approval of the Project and the recordation of the final tract map to be recorded on the Project, County of San Luis Obispo has required the Project be improved with landscaping (herein "Street Landscape Improvements").

D. Pursuant to Government Code §61601.20 and Article XIII D of the California Constitution, the District is authorized, under the powers of the Landscaping and Lighting Act of 1972 (Part 2, (commencing with §22500) of Division XV of the Streets and Highways Code) to install, plant and maintain landscape within public street right of ways or easements within the District.

E. Developer, as the owner of the Property to be benefited by the Street Landscape Improvements has requested the District Board of Directors to establish an Assessment District to provide for the costs of maintenance and operation, including administrative costs and establishing a reasonable reserve, for the Street Landscape improvements.

F. District is willing to participate in the formation of an Assessment District, provided that Developer enter into this Agreement whereby Developer:

1. Reimburses District for its costs in establishing the Assessment District.
2. Provides District with a reasonable reserve to operate and maintain the Street Landscape Improvements.
3. Provide District with adequate securities to insure that the Street Landscape Improvements are appropriately installed.

NOW, THEREFORE, in consideration of the mutual covenants contained herein,

**REIMBURSEMENT AGREEMENT BETWEEN
THE NIPOMO COMMUNITY SERVICES DISTRICT
AND PAUL EDWARDS PROMOTIONS, LLC TO ESTABLISH
NIPOMO COMMUNITY SERVICES DISTRICT
LANDSCAPE MAINTENANCE DISTRICT NO. 1**

Developer and District agree as follows:

1. Deposit for District Services for Formation of Assessment District

At the time of execution of this Agreement, Developer shall advance to the District the sum of four thousand dollars (\$4,000.000) for engineering, legal and administrative services in connection with the formation of the Nipomo Community Services District Landscape Maintenance District No. 1. The Developer authorizes District to withdraw from the deposit to pay for services pursuant to this Agreement, as they are incurred by the District. District will notify Developer whenever the deposit is reduced to one thousand dollars (\$1,000) or less. Within fifteen (15) days after such notification is mailed Developer shall make an additional deposit in the same amount as the initial deposit or as otherwise directed by District. The District shall be reimbursed for all District costs prior to the District's final acceptance of the Street Landscape Improvements.

Upon District's acceptance of street landscape improvements, as provided herein, any funds so deposited by Developer in excess of District's actual costs shall be refunded by District. Conversely, any costs by District over and above the amount deposited by Developer shall be paid by Developer upon demand and before notice of acceptance of the Street Landscape Improvements.

2. Deposit for Maintenance and Security.

At the time of execution of this Agreement Developer shall advance to District the sum of eleven thousand dollars (\$11,000.00) for District's costs in operation, maintenance and replacement of the Street Landscape Improvements. The Developer authorizes District to withdraw from the deposit to pay for operation costs pursuant to this Agreement as they are incurred by District.

On the one (1) year anniversary of the District's first receipt of assessment monies, any funds so deposited by Developer in excess of District's actual costs shall be refunded to Developer.

3. Obligations of District.

The District will use its best efforts to process the formation of the Nipomo Community Services District Landscape Maintenance District No. 1. The Developer understands and agrees that processing the formation of the Assessment District by District will require future discretionary approvals. Therefore there are no promises or guarantees that the Assessment District will be successfully processed/approved by the District.

In the event that the Assessment District is withdrawn or not approved, then the District will return the unused deposit to Developer as provided in Sections 1 and 2, above.

4. Acceptance of Landscape Improvements.

As conditions precedent to the District's acceptance of the Street Landscape Improvements, Developer at Developer's sole cost shall provide to the District:

A. An engineer's, or other licensed professional acceptable to District, certification that Street Landscape Improvements are constructed and installed in substantial compliance with the Plans and Specifications approved by the County of San Luis Obispo.

B. A licensed landscape architect's, or other professional satisfactory to District, written opinion that the Street Landscape Improvements, including water improvements are properly installed and that the plants and shrubbery are healthy and are not in need of replacement.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *D*
DATE: FEBRUARY 5, 2003

AGENDA ITEM
D4
FEBRUARY 5, 2003

ANNEXATION NO. 22
TRACT 2384
PUDWILL

ITEM

Review a resolution conditionally approving Annexation No. 22 and annexation agreement to annex 40 acres at Dawn and Sun Dale Roads

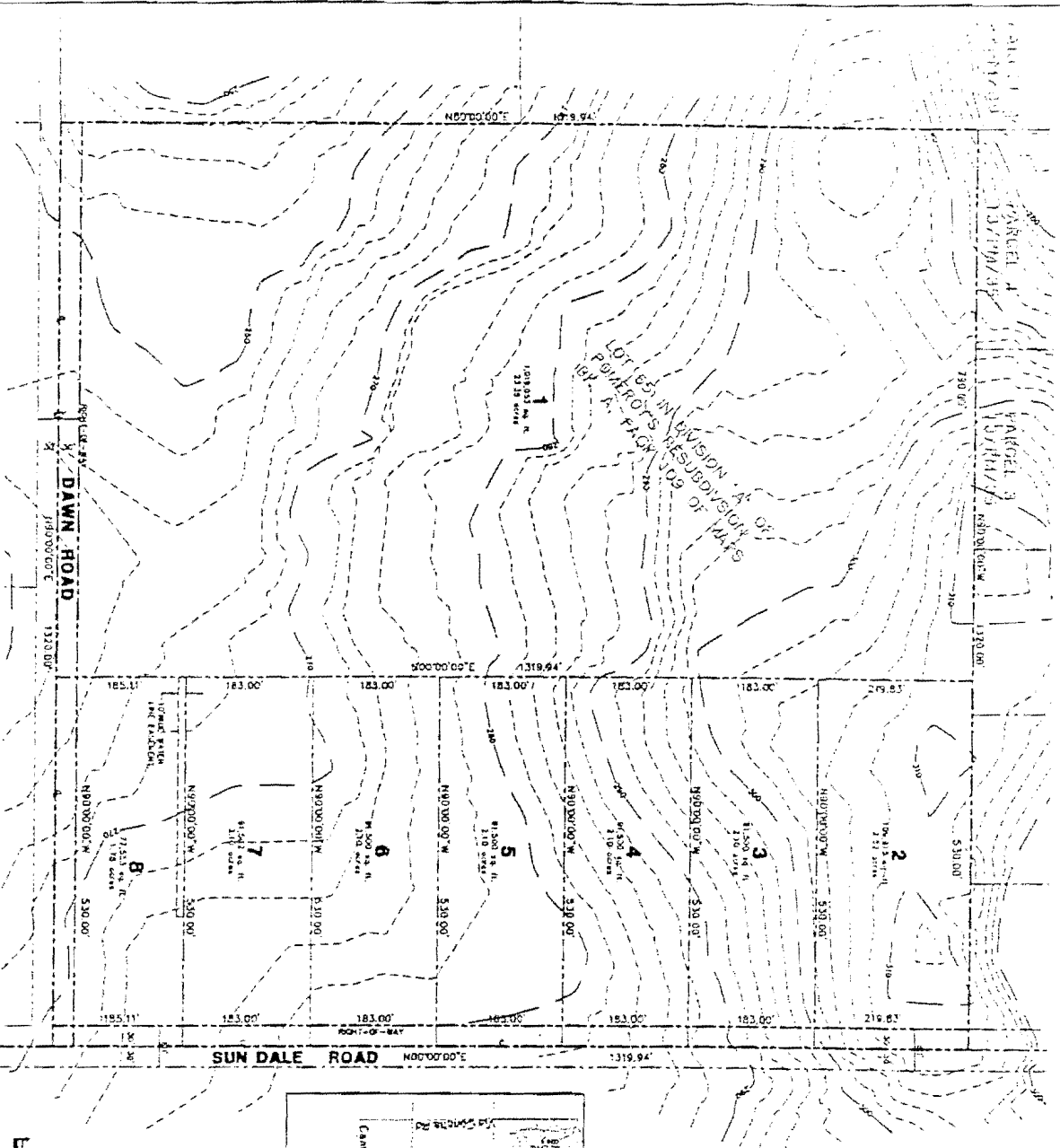
BACKGROUND

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 along with a resolution conditionally approving the proposed annexation 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.

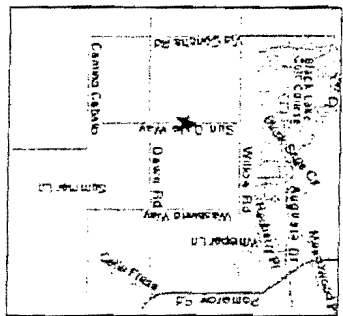
RECOMMENDATION

After your Honorable Board has reviewed the resolution conditionally approving Annexation No. 22 and the annexation agreement, you may direct staff to process the agreement.

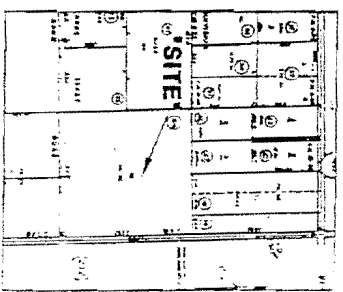


TENTATIVE TRACT MAP 2984
 BEING A PROPOSED SUBDIVISION OF LOT 65 IN DIVISION A TRACT IN THE THIRD SEQUENTIAL PART IN REC 103 BEHINDS ROAD, STATE OF CALIFORNIA, AS BEING PART OF MAP PAGE 103 OF MAPS IN THE OFFICE OF THE COUNTY CLERK OF SAN JOAQUIN COUNTY

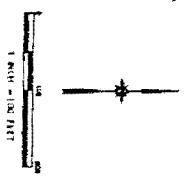
OWNER: JAMES JUDWILL
 ADDRESS: 820 SUN DALE WAY
 IRVING, CA 94604
 A.P.N.: 091-201-024
 AREA: 40 ACRES



VICINITY MAP
 MTS



A.P.N. MAP
 MTS



123456789
 0123456789
 10111213141516171819
 20212223242526272829
 30313233343536373839
 40414243444546474849
 50515253545556575859
 60616263646566676869
 70717273747576777879
 80818283848586878889
 90919293949596979899
 000102103104105106107108109
 110111112113114115116117118119
 120121122123124125126127128129
 130131132133134135136137138139
 140141142143144145146147148149
 150151152153154155156157158159
 160161162163164165166167168169
 170171172173174175176177178179
 180181182183184185186187188189
 190191192193194195196197198199
 200201202203204205206207208209
 210211212213214215216217218219
 220221222223224225226227228229
 230231232233234235236237238239
 240241242243244245246247248249
 250251252253254255256257258259
 260261262263264265266267268269
 270271272273274275276277278279
 280281282283284285286287288289
 290291292293294295296297298299
 300301302303304305306307308309
 310311312313314315316317318319
 320321322323324325326327328329
 330331332333334335336337338339
 340341342343344345346347348349
 350351352353354355356357358359
 360361362363364365366367368369
 370371372373374375376377378379
 380381382383384385386387388389
 390391392393394395396397398399
 400401402403404405406407408409
 410411412413414415416417418419
 420421422423424425426427428429
 430431432433434435436437438439
 440441442443444445446447448449
 450451452453454455456457458459
 460461462463464465466467468469
 470471472473474475476477478479
 480481482483484485486487488489
 490491492493494495496497498499
 500501502503504505506507508509
 510511512513514515516517518519
 520521522523524525526527528529
 530531532533534535536537538539
 540541542543544545546547548549
 550551552553554555556557558559
 560561562563564565566567568569
 570571572573574575576577578579
 580581582583584585586587588589
 590591592593594595596597598599
 600601602603604605606607608609
 610611612613614615616617618619
 620621622623624625626627628629
 630631632633634635636637638639
 640641642643644645646647648649
 650651652653654655656657658659
 660661662663664665666667668669
 670671672673674675676677678679
 680681682683684685686687688689
 690691692693694695696697698699
 700701702703704705706707708709
 710711712713714715716717718719
 720721722723724725726727728729
 730731732733734735736737738739
 740741742743744745746747748749
 750751752753754755756757758759
 760761762763764765766767768769
 770771772773774775776777778779
 780781782783784785786787788789
 790791792793794795796797798799
 800801802803804805806807808809
 810811812813814815816817818819
 820821822823824825826827828829
 830831832833834835836837838839
 840841842843844845846847848849
 850851852853854855856857858859
 860861862863864865866867868869
 870871872873874875876877878879
 880881882883884885886887888889
 890891892893894895896897898899
 900901902903904905906907908909
 910911912913914915916917918919
 920921922923924925926927928929
 930931932933934935936937938939
 940941942943944945946947948949
 950951952953954955956957958959
 960961962963964965966967968969
 970971972973974975976977978979
 980981982983984985986987988989
 990991992993994995996997998999
 000

DEC 16 2012

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

VACANCY
City Member

BARBARA MANN
Special District Member

DUANE PICANCO
City Member

SHIRLEY BIANCHI
County Member

MICHAEL P. RYAN
County Member

ALTERNATES

KATCHO ACHADJIAN
County Member

VACANCY
Special District Member

TOM MURRAY
Public Member

ALLEN SETTLE
City Member

STAFF

PAUL L. HOOD
Executive Officer

RAY BIERING
Legal Counsel

DAVID CHURCH
LAFCO Analyst

LEAHA K. MAGEE
Clerk to the Commission

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

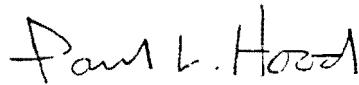
Dear Mr. Jones:

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:

- 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.

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.

Respectfully,



Paul L. Hood
Executive Officer

Enclosures: Maps
Legal Description
Justification of Proposal
Environmental Assessment Form

RECEIVED

DEC 30 2002

ISIFCO SAN LUIS OBISPO COUNTY
SERVICES DISTRICT

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

RESOLUTION NO. 12-03
OFFICE OF COMMENCEMENT NEGOTIATION
FOR TRANSFER OF PROPERTY TAX REVENUE

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.

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

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 NCS D 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

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 an available 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 identifying an available water source and 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

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: FEBRUARY 5, 2003

AGENDA ITEM
05
FEBRUARY 5, 2003

ANNEXATION NO. 23
TRACT 2499
LEM

ITEM

Review a resolution conditionally approving Annexation No. 23 and annexation agreement to annex 18 acres at Pomeroy and Waypoint.

BACKGROUND

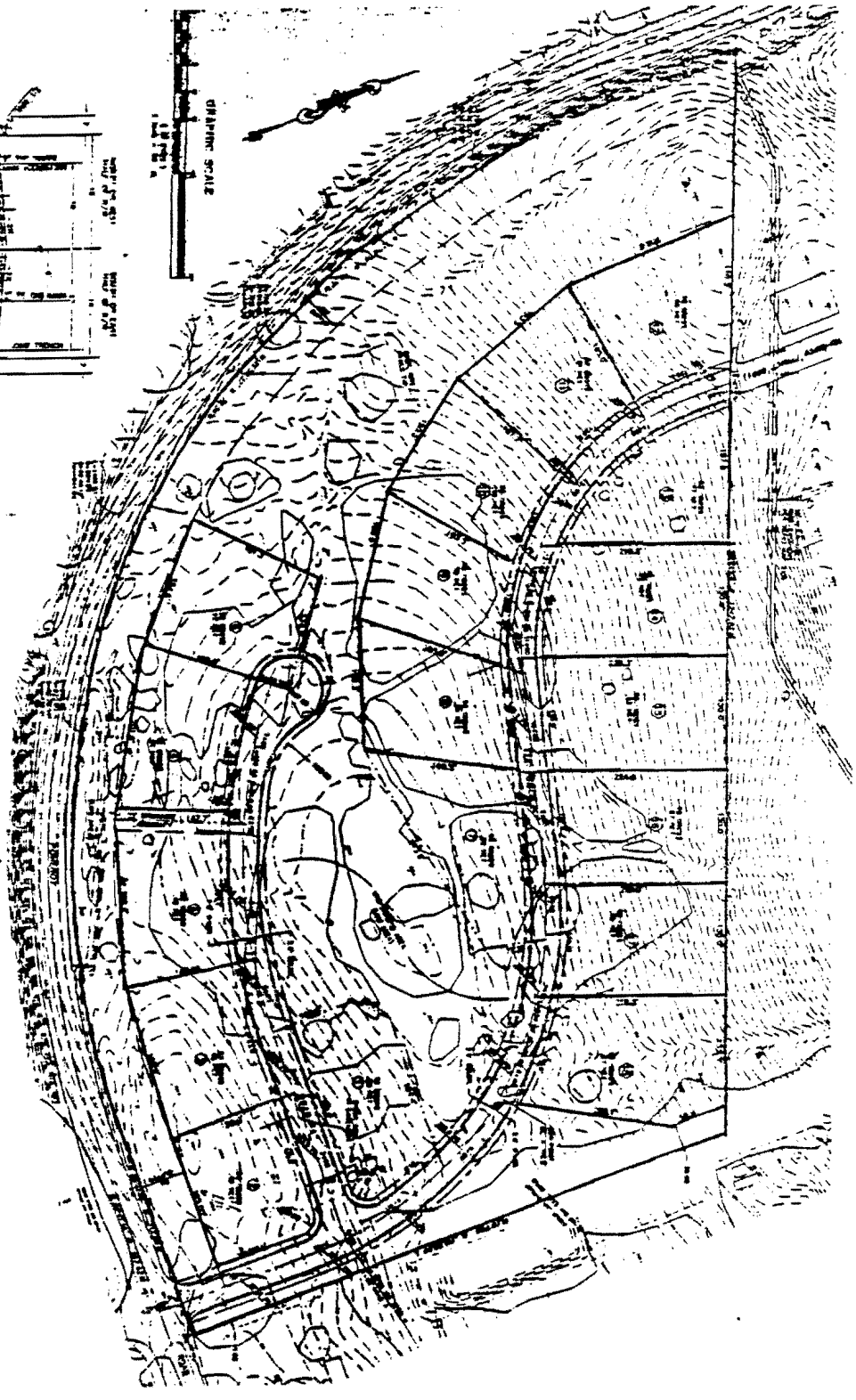
At the regular meeting held on November 20, 2002, your Honorable Board reviewed the request for proposed Annexation No. 22 (LEM). Staff was directed to prepare an annexation agreement along with a resolution conditionally approving the proposed annexation for Tract 2499, an 18-acre parcel at Pomeroy 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 resolution conditionally approving Annexation No. 23 and the annexation agreement, you may direct staff to process the agreement.

Vista Roble - Phase II

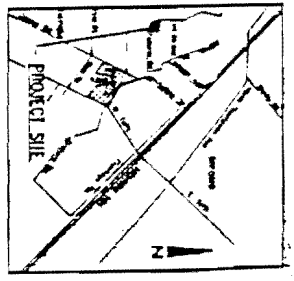


MA SGO & JUAN A. LEPOL SECTION
 REGISTERED PROFESSIONAL ENGINEER
 STATE OF CALIFORNIA
 LICENSE NO. 4487

TENTATIVE TRACT MAP 2499

OWNER'S CERTIFICATE
 I, the undersigned, being the owner of the above described property, do hereby certify that the facts stated herein are true and correct to the best of my knowledge and belief.

ENGINEER'S CERTIFICATE
 I, the undersigned, being a duly Licensed Professional Engineer in the State of California, do hereby certify that the facts stated herein are true and correct to the best of my knowledge and belief.



LEGEND

---	Existing Easement
---	Proposed Easement
---	Proposed Right-of-Way
---	Proposed Subdivision

PROJECT DATA
 1. Name of Project: Vista Roble - Phase II
 2. Location: ...
 3. Date of Map: ...

LEGAL DESCRIPTION
 A certain portion of a portion of the ...
 ...
 ...

NO.	DATE	DESCRIPTION	BY
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...

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

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

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 an available 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 identifying an available water source and 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

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: FEBRUARY 5, 2003

AGENDA ITEM
10
FEBRUARY 5, 2003

PROPOSED LYN ROAD ANNEXATION
(FORMERLY ROBERTSON ANNEXATION)

ITEM

Review water service report, resolution conditionally approving the proposed Annexation No. 24 and the annexation agreement

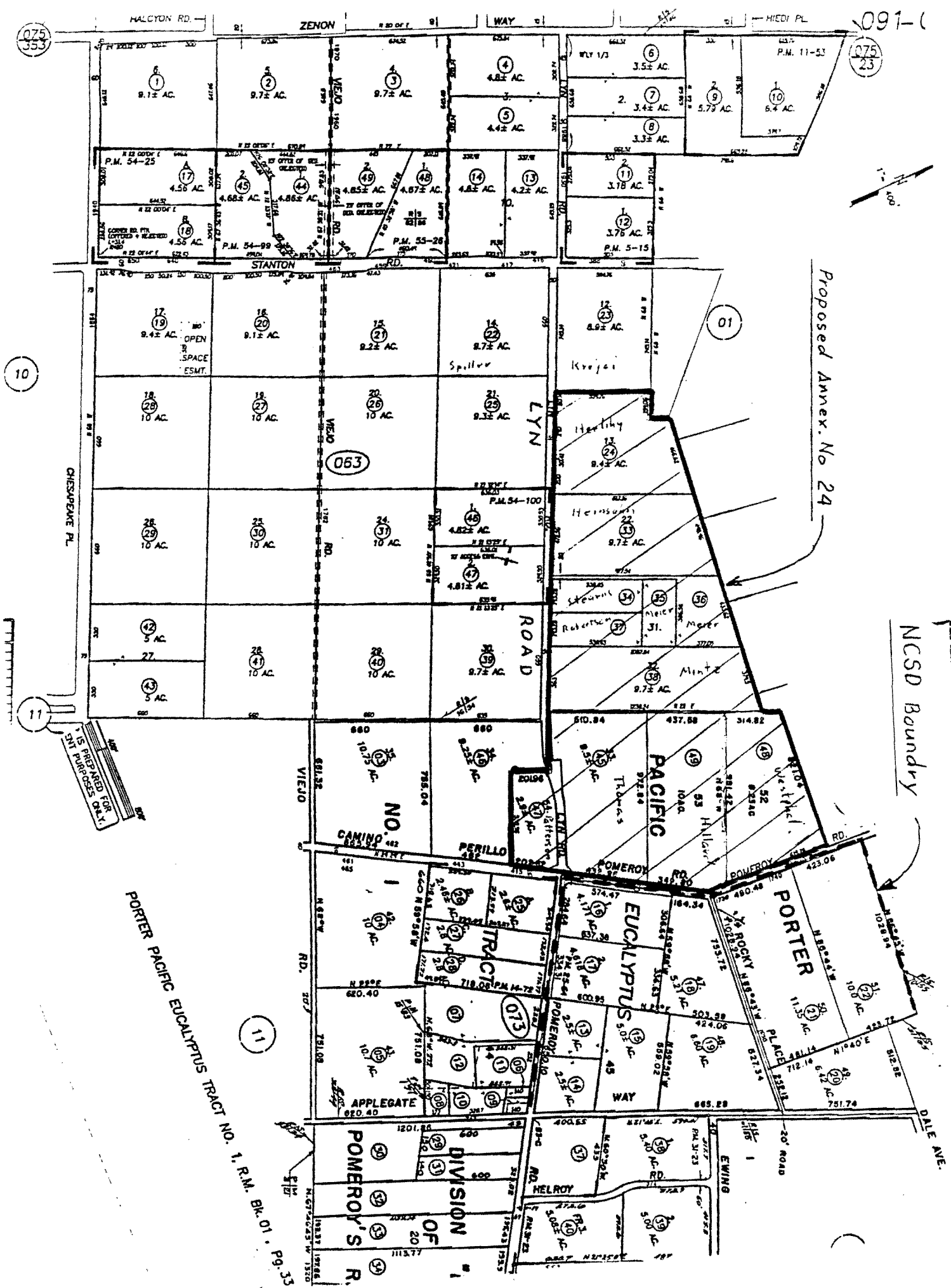
BACKGROUND

The District has received a request from Mr. Robertson to annex the area along Lyn Road into the District for water services. The County Planning Department has made a land use change restricting some of the property owners from subdividing or adding a secondary units. One or two of these properties may not have this restriction. The Board of Directors previously directed staff to prepare an engineering study to see the feasibility of providing water service to the Lyn Road proposed annexation. The annexation applicants have signed an agreement to pay for services to conduct this study. Mr. Jim Garing, of Garing, Taylor and Associates, has completed the study, and which indicates that the District's infrastructure is capable of providing the service to the Lyn Road area.

Enclosed is a resolution conditionally approving the proposed Annexation No. 24 (Lyn Road), which consists of approx. 70 acres adjacent to the District boundary on Pomeroy Road. The annexation agreement listing the conditions for annexation between the District and Lyn Road property owners, have not been executed by the property owners. Note in the Annexation Agreement, paragraph 4 on page 2, indicating that the annexation fee is \$500.00 per acre. With the restrictions imposed by the County, (similar to Summit Station area restrictions) the District has waived the \$500.00 per acre to \$500.00 per parcel. Your Honorable Board may wish to address this in the Annexation Agreement.

RECOMMENDATION

If your Honorable Board wishes to proceed with Annexation No. 24, you may approve the resolution conditionally approving the annexation conditioned upon the applicants signing the Annexation Agreement.



091-1

Proposed Annex. No 24

NCSB Boundary

PORTER PACIFIC EUCALYPTUS TRACT NO. 1, R.M. Bk. 01, P.G. 33



Civil Engineering
Surveying
Project Development

January 23, 2003

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

SUBJECT: NCSD Ability to Serve the Robertson Annexation Consisting of
Approximately 12 Parcels near Pomeroy-Los Berros Road & Lyn Road

Dear Doug,

The proposed Robertson annexation lies Westerly of the intersection of Pomeroy Road and Lyn Road with Perrillo Road. The area consists of approximately 12 Parcels varying in size from 10-acres to as small as 2-1/2 acres. The District currently has 8-inch looped water transmission mains which were constructed as part of the Summit Station Assessment District on Pomeroy Road, turning Northerly on Pomeroy Road where Pomeroy meets Lyn Road and extending northerly some 1200 feet from that intersection to a point where the main terminates. Approximately 500-feet prior to the Northerly termination of this main, it is looped easterly on Rocky Place. Fire Hydrants were constructed as part of the Summit Station Assessment District at the intersection of Pomeroy Road and Lyn Road, Pomeroy Road and Rocky Place, and the termination of the 8-inch main approximately 500-feet Northerly of Rocky Place on Pomeroy.

Fire flow tests of this main in this general area indicates very good fire flow, with a static pressure of approximately 87lbs and a drop of approximately 30lbs to produce 800 gpm (note that the Summit Station fire flow requirement is 500 gpm at 20lbs residual).

Fire flow tests conducted in the most challenging area of Summit Station in the summer of 1996 and again in late 1997 indicate that fire flow and domestic pressures in the area exceed Title 22. Fire flow actually proved to be approximately 300 gpm greater than the minimum required. This indicates that as of 1997 a considerable reserve of excess capacity existed in the Summit Station area to meet fire flow as well as domestic flows.

Calculations utilizing District and San Luis Obispo Standards for the impact of domestic flows from the Robertson annexation indicate that the Robertson annexation, from an incremental point of view will have a very small affect on domestic flows within Summit Station. As an example, utilizing these calculations indicate that increasing the number of domestic services from 155 to 167 has an incremental impact of approximately 11 gpm in increased domestic flow.

Page Two

Providing water service to the most distant component of the Robertson annexation would require a main extension of approximately 2,800-feet in length. At 500 gpm fire flow plus 120 gpm peak instantaneous domestic flow for that main branch, the friction slope in an 8-inch main would be approximately 0.65-feet per 100 feet or approximately 8 psi total friction loss. The system will easily provide this domestic and fire flow to the Robertson annexation.

As stated earlier, the incremental domestic flow caused by the proposed Robertson annexation is very small. The affect will be so small that it is essentially below common measurement technique for water system pressures, although a very sensitive instrument might discern the difference if testing were done under very strictly controlled conditions. I believe the incremental impact of the Robertson annexation upon the Summit Station area will be negligible.

Regardless of the negligible impact, it would still be desirable to loop the proposed 8-inch main extension so that a long, dead-end main and the attendant maintenance problem of flushing periodically are not created. At least two possible loop routes appear which could alleviate a long dead-end main. One of these loops would be to loop Northerly at the Westerly end of the Robertson annexation and then Easterly back to Pomeroy along the Northerly boundary of the annexation. This loop would reconnect back to the 8-inch main in Pomeroy providing a local water main loop. There is no apparent right of way available for this loop and this particular route would add approximately 4000 feet to the 2800-feet of otherwise dead-end main proposed. Funding source for this additional loop is unknown.

The other loop route which appears desirable from a water system standpoint would be to loop Southerly across Black Lake Canyon to Willow Road, connecting into the large transmission main in Willow Road. This loop would add approximately 10,000 feet to the otherwise 2800-foot dead-end main. Right of way may be unavailable and a funding source for this very significant cost is unknown.

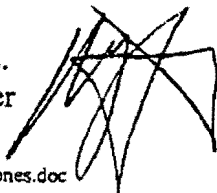
In the event that the Board concludes that the cost of either of the above mentioned loops should not be born by the Robertson annexation, perhaps a third alternative could be enacted, that of establishing a fund for the express purpose of constructing this type of water system improvement for the Summit Station area, funded through some mechanism of the annexation process.

If you have any questions, please contact me.

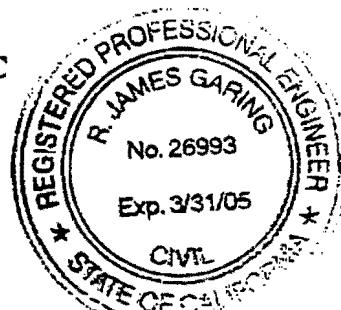
Very truly,

GARING, TAYLOR & ASSOCIATES INC

Jim Garing, P.E.
District Engineer



T/ND02-063/trDoug Jones.doc



RESOLUTION NO. 2003-LYN ROAD

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
PROPOSED ANNEXATION NO. 24, APPROXIMATELY 70 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA**

WHEREAS, LYN ROAD PROPERTY OWNERS ("Applicants"), are the owners of certain real properties (herein "Property") located on Lyn Road off of Pomeroy Road, Nipomo, California, Assessor's Parcel Numbers 091-063-024, 091-063-033, 091-063-034, 091-063-035, 091-063-036, 091-063-037, 091-063-038, 091-073-045, 091-073-048, 091-073-049, and

WHEREAS, Applicants desire 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 Applicants, 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 Applicants 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 Applicants' Properties, subject to the following conditions:

1. That Applicants 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 Applicants receive 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 Applicants.

RESOLUTION NO. 2003-Lyn Road

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 24, APPROXIMATELY 70 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 Applicants comply 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 NO. 2003-Lyn Road

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 24, APPROXIMATELY 70 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA

EXHIBIT "A"

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 Applicants are the sole owners of the Properties 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 sizes are greater than one (1) acre and therefore qualifies for on-site 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) with County restrictions on development on some properties. The Applicants desire to receive water service to their properties. The long range impact on the District's water sources would be approx. 8 to 10 residential units or approximately six to seven (6-7) acre feet per year. The Project will have on-site wastewater disposal (septic tanks).

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

RESOLUTION NO. 2003-Lyn Road

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 24, APPROXIMATELY 70 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA

EXHIBIT "A"

STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

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:

There appears to be a bonafide need for NCS D water services, due to a poor groundwater production area.

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.

>
>
>

RESOLUTION NO. 2003-Lyn Road

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 24, APPROXIMATELY 70 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA

EXHIBIT "A"

STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

FINDING:

The proposed Annexation is consistent with this policy.

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:

An engineering study indicates the District infrastructure can supply service to the proposed annexation area. 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.

RESOLUTION NO. 2003-Lyn Road

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
ANNEXATION NO. 24, APPROXIMATELY 70 ACRES
LOCATED ADJACENT TO POMEROY ROAD, NIPOMO, CALIFORNIA

EXHIBIT "A"

STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

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.

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-Lyn Road Annex

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

APN#'s 091-063-024, 091-063-033, 091-063-034, 091-063-035, 091-063-036,
091-063-037, 091-063-038, 091-073-045, 091-073-048, 091-073-049

Exhibit "A" – Proposed Annexation Area
Exhibit "B" - Hourly Rates for District Staff and Consultants

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

THIS AGREEMENT, made this ___ day of _____, 2003, by and between the Nipomo Community Services District, (herein referred to as District), and Lyn Road Property Owners, (hereinafter referred to as ("Applicants")), with reference to the following recitals.

RECITALS

- A. Applicants are the owners of certain real properties (herein the "Properties") located on Lyn Road off of Pomeroy Road. The subject Properties are approximately 70 acres in area, are adjacent to the District boundary on Pomeroy Road. The Properties are more particularly described on Exhibit A attached hereto and incorporated herein by reference.
- B. The Properties are 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. Applicants desire to annex the Properties 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). Applicants acknowledge 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 seventy (70) acres consisting of eight to 11 parcels.

2. Phases:

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

The Project will be processed in phases as follows:

A. Phase I.

The parties shall work cooperatively to identify an available 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. Applicants agree to pay the District all incurred costs, both direct and indirect, associated with identifying an available water source and 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, Applicants shall deposit with the District the sum of four thousand (\$4,000.00) for District services more particularly described in subparagraph A, above. The Applicants authorizes the District to withdraw from the deposit payment for services pursuant to this Agreement as they are incurred by District.

District will notify Applicants whenever the deposit is reduced to \$1,000.00 or less. Within 15 days after such notification is mailed, Applicants shall make an additional deposit in the same amount as the initial deposit.

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

4. Payment of District's Fees and Charges

A. Prior to final LAFCO approval of the proposed Annexation Applicants shall deposit with District the sum of five hundred dollars (\$500.00) per acre representing the District's Annexation fee.

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

5. Obligations of Applicants

In addition to the obligations of Applicants referenced in this Agreement, the

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

Applicants 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
Applicants agree, 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. Applicants acknowledge that said obligation to construct water infrastructure requires Applicants 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 Applicants 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 Applicants, 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 Applicants shall be responsible for payment of such costs.

7. Indemnification and Hold Harmless

To the extent allowable by law, Applicants 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. Applicants understand and acknowledge that District is under no obligation to defend any legal actions challenging the District's actions with respect to The Project.

The Applicants recognize and hereby agree 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 Applicants, its officers, employees, independent contractors or agents. The Applicants 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

Applicants, 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 Applicants, 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, Applicants may terminate this Agreement with fifteen (15) days written notice to District. Termination shall not relieve Applicants 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 Applicants 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 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

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

APPLICANT:

Gary Robertson
1732 Lyn Road
Arroyo Grande, CA 93420
APN 091-063-037

APPLICANT:

Gene Mintz
1712 Lyn Road
Arroyo Grande, CA 93420
APN 091-063-038

APPLICANT:

Jeff Meier
P.O. Box 775
Nipomo, CA 93444-0775
APN 091-063-035, and 091-063-036

APPLICANT:

Don Hilliard
1731 Pomeroy Road
Arroyo Grande, CA 93421-0166
APN 091-073-048, and 091-073-049

APPLICANT:

Judith Patterson
19 Camino Verde
Santa Barbara, CA 93103
APN 091-063-047

APPLICANT:

Jack Herlihy
1804 Lyn Road
Arroyo Grande, CA 93420
APN 091-063-024

APPLICANT:

Roy A. Thomas
3805 Los Padres Road
Santa Maria, CA 93455-2914
APN 091-071-002

APPLICANT:

Phil Stearns
7162 Via Colina
San Jose, CA 95139
APN 091-063-034

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,

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

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 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. Applicants agree to be jointly and severally liable with Owner for payment of all fees due under this Agreement.

In Witness Whereof, District and Applicants have executed this Agreement the day and year first above written.

DISTRICT:

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

APPLICANT:
APN 091-063-037

By: _____
Gary Robertson
(Note: Signature must be notarized)

APPLICANT:
APN 091-063-038

By: _____
Gene Mintz
(Note: Signature must be notarized)

**ANNEXATION AGREEMENT
BETWEEN THE NIPOMO COMMUNITY SERVICES DISTRICT
AND
LYN ROAD PROPERTY OWNERS**

APPLICANT:
091-063-035, and 091-063-036

By: _____
Jeff Meier
(Note: Signature must be notarized)

APPLICANT:
APN 091-071-002

By: _____
Roy A. Thomas
(Note: Signature must be notarized)

APPLICANT:
APN 091-073-048, and 091-073-049

By: _____
Don Hilliard
(Note: Signature must be notarized)

APPLICANT:
APN 091-063-034

By: _____
Phil Stearns
(Note: Signature must be notarized)

APPLICANT:
APN 091-063-047

By: _____
Judith Patterson
(Note: Signature must be notarized)

APPLICANT:
APN 091-063-024

By: _____
Jack Herlihy
(Note: Signature must be notarized)

Attest:

Donna Johnson,
Secretary to the Board

Approved as to form:

Jon S. Seitz,
District Legal Counsel

EXHIBIT A

NCSB Boundry

Proposed Annex. No 24

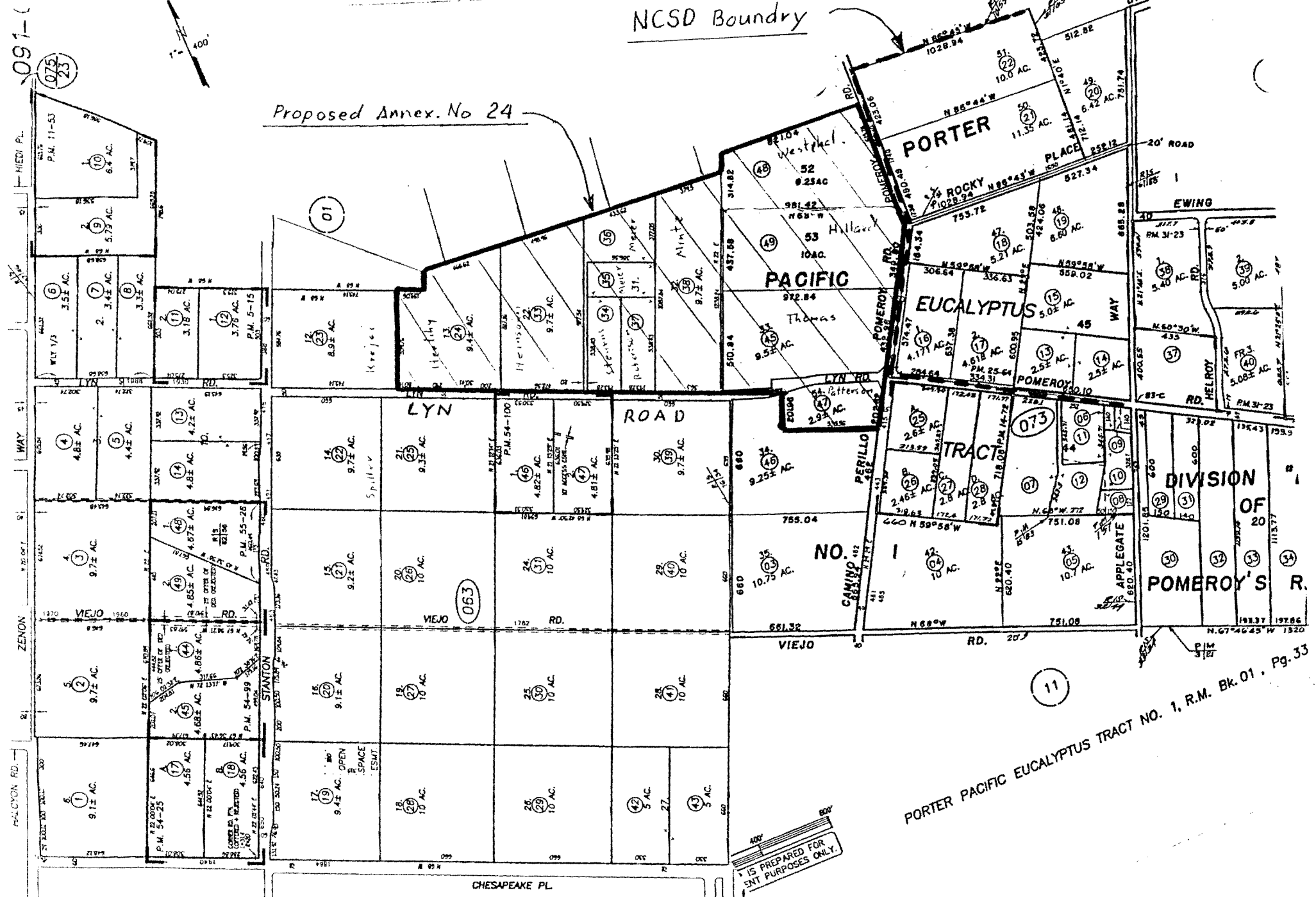


EXHIBIT "B"

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

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: FEBRUARY 5, 2003

AGENDA ITEM

FEBRUARY 5, 2003

REQUEST FOR ANNEXATION
NIPOMO HILLS

ITEM

Request to annex approx. 88 acres for a 600-unit housing development at Thompson Ave. and Knotts Street

BACKGROUND

The District has received a request from Mr. Spike Wheeler to annex 88 acres south of Knotts Street, fronting on Thompson Ave. for a 600-unit housing development. Mr. Wheeler is proposing that the California Cities Water Company would sell water to NCSD, for the proposed project. Sewer service is proposed to be provided by the District.

Mr. Wheeler made a brief presentation at the last Board meeting during Public Comment period about the proposed project, which is designed for affordable housing. The District's jurisdiction is to provide water and sewer services to the proposed project. It is estimated that the water requirement for this project is 250 to 300 acre-feet per year.

Staff recommends that your Honorable Board direct Mr. Wheeler to have California Cities Water Company draft an agreement where water would be sold to the District to provide water service to this project. The District would be billing each homeowner for water and sewer service.

RECOMMENDATION

Staff recommends that prior to proceeding with this request for annexation that the developer through California Cities Water Company provide a water source agreement to be approved by the District. Since this project is over 500 units, California Cities Water Co. will have to verify a 20-year water supply

2

Water Supply. At the time of Development Plan application for the residential subdivision, a detailed hydro-geologic analysis shall be completed. The analysis shall be prepared such that long-term water availability is determined to be adequate for the residential subdivision and the agricultural use of areas A and B shown in Figure 7-54. The data used in the analysis shall provide for conclusions with a high degree of certainty, and shall be based on 1) monitoring over a certain period (as recommended by the hydro-geologist), 2) recent, detailed existing information on water availability, or 3) a combination of these two.

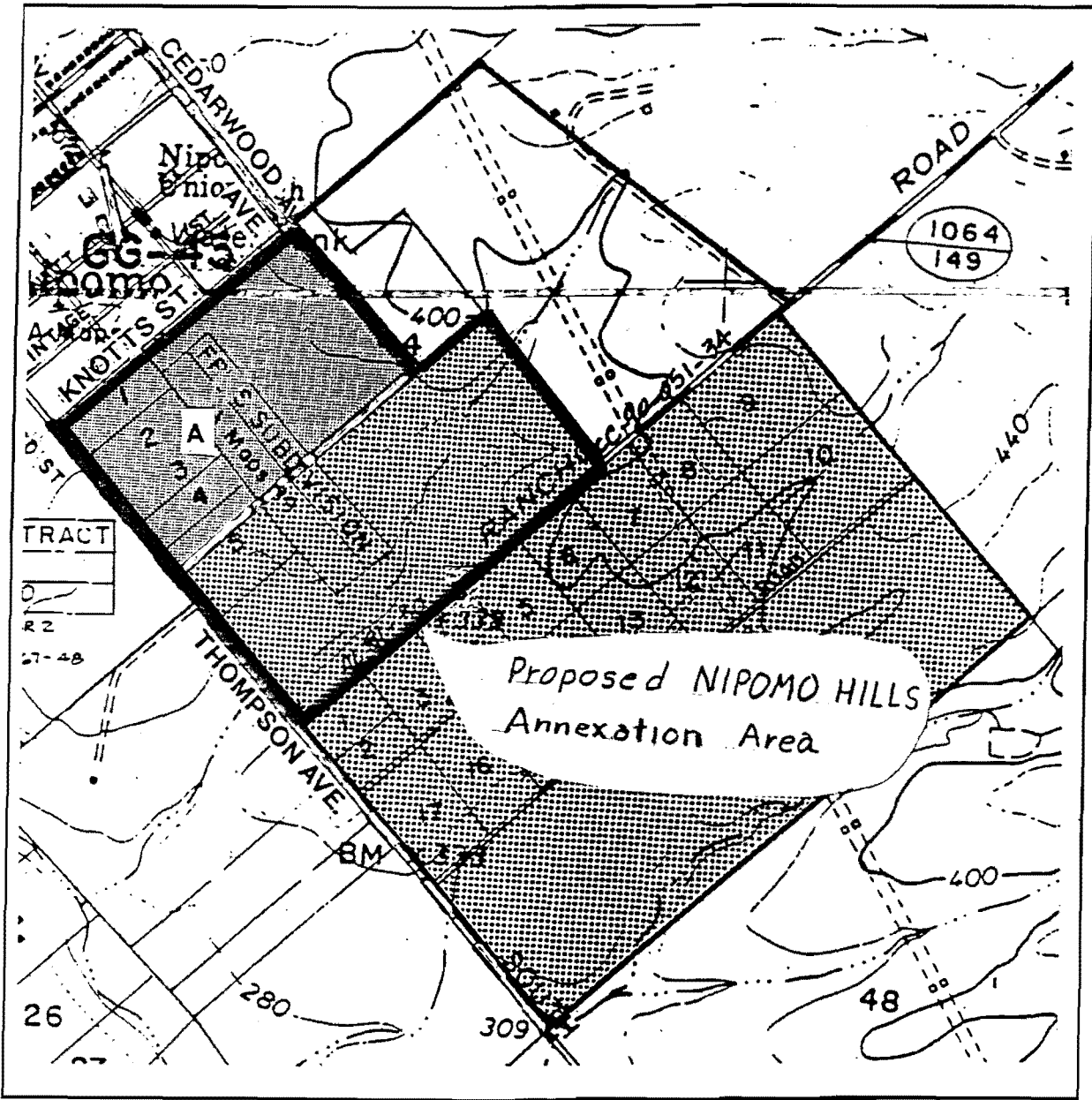


Figure 7-54: RSF - Knotts Street Area

1-21-03

To: NCS D

From Spike Wheeler
Operations Manager
Shellanu Development
Managing Partner-Nipomo Hills Partnership

Re: Project Description and Current Status

NIPOMO HILLS-Manufactured Home Park

Nipomo Hills is a proposed Manufactured Home (not mobile homes) Park (MHP) designed to offer home ownership to Low, Very low, and Moderate-income families of the Nipomo Community. 10+ acres of land will be donated as a **Community Park and walking path (over 1 mile)**. The walking path will be 20' wide, landscaped with trees and shrubs and encircle the perimeter of the development. Houses facing Knotts St. and Rancho Rd. will be on the largest lots (90' x 60') and have 30' to 40' setbacks from the edge of the street to the front of the 2-car garages. The MHP will have a 250 to 300 child, **Child-care Center**. We are in tentative agreement with EOC (Economic Opportunity Commission) to operate the child-care center and use the large MHP **Community Center** for educational and health programs. Individual homes will be built on permanent foundations, have separate utility hookups and meters and low and moderate-income 3 bedroom, 2 bath homes will have 2-car garages. The very low-income homes will be 2 bedroom, 2 bath homes with carports. Homes will be sold on a leasehold basis of 40 years. This will allow the homeowners to build enough equity to purchase to land at the end of the 40-year lease period and complete the Homeownership Program. The MHP will also have a large year round swimming pool, laundry facilities, although all homes will be plumbed for washers and dryers, and a RV storage yard at the rear of the property in the Agricultural Buffer Zone.

Roger Brett talked to Doug Jones a few months ago agreeing (if necessary) to sell water to NCS D for our project and Roger is currently sending me a letter stating they are willing to supply this water.

Paul Hood, LAFCO, has given us the go ahead and is currently in process to extend the URL to include this project.

Robert Hopkins, Agricultural Commissioner has also given us the go ahead stating that the land is hilly, poor soil and because we intend to build 100 very low-income homes, these homes will address farm housing needs.

We are able to offer these homes because of the size of the project:

1. We are able to sell the houses more cheaply because we are buying such a large quantity of homes. If we don't buy in quantity we don't get the discounts and we cannot sell to low and very low-income families.
2. As it is we need to use moderate-income rents to help subsidize the very low-income lot rents to make it work.

The MHP will contain approximately 100 very low-income homes, 400 low-income homes and 100 moderate-income homes.

I have just started to talk with groups in the community and so far have received resounding support. So much in fact, we decided to circulate a **Petition for Support** of this project. I have been in contact with Mike Winn about this project and he might be able to fill you in on more details. We will be filing a formal application of annexation this week or next and if any of you would like to meet with me to discuss this project please don't hesitate to call me at (805) 798-0736.

The recent State mandates on housing for the Nipomo Area support projects of this kind and I sincerely hope you will too.

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

12. Total acreage of proposed project: 88.13 acres

13. Total acreage of proposed annexation: 88.13 acres

14. If total acreage to be annexed differs from the acreage to be developed, explain the difference:

15. Status of water resources available on proposed annexation acreage: 1 EXISTING WELL

A. Quantity (pumping log and date: UNKNOWN)

B. Quality (quality tests and date: UNKNOWN)

C. Other information: Roger Brett-Cal Cities Water Co. has agreed to sell water to NCS D For this project.

D. Water resources to be dedicated to NCS D: From CAL-CITIES WATER

16. Description of existing and proposed wastewater disposal system: None-EXISTING

Proposed-NCS D Sewer

17. Reason proponents are requesting annexation: IN ACCORDANCE WITH THE STATE AFFORDABLE HOUSING MANDATES FOR THE NIPOMO AREA, WE WOULD LIKE TO BUILD AFFORDABLE HOUSING.

18. Other comments: LAFCO IS CURRENTLY MOVING THE URL TO INCLUDE THE REMAINING PORTIONS OF THE PARCELS THAT ARE PARTLY IN THE URL CURRENTLY.

Note:

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

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

Signed:

Spike Wheeler

Full Name: WARREN L. "SPIKE" WHEELER

Street Address: 403 N. FULTON ST. Ojai, Ca. 93023

Mail Address (If different): _____

Home telephone number: 805-798-0736

Work telephone number: 805-798-0736

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 5, 2003

AGENDA ITEM

FEBRUARY 5, 2003

REVIEW BOARD OF DIRECTORS BY LAWS

ITEM

Annual review of the Board of Directors By-Laws

BACKGROUND

The Board of Directors By-Laws were established to give the Board some direction in conducting a meeting and being a member of the Board. Incorporated into the by-laws is an annual review in February in case the Board wishes to make any changes.

The Board By-Laws are presented to your Honorable Board for review.

RECOMMENDATION

If there are no changes, a resolution may be adopted approving the 2003 By-Laws.

RESOLUTION NO. 2003-by-laws
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING BOARD BYLAWS

Board 2003/By-Laws.DOC

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2003-by-laws**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING BOARD BY-LAWS**

WHEREAS, the Board of Directors of Nipomo Community Services District (District) is committed to providing excellence in legislative leadership; and

WHEREAS, the District is a member of the Special District Risk Management Authority (**SDRMA**); and

WHEREAS, **SDRMA** has adopted a Credit Incentive Program whereby the District can receive a one point credit for the adoption of Board Policies and Procedures (Director By-Laws); and

WHEREAS, the District can receive an annual one point credit for the annual review and re-adoption of the Director Bylaws.

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

1. The Nipomo Community Services District Board of Directors By-Laws (2003 update) attached hereto as Exhibit "A" are hereby approved and adopted.
2. All prior Director Bylaws, Resolutions and Policies of the District that are inconsistent with the Board of Director By-Laws (2003 update) attached hereto as Exhibit "A" are hereby repealed.

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

AYES: Directors

NOES:

ABSENT:

ABSTAIN:

the foregoing resolution is hereby passed and adopted this 5TH day of February, 2003.

Michael Winn
President of the Board

ATTEST:

APPROVED:

DONNA K. JOHNSON
Secretary to the Board

JON S. SEITZ
District Legal Counsel

MUNICIPAL COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
ATTACHMENT "A" TO RESOLUTION 2003-by 496

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the President and Vice President.
- 1.2 The President of the Board of Directors shall serve as chairperson at all Board meetings. He/She shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the President, the Vice President of the Board of Directors or his/her designee shall serve as chairperson over all meetings of the Board. If the President and Vice President of the Board are both absent, the remaining members present shall select one of themselves to act as chairperson of the meeting.
- 1.4 The President and Vice President of the Board shall be elected annually at the last regular meeting of each calendar year.
- 1.5 The term of office for the President and Vice President of the Board shall commence on January 1 of the year immediately following their election.

2. MEETINGS

- 2.1 Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the first and third Wednesday of each calendar month in the Board Room at the District Office currently located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel or designate other dates and times for Director meetings due to scheduling conflicts and holidays.
- 2.2 Special Meetings.
Special meetings may be called by the President or three (3) members of the Board of Directors with a minimum of twenty-four (24) hours public notice. Special meeting Agendas shall be prepared and distributed pursuant to the procedures of the Brown Act by the General Manager or the Administrative Assistant;
- 2.3 Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.
- 2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:
 - (a) Board Members may briefly respond to statements or questions from the public;
 - (b) Board Members may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
 - (c) A Board Member or the Board itself may take action to direct staff to place a matter on a future agenda.
 - (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.
- 2.5 The President, or in his/her absence the Vice President (or his/her designee), shall be the presiding officer at District Board meetings. He/She shall conduct all meetings in a manner consistent with the policies of the District. He/She shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/She shall announce the Board's decision on all subjects. He/She shall vote on all questions and on roll call his/her name shall be called last.

HOUMA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
ATTACHMENT "A" TO RESOLUTION 2003-by laws,

- 2.6 A majority of the Board shall constitute a quorum for the transaction of business. A majority of the Board is sufficient to do business, however motions must be passed unanimously if only three attend. When there is no quorum for a regular meeting, the President, Vice President, or any Board member shall adjourn such meeting, or, if no Board member is present, the District Secretary shall adjourn the meeting.
- 2.7 A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the minutes of the Board showing those Board members voting aye, those voting no and those not voting or absent. A roll call vote shall be taken and recorded on any vote not passed unanimously by the Board. Unless a Board member states that he or she is not voting because of a conflict of interest and steps down from the dais prior to the discussion of the item, his or her silence or vote of abstention shall be recorded as an affirmative vote.
- 2.8 Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.
- 2.9 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers podium once the meeting begins. The President retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.
- 2.10 Generally, meeting business, other than closed session items, should be completed by 11:30 a.m. If at that time the Board has not concluded its business, it will review the balance of scheduled business to determine by majority vote whether to extend the meeting or continue consideration of the remaining items to another meeting.

3. AGENDAS:

- 3.1. The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors. Any Director may call the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30 o'clock p.m. one week prior to the meeting date.
- 3.2 A block of 20 minutes time shall be set aside to receive general public comment. Comments on agendized items should be held until the appropriate item is called. Unless otherwise directed by the President, public comment shall be presented from the podium. The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the President of the Board and limited to three minutes unless extended or shortened by the President in his/her discretion.
- 3.3 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.
- (a) Board members may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. A member of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by members of the Board for discussion will typically be heard

NO NEW WIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
ATTACHMENT "A" TO RESOLUTION 2003-by laws

after other "Consent Agenda" items are approved unless a majority of the Board choose an earlier or later time.

- (b) A Board member may ask questions on any item on the "Consent Agenda". When a Board member has a minor question for clarification concerning a consent item, which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Board members are encouraged to seek clarifications prior to the meeting if possible.
- (c) When a Board member wishes to pull an item simply to register a dissenting vote, the Board member shall inform the presiding officer that they wish to register a dissenting vote without discussion. These items will be handled along with the rest of the Consent Agenda, and the District Secretary will register a "no" vote in the minutes.

4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES

- 4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads;
- 4.2 The District Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board and, except as provided in Section 3.3 below, shall not be required to record any remarks of Board Members or any other person;
- 4.3 Any Director may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed.
- 4.4 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter; and
- 4.5 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.
- 4.6 Any tape or film record of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. District tape and film records may be erased ninety (90) days after the taping or the recording.

5. MEMBERS OF THE BOARD OF DIRECTORS

- 5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors.
- 5.2 Information may be requested from staff or exchanged between Directors before meetings. Information that is requested or exchanged shall be distributed through the General Manager, and all Directors will receive a copy of all information being distributed.
- 5.3 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 5.4 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, Directors should commit to supporting said action and not to create barriers to the implementation of said action.

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
(ATTACHMENT "A" TO RESOLUTION 2003-by laws)

- 5.5 Except during open and public meetings, the use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the members of the Board of Directors to develop a collective concurrence as to action to be taken on an item by the Board of Directors is prohibited.

6. AUTHORITY OF DIRECTORS

- 6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.
- 6.2 Directors do not represent any fractional segment of the community but are, rather, a part of the body, which represents and acts for the community as a whole.
- 6.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

7. DIRECTOR GUIDELINES

- 7.1 Board Members, by making a request to the General Manager or Administrative Assistant, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the General Manager or the Administrative Assistant cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, work loads, and priorities, then the General Manager or Administrative Assistant shall inform the individual Board Member why the information is not or cannot be made available.
- 7.2 In handling complaints from residents, property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the District's response, if any..
- 7.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the General Manager.
- 7.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager or Administrative Assistant. The chain of command should be followed.
- 7.5 Directors and General Manager should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.
- 7.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager, or in his/her absence, to the Administrative Assistant.
- 7.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

8. DIRECTOR COMPENSATION

- 8.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board attended by him/her and for each day's service rendered as a Director by request of the Board.

NO NEW WIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
(ATTACHMENT "A" TO RESOLUTION 2003-by aws)

- 8.2 Each Director is authorized to receive fifty dollars (\$50.00) as a compensation for each meeting other than regular, adjourned or special meetings or other function attended by him/her and each half day's service rendered as a Director at the request of the Board.
- 8.3 In no event shall Director compensation exceed \$100 per day.
- 8.4 Director compensation shall not exceed six full days in any one calendar month.
- 8.5 Each Board Member is entitled to reimbursement for their expenses incurred in the performance of the duties required or authorized by the Board.
- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Board members and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible. Actual hotel/motel costs shall be reimbursed. Personal phone calls are not reimbursable.
- (b) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement and the Director shall neither be required to account for use of the per diem, return the unused portions, nor claim additional expenses for these items. The per diem shall include \$10.00 for breakfast, \$10.00 for lunch and \$20.00 for dinner for a daily total of \$40.00.

9. COMMITTEES

9.1 Ad Hoc Committees

The Board President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself/herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

9.2 Standing Committees

- (a) The Board may create standing committees at its discretion. Standing committees shall be advisory committees to the Board of Directors and shall not commit the District to any policy, act or expenditure. Each standing committee may consider District related issues, on a continuing basis, assigned to it by the Board of Directors. Committee members shall be appointed by the President of the Board of Directors.
- (b) All standing committee meetings shall be conducted as public meetings in accordance with the Brown Act and Sections 2,3 and 4 of these Bylaws. Summary notes for each meeting of each committee shall be forwarded to the NCSD Board of Directors as a public record.

10. CORRESPONDENCE DISTRIBUTION POLICY

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

- 10.1 All letters approved by the Board of Directors and/or signed by the President on behalf of the District; and
- 10.2 All letters and other documents received by the District that are of District-wide concern as determined by District staff

NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTOR
2003 BYLAWS UPDATE
(ATTACHMENT "A" TO RESOLUTION 2003-by laws)

11. CONFLICTS AND RELATED POLICY

State laws are in place which attempt to eliminate any action by a Board Member or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws, which regulate conflicts, are very complicated. The following provides a brief policy summary of various conflict-related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have a question about a particular agenda item.

11.1 Conflict of Interest

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. Additionally, the FPPC regulations relating to interests in real property have recently been changed. If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is now deemed to be directly involved in the decision.

11.2 Interest in Contracts, Government Codes Section 1090

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Board member has a financial interest.

11.3 Incompatible Office

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest.

12. EVALUATION OF CONSULTANTS

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year. The District's consulting engineer shall be evaluated by the General Manager during the months of May and June of each year and reported to the Board of Directors during the month of July of each year.

13. CONTINUING EDUCATION


Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities is to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

14. BOARD BY-LAW REVIEW POLICY

Subject to 3.1 the Board By-law Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

15. RESTRICTIONS ON RULES

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: FEBRUARY 5, 2003

AGENDA ITEM
E2
FEBRUARY 5, 2003

REQUEST TO STORE NCAC ITEMS IN THE DISTRICT BOARD ROOM

ITEM

NCAC request to have a cabinet(s) for storage of their items located in the District boardroom

BACKGROUND

The District has received a request to allow NCAC to store some of their documents in the District boardroom. It was suggested that NCAC acquire a cabinet to store their materials. Depending on the size of the cabinets, they would encumber useable boardroom space. It is suggested that they may use either of the two existing boardroom cabinets, in which a lock may be installed to secure their documents.

RECOMMENDATION

This is a policy issue for your Honorable Board and may direct staff accordingly.

28 JAN 03

Please agenda a discussion I vote to allow the
Storage of NCAC documents in the NCSD board room.
(They will produce 1-2 filing cabinets and take responsibility
for maintenance.) The NCAC will keep the
keys & control who had access. People ~~working~~ with NCAC
permission would have access to NCSD staff & be
sure of no conflict before they come.

Thank you Day.

Michael Wynn

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 5, 2003

AGENDA ITEM

FEBRUARY 5, 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 22, 2003, Regular Board meeting
Minutes of January 31, 2003, Special Board meeting
- F-3) ACCEPTANCE OF WATER IMPROVEMENTS – TRACTS 2370 (KRICHEVSKY)
Resolution accepting water improvements [RECOMMEND APPROVAL]

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

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

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

A. CALL TO ORDER AND FLAG SALUTE

President Winn called the meeting to order at 9:05 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, all Board members were present.

C. PUBLIC COMMENTS PERIOD

PUBLIC COMMENTS

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

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

The following member of the public spoke:

Spike Wheeler, spokesman for the Shellanu Development – Talked to Board about a proposed Manufactured Home Park designed for low and moderate incomes off Thompson Avenue.

Director Winn will excuse himself from discussion when project comes to the Board because his residence is across the street from proposed project.

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

Mr. Paul Hood, from LAFCO, made a presentation to the Board outlining steps necessary for incorporation. The handout presented to the Board is available for public view. Also, available for public view is "A Guide to the LAFCO Process for Incorporations".

The following members of the public spoke:

Carol Lindley, Blacklake resident – asked Mr. Hood about numbers needed for incorporation.

Mr. Hood answered.

Vicky Jansen, assistant to Supervisor Achadjian – Handed out copies of a letter from Katcho supporting efforts to incorporate Nipomo if supported by the community as well.

Rick Hoff, Nipomo resident – Spoke in favor of incorporation

Captain Gary Holving, SLO County Sheriff's Dept – Sheriff's Department has been serving Nipomo since 1850 and would like to continue even after incorporation occurs.

Bill Morrow, Blacklake resident – Spoke in favor of incorporation

Jesse Hill, 1910 Grant Ave., Arroyo Grande - Spoke in favor of incorporation and asked questions of Mr. Hood. Mr. Hood answered.

Ed Eby, NCS D Customer – Asked Mr. Hood if NCS D initiates incorporation, will a petition be necessary? Mr. Hood answered no.

George Laird, Blacklake resident – Asked Mr. Hood what other communities have tried to incorporate. Mr. Hood said Templeton, Heritage Ranch, Cambria.

Herb Kandel, NCS D resident – felt it is too soon to dedicate funds from NCS D for the study

Guy Murray, Nipomo business owner – Handed President Winn some information concerning incorporation. He spoke in favor of the feasibility study now.

After much Board discussion, the Board directed staff to prepare a "Request For Proposal" as soon as possible.

MINUTES SUBJECT TO BOARD APPROVAL

Copy of document found at www.NoNewWipTax.com

- D-2) **SOLID WASTE FRANCHISE INTERIM RATE INCREASE**
Amend franchise agreement for an interim year rate increase and inclusion of cardboard recycling
Mr. Tom Martin, General Manager of the South County Sanitary Service, Inc. explained the proposed rate increase and the situation with the cardboard recycling.
The following member of the public spoke:
Homer Fox, NCSD Customer – urged the Board to make trash pickup mandatory.

Upon motion of Director Blair and seconded by Director Vierheilig, the Board unanimously agreed to have the proposed ordinance read in title only. Vote 5-0. Mr. Mike Seitz read the title of Ordinance 2003-96.

**ORDINANCE 2003-96
AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING FEES AND CHARGES FOR
SOLID WASTE SERVICE**

Upon motion of Director Vierheilig and seconded by Director Trotter, the Board accepted the first reading of Ordinance 2003-96 and set a Public Hearing for February 5, 2003. Vote 5-0
The Board directed staff to place consideration of mandatory trash collection on a future agenda.

- D-3) **ANNEXATION NO.22 – TRACT 2384 - PUDWILL**
Review annexation agreement to annex 40 acres at Dawn and Sun Dale Roads

Greg Nester, representative for developer of Tract 2384, discussed the proposed annexation with the Board.

There was no public comment.

Upon motion of Director Blair and seconded by Director Wirsing, the Board tabled this item and D-4 to the next Board meeting. Vote 5-0

- D-4) **ANNEXATION NO.23 – TRACT 2499 - LEM**
Review annexation agreement to annex 18 acres on Pomeroy at Waypoint

Greg Nester, representative for developer of Tract 2499, discussed the proposed annexation with the Board.

There was no public comment.

Upon motion of Director Blair and seconded by Director Wirsing, the Board tabled this item and D-3 to the next Board meeting. Vote 5-0

E. OTHER BUSINESS

- E-1) **YEAR 2003 DISTRICT INVESTMENT POLICY**
Resolution adopting the District's Investment Policy for 2003

There was no public comment.

Upon motion of Director Trotter and seconded by Director Vierheilig, the Board unanimously approved Resolution 2003-849. Vote 5-0

**RESOLUTION NO. 2003-849
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE YEAR 2003 DISTRICT INVESTMENT POLICY**

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

There was no public comment. Upon motion of Director Blair, seconded by Director Vierheilg, the Board unanimously approved the Consent Agenda with Minutes of Jan. 8, 2003, as amended (Mr. Eby's letter to be attached to 12/18/02 Minutes.) Vote 5-0

G. MANAGER'S REPORT

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

- G-1) ANNEXATION NO 21 (KNOLLWOOD) HAS BEEN COMPLETED
- G-2) LAFCO DRAFT NCSD SPHERE OF INFLUENCE REVIEW
- G-3) SPECIAL BOARD MEETING JAN. 31, 2003 - INITIATE SALE OF BONDS, LEGAL AND UNDERWRITING SERVICES

H. COMMITTEE REPORTS

President Winn met with Mr. Paul Hood about annexation.
President Winn would like all committees to meet and/or report.

I. DIRECTORS COMMENTS

Director Trotter said CSDA Seminar on January 11 was very good.
Director Wirsing asked who was elected for the LAFCO alternate. Answer-Stan Gufstason
Director Vierheilg said the LAFCO Sphere of Influence has caused an upheaval.
Director Blair concerned about County restrictions put on the Summit Station area when the State mandates that a certain number of houses must be built in the County.
President Winn commented on the following topics:
Board of Supervisors – WRAC Phase II groundwater study
Board of Supervisors – voted against no permanent sales of State Water
Board of Supervisors – WRAC should stay out of planning
NCSD voted last year to urge Board of Supervisors not to use redevelopment monies in Nipomo and not to allow redevelopment if they decided to go with it for the rest of the County.
Interest in County staff for a Joint Powers Agreement for Flood Control
Interest in County staff for a Joint Powers Agreement for well levels, quality and trend analysis.
TDC ordinance proposed.

Deputy Counsel, Mike Seitz, announced the need to go into Closed Session to discuss the following:

CLOSED SESSION

- CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
 - A. SMWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
 - B. SAVE THE MESA VS. NCSD 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§549569

The Board came out of Closed Session and reported the following;
The Board had conversation with counsel and gave direction counsel.

ADJOURN

President Winn adjourned the meeting at 12:01 p.m.

*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.*

WARRANTS FEBRUARY 5, 2003

**AGENDA ITEM
F-1
FEBRUARY 5, 2003**

HAND WRITTEN CHECKS

18585	01-22-03	TIERRA CONTRACTING	55,147.50
18586	01-22-03	STATE WATER RESOURCES	50.00


COMPUTER GENERATED CHECKS


VOID 7702

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
7711	01/31/03	EMP01	EMPLOYMENT DEVELOP DEPT	376.51	.00	376.51	A30128	STATE INCOME TAX
7712	01/31/03	MID01	MIDSTATE BANK-PR TAX DEP	1585.47 425.42	.00 .00	1585.47 425.42	A30128 1A30128	FEDERAL INCOME TAX MEDICARE (FICA)
			Check Total.....:	2010.89	.00	2010.89		
7713	01/31/03	MID02	MIDSTATE BANK - DIRECT DP	13015.70	.00	13015.70	A30128	NET PAY DEDUCTION
7714	01/31/03	PER01	PERS RETIREMENT	2292.34	.00	2292.34	A30128	PERS PAYROLL REMITTANCE
7715	01/31/03	STA01	STATE STREET GLOBAL	735.00	.00	735.00	A30128	DEFERRED COMP
007716	01/31/03	GMA01	GMAC COMMERCIAL MORTGAGE	4225.00	.00	4225.00	10245204	REVENUE BOND INTEREST PAY
007717	01/31/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	013103	SPECIAL BOARD MTG 1/31/03
007718	01/31/03	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	013103	SPECIAL BOARD MTG 1/31/03
007719	01/31/03	WIN01	WIKK, MICHAEL	100.00	.00	100.00	013103	SPECIAL BOARD MTG 1/31/03
007720	01/31/03	WIR02	WIRSING, JUDY	100.00	.00	100.00	013103	SPECIAL BOARD MTG 1/31/03
007721	02/05/03	ADV01	ADVANTAGE ANSWERING PLUS	79.95	.00	79.95	50208	PAGING SERVICE
007722	02/05/03	AME02	AMERICAN INDUSTRIAL SUPPL	339.34 326.66	.00 .00	339.34 326.66	0114121 0114218	BENCH GRINDER & IMPACT WR 2 SHELVING UNITS-SHOP
			Check Total.....:	666.00	.00	666.00		
007723	02/05/03	AWW02	AMERICAN WATER WORKS ASSO	57.00	.00	57.00	235794	AWWA DUES FOR SIMMONS
007724	02/05/03	BLA01	BLAIR, ROBERT L	100.00	.00	100.00	020503	BOARD MEETING 2/5/03
007725	02/05/03	CHA02	CHARTER COMMUNICATIONS	54.90	.00	54.90	011703	INTERNET PROVIDER
007726	02/05/03	COM01	COMPUTER NETWORK SERVICES	339.52	.00	339.52	12576	REPAIR/MAINT COMPUTER
007727	02/05/03	COM02	COMMUNICATION SOLUTIONS	1719.00 145.00	.00 .00	1719.00 145.00	3115 3118	REPAIR LIFT STATION AT BL SCADA REPAIR AT SHOP
			Check Total.....:	1864.00	.00	1864.00		
007728	02/05/03	COR01	CORBIN WILLITS SYSTEMS	545.48	.00	545.48	A301151	ENHANCEMENT & SERVICE FEE
007729	02/05/03	CRE01	CREEK ENVIRONMENTAL LABS	30.00 30.00 25.00 30.00 30.00 75.00	.00 .00 .00 .00 .00 .00	30.00 30.00 25.00 30.00 30.00 75.00	K0084 K0127 K0211 K0212 K0230 K0231	BL WWTF LAB BL WWTF LAB BLUME MAIN LAB TEST BL WWTF LAB BL WWTF LAB TR 2323 MAIN LAB TEST
			Check Total.....:	220.00	.00	220.00		
007730	02/05/03	CUL02	CULLIGAN WATER CONDITION	13.75	.00	13.75	012503	DELIVERY
007731	02/05/03	DEW01	J B DEWAR INC	199.00	.00	199.00	340868	SUPPLIES
7732	02/05/03	DWI01	DWIGHT'S AUTOMOTIVE	430.79	.00	430.79	15587	MAINT 96 FORD

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
007733	02/05/03	FER01	FERGUSON ENTERPRISES INC	234.29	.00	234.29	442192	OPERATING SUPPLIES
007734	02/05/03	FGL01	FGL ENVIRONMENTAL	44.80	.00	44.80	300037	NIPOMO WWTP LAB
				44.80	.00	44.80	300038	BL WWTP LAB
				381.60	.00	381.60	300196	BL WWTP LAB
				210.40	.00	210.40	300197	BL WWTP LAB
				138.40	.00	138.40	300198	NIPOMO WWTP LAB
			Check Total.....:	820.00	.00	820.00		
007735	02/05/03	FLO01	FLOYD V. WELLS, INC.	3720.00	.00	3720.00	12605	CHURCH WELL TEST PUMP REB
007736	02/05/03	GRO01	GROENIGER & CO	317.13	.00	317.13	227359B	SUPPLIES
007737	02/05/03	GWA01	GWA INC	25.00	.00	25.00	012003	FIRE ALARM
007738	02/05/03	IKO01	IKON OFFICE SOLUTIONS	47.20	.00	47.20	16036456	COPIER MAINTENANCE
007739	02/05/03	JOH01	JOHNSON, DONNA	26.24	.00	26.24	012003	REIMB FOR SUPPLIES
007740	02/05/03	LEE01	LEE WILSON ELECTRIC	335.00	.00	335.00	1314	OAKGLEN LIFT STN & WELL C
007741	02/05/03	NEX01	NEXTEL COMMUNICATIONS	129.35	.00	129.35	908731414	CELL PHONES
007742	02/05/03	NIC01	NICKSON'S MACHINE SHOP	2979.99	.00	2979.99	1030018	MODIFICATIONS TO EXHAUST
007743	02/05/03	NIP06	NIPOMO AUTO PARTS	25.72	.00	25.72	223718	MISC SUPPLIES
007744	02/05/03	PAC01	PACBELL/WORLDCOM	8.68	.00	8.68	T0986672	PHONE
007745	02/05/03	PER02	CALIF PUBLIC EMPLOYEES'	4824.21	.00	4824.21	1067 FEB	HEALTH INSURANCE
007746	02/05/03	PLA01	PLATINUM PLUS FOR BUSINES	300.41	.00	300.41	013003	MISC SUPPLIES
007747	02/05/03	PRE01	PRECISION JANITORIAL	275.00	.00	275.00	110	JANUARY JANITORIAL SERVIC
007748	02/05/03	PUL01	PULITZER CENTRAL COAST NP	528.00	.00	528.00	134285	PUB NOTICE ORD 2003-95
				20.00	.00	20.00	A30131	TPR ANNUAL SUBSCRIPTION
			Check Total.....:	548.00	.00	548.00		
007749	02/05/03	QUI03	QUINN RENTAL SERVICES	198.36	.00	198.36	2040470	BLADE FOR CUTTING CONCRET
007750	02/05/03	RIC01	RICHARDS, WATSON, GERSHON	6892.50	.00	6892.50	125100	WOODLANDS
				727.50	.00	727.50	125101	SAVE THE MESA LITIGATION
				17725.14	.00	17725.14	125100A	GROUNDWATER LITIGATION
			Check Total.....:	25345.14	.00	25345.14		
007751	02/05/03	SAI01	SAIC	8145.07	.00	8145.07	399447 W	WOODLANDS MATTER
				807.90	.00	807.90	399447 GW	GROUNDWATER LITIGATION
			Check Total.....:	8952.97	.00	8952.97		
007752	02/05/03	SLO05	SAN LUIS OBISPO ASSESSOR	248.95	.00	248.95	40785	APN DISK
007753	02/05/03	STA03	STATEWIDE SAFETY & SIGNS	159.64	.00	159.64	28295	SAFETY VESTS
007754	02/05/03	THE01	THE GAS COMPANY	102.51	.00	102.51	012203	OFFICE HEAT 062 351 6094
007755	02/05/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	020503	BOARD MEETING
007756	02/05/03	VER01	VERIZON	29.03	.00	29.03	011903	BL PHONE
				28.47	.00	28.47	011903-2	BL PHONE
			Check Total.....:	57.50	.00	57.50		
007757	02/05/03	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	020503	BOARD MEETING
007758	02/05/03	WES01	WEST GROUP	386.10	.00	386.10	803555454	CA CODE UPDATES
007759	02/05/03	WIN01	WINN, MICHAEL	100.00	.00	100.00	020503	BOARD MEETING 2/5/03
007760	02/05/03	WIR02	WIRSING, JUDY	100.00	.00	100.00	020503	BOARD MEETING
007761	02/05/03	XER01	XEROX CORPORATION	80.17	.00	80.17	93435672	COPIER MAINT

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: FEBRUARY 5, 2003

AGENDA ITEM
F 
FEBRUARY 5, 2003

ACCEPTANCE OF WATER IMPROVEMENTS
TRACT 2370 (KRICHEVSKY)

ITEM

Acceptance of water improvements for Tract 2370 on Evergreen Way

BACKGROUND

Upon completion of a developer's project, the District accepts improvements of the project after all requirements have been met. The developer (Krichevsky) for Tract 2370, a 5-lot development on Evergreen has installed water improvements and has met the District's conditions:

- Installed the improvements
- Paid associated fees
- Provided the necessary paperwork, including the Offer of Dedication and the Engineer's Certification

RECOMMENDATION

Staff recommends that your Honorable Board approve Resolution 2003-Accept Krichevsky, accepting the water improvements for Tract 2370.

Board 2003\Accept 2370 Krichevsky.DOC

RESOLUTION NO. 2003-ACCEPT

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER IMPROVEMENTS
FOR TRACT 2370 (KRICHEVSKY)**

WHEREAS, the District approved the construction plans on November 16, 2001, for the water improvements to be constructed; and

WHEREAS, the water improvements have been constructed and said improvements are complete and certified by the engineer; and

WHEREAS, on January 21, 2003, the Owner offered the water improvements to the Nipomo Community Services District; and

WHEREAS, this District has accepted such offer without obligation except as required by law, and

WHEREAS, all water fees for service, required in conformance with District ordinances, have been paid in full for Tract 2370 (Krichevsky).

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

That the water improvements for Tract 2370 (Krichevsky), a 5-lot development on Evergreen Way in Nipomo are accepted by this District.

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

AYES: Directors _____

NOES:

ABSENT:

ABSTAIN:

the foregoing resolution is hereby adopted this 5th day of February, 2003.

Michael Winn, President
Nipomo Community Services District

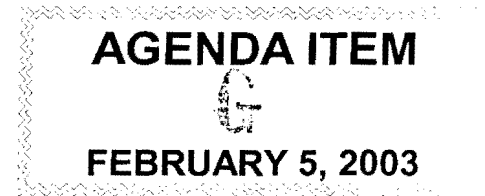
ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 5, 2003



MANAGER'S REPORT

G-1) AWWA CONFERENCE

Enclosed is information on the AWWA Conference. If any Board member is interested, please contact staff by March 7 for arrangements to be made.

G-2) SLO COUNTY ANNUAL RESOURCE REPORT

The County's Annual Resource Report was approved by the Board of Supervisors on December 3, 2002, which reviews the water, sewer and other resources within the County. Note that the County does not have a recommended level of severity for the Nipomo area. Also, in the sewer section, it indicates there are about 150 homes in the Sewer Project area that are not connected to the District's sewer system. A copy of the report is in the District office for your review.

Board 2003/MGR 2-5-03.DOC

2002

Annual Resource Summary Report

Approved by
the San Luis Obispo County Board of Supervisors
December 3, 2002

Board of Supervisors

Harry Ovitt, District 1
Shirley Bianchi, District 2
Peg Pinard, District 3
Khatchik Achadjian, Chair, District 4
Mike Ryan, District 5

San Luis Obispo County Department of Planning and Building

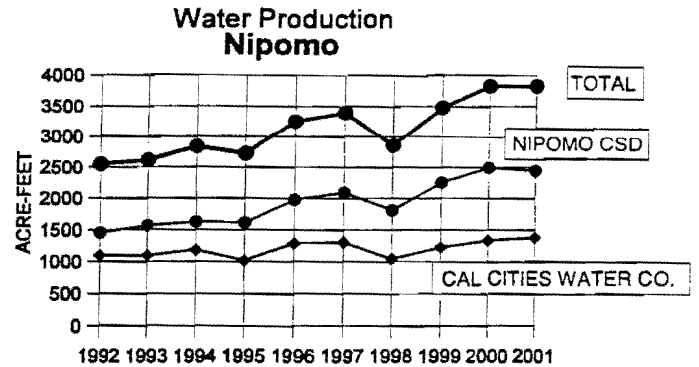
Victor Holanda, AICP, Director
Pat Beck, Principal Planner, Long Range Planning Division
John Hand, Senior Planner, Project Manager

JAN 27 2003

SAN LUIS OBISPO COUNTY
COMMUNITY DEVELOPMENT DISTRICT

Nipomo

Nipomo is served by two major water purveyors. The Nipomo Community Services District (NCSD) serves the original townsite east of Highway 101 and newer areas west of the highway, including the recently annexed Black Lake area. The Summit Station area, a non-contiguous area east of Los Berros, was also annexed by the NCSD in 1993. Residents of the Summit Station area had long-standing concerns with falling water levels in their wells, a situation which has been relieved by tying in to the NCSD distribution system. California Cities Water Company serves an area south of Nipomo Regional Park.

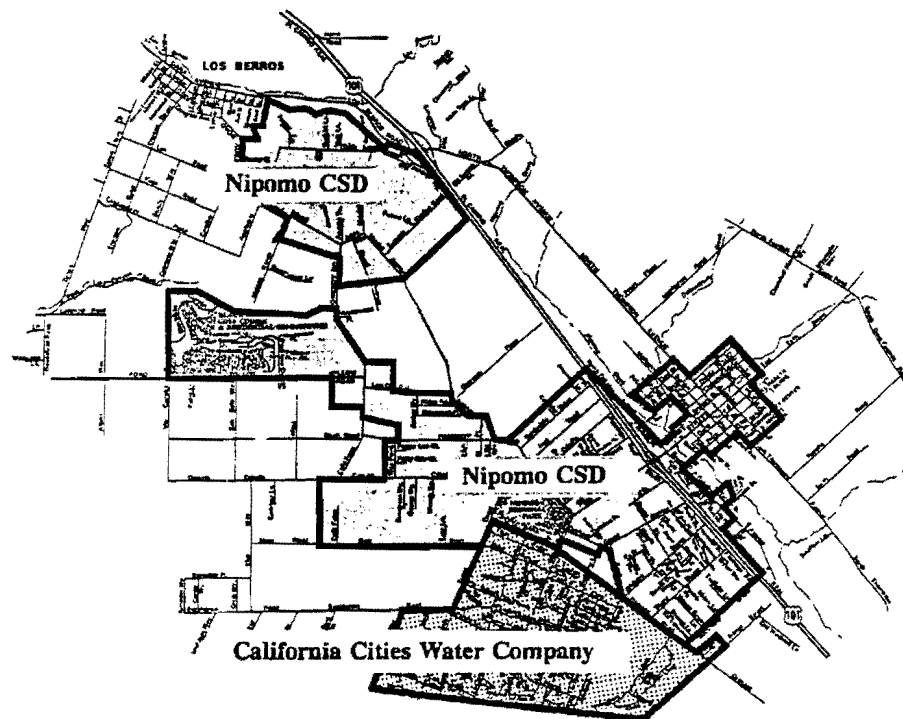


Nipomo Community Services District completed a one million gallon storage tank in 1993. Storage capacity was increased by an additional million gallons in 1999.

The tentative findings of the draft DWR report have led the NCSD to begin investigation of possible supplemental water sources. However, neither the NCSD nor Cal Cities Water Company has applied for supplemental water, from either the State Water Project or the Nacimiento Project.

Recommended Level of Severity:

None



Los Osos. Los Osos has no sewage collection and treatment system. Instead, homes and businesses have their own septic tanks. A community-wide system is currently being planned by the Los Osos Community Services District.

Nipomo. The Nipomo Community Services District operates two treatment plants - the Southland Wastewater Works, serving the main community, and Black Lake Wastewater Works.

Templeton. The Templeton Community Services District has an agreement with the City of Paso Robles to send 400,000 gallons per day to the Paso Robles treatment plant. It also has a small treatment plant of its own. This year, about 95 percent of Templeton's flow went to the Paso Robles plant and 5 percent was treated locally.

The status of these sewage treatment plants is summarized in the following table:

Sewage Treatment Facilities - San Luis Obispo County						
Average Dry-Weather Flow (ADWF), Levels of Severity (LOS), 2001-2002						
Name of Plant	Capacity (Millions of gallons/day)	ADWF	Percent Capacity	2002 Population	Est. Pop at 100% Capacity	LOS
Avila Beach CSD	0.25	0.029	11.6	N/A	N/A	OK
Cambria CSD	1.00	0.525	52.5	6444	11962	OK
Heritage Ranch CSD	0.40	0.166	41.6	2212	5320	OK
Los Ranchos (CSA #18)	0.12	0.076	63.2	1383	2188	OK
Morro Bay/Cayucos	2.06 (3)	1.370	66.5	13355	20083	OK
Cayucos (Morro Bay)	0.944 (3)	0.252	26.7	3043	11400	OK
Nipomo CSD (Southland)	0.90	0.414	46.0	5626	12230	OK
Nipomo CSD (Black Lake)	0.20	0.061	30.5	1175	3560	OK
Oak Shores (CSA #7A)	0.10	0.047	42.9	N/A	N/A	OK
PasoRobles/Templeton	4.90 (1)	2.832	57.8	30946	53540	OK
Templeton (Paso Robles)	0.40 (1)	0.323	48.4	5134	10607	OK
Templeton (Meadowbrook)	0.30	0.016				
San Miguel CSD	0.20	0.102	51.0	1452	2847	OK
San Simeon CSD	0.20 (2)	0.081	40.7	250	614	OK
So. SLO County San. Dist.	5.00	2.879	57.6	36866	63204	OK

Notes: (1) Templeton entitled to 0.40 mgd of Paso Robles plant capacity per agreement
 (2) Hearst Castle entitlement is 0.05 mgd; San Simeon CSD entitlement is 0.15 mgd
 (3) Cayucos entitled to 0.944 mgd of Morro Bay plant capacity per agreement

- b. the RMS criterion that pollution of underlying groundwater may constitute evidence of septic system failure;
- c. the RWQCB's prohibition on new septic tank discharges.

Recommended Level of Severity: III

Actions: Continue to monitor the actions of the Los Osos CSD and the RWQCB. Adjust recommended Level of Severity as warranted by progress toward implementation of a wastewater project.



Nipomo

According to the 1985 grant agreement that financed construction of the Nipomo CSD sewer system, 100 percent of property owners within the service area were required to connect to the system within ten years. As of 2002, 150 homes remain unconnected to the system. These homes rely on individual septic systems, some of which have failed to function properly during periods of prolonged heavy rainfall. The Regional Water Quality Control Board has registered its concern with the NCSO. The two agencies are in the process of developing a coordinated response, including written notification to property owners and consideration of possible enforcement action.

Septage

Environmental Health inspects and permits septage disposal sites. The Regional Water Quality Control Board encourages the beneficial re-use of septage as fertilizer or soil amendment. Septage disposal by the ponding method is not considered beneficial. Suitable septage disposal sites have become increasingly scarce in the county. Historically, because of the dispersion and relatively small scale of such sites, strict management of the disposal process has not been consistently observed. EPA rules and their enforcement by the RWQCB have now made it too costly or otherwise disadvantageous for owners of agricultural land to continue to make their property available for ponding of sludge and/or septage.

Land application at privately operated sites has been the preferred method of disposal because of its low cost. In contrast, the alternatives to current practice are all more expensive, with the added costs accruing, in some measure, to the pumpers, the farmers, treatment plant operators, and the county. Alternatives include: establishment of a regional facility on private property or on county-owned land; modification of sewage treatment plants to allow for co-treatment of septage and domestic wastewater; development of independent septage treatment