



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: FEBRUARY 19, 2003

**AGENDA ITEM**

**D1**

**FEBRUARY 19, 2003**

**URBAN WATER MANAGEMENT PLAN  
DRAFT**

**ITEM**

Review administrative draft for Board of Directors comments

**BACKGROUND**

Your Honorable Board has directed staff to prepare an Urban Water Management Plan for the District to be presented to the Board on February 19, 2003. Staff requests comments, if any, from your Honorable Board on the Draft Plan by Feb. 28. These comments would be incorporated into the Plan and will be brought back to the Board for final review before requesting comments from other agencies and the public.

**RECOMMENDATION**

This is an information item.

Board 2003/Urban water mgt plan

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

**PUBLIC PARTICIPATION**

The Board of Directors of the Nipomo Community Services District will hold a number of meetings, encouraging participation of the community and other agencies in developing its Urban Water Management Plan.

The Board of Directors of the Nipomo Community Services District will hold a public hearing prior to the adoption of the Urban Water Management Plan.

**SUPPLY SERVICE AREA**

The Nipomo Community Services District is located on the Central Coast of California between San Francisco and Los Angeles. The summers are mild and dry and the winters are cool with an average rainfall of approx. 16 inches. The summer fog helps reduce summer water demands within the District.

In the past ten years, the District has experienced relatively rapid growth in housing. The County Planning Department population projections based upon the 2000 Census data for the Nipomo Area are listed on the table below.

YEAR	POPULATION PROJECTION
2000	12,612
2005	14,131
2010	15,833
2015	17,740
2020	19,876

**WATER SOURCES**

The District's present water supply is from groundwater. The production capacity of the District's nine wells can meet the build-out requirements to the year 2020. San Luis Obispo County's growth control ordinance presently restricts the development of the Nipomo area to 2.3% per year. Based on this ordinance, there would be modest growth within the community.

Urban water providers, such as NCSD, Cal Cities, Rural Water Co., rural residents and agricultural users, have increased groundwater extraction over the past years creating a groundwater depression on the Nipomo sub-area of the Santa Maria groundwater basin.

The 2002 DWR Arroyo Grande/Nipomo Mesa Water Resources Report states that the Water Budget for the Nipomo Sub-Area of the Santa Maria Basin indicates that the outflow exceeds inflow, therefore, this sub-area of the Santa Maria Groundwater Basin is being mined or is in a state of overdraft. Reports from the consulting firm of ASIC and Santa Barbara County also confirm this overdraft.

The 2002 DWR Arroyo Grande/Nipomo Mesa Water Resources Report indicates that in the year 2000, the Nipomo Mesa Hydrologic sub-area of the Santa Maria groundwater basin had

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

approx. 84,000 acre-feet of water in storage above mean sea level. This is believed to be adequate to meet NCSD's water supply until a supplemental supply is acquired.

The District is a party to the Santa Maria Valley groundwater adjudication filed in July 1997, known as Santa Maria Valley Water Conservation District vs. Nipomo Community Services District, et al. Case No. 770214 in Santa Clara County. This suit brings into question the groundwater rights between municipal pumpers, such as the District and agriculture for the entire Santa Maria Groundwater Basin. The suit is scheduled to be heard in the spring of 2004. It is anticipated that a management plan of the groundwater basin will be imposed by the court.

**WATER SUPPLY SOURCES**

The District presently operates two independent water systems; one is known as the Town Division, with approximately 2900 accounts and the other is known as the Blacklake Division, with approx. 580 accounts. The Town Division presently has seven (7) wells that pump from the Nipomo hydraulic sub-area, with a capability of producing approximately 3300 gallons per minute. The Blacklake Division has two (2) wells that pump groundwater from the Nipomo hydraulic sub-area with pumping capacity of approximately 750 gpm.

The District is 100% metered. The average consumption per account for the past five years for the Town Division is approximately 0.64 AFY and for the Blacklake Division is 0.68 AFY per account. By implementing a conservation program and a seasonal water rate, it is estimated that the annual consumption rate per account could be reduced by 10-15%. Projected water demand is based on this estimate.

The tables below show the current and projected water supply capacity for each division operated by the District.

<b>EXISTING PRODUCTION CAPACITY</b>		<b>80% OF CAPACITY*</b>
Town Existing Wells	3300 gpm	4200 AFY
Blacklake Existing Wells	750 gpm	950 AFY
* Assume well would be down 20% at times for maintenance, etc.		

<b>WATER SUPPLY PRODUCTION</b>			<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Assume 0.60 AFY per account by 2020							
Town Division	Groundwater	AFY	1990	2120	2200	2200	2230
Blacklake Division	Groundwater	AFY	420	380	370	370	370

In 2001, the District pumped approximately 2400 acre-feet from its wells to supply the water for its consumers in both divisions. The District has completed an update of the 1995 Water and Sewer Master Plan in 2001 indicating the additional infrastructure to supply the community with water and sewer services. As the community grows, infrastructure is

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

constructed to meet the demands of the community, which are primarily financed through the District capacity fees and charges paid by developers.

If the adjudication of the Santa Maria groundwater basin results in the District being required to curtail well production, the District can increase production and activate District wells on the east side of the 101 Freeway that are outside the defined groundwater basin, as follows:

FUTURE PRODUCTION		TOWN (AFY)
Production outside the basin		AFY
Hermreck Well	250 gpm	300
Savage Well	100 gpm	100
Church Well	150 gpm	200
Retrofit Program (Approx. 900 homes)		100

**RELIABILITY PLANNING**

The Nipomo Community Services District wells are drilled into the deeper portion of the groundwater basin, therefore, periodic and multiple-dry year droughts have not affected the District's water supply.

The District's largest well (approx. 1000 gpm) has a natural gas engine, which is fully automated to operate during power outages. The District has standby generators to put other wells on line, if necessary, during prolonged power outages in the community.

Presently, the District has the capacity to store three million gallons of water in its storage reservoirs and is in the process of constructing another million-gallon structure, thereby providing for emergency demands of the community during well interruptions (via power outages). The District is planning to add a number of new wells to increase production to meet future peaking demands.

With a natural gas engine, standby generators, and storage capacity, the District has adequate reliability for maintaining the water supply for the community.

**TRANSFERS OR EXCHANGE OPPORTUNITIES**

The District presently has an emergency inter-tie with the neighboring, private, water company (California Cities Water Company) and the Blacklake Division. Water could be exchanged to these areas in an emergency. The District is in a preliminary investigation with the City of Santa Marian for a possible supplemental water source and an emergency tie-in, which may be developed sometime in the future.

**WATER USE PROVISIONS**

**CURRENT AND PROJECTED WATER USE**

The Nipomo Community Services District was formed in 1965 to provide a domestic water source for the unincorporated area of Nipomo that lies within the County of San Luis Obispo.

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

The District has grown slowly until the last ten years, which has seen an increase of more than 58% in water accounts. The table below shows the past and projected water use for the District.

The primary service area, within the District, is residential with a small commercial sector.

<b>CURRENT AND PROJECTED WATER CONSUMPTION/PRODUCTION</b>							
YEAR	1990	1995	2000	2005	2010	2015	2020
<b>TOWN/BLACKLAKE DIV.</b>							
Number of Accounts	1676	2503	3308	3600	3900	4100	4300
AF/Consumption/Acct.*	0.68	0.54	0.65	0.63	0.60	0.57	0.55
Total Consumption (AFY)	1134	1350	2150	2270	2340	2340	2360
Est. Production (1.1 x Consumption) (AFY)	1207	1675	2364	2500	2570	2570	2600

\*Assume 10 to 15% reductions over time

The current and projected water supply is partly based on build-out projections from the County Planning Department's Growth Control Ordinance and the number of assessor parcel numbers not served within the District.

Assessor Parcel Numbers in the District as of 1/03	No.	%
<b>TOTAL</b>	3767	100
Non-Buildable (easements, etc.)	138	3.5
Vacant or no NCSD service	245	6.5

The District presently services over 90% of the buildable parcels within its boundary. It is estimated, with the vacant parcels and Will-Serve letters issued, the District would have between 800 to 1000 future connections for complete build-out within the current boundary.

**CURRENT AND PROJECTED NUMBER OF CONNECTIONS BY CUSTOMER TYPE**

<b>TOWN DIVISION</b>							
CUSTOMER TYPE	YEAR						
	1990	1995	2000	2005	2010	2015	2020
Single Family Residential	1698	2027	2479	2735	2975	3220	3290
Multi-Family Residential		158	174	180	190	200	210
Commercial/ Industrial	33	73	70	73	120	150	160
Landscaping		18	19	20	23	38	38
Agricultural		5	2	2	2	2	2
<b>Total</b>	<b>1731</b>	<b>2281</b>	<b>2744</b>	<b>3010</b>	<b>3310</b>	<b>3610</b>	<b>3710</b>

<b>BLACKLAKE DIVISION</b>							
CUSTOMER TYPE	YEAR						
	1990	1995	2000	2005	2010	2015	2020
Single Family Residential	203	275	465	485	490	490	490
Multi-Family Residential		66	65	65	65	65	65
Landscaping/Recreational		30	34	35	35	35	35
<b>Total</b>	<b>203</b>	<b>371</b>	<b>564</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>590</b>

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

**WATER DEMAND MANAGEMENT MEASURES**

**AUDIT OF WATER CONSUMPTION AND PRODUCTION**

The District audits its water production and consumption and determines if unaccountable water is in excess of the District distribution system guidelines.

In the past, there was a high degree of unaccountable water (up to 22%). This was due to polybutylene water service line failures. The District has completed a program of replacing these services to reduce water losses. After this replacement program was completed and the system audited, the unaccountable water loss is presently at 3%.

**PLUMBING RETROFIT**

The District has established a plumbing fixture retrofit program. Any development wishing to annex the Service District is required to retrofit eight existing homes for each new home in the proposed annexation. This program has been successful in accomplishing partial retrofitting of commercial and residential units in the District.

**PUBLIC INFORMATION**

The District publishes a newsletter, which includes promoting water conservation items.

**CONSERVATION PRICING**

The District has a tiered water-billing rate structure with a lifeline allotment as the basic block. Water used over this block is billed at a higher rate.

**WATER SHORTAGE CONTINGENCY PLAN**

**WATER SHORTAGE RESPONSE**

District Code §3.3.4 - Water Conservation and Emergency Water Shortage Regulations address water shortages and emergencies. The Board of Directors governs the stage of implementation.

*A summary of the three stages of water conservation are as follows:*

(1) **Stage 1: Voluntary Conservation**

Customers are requested to voluntarily limit the amount of water used from May 15<sup>th</sup> to October 15<sup>th</sup> of each year to that amount absolutely necessary for health and business. A fifteen percent (15%) reduction in water use is requested.

**NIPOMO COMMUNITY SERVICES DISTRICT  
URBAN WATER MANAGEMENT PLAN**

(2) **Stage 2:** Mandatory Conservation

Limited water use: Outdoor irrigation limited (6 p.m. to 9 a.m.) Residential car washing prohibited. Fire hydrant flushing is curtailed.

(3) **Stage 3:** Mandatory Conservation

More limited water use: Prohibits use of water for lawns, ground cover, crops and vegetation. Quantity of water used shall not exceed 75 gallons per day per person.

**SUPPLEMENTAL WATER SUPPLIES**

The District is presently reviewing possible supplemental water supplies, which include the following:

- Purchase water from the neighboring City of Santa Maria, which would include an emergency inter-tie for water supply that may be needed in times of emergencies.
- Desalination - The Board has directed staff to look into methods of desalination. No final determination has been made.
- Hard rock drilling - Drilling in the fractured rock area east of the District for possible water supply.

The supplemental water supply amount will depend on the court's ruling on the adjudication of the groundwater rights. The ruling is expected between the years 2004 and 2006.

**RECYCLED WATER**

**WASTEWATER COLLECTION AND TREATMENT**

The District has two (2) wastewater treatment facilities within its boundaries.

Southland Wastewater Treatment Plant - Provides wastewater treatment for approx. 1800 customers.

Blacklake Wastewater Treatment Plant - Provides treatment of wastewater for approx. 550 customers.

The table below shows the amount of wastewater treated in 2000 and existing capacity.

<b>WASTEWATER TREATMENT</b>				
Treatment Facility Name	Average Daily Flow MGD (2000)	Maximum Daily Flow MGD (2000)	Year planned for build-out	Existing Capacity Average Daily Flow
Southland	0.4	0.6	2020+	0.9 MGD
Blacklake	0.06	0.1	2010	0.2 MGD



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: FEBRUARY 19, 2003



DISTRICT ANNEXATION POLICY

**ITEM**

Review possible revision to the existing annexation policy

**BACKGROUND**

The District's Annexation Committee (Directors Winn and Wirsing) reviewed the existing Annexation Policy and is recommending modifications, as shown on the attached document. After your Honorable Board's review, it is suggested that comments from District and Special Legal Counsel be received before adoption.

**RECOMMENDATION**

After the proposed changes are reviewed, your Honorable Board may direct staff accordingly.

Board 2003/Annex Policy

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND READOPTING ITS ANNEXATION POLICY**

~~WHEREAS, on May 16, 2001, the Nipomo Community Services District Board of Directors ("District") passed Resolution 2001-770 which adopted Revised District Annexation Policies ("Annexation Policy"); and~~

~~WHEREAS, Section IV-B of the Annexation Policies stated:~~

~~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, is prepared to develop and dedicate to the District appropriate resource capacity to supply the area of annexation with District services prior to commencing construction of residential and/or commercial units.~~

~~WHEREAS, there exists some confusion as to the Board of Director's interpretation of Section IV-B-2; and~~

~~WHEREAS, the District is consistent with the entirety of the Annexation Policy that interprets Section IV-B-2 to require resource capacity to be developed and dedicated to the District prior to commencing construction of residential and/or commercial units; and~~

~~WHEREAS, the District is a Community Services District formed pursuant to Government Code 61000 et seq. and its powers are limited to those powers set forth in Government Code §61600 and those powers do not include the authority to address issues such as land use, density and population growth associated with the South County Inland Planning Area; and~~

~~WHEREAS, the Local Agency Formation Commission is charged with the authority to review and approve all requests for sphere of influence and annexation changes to the District; and~~

~~WHEREAS, the Local Agency Formation Commission considers CEQA for all annexations and sphere of influence changes that are approved or disapproved by the Commission; and~~

~~WHEREAS, the Nipomo Community Services District receives most of its water from the groundwater basin underlying the Nipomo Mesa, and~~

~~WHEREAS, District acknowledges a number of reliable engineering reports indicating that the Nipomo Mesa groundwater area is in a state of overdraft; and~~

~~WHEREAS, the District wishes to maintain a water supply for its existing users and potential use within its boundaries; and~~

~~WHEREAS, the District wishes to modify its annexation policy recognizing the potential limited water supply from the Nipomo Mesa groundwater basin.~~

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

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RE-ADOPTING ITS ANNEXATION POLICY

1. The District's Annexation Policy is hereby amended and readopted as depicted on Exhibit "A".
2. The Board of Directors of the District finds that the adoption of this Resolution does not constitute a "project" under the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et. seq.*) or its implementing Guidelines (14 California Code of Regulations Section 15000 *et. seq.*) ("CEQA Guidelines"). The Board further finds that the adoption of this Resolution falls within the activities described in Section 15378(b)(3) of the CEQA Guidelines that are deemed not to be "projects". Even if the adoption of this Resolution were a "project" for purposes of CEQA, the District Board finds that it is exempt from review pursuant to Section 15061(b)(3) which provides that an activity is not subject to CEQA review where it can be seen with certainty that there is no possibility that it may have a "significant effect on the environment." The District Board finds that it can be seen with certainty that there is no possibility that the adoption of this Resolution and the approval of the provisions contained herein may have a significant effect on the environment. The District General Manager is authorized to prepare, execute and file a notice of exemption pursuant to the above provisions.
3. The above Recitals are true and correct and incorporated herein by reference.

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

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

the foregoing resolution is hereby adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Michael Winn  
President, Board of Directors  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM

\_\_\_\_\_  
Donna K. Johnson  
Secretary to the Board

\_\_\_\_\_  
Jon S. Seitz  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RE-ADOPTING ITS ANNEXATION POLICY

**EXHIBIT A**

**THE ANNEXATION POLICY OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT**

**FEBRUARY 2003**

**I. PURPOSE**

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

**II. INTENT**

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

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

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

<sup>3</sup>  
**III. GENERAL POLICIES**

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

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

- B. In order to evaluate the impacts of a potential annexation upon the Nipomo Community Services District, the Board of Directors will consider only

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RE-ADOPTING ITS ANNEXATION POLICY**

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.

- 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.

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

**IV. GENERAL STANDARDS**

- A. The Board of Directors will consider the present capacity of its public facilities and the adequacy of those facilities to provide services to its current residents receiving service, those properties within the District that have paid capacity charges (issued will-serve letters) but not currently being served, and other undeveloped property within the District boundaries, *so long as sewer service is not used to increase density which will overburden the District waste treatment facilities.*

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RE-ADOPTING ITS ANNEXATION POLICY

- 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 ; *and*
  2. *The lands must be located within those portions of the sphere of influence zone as approved by the Local Agency Formation Commission; and*
  3. *The lands must be immediately adjacent to Nipomo Community Services District facilities or the land owners must be willing to extend adequate facilities at no cost to Nipomo Community Services District ; and*
  4. *The applicant shall submit a comprehensive written report to the District demonstrating that the annexation conforms to the District's Annexation Policy.*
  5. *The proponents of such annexations must pay all applicable fees.*
- C. The District *may* 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. *The fees shall be based on the water use required by the foreseeable maximum density.*
- D. The Board will only consider "island" annexations when it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of the District and the applicant is willing to extend adequate facilities at no cost to the Nipomo Community Services District.
- E. *All applicants for annexation into the District must agree to pay the supplemental water surcharge and rates at such time as it is established. The District will consider the following in approving an annexation if:*
1. *The proposed annexation overlies what the District believes is such a sufficient source of water that the District benefits from its ability to impose metering, a tiered rate structure and conservation measures; and the applicant assigns to the District such water rights as it may have; or*
  2. *in the opinion of the District, the proposed annexation does not overlie a sufficient source of water and the applicant agrees to provide an identified supplemental water supply from outside the Nipomo Mesa; or*
  3. *the applicant does not overlie a sufficient source of water and applies for annexation into the District for all other services but water, such an application not to be finally approved until the proposed water supply is identified to the District, the applicant agrees to pay a supplemental water surcharge at such*

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING AND RE-ADOPTING ITS ANNEXATION POLICY

*time as it is established, and the source is certified to meet all the applicable legal standards.*

- F. *Exceptions to the general annexation policy may be made in cases of demonstrated hardship, but not to the extent of reducing fees.*
- G. The Board of Directors will consider the policies of the Local Agency Formation Commission that apply to annexations and spheres of influence.

**V. ANNEXATION AGREEMENT**

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

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

**VI. SUBMITTAL OF ANNEXATION REPORT**

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

**VII. ANNEXATION - ASSESSMENT OF FEE**

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

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES *D*  
DATE: FEBRUARY 19, 2003

**AGENDA ITEM  
D-3 a, b, c  
FEBRUARY 19, 2003**

ANNEXATION NO. 22, 23, AND PROPOSED ANNEX NO. 24  
TRACTS 2784, 2499, AND LYN ROAD PROPERTY OWNERS

**ITEM**

Review annexations No. 22, 23 and proposed Annexation No. 24, which were tabled at the last Board meeting

**BACKGROUND**

At the last Board meeting, your Honorable Board tabled the annexation requests from Pudwill, Lem and Lyn Road property owners until the next Board meeting. Attached are the Board letters from the previous Board meeting. Legal counsel has modified the verbage in the Annexation Agreement, which would apply to all three annexations.

The Annexation Agreement may have to be changed if the District's Annexation Policy is revised.

**RECOMMENDATION**

After your Honorable Board has reviewed the revised Annexation Agreement, you may direct staff accordingly.



**Notes:**

**The following Sections have been added or revised to address Board of Director concerns: Recital D, Section 2, Section 3, Section 5, Section 7 and Section 9**

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

---

APN# 090-201-024

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. Applicant acknowledges that he/she shall acquire and deliver five (5) AF of supplemental water to the District prior to the District providing water service to the area of annexation.

~~D.E.~~ 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.

2. Phases:

The Project will be processed, by the District, -in phases as follows:

A. Phase I.

The parties shall work cooperatively with other parties seeking annexation to the District to identify an available supplemental water source for providing water to the Project and other annexations, the cost of said supplemental water, and the method for payment and the method of delivery of the supplemental water to the District (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.~~ The District Board of Directors shall approve the following prior to final LAFCO approval of the Annexation:

1. The Supplemental Water Study;
2. Associated environmental review of the proposed plan to provide supplemental water; and
3. Approval of the construction contracts to deliver the supplemental water to the District.

C. Phase III.

Final LAFCO approval.

3. Payment of Costs

A. ~~A.~~ Applicant agrees to pay the District:

1. Its prorata share, based on supplemental water demand, of all incurred costs, both direct and indirect, associated with the Supplemental Water Study and the construction of associated delivery system. These costs include, but are not limited to, District staff time, planning, engineering, legal services, environmental review.
2. In addition to the Supplemental Water Study costs referenced in subparagraph A(1) above, all incurred costs, both direct and indirect, associated with 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 \_\_\_\_\_ (\$\_\_\_\_\_) for District services more particularly described in subparagraph A, above. The Applicant authorizes the District to withdraw from the deposit payment for services pursuant to this Agreement as they are incurred by District.

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

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 \_\_\_\_\_ (\$\_\_\_\_\_) 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.

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~~ Pursuant to District's Standard Plan Check and Inspection Agreement, to construct, at its sole cost, water infrastructure and other infrastructure improvements to be dedicated to the District, to the area of Annexation and the development contained therein.

D. ~~Applicant acknowledges that said obligation to construct water infrastructure requires Applicant to pay prevailing wages.~~ Applicant shall, be responsible for determining whether the infrastructure improvements to be constructed pursuant to subparagraph C above, require the payment of prevailing wages and if so, Applicant shall to the extent required by the California Labor Code, pay no less than the applicable prevailing wage rates to workers and professionals as determined by the Director of Industrial Relations of the State of California pursuant to California Labor Code, Part 7, Chapter 1, Article 2. Copies of the wage determination are on file at the District's office or are otherwise available on the Web at [www.cslb.ca.gov](http://www.cslb.ca.gov).

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. Water Service

The Applicant shall not connect to and/or receive water service from the District until such time as supplemental water is delivered to the District pursuant to this Agreement.

87. Indemnification and Hold Harmless

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

The Applicant recognizes and hereby agrees that the District and its directors, officers, employees and agents shall not be liable for any injury or death to any person or damage to any property arising from the performance of

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

89. 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 incurred by District to the date of termination as provided in Section 2 of this Agreement.

910. 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.

1140. 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.

412. 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

APPLICANT:

James Pudwill  
880 Sun Dale Way  
Nipomo, CA 93444

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

4213. 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, not shall they enter into the interpretation of this Agreement.

4314. 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.

4415. 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.

4516. 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.

4617. Recitals

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

4718. 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

T:\Jon\CLIENT\1NCSD\Matters\Pudwill Annexation F-273\ANNEX AGREEMENT revised 12-31-02.doc

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
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

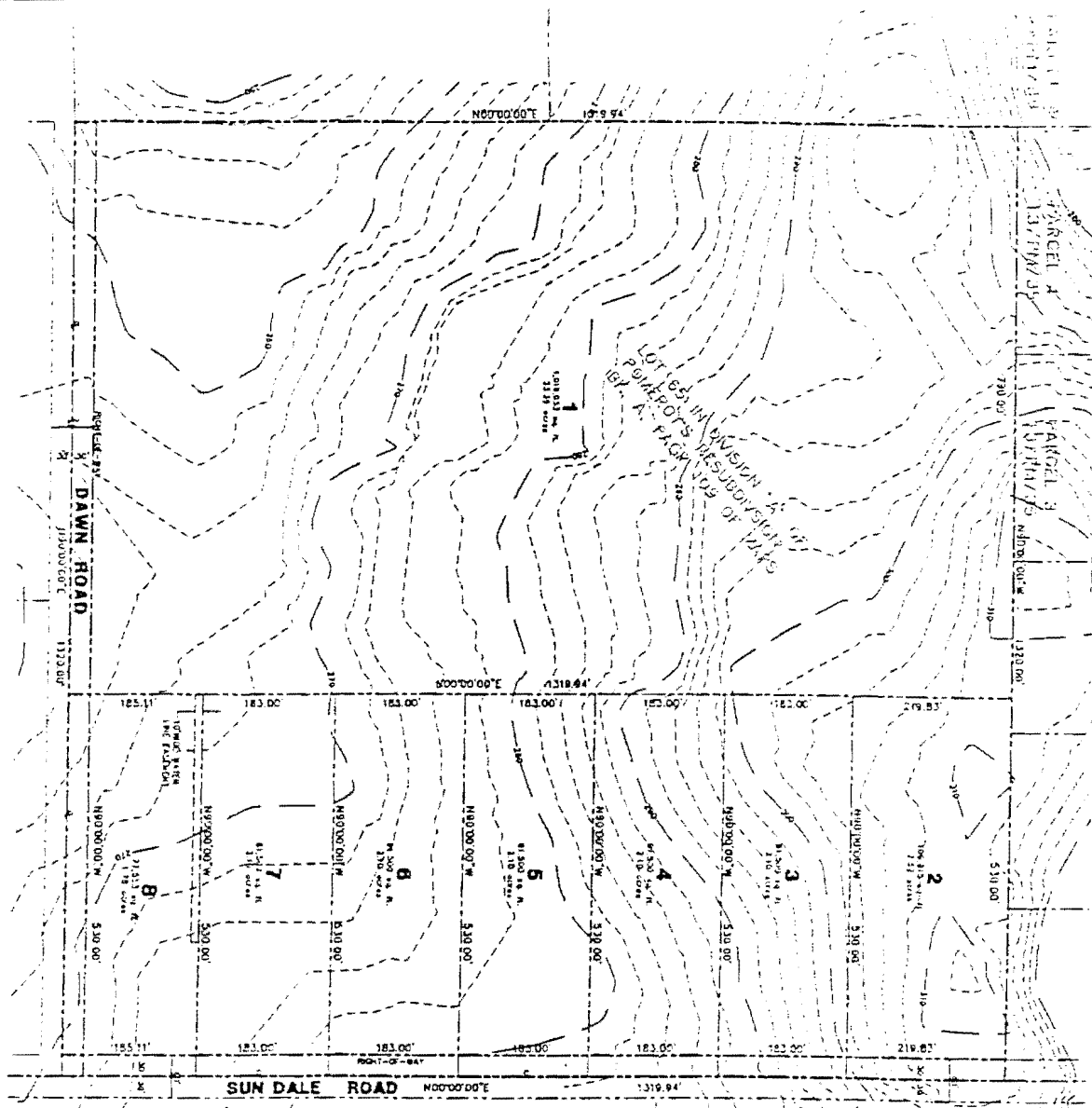
**BACKGROUND**

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.

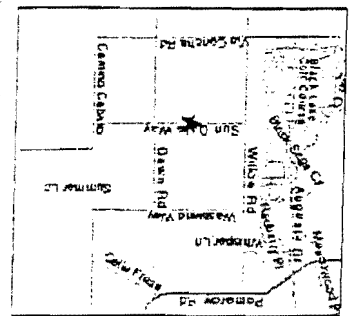
**RECOMMENDATION**

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.

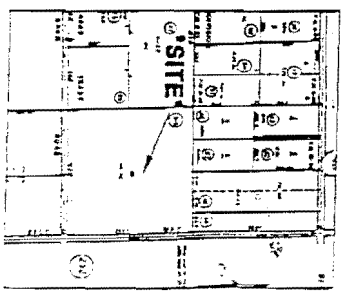


**TENTATIVE TRACT MAP 2384**  
 BEING A PROPOSED SUBDIVISION OF LOT 65, PARCEL 12, OF PINELOVE'S RESUBDIVISION OF PART OF THE FORESTERS TRACT IN THE UNINCORPORATED AREA OF SAN LUIS OBISPO COUNTY, CALIFORNIA, AS RECORDED IN BOOK 14 PAGE 102 OR MAP 23 IN THE OFFICE OF THE COUNTY CLERK OF SAN LUIS OBISPO COUNTY.

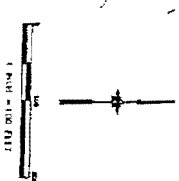
OWNER: JAMES FLOWEN  
 ADDRESS: 690 SUN DALE WAY  
 KIPPAHU, CA 91444  
 A.P.N.: 091-201-024  
 AREA: 40 ACRES



VICINITY MAP  
 M13



A.P.H. MAP  
 M13



**Ammon ASSOCIATES**  
 PROJECT NO. 1000000001  
 201 LUNA DRIVE, SUITE 100  
 SAN LUIS OBISPO, CA 95070  
 PHONE: 805.749.2500  
 FAX: 805.749.2501  
 EMAIL: info@ammonassoc.com

DEC 16 2007

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

INFORMATIONAL DISTRICT  
SERVICES DISTRICT

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

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

COPY

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

LAFCO File No: 9-R-02

Agenda Date for  
Start of Negotiations:

Negotiating Agencies:

Nipomo CSD  
County of San Luis Obispo

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

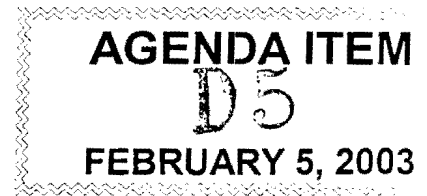
Date: January 13, 2003

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.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: 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**

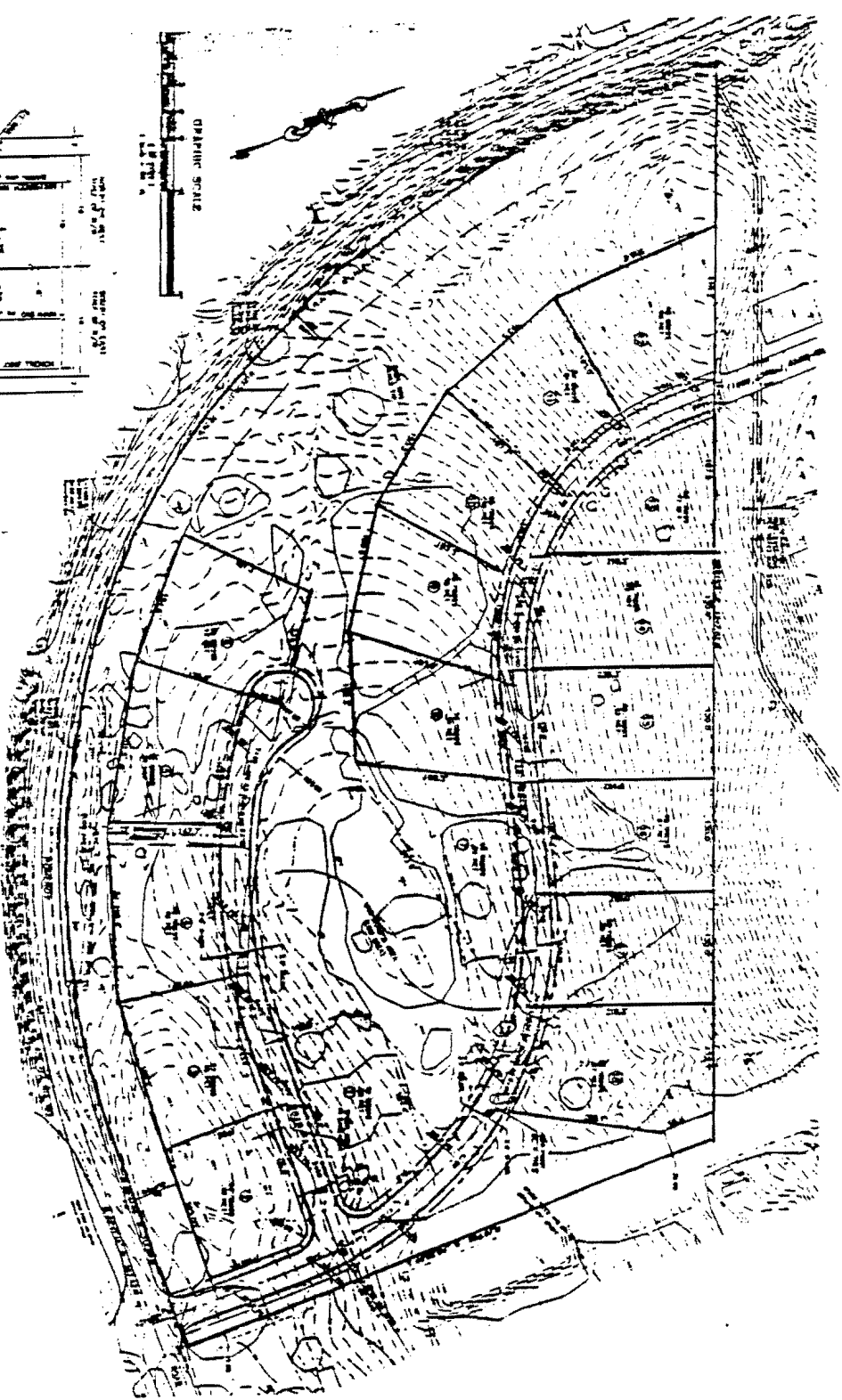
At the regular meeting held on November 20, 2002, your Honorable Board reviewed the request for proposed Annexation No. 22 (LEM). Staff was directed to prepare an annexation agreement along with a resolution conditionally approving the proposed annexation for Tract 2499, an 18-acre parcel at Pomeroy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

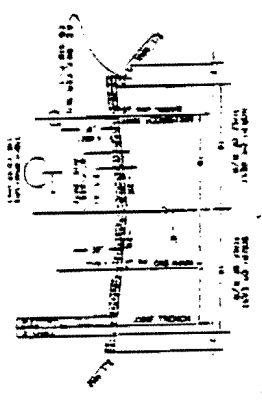
**RECOMMENDATION**

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.

Nista Koble - Phase II



**MA SECO & ROAD A TYPICAL SECTION**



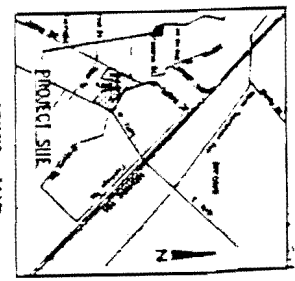
**TENTATIVE TRACT MAP 2499**

**OWNER'S CERTIFICATE**

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

**ENGINEER'S CERTIFICATE**

I, the undersigned, being a duly licensed professional engineer, do hereby certify that the facts herein stated are true and correct to the best of my information and belief.



**LEGEND**

.....	Proposed Easement
-----	Proposed Right-of-Way
-----	Proposed Roadway
-----	Proposed Sidewalk
-----	Proposed Curb
-----	Proposed Drainage
-----	Proposed Easement

**PROJECT DATA**

1. Name of Project: Nista Koble - Phase II

2. Location: Section 12, Township 12N, Range 12E, Merced County, California

3. Date of Map: 10/15/2011

4. Project Number: 2499

**LEGAL DESCRIPTION**

More or less part of a portion of 107.56 ac. of land, more or less, as shown on the map, being the same as described in the map of the same, recorded in the office of the County Recorder of Merced County, California, under the name of the same, and as shown on the map of the same, recorded in the office of the County Recorder of Merced County, California, under the name of the same.

NO.	DATE	DESCRIPTION
1	10/15/2011	PRELIMINARY TRACT MAP
2	10/15/2011	TENTATIVE TRACT MAP
3	10/15/2011	FINAL TRACT MAP

**PREPARED BY:**  
**VARIVANUA ENGINEERING**  
 1000 N. G ST. SUITE 100  
 STOCKTON, CA 95210  
 (209) 948-8800

**CHECKED BY:**  
**GREG HESLER**

**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.



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

**AGENDA ITEM**  
**108**  
**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

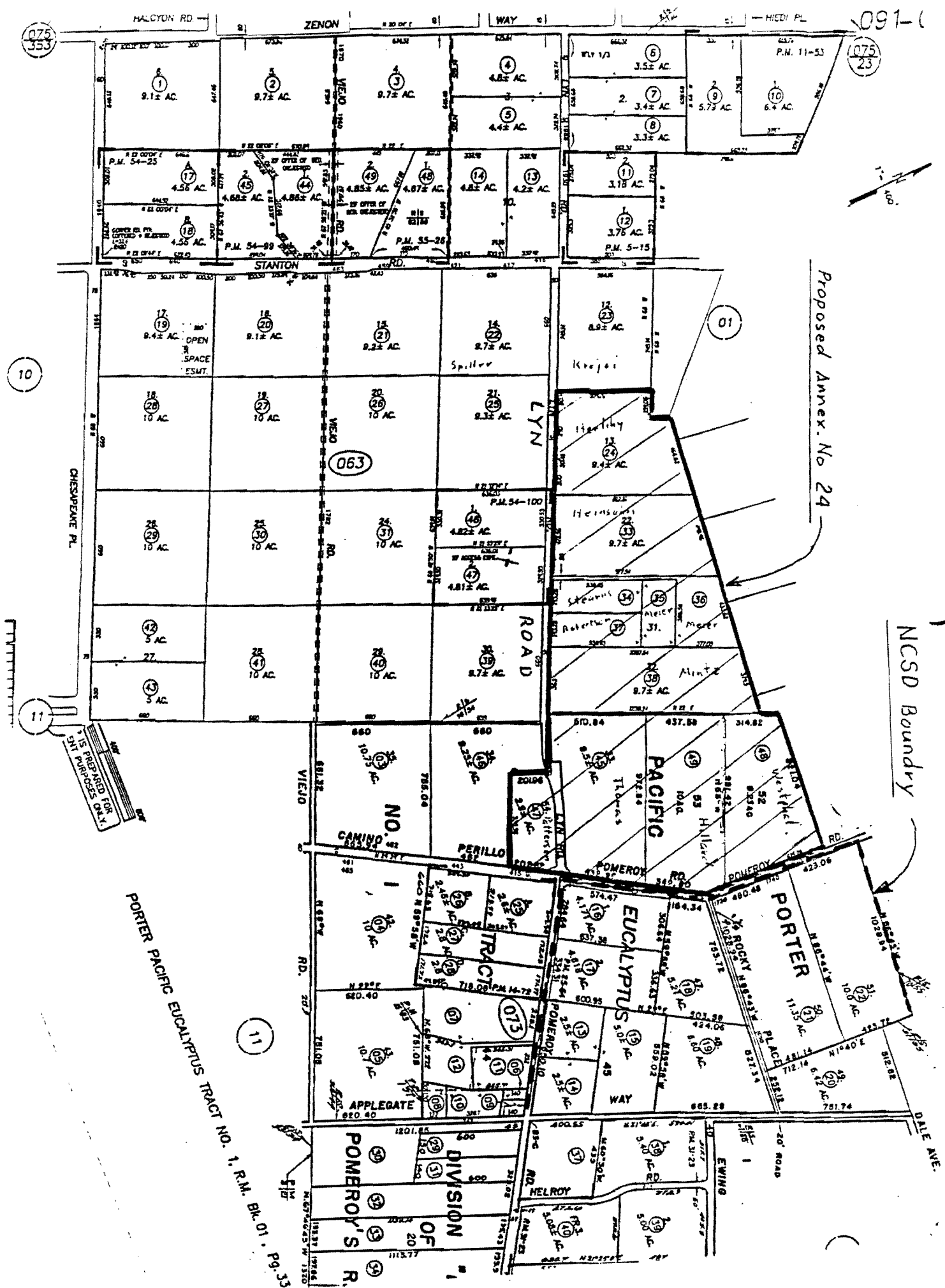
**BACKGROUND**

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.



Proposed Annex. No 24

NCSB Boundary

PORTER PACIFIC EUCALYPTUS TRACT NO. 1. R.M. Bl. 01. Pg. 35

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.

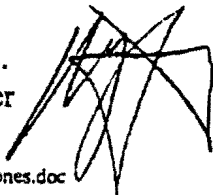
In the event that the Board concludes that the cost of either of the above mentioned loops should not be born by the Robertson annexation, perhaps a third alternative could be enacted, that of establishing a fund for the express purpose of constructing this type of water system improvement for the Summit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



TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: FEBRUARY 19, 2003

**AGENDA ITEM**  
**D4**  
**FEBRUARY 19, 2003**

REQUEST FOR ANNEXATION  
OAKRIDGE (NEWMAN)

**ITEM**

Request to annex approx. 285 acres north of Sandydale Rd. & west of Hwy 101

**BACKGROUND**

Mr. George Newman, developer of the proposed Oakridge development, previously known as the Canada Ranch, has requested annexation to the District. This project consists of 285 acres north of Sandydale Rd. & west of Hwy 101. This would be a multi-use commercial/retail and light industry, office and residential development. Your Honorable Board previously tabled this matter. Mr. Newman is asking for a decision if the District is interested in annexing this development or not so he may explore other avenues for service if his request is denied. Mr. Newman has submitted a District application for annexation with a conceptual plan.

**RECOMMENDATION**

If your Honorable Board wishes to proceed this annexation, an annexation agreement could be prepared for the applicant's consideration. If your Honorable Board does not desire annexation, you may state so.

Board 2003/Annex Newman.DOC

TO: Nipomo Community Services District  
FROM: George Newman  
RE: Annexation  
DATE: February 4, 2003

Dear Board Members,

As you are aware, on November 4, 2002, I submitted an application for annexation and water/sewage services for the Canada Ranch property, APN 091-301-041. Presentations were made to the Board on November 20, 2002 and again on December 18, 2002. The results for each of these requests and/or presentation was in effect a "Continuance" or "Deferring" of this decision.

I respectfully request that the Board decide "Yes" or "No" as to NCSD's intent to provide water and sewer services for this project. As I've always stated, I prefer to obtain these services from NCSD as the revenues generated from this project would strengthen our own district. However, if the Board can not support this project with services I would appreciate a letter of denial to enable the pursuit of other options.

Thank you for your immediate attention to this request.

Sincerely,



George Newman

RECEIVED  
FEBRUARY 11 2003  
NIPOMO COMMUNITY SERVICES DISTRICT

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: DECEMBER 18, 2002



REQUEST FOR ANNEXATION – OAKRIDGE (Canada Ranch)  
NEWMAN

**ITEM**

Request to annex approx. 285 acres north of Sandydale Rd between Hwy 101 and Hetrick Rd., which would have multiple use – commercial, retail, light industrial, office and residential.

**BACKGROUND**

At the Board meeting of November 20, 2002, the Board reviewed a request from Mr. George Newman to annex approx. 285 acres northerly of Sandydale Road between Hwy 101 and Hetrick Rd. This property is adjacent to the District boundary. This annexation is proposed to be a combination of commercial, light industry and retail, primarily on the easterly half of the 285 acres and 253 lots on the westerly side southerly of the proposed Willow Rd. Exchange. It is estimated that the water use for the commercial/retail area would be equivalent to 160-170 residential units along with a revised residential development. It is estimated the water use would be approx. 250 ac/ft/yr.


The development of this area would probably require a sewer collector system, a lift station and a force main to pump the wastewater to the District's system. It is suggested that this annexation is conditioned on acquiring a supplemental water supply.

This item was continued from the November meeting for a more comprehensive plan and the acquisition of a supplemental water supply. Attached is a parcel map showing the proposed development and annexation area.

**RECOMMENDATION**

If your Honorable Board wishes to proceed with an annexation, an agreement, including acquiring a supplemental water supply and paying the costs, will be prepared for the applicant.



TO: BOARD OF DIRECTORS  
 FROM: DOUG JONES   
 DATE: FEBRUARY 19, 2003

AGENDA ITEM **E 1**  
 FEB 19 2003

UTILITY BILLING  
 REVIEW MAILER ALTERNATIVES

**ITEM**

Consider switching from current utility billing mailer to a laser printed bill that would allow for inserts/flyers to be placed in the utility billing envelope.

**BACKGROUND**

Approximately four years ago, NCSD switched utility billing software and switched from a post card utility bill to the utility billing mailer that is presently being utilized. The utility billing software now has the capability of printing the utility bills on a laser perforated form. Templeton CSD and City of Guadalupe both use the same software as NCSD and recently switched to the laser bill. Both agencies have said their customers appear to like the new bills.

There are pros and cons of remaining with the utility billing mailer as well as switching to a laser billing form.

**UTILITY BILLING MAILER (sample attached)**

Pros	Cons
Customers are familiar with form	Approx. 4 hours of staff time to burst/tear/sort each billing cycle. A decolater and burster is needed.
NCSD has dot matrix printer	Dot Matrix had to be repaired 3 times last year
	Customers complain about return envelope is hard to seal and carbon hard to read
	Cannot insert a flyer into mailer
	Mailers cost \$0.165 per unit

**LASER BILLING (sample attached)**

Pros	Cons
Laser printing easy for customers to read	High speed laser printer will be needed
Inserts/flyers can be placed in envelope	A folding/insert machine will be needed or contract with a mailing service in SLO
Perforated laser bill, mailing envelope and return envelope is \$0.086 per unit	Courier service will need to deliver bills to SLO, if mailing service is used
	Software company will charge a fee if NCSD customizes the format

There are several options to review – each with their own set of financial considerations. For illustration purposes, it will be assumed that 2,500 utility bills are sent per month.



TO: BOARD OF DIRECTORS  
 FROM: DOUG JONES  
 DATE: FEBRUARY 19, 2003  
 UTILITY BILLING  
 REVIEW MAILER ALTERNATIVES

**Option 1 – Maintain existing utility billing mailer and purchase decolorator/burster**

	Monthly	Annually
Labor-burst/tear/sort – approximately 4 hours	\$65.20	\$782.40
Utility Mailer (2,500 x \$.165)	\$412.50	\$4,950.00
Monthly Maintenance fee on decolorator/burster-est.	\$50.00	\$600.00
<b>TOTAL</b>		<b>\$6,332.40</b>

If Option 1 is selected, Staff would recommend that NCS D consider purchasing a decolorator and burster for approximately \$4,400.00. In addition, the dot matrix printer will need to be replaced in the near future for approximately \$2,500.00.

**Option 2 – Change to laser utility billing and use mailing service**

	Monthly	Annually
Utility Mailer (2,500 x \$.086)	\$215.00	\$2,580.00
Courier Service to SLO	\$20.00	\$240.00
Mailing Service to fold and insert 2 pieces (2,500 x \$.0368) + \$19.00 set up	\$111.00	\$1,332.00
<b>TOTAL</b>		<b>\$4,152.00</b>

If Option 2 is selected, NCS D would need to purchase a high speed laser printer for approximately \$2,500.00

**Option 3 – Change to laser utility billing and purchase folder/inserting system**

	Monthly	Annually
Utility Mailer (2,500 x \$.086)	\$215.00	\$2,580.00
Monthly lease payment – 48 months **	\$298.00	\$3,576.00
Monthly maintenance fee	\$98.00	\$1,176.00
<b>TOTAL (with lease payments)</b>		<b>\$7,332.00</b>
<b>TOTAL (after lease expires)</b>		<b>\$3,756.00</b>
<b>TOTAL (10 year average)</b>		<b>\$5,186.00</b>

If Option 3 is selected, NCS D would need to purchase a high speed laser printer for approximately \$2,500.00.

\*\*Lease is for 48 months with a \$100.00 buyout at the end of the lease. The machine may be purchased for \$12,745.00 plus a monthly maintenance fee of \$98.00 per month.

**RECOMMENDATION**

Staff recommends Option 2 to Your Honorable Board since it is the most cost effective, requires the least amount of staff time for handling of the bills and allows for inserts to be placed in the envelopes. Staff requests a budget adjustment for the purchase of a high-speed laser printer not to exceed \$2,500.00 and the funds to be transferred from reserves.

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES  
DATE: FEBRUARY 19, 2003

**AGENDA ITEM  
F  
FEBRUARY 19, 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 February 5, 2003, Regular Board meeting

**WARRANTS FEBRUARY 19, 2003**

**AGENDA ITEM  
F-1  
FEBRUARY 19, 2003**

**HAND WRITTEN CHECKS**

18587	01-31-03	POSTMASTER	658.00
18588	02-05-03	STATE COMP	2951.32
18589	02-06-03	COUNTY OF SLO	175.00
18590	02-06-03	U S POST OFFICE	149.60
18591	02-11-03	POSTMASTER	489.64

**COMPUTER GENERATED CHECKS**

**VOID**      None

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
7762	02/14/03	EMP01	EMPLOYMENT DEVELOP DEPT	369.00	.00	369.00	A30211	STATE INCOME TAX
7763	02/14/03	MID01	MIDSTATE BANK-PR TAX DEP	1557.73 420.44	.00 .00	1557.73 420.44	A30211 1A30211	FEDERAL INCOME TAX MEDICARE (FICA)
			Check Total.....:	1978.17	.00	1978.17		
7764	02/14/03	MID02	MIDSTATE BANK - DIRECT DP	12881.30	.00	12881.30	A30211	NET PAY DEDUCTION
7765	02/14/03	PER01	PERS RETIREMENT	2293.27 69.03	.00 .00	2293.27 69.03	A30211 1A30211	PERS PAYROLL REMITTANCE MILITARY SERVICE CR
			Check Total.....:	2362.30	.00	2362.30		
7766	02/14/03	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A30211	WAGE ASSIGNMENT
7767	02/14/03	STA01	STATE STREET GLOBAL	735.00	.00	735.00	A30211	DEFERRED COMP
7768	02/19/03	AME02	AMERICAN INDUSTRIAL SUPPL	46.68 46.06 277.78 326.66	.00 .00 .00 .00	46.68 46.06 277.78 326.66	114736 114744 114823 115108	PAINT THINNER, ETC GOGGLES & EARPLUGS SPRAY GUN SHELVING UNIT FOR SHOP
			Check Total.....:	697.18	.00	697.18		
007769	02/19/03	AWW02	AMERICAN WATER WORKS ASSO	131.00	.00	131.00	241624	AWWA MEMBERSHIP-DOUG
007770	02/19/03	BCS01	BASIC CHEMICAL SOLUTIONS	267.56	.00	267.56	S1303642	SODIUM HYPOCHLORITE
007771	02/19/03	BLA01	BLAIR, ROBERT L	100.00	.00	100.00	021903	REG MEETING 021903
007772	02/19/03	BLU01	BLUEPRINT EXPRESS	15.07	.00	15.07	24287	COPIES
007773	02/19/03	CAL08	CALIFORNIA RURAL WATER A	435.00	.00	435.00	010103	DUES 2003
007774	02/19/03	CIT01	CITY NATIONAL BANK	26418.00	.00	26418.00	01-032-3	INTEREST-A/D 93-1R
007775	02/19/03	COM01	COMPUTER NETWORK SERVICES	584.77	.00	584.77	12607	COMPUTER SUPPORT
007776	02/19/03	COU01	COURIER SYSTEMS	90.00	.00	90.00	10426	LAB DELIVERIES
007777	02/19/03	CRE01	CREEK ENVIRONMENTAL LABS	30.00 30.00 25.00 30.00 30.00	.00 .00 .00 .00 .00	30.00 30.00 25.00 30.00 30.00	K0290 K0317 K0318 K0362 K0381	BLWWTP LAB BLWWTP LAB WATER LAB - GRANDE MAIN BL WWTP LAB BL WWTP LAB
			Check Total.....:	145.00	.00	145.00		
007778	02/19/03	FAR01	FARM SUPPLY COMPANY	90.16	.00	90.16	985832	MISC SUPPLIES
007779	02/19/03	FER01	FERGUSON ENTERPRISES INC	26.60 1718.82	.00 .00	26.60 1718.82	450977 VARIOUS	FLANGE/GASKET MISC SUPP 447252, 442264,
			Check Total.....:	1745.42	.00	1745.42		
007780	02/19/03	FGL01	FGL ENVIRONMENTAL	93.60 85.00 44.80 44.80 44.80 44.80 44.80	.00 .00 .00 .00 .00 .00 .00	93.60 85.00 44.80 44.80 44.80 44.80 44.80	300199 300448 300450 300675 300676 300873 300874	WATER - LAB WATER LAB NIPOMO WWTP LAB BL WWTP LAB NIPOMO WWTP LAB BL WWTP LAB NIPOMO WWTP LAB
			Check Total.....:	402.60	.00	402.60		

**COMPUTER GENERATED CHECKS**

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
007781	02/19/03	FLO01	FLOYD V. WELLS, INC.	9254.79	.00	9254.79	12621	CHURCH WELL REFURBISH
007782	02/19/03	GAR01	GARING TAYLOR & ASSOC	1518.50	.00	1518.50	3220	GEN DIST ENGINEER/LANDSCA
				49.00	.00	49.00	3221	TEFFT PARK WATER LINE ENG
				369.75	.00	369.75	3222	TEFFT ST WATER LINE EXTRA
				1878.43	.00	1878.43	3223	DANA FOOTHILL TANK SITE
				1085.00	.00	1085.00	3224	TEFFT ST LIFT STN BID
				7831.24	.00	7831.24	3225	MVII CONST
				1011.29	.00	1011.29	3226	LYN RD ANALYSIS
			Check Total.....:	13743.21	.00	13743.21		
007783	02/19/03	GIL01	GLM, INC.	260.00	.00	260.00	012903	LANDSCAPE MAINT OFFICE
				90.00	.00	90.00	012903-2	BL LANDSCAPE MAINT
			Check Total.....:	350.00	.00	350.00		
007784	02/19/03	GSI01	GSI SOILS, INC.	1040.00	.00	1040.00	8795	TEFFT ST WATERLINE
				630.00	.00	630.00	8796	MVII SEWER
			Check Total.....:	1670.00	.00	1670.00		
007785	02/19/03	HAY01	HAYES & SONS	1738.00	.00	1738.00	501100	BLACKTOP PATCHES ON VIOLE
007786	02/19/03	HOD01	MARY HODGES	1707.98	.00	1707.98	20834	REIMBURSEMENT FOR PRESSUR
007787	02/19/03	IKO01	IKON OFFICE SOLUTIONS	152.30	.00	152.30	16133802	FAX MACHINE REPAIR
007788	02/19/03	KIN01	KINKO'S	724.08	.00	724.08	11351	NEWDOLL RETROFIT LETTERS
				117.45	.00	117.45	11559	RATE INCREASE
				-172.94	.00	-172.94	2025642C	CREDIT MEMO
			Check Total.....:	668.59	.00	668.59		
007789	02/19/03	MCC01	McCROMETER	399.12	.00	399.12	248010	METER REPAIR
007790	02/19/03	MIS01	MISSION UNIFORM SERVICE	306.95	.00	306.95	013103	UNIFORMS ETC
007791	02/19/03	NIP01	NIPOMO ACE HARDWARE INC	194.91	.00	194.91	356133	MISC SUPPLIES
007792	02/19/03	NIP03	NIPOMO SHELL	739.95	.00	739.95	174663	GASOLINE FOR JANUARY
007793	02/19/03	OFF01	OFFICE DEPOT	273.44	.00	273.44	193181880	ANS MACH, PRINTER, CABLE
007794	02/19/03	PAC01	PACBELL/WORLDCOM	57.58	.00	57.58	T1011404	PHONE
				37.01	.00	37.01	T1041401	PHONE
				80.83	.00	80.83	T1041403	TELEPHONE
			Check Total.....:	175.42	.00	175.42		
007795	02/19/03	PGE01	P G & E	28454.63	.00	28454.63	A30214	JANUARY ELECTRICITY
007796	02/19/03	QUIG1	QUILL CORPORATION	275.89	.00	275.89	8535964	OFFICE SUPPLIES
007797	02/19/03	SHI01	SHIPSEY & SEITZ, INC	5905.90	.00	5905.90	011503	LEGAL SERVICES THR 1/15/0
007798	02/19/03	SOU01	SOUTH COUNTY SANITARY	13.99	.00	13.99	A30214	GARBAGE SERVICE
007799	02/19/03	STA03	STATEWIDE SAFETY & SIGNS	83.66	.00	83.66	28581	ORANGE MARKING PAINT
007800	02/19/03	STA04	STATE DEPT OF HEALTH SERV	50.00	.00	50.00	A30214	EXAM FEE-RIGOBERTO RODRIG
007801	02/19/03	THE01	THE GAS COMPANY	81.59	.00	81.59	A30214	SUNDALE NATURAL GAS
007802	02/19/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	021903	REG MEETING 021903
007803	02/19/03	USA01	USA BLUEBOOK	819.82	.00	819.82	633381	CHLORIMETER/CHECK VALVE
007804	02/19/03	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	021903	REG MEETING 021903
007805	02/19/03	WHI01	WHITAKER CONTRACTORS INC.	1482.50	.00	1482.50	03EQ01A	RIP SEWER PONDS
007806	02/19/03	WIN01	WINN, MICHAEL	50.00	.00	50.00	021003	SUBCOMMITTEE-ANNEXATION
				100.00	.00	100.00	021903	REG MEETING 021903
			Check Total.....:	150.00	.00	150.00		
007807	02/19/03	WIR02	WIRSING, JUDY	50.00	.00	50.00	021003	SUBCOMMITTEE-ANNEXATION
007807	02/19/03	WIR02	WIRSING, JUDY	100.00	.00	100.00	021903	REG MEETING
			Check Total.....:	150.00	.00	150.00		
007808	02/19/03	XER01	XEROX CORPORATION	80.17	.00	80.17	093672028	MONTHLY MAINTENANCE AGREE
007809	02/19/03	\A004	AJ DIANI,	469.77	.00	469.77	000A30201	MQ CUSTOMER REFUND

# NIPOMO COMMUNITY SERVICES DISTRICT

F2

## MINUTES

### SPECIAL MEETING

JANUARY 31, 2003 FRIDAY 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, **SECRETARY TO THE BOARD**  
JON SEITZ, **GENERAL COUNSEL**

### **CALL TO ORDER AND FLAG SALUTE**

President Winn called the meeting to order at 9:05 a.m.

### **ROLL CALL**

At Roll Call the following Board members were present:  
Directors Vierheilig, Trotter, Wirsing and Winn. Director Blair was absent.

### **Public Comment on Agenda Items**

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

President Winn called for Public Comment. There was no public comment.

### **ADMINISTRATIVE ITEM**

#### **PRESENTATION BY PERRY LOUCK, CPA**

**REVIEW THE PROCESS TO INITIATE SALE OF BONDS, LEGAL AND UNDERWRITING SERVICES**  
Agreement for bond counsel, resolution for intention to issue tax exempt obligations and approving bond counsel agreement.

Mr. Perry Louck, CPA, presented information on the process to initiate the sale of bonds, legal and underwriting services.

Jon Seitz, District Legal Counsel, explained and reviewed the Bond Counsel Agreement.

The following member of the public spoke:  
Ed Eby, Nipomo CSD resident – had urgency questions  
Mr. Seitz clarified the issue.

Upon motion of Director Vierheilig and seconded by Director Trotter, the Board unanimously approved Resolution 2003-850

**RESOLUTION 2003-850**  
**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES**  
**DISTRICT REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT**  
**OBLIGATIONS AND APPROVING THE FORM OF A BOND COUNSEL AGREEMENT**

### **ADJOURN**

President Winn adjourned the meeting at 10:10 a.m.

**MINUTES SUBJECT TO BOARD APPROVAL**

Copy of document found at [www.NoNewWipTax.com](http://www.NoNewWipTax.com)

# NIPOMO COMMUNITY SERVICES DISTRICT

## MINUTES

F 2

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**

President Winn called the meeting to order at 9:02 a.m. and led the flag salute.

**B. 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 members of the public spoke:

Ed Eby, NCSD resident – Read a summary of a report from NCSD water expert

Lisa Mae Neil, resident of Moss Lane within proposed annexation – Expressed concerns about the resident's well and roadways due to Trincon's development. President Winn asked her to put her questions in writing and submit them to the District for response.

**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

Mr. Jones presented the draft RFP for a feasibility study for city incorporation.

The following member of the public spoke:

Guy Murray, NCSD resident – Initial quote of \$23,500 NCSD received appears high. Nipomo Incorporation Committee (NIC) received a quote of \$15,000. NIC met and voted to support NCSD's efforts. NIC offers assistance to NCSD.

Director Trotter suggested that the RFP include a line item of "other observations consultant might make". Director Wirsing suggested that a survey be sent to residents. Director Vierheilig suggested community involvement before study is made and hold a town hall meeting. Director Blair is in favor of incorporation. President Winn wants to make sure that those areas that do not want to be included in the city be excluded from the study.

Upon the motion of Director Blair, and seconded by Director Trotter, the Board approved the Request For Proposal for a feasibility study for city incorporation with the inclusion of Mr. Trotter's comment. Vote 4-1 with Director Wirsing voting No. The Board of Directors directed Staff to ask Supervisor Achadjian if there were funds available to assist with this study.

**D-2) SOLID WASTE FRANCHISE INTERIM RATE INCREASE – PUBLIC HEARING**

Ordinance adopting solid waste rate adjustments

Tom Martin, representative from South County Sanitary Services, Inc. discussed the proposed rate increase and noted that AG, GB, Pismo and other parts of Nipomo all had a 4.2% rate increase. This rate increase is part of the annual CPI review provided for in the agreement.

**MINUTES SUBJECT TO BOARD APPROVAL**

Copy of document found at [www.NoNewWipTax.com](http://www.NoNewWipTax.com)

NCSO MINUTES  
FEBRUARY 5, 2003  
PAGE TWO

D-2) (cont) SOLID WASTE FRANCHISE INTERIM RATE INCREASE – PUBLIC HEARING

The following members of the public spoke:

Vince McCarthy, NCSO resident - Concerned about last year's rate hike of 14% and now this year's 4% rate increase. When will it stop?

Jesse Hill, 1910 Grant Ave, Arroyo Grande - Suggested NCSO look at mandatory trash pick up.

President Winn directed Staff to investigate mandatory trash pick up options.

Upon motion of Director Blair and seconded by President Winn, the Board of Directors approved Ordinance 2003-96 with a vote of 5-0, with Director Wirsing abstaining.

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

D-3) FORMATION OF STREET LANDSCAPING DISTRICT NO. 1

Setting a Public Hearing of March 19, 2003, to establish landscaping district and assessments

District legal counsel, Jon Seitz, reviewed the 100% Property Owner Petition/Ballot and the Engineer's Proposition 218 calculation. The drainage basin, Lot 29, is included in the County Flood Control and will not be maintained by NCSO. There was no public comment. The date of the public hearing needs to be changed to April 2, 2003. Upon motion of Director Vierheilig and seconded by Director Trotter, the Board of Directors approved Resolution No. 2003-851 on a vote of 4-1 with Director Blair voting no.

**RESOLUTION NO. 2003- 851  
A RESOLUTION OF THE BOARD OF DIRECTORS 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)**

President Winn called for a break at 10:15 a.m. and reconvened at 10:26 a.m.

D-4) ANNEXATION NO. 22 – TRACT 2784 – PUDWILL

Review resolution conditionally approving annexation No. 22 and Annexation Agreement

Greg Nester, agent for Pudwill - Pudwill applied for annexation because it is a county requirement that he apply because his project is next to NCSO boundaries. The project has its own water available to service the Tract and they can form their own water company.

The following members of the public spoke:

John Snyder, outside NCSO boundary - Stated his comments apply to agenda items D4, D5, D6 and D7. NCSO opposed Woodlands because of lack of adequate water and now are annexing 4 new properties. Mr. Snyder gave a handout to the Board. He stated that an EIR is required.

Vince McCarthy, NCSO resident – Asked, "Do we have the water or don't we"?

Greg Nester, agent for Pudwill – Stated that an EIR is not required.

District legal counsel reviewed annexation agreement. LAFCO is lead agency for purposes of annexation and in charge of doing the initial study for environmental review and should include both sphere of influence change and the actual annexation itself. Urban Water Management Plan draft will be presented at next meeting.

NCSD MINUTES  
FEBRUARY 5, 2003  
PAGE THREE

D-4) (CONT) ANNEXATION NO. 22 – TRACT 2784 – PUDWILL

The following modifications to agreement:

1. Paragraph 5 C, strike this sentence "Applicant acknowledges that said obligation to construct water infrastructure requires Applicant to pay prevailing wages" and insert the following "Applicant shall be responsible for determining whether the construction of the water infrastructure or other public improvements to be dedicated to the District will require the payment of prevailing wages for such construction, and, if so, shall comply with all applicable requirements.
2. Paragraph 2 A, include the word "FIRM" in the sentence "The parties shall work cooperatively to identify a FIRM available supplemental water source for providing water to the project".

The motion by Director Blair and seconded by President Blair was to approve the annexation agreement with the modifications made to Paragraph 2 A and 5C. The motion failed on a vote of 2-3, with Directors Wirsing, Trotter and Vierheilig voting no.

District legal counsel asked the Board of Directors if there is any modifications to the agreement that would make it acceptable or don't spend any more time on the agreement.

President Winn stated that the Board of Directors has three options: 1. Deny service 2. Amend the agreement or 3. Wait until the Urban Water Management Plan and the Beeby Study is released. Director Vierheilig suggested that the language of the agreement needs to be crystal clear.

President Winn asked for a motion to direct Staff to recraft the language of the agreement to meet the standards of certainty about the supplement source of water and come back on the February 19 meeting. Director Vierheilig made that motion and Director Trotter seconded the motion. Vote 4 to 1, with Director Blair voting no.

The following member of the public spoke:

Homer Fox, NCSD resident – Is motion legal since it is not on the agenda? District Legal Counsel addressed that the motion is within the Brown Act.

John Snyder, outside the District – Believes that there is inconsistency between what Mr. Jones and Markman, Water Attorney are saying regarding forming mutual water companies.

Ed Eby, NCSD resident – Has no problem with this annexation, however, annexation agreement should distinguish between those that are sitting on water and those that are not. Supplemental water should not come from Santa Maria Basin.

Greg Nester, agent for Pudwill – Both parties need to agree on the agreement. The language is too open-ended. He suggested that all annexations should be denied until these issues are resolved.

D-5) ANNEXATION NO. 23 – TRACT 2499 –LEM

Review resolution conditionally approving annexation No. 23 and Annexation Agreement

See D-6



D-6) ANNEXATION NO. 24 – LYN ROAD (Previously called Robertson Annexation)

Review water service report, resolution conditionally approving the annexation and annexation agreement

Director Wirsing made a motion to table Items D5 and D6 for two weeks until the next agenda. Director Blair seconded the motion.

The following members of the public spoke:

Greg Nester, agent for Pudwill and Lem – Concerned about the timing of these annexations and the costs that will be added to the projects.

Director Blair removed himself from the Board of Directors.

Bob Blair, NCSD resident – Spoke in favor of Pudwill's project.

Director Blair then placed himself back on the Board of Directors.

Homer Fox, NCSD resident – Can't understand why NCSD won't let him develop

Jim Kinninger, NCSD resident – Felt that this was confusing and hard to understand with policy changing in the middle of making a decision.

Gene Mintz, 1712 Lyn Road – Annexation No. 24 is a hardship case. They will have development restrictions and they should be considered differently.

After public comment, the vote was unanimous to table Items D5 and D6 for two weeks.

D-7) REQUEST FOR ANNEXATION – NIPOMO HILLS

Request to annex approximately 88 acres for a 600 unit housing development at Thompson Ave and Knotts St.

President Winn announced that he lives on Knotts Street, north of the development, and will not participate in the discussions and pursuant to new rules of the Brown Act, he will leave the room. Other than living next to the development, he does not have any other reason for leaving. President Winn turned the meeting over to Vice President Wirsing.

District legal counsel stated that Staff is not asking for approval today. It is being presented as a concept - the idea of NCSD buying water from Cal Cities for this project. Possibilities of ramifications of approving what type of agreement would be negotiated if this project would move forward:

1. NCSD buys water from Cal Cities
2. Cal Cities sells water to the project and NCSD wields it.
3. Project, as presented in staff report, would likely have to verify a 20 year water supply under the Government Code and Water Code.
4. EIR needs to be completed?
5. Other issues that need to be addressed.

The following members of the public spoke:

Vince McCarthy, NCSD resident - Project does not follow General Plan

Spike Wheeler, Agent for Project – He is waiting for a letter from Cal Cities and will give it to NCSD when he gets it. He stated that project is just starting the process.

Jim Kinninger, NCAC Chairman – Handed out a letter to the Board of Directors which outlined the NCAC concerns for the project.

Ed Eby, Save the Mesa Representative – Handed out a letter to the Board of Directors, which outlined Save the Mesa concerns for the project.

Upon motion of Director Vierheilg and seconded by Director Trotter, the Board unanimously approved tabling this matter until the project is further along in the processing with the County. Vote 4-0.

Director Winn returned to the Boardroom.

E-1) REVIEW OF BOARD OF DIRECTOR BY-LAWS

Annual review of the By-Laws

District Legal Counsel reviewed the by-laws

The following members of the public spoke:

Jesse Hill, 1910 Grant Ave, Arroyo Grande – Asked about incompatible offices for NCSO and NCAC

Dick Mobraaten, NCSO resident – By-laws should elaborate on duties of the President of NCSO.

Upon motion of Director Blair and seconded by Director Wirsing, the Board of Directors unanimously approved Resolution 2003-852. Vote 5-0.

**RESOLUTION NO. 2003-852  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
ESTABLISHING BOARD 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

The Board discussed the possibility of using the Boardroom for storage of business items. Mr. Jones suggested that the NCAC place their own lock on the existing cabinets in the Boardroom rather than using their own filing cabinets. District Legal Counsel pointed out that NCAC is an appointed government agency.

The following members of the public spoke:

Dick Mobraaten, NCSO resident- Felt that NCSO should not be the custodian for outside organizations and is against placing the cabinets at NCSO.

Jim Kinninger, NCAC Chairman – Requested NCSO support.

Upon motion of Director Trotter and seconded by Director Vierheilic, the Board of Directors approved the request to allow NCAC documents to be stored in the Boardroom cabinet. Vote 5-0 with Director Blair abstaining.

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-TRACT 2370 (KRICHEVSKY) (RES APPROVAL)  
Resolution accepting water improvements

Director Trotter temporarily left the Boardroom.

There was no public comment. Upon motion of Director Vierheilic and seconded by Director Wirsing, the Board unanimously approved the consent agenda. Vote 4-0.

Director Trotter returned to the Boardroom.

G. **MANAGER'S REPORT**

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

G-1) AWWA CONFERENCE

G-2) SLO COUNTY ANNUAL RESOURCE REPORT

There was no public comment.

NCSD MINUTES  
FEBRUARY 5, 2003  
PAGE SIX

**H. COMMITTEE REPORTS**

Director Vierheilg reported that the Finance Committee met on January 31. Additions or modifications can be made to the draft purpose statement. Director Wirsing reported on the Chamber Luncheon.

**I. DIRECTORS COMMENTS**

Director Vierheilg suggested that job duties/functions be written down for the committees.

The Board of Directors went into Closed Session at 12:55 p.m.

**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


**NO REPORTABLE ACTION**

**ADJOURN**

President Winn adjourned the meeting at 1:20 p.m.

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

**MINUTES SUBJECT TO BOARD APPROVAL**

TO: BOARD OF DIRECTORS  
FROM: DOUG JONES   
DATE: FEBRUARY 19, 2003

**AGENDA ITEM**  
**G**  
**FEBRUARY 19, 2003**

**MANAGER'S REPORT**

- G-1) **SUMMIT STATION – GENERAL PLAN AMENDMENT**  
Propose lifting restriction on subdividing and secondary units in the Summit Station area
- Attached is the water segment of the SLO County Environmental Determination for an EIR

**A. PROJECT DESCRIPTION**

A request to amend the South County Area Plan by deleting one of the Summit Station area standards, which would allow all qualifying parcels to further subdivide (estimated to be up to 40 additional parcels). Originally, the existing Summit Station area planning area standard of no additional secondaries allowed for existing properties was proposed to remain. For the purposes of this initial study, an analysis of removing this standard has also been included. It is estimated that removal of this standard would allow up to 160 additional secondary units. For the purposes of this analysis, the "Summit Station Area" includes the existing 870 acre area originally approved, as well as the recently approved 58-acre Robertson, et al, General Plan Amendment. The property is and will remain within the Residential Rural land use category.

A staff-generated mitigating alternative has also been developed to allow limited subdivision while not resulting in any potentially significant environmental impacts, as follows (underlined portion is new):

Amend the South County Area Plan rural area standards for Residential Rural, Summit Station Road Area, Standard #1c:

- c. **Subdivision.** In recognition of the intent to provide community water service to a rural area experiencing a severe groundwater hardship, and to assure that the benefit of community water will be enjoyed by all of the existing parcels within the service area, no applications shall be approved for subdivision of any existing parcels or the creation of new parcels unless the resulting parcels are already developed with at least one existing legal residence.

**Table 1. Summary Table**

	Existing Parcels	Allowed primary residences	Existing Secondaries	Potential additional residences	Potential additional parcels
Existing Conditions	145	145	22 <sup>(1)</sup>	0 (see "Allowed" primary res.)	0
Summit Station LUO (includes Robertson, et al)	See Existing Conditions			40 primaries + No secondaries	40
Remove "No Secondary" Std.	NA	NA	NA	<u>160 New Secondaries</u> 119 (Existing parcels) 37 (Summit LUO) 4 (Robertson)	NA

<sup>(1)</sup> Based on 1993 Survey which identified 18 lots with 1 to 3 additional residences per lot for Summit Station area; and for Robertson estimate based on aerial photo (1999)

**B. EXISTING ENVIRONMENTAL CONDITIONS**

The topography of the subject properties is gently to moderately sloping, with a steeply sloping Nipomo bluff to the north. The vegetation of the area includes eucalyptus trees, oak woodlands, chaparral and grasses. The 928 acre area is bounded approximately by Highway 101 to the east, Nipomo bluff edge to the north, Stanton Road to the west, and south of Summit Station Road to the south, north of the community of Nipomo.

**C. ENVIRONMENTAL ASSESSMENT**

During the Initial Study process, several issues were identified as having potentially significant environmental

(PS)-Potentially Significant impact; (M)-Impact Can & Will be Mitigated; (I)-Insignificant Impact; (NA)-Not Applicable

effects (see following Initial Study checklist). Several of these impacts cannot be reduced to less than significant levels should the proposed standards be removed. The following issues are considered potentially significant after feasible mitigation measures are considered for the proposed project: water, growth inducement, air quality, and cumulative traffic and biological resources.

Historically, the current "Summit Station area" had obtained domestic water from on-site wells. However, this rural area had experienced very limited water availability during drought conditions and went looking for a reliable "off-site" source of water. At the time, the NCSD offered to be that water source. Given that the NCSD boundaries were several miles away to serve a rural use, two standards (no further subdividing land and no new secondaries) were included for this hardship area to minimize the growth-inducing aspect of extending NCSD's urban water services to the Summit Station area to less than significant levels.

**COUNTY OF SAN LUIS OBISPO INITIAL STUDY CHECKLIST**

**I. BIOLOGICAL RESOURCES**

	Potentially Significant Impact	Impact Can & Will be Mitigated	Insignificant Impact	Not Applicable
	(PS)	(M)	(I)	(NA)
A. Wildlife	( )	(✓)	( )	( )
B. Vegetation	(✓)	( )	( )	( )
C. Habitat Area	( )	(✓)	( )	( )
D. Rare and/or Endangered Species	( )	(✓)	( )	( )
E. Unique or Fragile Biotic Community	( )	(✓)	( )	( )
F. State Area of Special Biological Importance	( )	( )	(✓)	( )
G. Riparian/Wetland Area	( )	( )	(✓)	( )
H. Other: _____	( )	( )	( )	( )

**Botanical Resources** - The subject area contains a range of habitats mainly consisting of oak woodland, chaparral, grasslands and isolated eucalyptus groves.

According to the California Department of Fish and Game (correspondence dated January 30, 2001), the project area could contain several rare plants including Sand mesa manzanita, Well's manzanita, Pismo clarkia, Marsh sandwort, Gambel's watercress, Kellogg's horkelia, and Dune larkspur. Pismo clarkia, Marsh sandwort and Gambel's watercress are listed under both the State and Federal Endangered Species Acts. The other species are classified by the California Native Plant Society as rare and endangered in California and elsewhere.

Given the existing vegetation, there is a moderate probability that one or more sensitive plant species identified by CDFG could be found on properties within the subject area. An existing Summit Station area planning area standard is currently in place to require that a botanical report be prepared at the time specific development is proposed to determine if any sensitive species exist and what measures would be appropriate, if such species are encountered.

If any sensitive wildlife or vegetation is found at the time future development is proposed, the following mitigation could be applied at the time of development to reduce the impacts to less than significant levels: design development or subdivision to avoid the resource, minimize the area to be disturbed, set aside an area

Adherence to standard control measures (e.g., a sedimentation and erosion control plan may be required as a part of future residential development (per County (LUO Secs.22,05.032, 22.05.034)), erosion and sedimentation impacts should be mitigated to less than significant levels.

*Finding: Incorporation and implementation of standard mitigation measures and the proposed standard at the time specific development is proposed will reduce potential drainage, sedimentation and erosion impacts to a less than significant level.*

**III. GEOLOGICAL HAZARDS/SITE ALTERATION**

	(PS)	(M)	(I)	(NA)
A. Landslide Hazard	( )	(✓)	( )	( )
B. Seismic Hazard	( )	(✓)	( )	( )
C. Topographic Alteration; Grading for Building__, Driveways__, Roads__, Other__	( )	(✓)	( )	( )
D. Soil Expansion	( )	( )	(✓)	( )
E. Steep Slopes	( )	(✓)	( )	( )
F. Other: _____	( )	( )	( )	( )

**Geological Conditions** - This request is not within the "Geologic Study" combining designation. Liquefaction risk potential for the subject area is considered "low to moderate". Landslide risk potential is considered "negligible". No active faulting is known to exist on or near the subject property. Standard construction practices are expected to adequately address any seismic safety concerns.

*Finding: Incorporation and implementation of standard mitigation measures at the time specific development is proposed will reduce potential geologic hazard or site alteration impacts to a less than significant level.*

**Topographic Alteration** - Topography for the subject area ranges from gently to moderately sloping to very steeply sloping bluffs. Substantial quantities of dirt may be moved if future development proposes large flat areas. Refer to Sections II and V for impacts to drainage, sedimentation, erosion and air quality. When specific grading is proposed on gentler slopes, landscaping and contouring of visible cut and fill areas are effective means of minimizing potential visual impacts associated with grading to less than significant levels. Existing planning area standards relating to bluff development setbacks should keep most future grading away from the steep bluff areas.

*Finding: Incorporation and implementation of standard mitigation measures at the time specific development is proposed will reduce potential impacts associated with topographic alteration to a less than significant level.*

**IV. WATER RESOURCES**

	(PS)	(M)	(I)	(NA)
A. Groundwater Quantity	(✓)	( )	( )	( )
B. Groundwater Quality	( )	(✓)	( )	( )
C. Surface Water Quantity	( )	(✓)	( )	( )
D. Surface Water Quality	( )	(✓)	( )	( )
E. Stream Flow Change	( )	(✓)	( )	( )
F. Change to Estuarine Environment	( )	( )	(✓)	( )

**Groundwater Basin** - This project is on the Nipomo Mesa and partially within the Santa Maria groundwater basin. The project will be using water extracted from the Santa Maria groundwater basin (through the NCS D), which is made up of three interconnected sub areas (Tri-Cities, Nipomo Mesa, Santa Maria Valley). Based on the most recent comprehensive study completed for this basin (State Department of Water Resources, "Water

Resources of the Arroyo Grande-Nipomo Mesa Area”, 2002), while extractions will increase above current levels over the next twenty years, the study concludes that “Supplies appear adequate to meet water demands through water year 2020”. However, the study also recognizes that there is a sizeable local pumping depression on the Nipomo Mesa that has changed the dynamics of flow between two sub areas (Santa Maria Valley, Nipomo Mesa). The NCS D has been a major contributor of this large depression with their main wells located within the depression area. The study cautions that seawater intrusion could result if subsurface flow from the Santa Maria Valley to the Nipomo Mesa increases, with a resulting decrease in outflow to the ocean. It appears that the study’s conclusion that supplies are adequate through 2020 may be based on an assumption that changes in groundwater management practices will be employed in response to the potential for seawater intrusion. At this time, the county has no information that the District will be changing their groundwater management practices in the near future.

The DWR report agrees with other studies that seawater intrusion is not presently occurring, and, therefore, that the basin is not now in a state of overdraft. The report does recommend the need for continued planning, improved data, periodic reevaluation of water budgets, artificial recharge programs and expanded use of recycled water.

**Potential Water Usage** - The area (about 930 acres) contains approximately 145 existing parcels. Removal of the subdivision standard would allow up to 40 additional parcels. If one new primary were allowed for each of these new parcels 40 new residences would be allowed. Typically, based on the “City of Santa Barbara water study” usage estimates for residences on 1+ acres (1.440 acre-foot/year/residence), these new residences may use up to about 57.6 AFY of water for interior usage. Application of interior water conservation measures should reduce this total to about 50.4 AFY.

Removal of the secondary residence limitation standard could result in up to 160 secondary residences. This type of use is considered similar to the “small single family residence” category identified in the “City of Santa Barbara water study”, which estimates 0.330 AFY/residence. Based on this, approximately 52.8 AFY water usage could be expected. Application of interior water conservation measures should reduce this total to about 43.2 AFY.

When the two standards are considered together, up to approximately 110.4 AFY of water usage could be expected. Application of water conservation measures would reduce this to about 93.6 AFY.

In 1998, the Nipomo CSD estimated that the average account in this area used approximately 0.75 AFY. The District sized its delivery system to the area so it could provide about 284 AFY.

It is expected that this increased level of development would further exacerbate the existing localized depression found at the NCS D’s “Eureka” well on the western portion of the Nipomo Mesa, which is a major source of water for the District.

Removal of these limitations would further “urbanize” this area and encourage other surrounding requests to urbanize, such as the Mehlschau GPA to the south, and increase water demands. That application is requesting to change 42 acres of Agriculture to Commercial Retail, and extend the urban reserve line over 400+ acres (Canada Ranch) to get to this 42-acre area. The Nipomo CSD has already expressed interest in seeing the Summit Station/district boundary extended to include about 13 additional lots along Pomeroy Road between Hidden Ranch Way and Camino Perrillo. A Specific Plan to develop the Canada Ranch is in the early processing stages (likely to receive its own EIR-recommendation).

The potential change in water quality from water extraction would decline to an unknown extent.



Implementation of water conservation measures for the future residential development, such as the use of drought-tolerant landscaping, ultra low-flow water fixtures, etc., would reduce potential groundwater and water supply impacts.

The staff-recommended alternative of allowing further subdivisions where the resulting parcels would have an existing residence on each would not result in a significant increase in water usage and would not result in potentially significant water resource impacts.

*Finding: Incorporation and implementation of standard water conserving mitigation measures, along with other standard requirements at the time specific residential development is proposed may not reduce potential impacts associated with water usage to a less than significant level. Therefore, section 15064 of CEQA requires that an EIR be prepared to evaluate individual and cumulative water impacts.*

**Surface Water Quality** - Future development will result in the creation of impervious surfaces (streets, roofs, etc.) that will increase the rate of storm flow runoff. This development will also alter the composition of surface runoff due to site grading, the construction of impervious surfaces and the irrigation of landscaped areas. Once developed, runoff from streets, roofs and landscaped areas could result in the accumulation of oils and hydrocarbon products, detergents, pesticides, fertilizers and other debris. However, due to the resulting low density of potential additional residences, these potential pollutants would not be considered potentially significant for this request.

*Finding: Incorporation and implementation of standard mitigation measures at the time specific residential development is proposed will reduce potential water quality impacts to a less than significant level.*

**Wastewater** - On-site septic tank/leach line systems are expected for wastewater treatment of future residential development. When future development is proposed, it will need to comply with the RWQCB's Central Coast Basin Plan for wastewater. The main limitation to having on-site wastewater facilities for this area is the poor filtering characteristics due to the very permeable sandy soil, and need for larger separations between the leach lines and the groundwater basin. There are no known areas of high groundwater in this area. While the depth to groundwater is expected to provide sufficient separation, it is not too critical for the subject properties since they would be obtaining off-site potable water.

*Finding: Incorporation and implementation of standard mitigation measures at the time specific development is proposed will reduce potential wastewater impacts to a less than significant level.*

**Estuarine Impacts** - This project is not close enough to any estuarine habitat to pose any potentially significant impacts to this type of habitat.

## V. POLLUTION

	(PS)	(M)	(I)	(NA)
A. Hazardous Materials	( )	( )	(✓)	( )
B. Groundwater Pollution	( )	(✓)	( )	( )
C. Surface Water Pollution	( )	( )	(✓)	( )
D. Increase in Existing Noise Levels	( )	( )	(✓)	( )
E. Exposure of People to Severe Noise Levels	( )	( )	(✓)	( )
F. Substantial Air Emissions	( )	(✓)	( )	( )
G. Deterioration of Ambient Air Quality	( )	(✓)	( )	( )
H. Creation of Objectionable Odors	( )	( )	(✓)	( )
I. Other <u>Consistency with Clean Air Plan</u>	(✓)	( )	( )	( )

2

