

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

APRIL 23, 2003

REGULAR MEETING 9:00 A.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

BOARD MEMBERS

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

STAFF

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

John S
6:20
12:40
1:50
13:90
15:10

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. (If assistance is needed, please contact the District office at least one day before the meeting.)

- A. **CALL TO ORDER AND FLAG SALUTE** NEXT RESOLUTION 2003-857
- B. **ROLL CALL** NEXT ORDINANCE 2003-97
- C. **PUBLIC COMMENTS PERIOD**
PUBLIC COMMENTS
Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, provided the matter is not on the Board's agenda, or pending before the Board.
Presentations are limited to three (3) minutes or otherwise at the discretion of the Chair.
- D. **ADMINISTRATIVE ITEMS** (The following may be discussed and action may be taken by the Board.)
 - D-1) **DISTRICT ANNEXATION POLICY**
Review/approve revisions to the District's Annexation Policy
 - D-2) **MONTECITO VERDE II – SEWER CAPACITY FEE**
Review sewer capacity payment options
 - D-3) **URBAN WATER MANAGEMENT PLAN**
Administrative draft to be circulated for comments
- E. **OTHER BUSINESS**
 - E-1) **DISTRICT INSTALLED SEWER LINE REIMBURSEMENT**
Introduction and first reading of Ordinance for District-installed Sewer Line Reimbursement costs
- 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 April 9, 2003, Regular Board meeting
 - F-3) **THIRD QUARTER FINANCIAL REPORT** (Receive and File) [RECOMMEND APPROVAL]
 - F-4) **FIRST QUARTER INVESTMENT REPORT** (Receive and File) [RECOMMEND APPROVAL]
- G. **MANAGER'S REPORT**
 - G-1) **DISTRICT BOND RATING GETS AN "A"**
- H. **COMMITTEE REPORTS**
- I. **DIRECTORS COMMENTS**

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
- B. SAVE THE MESA vs. NCSD CASE NO. CV 020181
- C. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES, CONFERENCE WITH NEGOTIATOR GC§54956.8 COUNTY NEGOTIATOR - PETE JENNY, REGARDING TERMS & PRICE.
- D. ANTICIPATED/INITIATE LITIGATION, ONE CASE

ADJOURN TO A SPECIAL MEETING AT NIPOMO HIGH SCHOOL IN THE FORUM AT 7:00 P.M.
525 NORTH THOMPSON AVENUE, NIPOMO, CALIFORNIA

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

REVIEW AND CONSIDER PROPOSED NCSD SPHERE OF INFLUENCE BOUNDARIES

Review LAFCO study areas for NCSD Sphere Of Influence and make recommendations to Local Agency Formation Commission (LAFCO)

ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT

SPECIAL MEETING AT A SPECIAL LOCATION

**APRIL 23, 2003
WEDNESDAY
7:00 P. M.**

**NIPOMO HIGH SCHOOL
FORUM
525 N. THOMPSON AVENUE
NIPOMO, CALIFORNIA**

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**

AGENDA

CALL TO ORDER AND FLAG SALUTE

ROLL CALL


Public Comment on Agenda Items

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

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

REVIEW AND CONSIDER PROPOSED NCSD SPHERE OF INFLUENCE BOUNDARIES
Review LAFCO study areas for NCSD Sphere Of Influence and make recommendations to Local Agency Formation Commission (LAFCO)

ADJOURN

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: APRIL 9, 2003

AGENDA ITEM

APRIL 9, 2003

DISTRICT ANNEXATION POLICY

ITEM

Review and approve proposed revisions to the District's Annexation Policy

BACKGROUND

The Annexation Committee (Directors Wirsing and Winn) has directed staff to modify the existing Annexation Policy. The proposed revisions were reviewed at the March 19 and April 9, 2003, regular Board meetings. All of the comments and suggestions have been incorporated into the revised annexation policy and is being presented here for review and approval.

RECOMMENDATION

After your Honorable Board reviews the Annexation Policy, staff recommends adoption of the attached resolution approving the Annexation Policy.

Board 2003/Annexation Policy 42903.DOC

RESOLUTION NO. 2003-Annex Policy

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REVISING THE DISTRICT'S ANNEXATION POLICY**

WHEREAS, the Nipomo Community Services District (District) receives most of its water from the Nipomo Hydrologic Sub-Area (HSA); and

WHEREAS, The HSA is part of the Greater Santa Maria Groundwater Basin, and both the HSA and the Santa Maria Groundwater Basin along with agricultural users, other private users and local water agencies (including the District) are subject to a general Groundwater Adjudication; and

WHEREAS, many of the Applicants who seek annexation to the District are parties to the Groundwater Adjudication, whose interests may be adverse to the District and whose water entitlements are the subject of future Court Judgments; and

WHEREAS, District acknowledges a number of engineering reports indicating that HSA is in a state of overdraft; and

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

WHEREAS, the District desires to modify its annexation policy recognizing the potential limited water supply from the HSA; and

WHEREAS, The District recognizes two (2) general classes of proposed annexations as follows:

1. Those areas of proposed annexations that overlie a sufficient source of groundwater to serve the proposed development within the area of annexation; and
2. Those areas of proposed annexations that do not overlie a sufficient source of groundwater to serve the proposed development within the area of annexation; and

WHEREAS, proposed annexations must provide identifiable benefits to:

1. The future residents and property owners within the annexed area; and
2. The residents and property owners currently within the Nipomo Community Services District; and

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

WHEREAS, the Local Agency Formation Commission considers CEQA for all proposed annexations and sphere of influence changes;

RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REVISING THE DISTRICT'S ANNEXATION POLICY

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

1. The District's Annexation Policy is hereby revised, amended and readopted as stated in Exhibit "A" attached hereto and incorporated herein by reference.
2. The prior Annexation Policies adopted by the District are hereby repealed in their entirety.
3. 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)(2) and (5) of the CEQA Guidelines which 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.
4. The above Recitals are true and correct and incorporated herein by reference.
5. If any section, subsection, sentence, clause or phrase in this Resolution or Exhibit "A", the Annexation Policy (collectively the "Resolution") is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.
6. District staff is directed to return to the Board with an Annexation Ordinance enacting the fees and charges referenced in the attached Annexation Policies.

RESOLUTION NO. 2003-Annex Policy

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REVISING THE DISTRICT'S ANNEXATION POLICY

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

AYES:
NOES:
ABSENT:
CONFLICTS:

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

EXHIBIT A

THE ANNEXATION POLICY OF THE NIPOMO COMMUNITY SERVICES DISTRICT

ADOPTED APRIL 23, 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 the 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 best to provide:

Good quality, economical and dependable water, sewerage and other authorized services for the residents of the Nipomo Community Services District.

The District recognizes the need for conservation of natural and environmental resources, including local resources, their availability and quality, consistent with the South County General Plan of San Luis Obispo County.

III. GENERAL POLICIES

A. Annexations shall provide a water source, other than water from the Nipomo Hydrologic Subarea (HSA) or pay for the costs of supplemental water for the area of annexation as a condition of District approval.

B. 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. Further, requests for annexation solely for sewerage services to the exclusion of water service will be rejected by the Board of Directors, except under extraordinary circumstances.

C. In order to evaluate the impacts on potential annexations upon the Nipomo Community Services District, the Board will only consider annexation requests which include the submittal of a layout plan and Annexation application pursuant to Section VI of these Policies. The District reserves the discretion to require additional information from the Applicant.

If the intended development within the proposed area of annexation requires further County approvals (for example, zoning or subdivision), the District's approval of the annexation may be conditioned upon the owners obtaining such County approvals before the annexation becomes effective.

NIPOMO COMMUNITY SERVICES DISTRICT
 RESOLUTION NO. 2003-Annex Policy

D. After review of the layout plan and Application, the Board of Directors will consider annexation request where it can be demonstrated that:

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

E. 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).

F. 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, such associations lose efficiency over time, requiring a public entity to take over their operations. A public entity operating from the beginning would eliminate the need for later acquisition and rejuvenation of such systems at additional cost to the property owners.

G. The District recognizes two (2) general classes of proposed annexations, as follows:

1. Those areas of proposed annexations that overlie a sufficient source of groundwater to serve the proposed development within the area of annexation; and
2. those areas of proposed annexations that do not overlie a sufficient source of groundwater to serve the proposed development within the area of annexation.

H. The Board will not contract for State Project Water as a supplemental water supply without first obtaining the approval of the District voters. *

*Note: The Court may have jurisdiction to order State Project Water as part of the Adjudication Resolution.

IV. GENERAL STANDARDS FOR AREAS OVERLYING SUFFICIENT RELIABLE GROUNDWATER RESOURCES

A. Dedications and Covenants:

Applicants who are connected to the District water system shall covenant not to pump from the underlying groundwater basin for non-agricultural uses consistent with the following:

1. Applicants that connect to the District's water system may continue to pump for agriculture related uses on Applicant's property, subject

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2003-Annex Policy

to any limitations imposed by a Court or other agency with jurisdiction.

2. Subject to paying the financial obligations referenced in subsections C and D below and further subject to any limitations imposed by a Court or other agency with jurisdiction, Applicants who do not receive District water service may :

- Continue using existing well production for existing residential and commercial uses on Applicant's property.
- Continue to pump for agriculture related uses on Applicant's property

B. District Processing Costs:

At the time of entering into an Annexation Agreement with District, Applicant shall make deposit for District administrative, consultant and legal costs in processing the annexation;

C. Financial Obligations Prior to LAFCO Approval:

1. For each residential connection to the District's water system or for each existing residential unit that does not connect to District water system, Applicants shall deposit with the District ten thousand dollars (\$10,000) or equivalent securities acceptable to District, to be applied to District administrative and consultant costs in acquiring supplemental water and to offset costs of supplemental water. *
2. Commercial and/or other uses that exceed a 1" meter shall pay a multiple of the deposit referenced in subsection 1 above based on flow capacity.
3. Each connection or potential connection shall pay District capacity and connection fees and charges. The District's water capacity charge shall be reduced by that portion attributed to well production.

* To be returned if LAFCO does not approve annexation. Further, to the extent the supplemental water deposit exceeds District's costs, as prorated among other applicants for annexation, the remainder will be used to reduce Section D water charges. A legal "granny" unit served by the same 1" meter as the primary residence shall not be counted as an additional connection.

D. Payment of Monthly Supplemental Water Charge:

NIPOMO COMMUNITY SERVICES DISTRICT
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Applicants shall agree to establish a zone of benefit with a rate covenant wherein those residents and commercial users within the area of annexation will pay eighty percent (80%) of the actual costs of supplemental water for the area of proposed annexation plus one hundred percent (100%) of the reserve that may be required to obtain supplemental water.

E. Customers of the District:

1. Upon annexation, residents and commercial users within the area of the proposed annexation shall become "regular customers" of the District, with no greater entitlements to water service than any other District customer.
2. Subject to compliance with the Annexation Agreement, LAFCO conditions, the District Inspection and Public Facility Agreement, District Rules and Regulations, and a determination by the Board of Directors that there are adequate water resources to supply the area of annexation during the period of time specified in the Annexation Agreement, reasonably determined to acquire supplemental water, District agrees to provide water to the area of annexation upon LAFCO final approval.

F. Cluster Developments:

1. District may negotiate with and require Applicants planning a cluster development to dedicate the open space parcels produced thereby to District for an identified purpose approved by District and which may be operated by District.
2. If the District accepts responsibility for the open space parcel, then applicant shall form an Assessment District or other Special Tax District, or establish an endowment acceptable to District for the purposes of the operation and maintenance of the open space parcel; and
3. Applicant shall establish a Homeowners Association for the purposes of assuming obligations in Subparagraph 2 above in the event the District is required to abandon the Assessment District or Special Tax.

V. **GENERAL STANDARDS FOR AREAS OF ANNEXATION THAT DO NOT OVERLIE SUFFICIENT RELIABLE GROUNDWATER RESOURCES.**

- A. The Applicant shall comply with all conditions set forth in Section III above for proposed annexations that overlie a sufficient groundwater resource; and

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2003-Annex Policy

- B. Pay one hundred percent (100%) of the monthly supplemental water charge (see III D above); and
- C. District will not deliver water to the area of annexation until:
 - 1. A sufficient supplemental water is under contract and available for delivery; and
 - 2. CEQA review, including challenges, are completed; and
 - 3. In addition the construction phase shall not begin until steps C-1 and C-2 are completed and the Board determines that there is sufficient water to serve the proposed area of annexation during the construction phase.

VI. DISPUTE RESOLUTION

If an Applicant disputes District determination that the area of proposed annexation does not overlie a sufficient groundwater resource, then Applicant, at Applicant's sole cost, may request District to perform reliability tests, possibly including pump tests, to the District Engineer's standards, to determine sufficiency of underlying groundwater resources. The Board of Directors' determination of the sufficiency of the groundwater supply shall be final.

VII. ANNEXATION AGREEMENT

All applicants for annexation shall be required to enter into an Annexation Agreement. Said Annexation Agreement shall include the following:

- 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. Reimbursement to District for its costs in processing the annexation, including administrative costs, legal costs and engineering costs; and
- C. Payment for all applicable District capacity, meter and connection charges.

VIII. SUBMITTAL OF ANNEXATION APPLICATION AND LAYOUT PLAN

Prior to consideration by the Board of Directors, Applicants must submit an application to the District, demonstrating that the annexation will conform to these Annexation Policies and submit a layout plan for the proposed area of annexation in sufficient detail for the District to assess the full impact of the annexation on the District's water distribution facilities, sewer service and other services to be provided to the area of annexation by the District.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES *DJ*

DATE: APRIL 23, 2003

AGENDA ITEM

DJ
APRIL 23, 2003

MONTECITO VERDE II SEWER CONNECTION FEES

ITEM

Collection of the Montecito Verde II Sewer Capacity Fees

BACKGROUND

The Regional Water Quality Control Board directed Nipomo Community Services District to connect the Montecito Verde II development on-site sewer system to the District area-wide sewer system. The connection has been completed. At the regular meeting held on March 5, 2003, your Honorable Board adopted a Resolution grandfathering the Montecito Verde II property owner's sewer capacity fee to \$2,500.00 each.

The construction cost of connecting the MVII site and the individual sewer laterals to the District system is as follows:

	COST	CBG Funds	Difference
Construction Cost MVII	\$164,583.00	\$143,000.00	\$21,583.00
Sewer laterals	44,489.14	44,000.00	489.14
Totals	209,072.14	\$183,000.00	\$22,072.14

Balance in MVII fund	\$43,829.99
Less difference in construction costs	22,072.14
MVII Balance	\$21,757.00

Each Montecito Verde II property owner is obligated to pay the sewer capacity (connection) fee of \$2,500. The property owners have been paying into a fund to maintain their on-site sewer system. After the MVII improvement costs have been paid, the MVII Sewer Fund has a balance of \$21,757. It is proposed that \$20,160 of this balance be credited to the property owners sewer capacity fee. The remaining balance would pay for administrative costs, legal fees, and engineering expenses.

District Sewer Capacity Fee	\$2,500.00
Credit from Fund Balance (\$20,160 ÷ 32)	630.00
Sewer Capacity Fee due	\$1,870.00

Possible methods to collect Sewer Capacity fees:

- One time cash payment by the property owner; or
- Establish a voluntary "Zone of Benefit" allowing each property owner to join the "Zone" and pay their fee over a five year period at an interest rate of 6% making an annual estimated payment of \$443.93 with an "all due on sale" clause; or
- Place the fee on the tax roll to be collected with the property taxes the following year.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: APRIL 23, 2003

AGENDA ITEM

APRIL 23, 2003

MONTECITO VERDE II SEWER CONNECTION FEES

It is recommended that those property owners wishing to make a cash payment or volunteer to join the "Zone of Benefit" do so before May 28, 2003, at 4:30 p.m. so that staff will have the necessary time to meet the SLO County Tax Assessor Office's requirements.

Each of the property owners will receive the following information:

1. Information Letter - fees and costs
2. Copy of Zone of Benefit Agreement
3. Copy of the Assessor Parcel Map

A Public Hearing will be held on June 4, 2003, for the ordering of the assessment and collecting the sewer system fees on the tax roll for those individuals that have not paid their fee.

RECOMMENDATION

This is an information item for the Board. Staff will continue to inform the residents of Montecito Verde II about paying their Sewer Capacity Fee.

Board2003\Montecito Verde II.doc

NIPOMO COMMUNITY

BOARD MEMBERS

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



SERVICES DISTRICT

STAFF

DOUGLAS JONES, GENERAL MANAGER
JON SEITZ, GENERAL COUNSEL
DAN MIGLIAZZO, UTILITY SUPERVISOR

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

INFORMATION LETTER

_____, 2003

Dear Property Owner:

In February 2003, the Montecito Verde II development Community Septic Tank System was connected to the District area-wide sewer collector system, as directed by the Regional Water Quality Control Board. The on-site septic tank systems, which were processing the wastewater from your homes, were abandoned and a connection to the District sewer collector system was constructed.

Now that the construction is complete, all properties connected to the area-wide sewage collector system are required to pay a sewer capacity fee. The District Board of Directors grandfathered your fee in at \$2,500.00 instead of the newly adopted fee of \$3,048.00. You have been paying a monthly service charge of \$14.00 per month, which has gone into a fund to operate and maintain the septic tanks. There are some reserves left in this fund which will be credited to you for your connection fee. The credit is \$630.00, which leaves a balance of \$1,870.00.

The District will allow you one of three alternate ways to pay this fee:

1. Pay \$1,870.00 in cash by May 28, 2003; or
2. Agree to participate in a Zone of Benefit which will allow you to pay the \$443.93 per year over a period of five years at six percent interest; or
3. A lien would be placed on your property for \$1,870.00 and will be collected with your 2003-2004 property taxes, if the fee is not paid by May 28, 2003.

Attached for your review the agreement to participate in the Zone of Benefit as referred to in alternate 2 above. Please review this document and consider the options outlined above.

You are invited to a public hearing on Wednesday, _____, 2003 at ____ at 148 South Wilson Street, Nipomo, CA at which time methods of payment will be discussed by the Board of Directors of Nipomo Community Services District. A translator will not be provided by the District, however, we encourage you to bring your own translator, if necessary.

If you have any questions, please contact our office at 929-1133. We encourage you and your neighbors to attend the public hearing on _____.

Sincerely,
NIPOMO COMMUNITY SERVICES DISTRICT

Doug Jones
General Manager

Enclosure

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

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

APN # _____

**PETITION AND AGREEMENT TO PARTICIPATE IN THE FORMATION
OF A BENEFIT ZONE TO PROVIDE FOR PAYMENT OF NIPOMO COMMUNITY
SERVICES DISTRICT CAPACITY CHARGES AND
COVENANT RUNNING WITH THE LAND**

THIS PETITION AND AGREEMENT (collectively "Agreement") is made and entered into this _____ day of _____, 2003, by and between _____, (hereinafter collectively referred to as "OWNER") and the NIPOMO COMMUNITY SERVICES DISTRICT, (hereinafter referred to as "DISTRICT") with reference to the following recitals:

RECITALS:

A. **WHEREAS**, Owner is the record owner of real property located at within a Tract commonly known as Montecito Verde II, whose street address is _____ (herein the "Property") which is more particularly described as follows:

APN # _____

Lot _____, Tract 607 or
Lot _____, Tract 968
Montecito Verde II Subdivision
Tract 607, R.M. Bk 11, Page 16
Tract 968, R.M. Bk 11, Page 18

and;

B. **WHEREAS**, Owner's Property in the past has been provided sewer service by the Montecito Verde II septic and leach field system (herein "Septic System") that was operated by District; and

C. **WHEREAS**, at the request of the Regional Water Quality Control Board ("RWQCB") the District has abandoned the Septic System and connected Owner's Property to the District's community wide wastewater treatment plant and collector system ("District WWTP"); and

D. **WHEREAS**, upon connection of the Property to the District WWTP, Owner is obligated pursuant to District Ordinance to pay District's WWTP capacity charges; and

E. **WHEREAS**, Section 61770 et seq. provides that the District may establish a Benefit Zone to fix and collect special rates or charges for the construction or acquisition of Improvements or for furnishing services within the Benefit Zone; and

PETITION AND AGREEMENT TO PARTICIPATE IN THE FORMATION
OF A BENEFIT ZONE TO PROVIDE FOR PAYMENT OF
NIPOMO COMMUNITY SERVICES DISTRICT CAPACITY CHARGES AND
COVENANT RUNNING WITH THE LAND

F. **WHEREAS**, OWNER and DISTRICT agree to the formation of a Benefit Zone to fix and collect capacity charges over time for WWTP Sewer Service.

NOW THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. **Formation of the Zone.** OWNER hereby agrees to the formation of a Benefit Zone for the collection and payment of capacity charges for connection to the WWTP..
2. **Boundaries of Benefit Zone.** The boundaries of the proposed benefit zone will consist of those properties within the boundaries of Montecito Verde II that participate, by Agreement, in the Benefit Zone as herein described.
3. **Description of Improvements and Services Furnished.** The Services and Improvements consist of the construction and connection of Owner's Property to District's WWTP which requires the payment of District capacity charges.
4. **Sewer Capacity Charge.** The District Capacity Charge for a single family residence within Montecito Verde II is \$2,500.00 as established by District Resolution No. _____. The Sewer Capacity Charge shall be reduced by prorating the Reserve Fund for the Montecito Verde II Septic and Leach Line Field System, which equates to \$630.00 dollars per residential parcel. Therefore, the Sewer Capacity Charge is \$1,870.00.
5. **Term of Benefit Zone.** The charges referenced in Paragraph No. 4 above will be collected over a five (5) year period, commencing on the date District approves this Agreement.
6. **Yearly Charge.** To pay the \$1,870 over time the Owner's Yearly Charge will be as follows: Yearly Charge \$443.93, (5 years at 6% interest) plus SLO County Administrative Charge for collection on tax rolls.
7. **Collection through Property Tax Bill.** The tax collector of the County of San Luis Obispo is authorized to collect the charges referenced in Paragraph 6 above on the property tax bill, along with such administrative charges allowed by law.
8. **Unpaid Balance Constitutes Lien.** In the event this Agreement and/or the Benefit Zone established herein is held by a court of competent jurisdiction to be invalid, void or unenforceable, or owner defaults on payment, then owner agrees that the unpaid balance for the Capacity Charges (Improvements) described in this Agreement shall

PETITION AND AGREEMENT TO PARTICIPATE IN THE FORMATION
OF A BENEFIT ZONE TO PROVIDE FOR PAYMENT OF
NIPOMO COMMUNITY SERVICES DISTRICT CAPACITY CHARGES AND
COVENANT RUNNING WITH THE LAND

constitute a lien upon said real property and that District is authorized to collect on said lien, by any means available to District, including the provisions of Government Code Section 61621 et seq.

- 9. **Agreement Runs With the Land.** This Agreement shall run with the land and shall be binding upon the Owner and his/her assigns and successors in interest to the Property.
- 10. **Indemnification.** The Owner, and his successors in interest, shall defend, indemnify and save harmless the District, its officers, agents and employees from any and all claims, demands, damages, costs expenses, or liability occasioned by the performance or attempted performance of the provisions hereof, or in any way arising out of this Agreement
- 11. **Effect of Waiver.** District's waiver of breach of any one term, covenant or other provision of this Agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.
- 12. **Notices.** Unless otherwise provided, all notices herein required shall be in writing, and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to District shall be addressed as follows:

DISTRICT: **NIPOMO COMMUNITY SERVICES DISTRICT**
 P.O. BOX 326
 NIPOMO, CA 93444

OWNER: _____

Provided that any party may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

- 13. **Entire Agreement and Amendment.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or

**PETITION AND AGREEMENT TO PARTICIPATE IN THE FORMATION
OF A BENEFIT ZONE TO PROVIDE FOR PAYMENT OF
NIPOMO COMMUNITY SERVICES DISTRICT CAPACITY CHARGES AND
COVENANT RUNNING WITH THE LAND**

undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

14. **Invalidity.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated hereby.
15. **Recitals Incorporated Into Agreement.** The above recitals are true and correct and are incorporated into the Agreement as though set forth at length.
16. **Agreement to be Recorded.** Owner and District intend and consent to the recordation of this Agreement in the office of the County Recorder of the County of San Luis Obispo.
17. **Due on Sale Clause.** Should OWNER agree to or actually sell, convey, transfer, or dispose of the real property described in Recital "A" to this Agreement, or any part of it, or any interest in it, without first obtaining the written consent of the DISTRICT'S General Manager, then all obligations secured by this Agreement may be declared due and payable, at the option of DISTRICT. Consent to one transaction of this type will not constitute a waiver of the right to require consent to future or successive transactions.
18. **Costs and Attorney's Fees.** The prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.
19. **Section Headings.** The headings of sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.
20. **Owners of Property.** The undersigned Owner represents and warrants to the District that he/she is the title Owner of the real property described in recital B above.

APN # _____

PETITION AND AGREEMENT TO PARTICIPATE IN THE FORMATION
OF A BENEFIT ZONE TO PROVIDE FOR PAYMENT OF
NIPOMO COMMUNITY SERVICES DISTRICT CAPACITY CHARGES AND
COVENANT RUNNING WITH THE LAND

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

OWNER:

(Print Name)

(Print Name)

*** Signatures must be notarized**

DISTRICT:

MICHAEL WINN, PRESIDENT,
NIPOMO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS

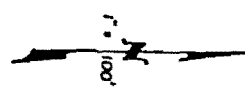
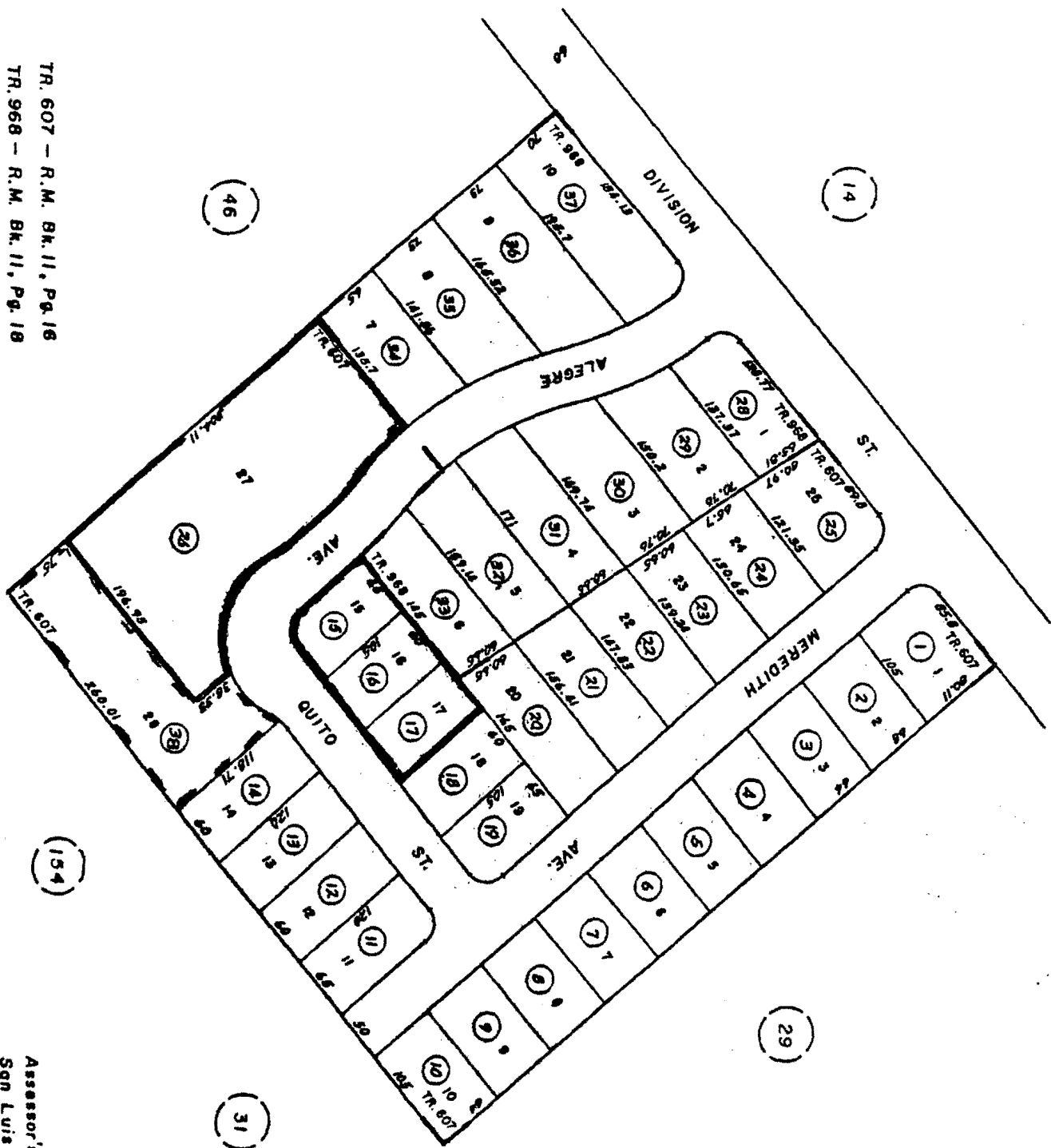
ATTEST:

APPROVED AS TO FORM

DONNA K. JOHNSON,
SECRETARY TO THE BOARD

JON S. SEITZ,
DISTRICT LEGAL COUNSEL

Arquitecto Verde II Development



92-55

TR. 607 - R.M. Bk. 11, Pg. 16
TR. 968 - R.M. Bk. 11, Pg. 18

REV. 12 / 30 / 82
11-3-84

Assessor's Map, County of
San Luis Obispo, Calif.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: APRIL 23, 2003

AGENDA ITEM
D3
APRIL 23, 2003

URBAN WATER MANAGEMENT PLAN

ITEM

Administrative draft to be circulated for comments

BACKGROUND

Your Honorable Board has directed staff to prepare an Urban Water Management Plan for the District. A draft was presented at the February 19, 2003, regular meeting. At that time staff requested comments from the Board which would be incorporated into the plan. Most of the comments have been incorporated into the plan. An administrative draft is presented to your Honorable Board for approval and circulation to other agencies for comments. After the other agencies have had a chance to comment on the plan, such remarks may be incorporated into the plan then brought back to the Board for approval.

RECOMMENDATION

Staff recommends that your Honorable Board direct staff circulate the administrative draft of the April 2003, Urban Water Management Plan to other agencies for comments.

Board 2003/Urban water mgmtplan.DOC

**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 the District's 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 in San Luis Obispo County 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 San Luis Obispo County Planning Department population projections based upon the 2000 Census data for the Nipomo Area are listed on the table below. These population projection are for an area larger than the existing District boundary.

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

WATER SOURCES

Currently, the District's only water supply is from groundwater. The existing 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 most developments in 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 NCSO, 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 DWR 2002 Arroyo Grande/Nipomo Mesa Water Resources Report states that the Water Budget for the Nipomo Hydrologic Sub-Area (HSA) of the Santa Maria Basin indicates that the outflow (sub-surface & extractions) exceeds inflow, therefore, this HSA 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 Water Agency also confirm this overdraft.

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

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 approx. 84,000 acre-feet of water in storage above mean sea level. This is believed to be adequate to meet the HSA users and 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 the court will impose a management plan for the groundwater basin.

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%. Most of this reduction could come from outside use and irrigation for landscaping. 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.

EXISTING PRODUCTION CAPACITY		80% OF CAPACITY*
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.

WATER SUPPLY PRODUCTION Assume 0.60 AFY per account by 2020			2000	2005	2010	2015	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

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

community with water and sewer services. As the community grows, infrastructure is 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 may make up this difference by increasing production and activating 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
Other well sites	400 gpm	500

Other potential supplemental water services would include a District well site near the Santa Maria river, purchase water from other agencies and a possible de-sal operation.

Other potential sources		AFY
Off Mesa Well site	1000 gpm	1100
Other supplemental water sources	-----	1500

RELIABILITY PLANNING

The Nipomo Community Services District's wells are drilled into the deeper portion of the groundwater basin, therefore, average water year along with a single dry-year and multiple dry-year periods have not affected the District's water supply.

The District's Sun Dale 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 standby generators, a natural gas engine, 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. With the addition of a booster pump, water could be exchanged between 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.

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

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. 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.

CURRENT AND PROJECTED WATER CONSUMPTION/PRODUCTION							
YEAR	1990	1995	2000	2005	2010	2015	2020
TOWN/BLACKLAKE DIV.							
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.	%
TOTAL	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

CUSTOMER TYPE	TOWN DIVISION						
	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
Total	1731	2281	2744	3010	3310	3610	3710

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

BLACKLAKE DIVISION							
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
Total	203	371	564	590	590	590	590

*Blacklake has no agricultural users.

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%. Annually, the District audits its production, consumption and unaccountable water use.

PLUMBING RETROFIT

The District has established a plumbing fixture retrofit program. Any developer wishing to annex property into the Services 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.

Future annexations will require a supplemental water supply.

PUBLIC INFORMATION, CONSERVATION PROGRAMS

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

CONSERVATION PRICING

The District is 100% metered and 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. Rates are adjusted annually to maintain fiduciary responsibility.

WATER SUPPLY PROJECT

The District is working with a number of developers to bring new wells on line and reconstructing a stand-by well to meet future supply and peak system demands. A new one-million gallon storage tank should be on line by the summer of 2003.

NIPOMO COMMUNITY SERVICES DISTRICT
URBAN WATER MANAGEMENT PLAN

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.

The following is a summary of the three stages of water conservation:

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

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

(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.

A supplemental water supply may be acquired before the finalization of the adjudication of the groundwater basin. The amount needed will depend on the court's ruling on the adjudication of the groundwater rights. The ruling is expected between the years 2004 and 2006.

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

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 accounts.

Blacklake Wastewater Treatment Plant – Provides treatment of wastewater for approx. 550 accounts.

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

WASTEWATER TREATMENT				
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	2005	0.2 MGD

The treated wastewater from the Southland Wastewater Treatment Facility flows into percolation ponds, which percolates back into the groundwater basin.

The wastewater from the Blacklake Wastewater Treatment Facility is treated and discharged into a golf course water hazard, which is then used for golf course irrigation and percolation to the groundwater basin. All the wastewater processed by the District is recycled into the groundwater basin.

CURRENT AND PROJECTED WASTEWATER PROCESSES

RECYCLED WASTEWATER		2000	2005	2020	2015	2020
Town Division	AFY	400	500	600	700	800
Blacklake Division	AFY	60	75	75	75	75

SUMMARY

The Nipomo Community Services District is a special district formed under Government Code 61000 and is governed by a five-member Board of Directors. A public meeting is held on the first and third Wednesday of each month. District activities are presented to and reviewed by the Board of Directors. The public is invited to participate.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: APRIL 23, 2003

AGENDA ITEM
34
APRIL 23, 2003

DISTRICT-INSTALLED SEWER LINE REIMBURSEMENT FEE

ITEM

Introduction of an ordinance establishing District-installed sewer line reimbursement fee

BACKGROUND

The District has contracted with Tierra Contractors to install a sewer line on Story Street, which is a part of the Montecito Verde II sewer connection project. The portion of the MVII project that is servicing the subdivision is being funded by a Community Block Grant. A portion of the sewer line in Story Street is being paid with District funds.

In the past, the District adopted an ordinance where, District-installed waterlines have a reimbursement fee schedule for properties connected to the waterline. The District is proposing a similar reimbursement fee for District-installed sewer lines, such as the one installed in Story Street and Meredith extension. Staff has prepared an ordinance (attached) to incorporate a reimbursement fee for property owners wishing to connect their property to the Story and Meredith District-installed sewer line.

RECOMMENDATION

Staff recommends that your Honorable Board have the introduction and first reading of an ordinance amending the District Code to allow reimbursements for District-installed sewer lines. If the ordinance is adopted at the next Board meeting, the District will proceed with the public hearing procedures for Story and Meredith sewer line fees as indicated in Section 3.01.030(c) of the District Code.

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

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 4.12 OF THE DISTRICT CODE**

WHEREAS, the District desires to provide an equitable procedure for at least partial reimbursement of District's costs in constructing sewer mains if such sewer mains are also used thereafter to directly serve and benefit private property of others; and

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

Section 1. Authority

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

Section 2. Section 4.12.085

Section 4.12.085 is added to the District Code as follows:

4.12.085 Sewer Connection Fees:

A. District installed sewer main.

1. When a new service is connected to an existing District installed sewer main, the Applicant shall be charged a front footage fee based on the pro rata cost of constructing the sewer main.

2. The front footage fee shall be established pursuant to the provisions of §5.01.030 (C) of the District Code.

B. Developer installed sewer main.

When a new service is connected to a developer installed sewer main pursuant to Title 5 of the District Code, the Applicant shall pay a supplemental charge pursuant to the reimbursement agreement.

Section 3. CEQA Findings

The Board of Directors of the District finds that the fees and charges adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The Board of Directors further finds that the adoption of the Rules and Regulations established by this Ordinance fall within the activities described in Section 15061(b)(3) of the CEQA Guidelines which are deemed not to be "projects" for the purposes of CEQA, because it can be seen with certainty that the adoption of the Regulations that

establish the reimbursement amount will not have a significant effect on the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 4. Severance Clause.

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

Section 5. Effect of Headings in Ordinance.

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

Section 6. Effective Date.

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage it shall be posted in three (3) public places with the names of the members voting for and against the Ordinance and shall remain posted thereafter for at least one (1) week. The Ordinance shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in a newspaper of general circulation within the District.

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

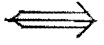
AYES:
NOES:
ABSENT:
CONFLICTS:

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

ATTEST:

Donna K. Johnson,
Secretary to the Board

paid as provided in the reimbursement agreement.



(C) Proration of Costs.

1. The district's engineer shall prorate the approved excess costs against all lots or parcels which in the future may be served by direct connection thereto. The district shall send written notice of the prorated amount to the person shown on the latest county assessor's roll as the owner or agent of record for assessment purposes for each parcel. Such person may protest the proration in writing within fourteen days after the notice is mailed. If not protested within the fourteen days, the proration shall become final for the purposes of this section.

2. A protest shall be concerned only with the division or spread of the actual and necessary construction costs between or among the builder's property and all other properties to be included in the area subject to the proration procedure. A protest shall not be concerned with the actual construction costs unless the protester can demonstrate fraud or wilful concealment of actual cost information as presented by the applicant or his agent to the district's engineer.

3. The district's board of directors shall hold a public hearing to consider all such written protests. All evidence in support of the protest shall be submitted in writing to the district at least ten days before the meeting. The engineer shall prepare a written report and recommendation to the board on each protest. A copy of the engineer's report shall be mailed, or otherwise delivered, to the concerned protester at least five days before the board meeting to consider the protest.

4. The board's decision on the protest shall be in writing, and shall be final. If the board's decision results in an increased proration amount for properties owned by

anyone other than the protester or the applicant, a new notice and a new fourteen-day period shall be given for each such property.

5. If no protest is filed for a property within the fourteen-day period after the first or any subsequent notice of prorated amount is mailed for that property, the proration shall be come final as to the property. (Ord. 98-87 § 38 (part), 1998)

5.01.031 Applications for reimbursement.

A. In order to qualify for reimbursement of excess costs, pursuant to this chapter, applicant shall, within ninety days of district's acceptance of district facilities, deliver to district the following:


1. Written application requesting reimbursement of excess costs; and

2. A certified statement showing the applicant's actual costs in constructing district facilities.

B. The applicant shall cooperate with the district engineer in reviewing costs. If applicant does not submit the request and the certified statement of costs within ninety days of district's acceptance, applicant shall have waived all right to reimbursement. (Ord. 99-88 § 8, 1999)

5.01.040 Ten-year repayment obligation.

For a period of ten years from the date of official acceptance of any such sewer facility, the subdivider shall be eligible for reimbursement of the foregoing prorated amount from each parcel as the parcel, or portion thereof, connects to the facility. (Ord. 98-87 § 38 (part), 1998)

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: APRIL 23, 2003

**AGENDA ITEM
F
APRIL 23, 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 April 9, 2003, Regular Board meeting
- F-3) THIRD QUARTER FINANCIAL REPORT (Receive and File) [RECOMMEND APPROVAL]
- F-4) FIRST QUARTER INVESTMENT REPORT (Receive and File) [RECOMMEND APPROVAL]

WARRANTS APRIL 23, 2003

**AGENDA ITEM
F-1
APRIL 23, 2003**

HAND WRITTEN CHECKS

18613	04-07-03	POSTMASTER	122.15
18614	04-10-03	POSTMASTER	487.52
18615	04-10-03	R BLAIR	667.56
18616	04-10-03	M WINN	50.00
18617	04-10-03	J WIRSING	50.00

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
7995	04/11/03	EMP01	EMPLOYMENT DEVELOP DEPT	402.04	.00	402.04	A30407	STATE INCOME TAX
7996	04/11/03	MID01	MIDSTATE BANK-PR TAX DEP	1660.20 430.12	.00 .00	1660.20 430.12	A30407 1A30407	FEDERAL INCOME TAX MEDICARE (FICA)
Check Total.....:				2090.32	.00	2090.32		
7997	04/11/03	MID02	MIDSTATE BANK - DIRECT DP	13074.23	.00	13074.23	A30407	NET PAY DEDUCTION
7998	04/11/03	PER01	PERS RETIREMENT	2293.27 69.03	.00 .00	2293.27 69.03	A30407 1A30407	PERS PAYROLL REMITTANCE MILITARY SERVICE CR
Check Total.....:				2362.30	.00	2362.30		
7999	04/11/03	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A30407	WAGE ASSIGNMENT
8000	04/11/03	STA01	STATE STREET GLOBAL	735.00	.00	735.00	A30407	DEFERRED COMP
008001	04/21/03	BLA01	BLAIR, ROBERT L	100.00	.00	100.00	042103	SPECIAL MEETING 4/21/03
008002	04/21/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	042103	SPECIAL MEETING 4/21/03
008003	04/21/03	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	042103	SPECIAL MEETING 4/21/03
008004	04/21/03	WIN01	WINN, MICHAEL	100.00	.00	100.00	042103	SPECIAL MEETING 4/21/03
008005	04/21/03	WIR02	WIRSING, JUDY	100.00	.00	100.00	042103	SPECIAL MEETING 4/21/03
008006	04/23/03	AME01	AMERICAN GROUND WATER TR	153.39 77.23	.00 .00	153.39 77.23	0116962 0117156	PAINT PAINT
Check Total.....:				230.62	.00	230.62		
008007	04/23/03	BLA01	BLAIR, ROBERT L	100.00	.00	100.00	042303	REGULAR BOARD MEETING 4/3
008008	04/23/03	BOG01	BOGNUDA, LISA	21.60	.00	21.60	040803	TRAVEL TO SLO LAFCO
008009	04/23/03	CLA02	CLAY'S SEPTIC & JETTING	750.00	.00	750.00	28734	JET SEWER
008010	04/23/03	COM01	COMPUTER NETWORK SERVICES	1025.29	.00	1025.29	12695	COMPUTER SUPPORT SERVICES
008011	04/23/03	COM02	COMMUNICATION SOLUTIONS	1082.46 4151.42 217.50 453.88	.00 .00 .00 .00	1082.46 4151.42 217.50 453.88	3138 3140 3141 3142	BRACKEN L/S REPAIR EUREKA SWITCH REPLACEMENT WELL REPAIR VOLTAGE MONITOR-EUREKA
Check Total.....:				5905.26	.00	5905.26		
008012	04/23/03	CRE01	CREEK ENVIRONMENTAL LABS	30.00 30.00 30.00 30.00	.00 .00 .00 .00	30.00 30.00 30.00 30.00	K1191 K1224 K1318 K1349	BLWWTP LAB TEST BLWWTP LAB TEST BL WWTP LAB TEST BLWWTP LAB TEST
Check Total.....:				120.00	.00	120.00		
008013	04/23/03	FED01	FED EX	23.59	.00	23.59	466837005	FED EX TO BOND COUNSEL
008014	04/23/03	FEN01	FENCE FACTORY SANTA MARIA	3398.00	.00	3398.00	578197	FENCING-CHURCH WELL & 2 G
008015	04/23/03	FER01	FERGUSON ENTERPRISES INC	166.17	.00	166.17	472470	10 METER ANGLE STOPS
008016	04/23/03	FGL01	FGL ENVIRONMENTAL	44.80 44.80 44.80 44.80 44.80 44.80 95.00	.00 .00 .00 .00 .00 .00 .00	44.80 44.80 44.80 44.80 44.80 44.80 95.00	302515A 302516A 302807A 302808A 303035B 303036B 303511A	NIPOMO WWTP LAB TEST BL WWTP LAB TEST BL WWTP LAB TEST NIPOMO WWTP LAB TEST BL WWTP LAB TEST NIPOMO WWTP CONSUMER CONFIDENCE REFOR
Check Total.....:				363.80	.00	363.80		

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
008017	04/23/03	GAR01	GARING TAYLOR & ASSOC	1097.75	.00	1097.75	3358	GENERAL DISTRICT ENGINEER
				136.50	.00	136.50	3359	TEFFT ST WATERLINE
				2801.00	.00	2801.00	3360	WATER TANK INSPECTION
				2727.55	.00	2727.55	3362	MVII INSPECTION/FINAL
				702.00	.00	702.00	3363	OLDE TOWN SERVICE LATERAL
			Check Total.....	7464.80	.00	7464.80		
008018	04/23/03	GOV01	GOVERNMENT FINANCE OFFICE	135.00	.00	135.00	0025001	MEMBERSHIP DUES
008019	04/23/03	GRA01	GRANDFLOW, INC.	658.16	.00	658.16	68658	ENVELOPES FOR BILLING
				151.67	.00	151.67	68659	BILLING ENVELOPES
			Check Total.....	809.83	.00	809.83		
008020	04/23/03	GRO01	GROENIGER & CO	89.70	.00	89.70	244670T	VARIOUS SUPPLIES
				111.46	.00	111.46	245194B	PIPE SUPPLIES
			Check Total.....	201.16	.00	201.16		
008021	04/23/03	IKO01	IKON OFFICE SOLUTIONS	112.61	.00	112.61	1690725A	FAX MACHINE REPAIR
008022	04/23/03	LIQ01	LIQUID HANDLING SYSTEMS	9.02	.00	9.02	105106301	FREIGHT ON PUMP
				5671.38	.00	5671.38	105106302	BRACKEN L/S PUMP
				135.27	.00	135.27	105106304	FREIGHT ON PUMP
			Check Total.....	5815.67	.00	5815.67		
008023	04/23/03	MIS01	MISSION UNIFORM SERVICE	231.66	.00	231.66	A30418	UNIFORM SERVICE
008024	04/23/03	NIC01	NICKSON'S MACHINE SHOP	3184.72	.00	3184.72	68533	SUNDALE REROUTE COOLONG
008025	04/23/03	NIP01	NIPOMO ACE HARDWARE INC	525.72	.00	525.72	A30418	OPERATING SUPPLIES
008026	04/23/03	NOB01	NOBEL SYSTEMS	300.00	.00	300.00	8001	MAPS FOR HYDRANT FLUSHING
008027	04/23/03	OFF01	OFFICE DEPOT	51.70	.00	51.70	466847	OFFICE SUPPLIES
008028	04/23/03	PAC01	PACBELL/WORLDCOM	43.83	.00	43.83	T1209684	TELEPHONE
				79.22	.00	79.22	T1209686	TELEPHONE
				64.68	.00	64.68	T1209687	TELEPHONE
				-8.68	.00	-8.68	T1240945C	TELEPHONE CREDIT MEMO
			Check Total.....	179.05	.00	179.05		
008029	04/23/03	PGE01	P G & E	26342.08	.00	26342.08	APRIL	ELECTRICITY
008030	04/23/03	PUL01	PULITZER CENTRAL COAST NP	121.00	.00	121.00	140456	LEGAL NOTICE TO CONTRACTO
008031	04/23/03	QUI03	QUINN RENTAL SERVICES	69.66	.00	69.66	2042304	CONCRETE
008032	04/23/03	REL01	RELIABLE	483.25	.00	483.25	YH977901	OFFICE SUPPLIES
008033	04/23/03	SAN01	SANTA MARIA TIRE INC	194.21	.00	194.21	412563	TIRES-DODGE P/U
008034	04/23/03	SAN06	SAN JOAQUIN SUPPLY	187.44	.00	187.44	5883388	SHOP SUPPLIES
008035	04/23/03	SLO02	DIV OF ENVIRON HEALTH	420.00	.00	420.00	25442	LAB TESTS
008026	04/23/03	SOU01	SOUTH COUNTY SANITARY	14.58	.00	14.58	267173	GARBAGE
008037	04/23/03	SOU03	SOUTH COUNTY SANITARY	7720.00	.00	7720.00	SCTSM0012	SEPT 16-20 CLEAN UP WEEK
008038	04/23/03	STA05	STATE WATER RESOURCES CB	95.00	.00	95.00	A30418	WWTP OPERATOR CERTIFICATE
008039	04/23/03	STA07	SRF ACCOUNTING OFFICE	34868.35	.00	34868.35	064501110	SRF LOAN REPAYMENT-SEWER
008040	04/23/03	THEG1	THE GAS COMPANY	68.11	.00	68.11	A30418	SUNDALE GAS
008041	04/23/03	TIE01	TIERRA CONTRACTING, INC.	50713.74	.00	50713.74	4	FINAL PAYMENT ON MVII
008042	04/23/03	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	042303	REGULAR BOARD MEETING 4/2
008043	04/23/03	UND01	UNDERGROUND SERVICE ALERT	139.50	.00	139.50	30040063	UNDERGROUND ALERTS
008044	04/23/03	VAL01	VALLEY SEPTIC SERVICE	740.40	.00	740.40	1127	SEWER JETTING
				817.20	.00	817.20	1129	SEWER JETTING
			Check Total.....	1557.60	.00	1557.60		
008045	04/23/03	VIE01	VIERHEITIG, LARRY	100.00	.00	100.00	042303	REGULAR BOARD MEETING 4/2
008046	04/23/03	WIN01	WINN, MICHAEL	100.00	.00	100.00	042303	REGULAR BOARD MTG 4/23/03
008047	04/23/03	WIRO2	WIRSING, JUDY	100.00	.00	100.00	042303	REGULAR BOARD MTG 4/23/03

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

APRIL 9, 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, NCSB Board agendas and other writings will be made available to disabled persons in an appropriate alternate format. (If assistance is needed, please contact the District office at least one day before the meeting.)

A. CALL TO ORDER AND FLAG SALUTE

NEXT RESOLUTION 2003-858

President Winn called the April 9, 2003 meeting to order at 9:06 a.m. and led the flag salute.

B. ROLL CALL

NEXT ORDINANCE 2003-97

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:

Vince McCarthy, NCSB resident – Asked how District can spend money on feasibility study

Donna Melschau, Nipomo resident – Would like Area 1 to be included in Sphere of Influence

Ed Eby, NCSB resident – Felt there was a discrepancy in the Bond Prospectus and the Urban Water Management Plan.

Mark Crisp, Lyn Road property owner – Would like to be included in the annexation process of the Lyn Rd. area.

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

D-1) FORMATION OF STREET LANDSCAPING DISTRICT NO. 1 – PUBLIC HEARING

Establishment of a landscape maintenance District and assessments

PUBLIC HEARING

PROTEST HEARING for the FORMATION OF STREET LANDSCAPING DISTRICT NO. 1

There was no protest heard from residents in District 1.

There was no public comment.

Upon motion of Director Vierheilig and seconded by Director Wirsing, the Board unanimously adopted Resolution 2003-858. Vote 5-0

RESOLUTION NO. 2003-858

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

A RESOLUTION ORDERING THE FORMATION OF LANDSCAPE MAINTENANCE DISTRICT NO. 1 IN THE NIPOMO COMMUNITY SERVICES DISTRICT, CONFIRMING ASSESSMENTS, LEVYING AN ASSESSMENT THEREON AND ORDERING CERTAIN LANDSCAPE IMPROVEMENTS TO BE ACQUIRED AND MAINTAINED AND DESIGNATING THE DISTRICT GENERAL MANAGER AS THE TREASURER OF THE DISTRICT TO COLLECT AND RECEIVE MONEY PAID PURSUANT TO SUCH ASSESSMENT

D-2) SUPPLEMENTAL WATER SUPPLY

Review supply alternatives/negotiations

The following member of the public spoke:

Ed Eby, NCSB customer – Discussed written questions presented to the Board (attached)

Vince McCarthy, NCSB customer – Asked about approval from CCWA & DWR

The Board discussed the information presented. This was an information item. There was no action taken.

MINUTES SUBJECT TO BOARD APPROVAL

D-3) DISTRICT ANNEXATION POLICY

Review/approve the proposed revisions to the District's Annexation Policy

The following members of the public spoke concerning the proposed changes in the Annexation Policy:

Ed Eby, NCSD resident
Donna Melschau, Nipomo resident
Vince McCarthy, NCSD resident
Jim Kinninger, NCAC Committee
George Newman, Nipomo resident/developer
Joy Fitzhugh, Farm Bureau
Greg Nester, Nipomo customer
Erik Benham, developer
Herb Kandel, NCSD resident

Jon Seitz, District Legal Counsel, responded to the questions posed about the proposed Annexation policy. The Board discussed minor changes in the policy.

The Board decided to bring this item back to the next regular meeting, April 23, 2003.

D-4) REQUEST FOR ANNEXATION – TRACT 2784 – (PUDWILL)

Review request for Annexation No. 22 an 8-lot development near Blacklake

Upon motion of Director Vierheilig and seconded by Director Blair, the Board unanimously decided to table items D-6 and D-7 until the meeting after the adoption of the Annexation Policy. Vote 5-0

The following member of the public spoke:

Greg Nester, developer, Nipomo resident – Said he and Mr. Pudwill would be willing to wait until the new Annexation Policy is adopted before action is taken on their proposed annexations.

Upon motion of Director Trotter and seconded by Director Wirsing, the Board unanimously decided to table items D-4 and D-5 until the meeting after the adoption of the Annexation Policy. Vote 5-0

D-5) REQUEST FOR ANNEXATION – TRACT 2499 – (NESTER)

Review request for Annexation No. 23, an 18-lot development on Pomeroy Rd

See D-4

D-6) REQUEST FOR ANNEXATION – OAKRIDGE (NEWMAN)

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

See D-4

The following member of the public spoke:

George Newman, Nipomo resident/developer – Would like to see a chronological check list of necessary steps toward annexation.

D-7) REQUEST FOR ANNEXATION – (NIPOMO HILLS)

Request to annex approx. 88 acres at Thompson and Rancho Roads

Spike Wheeler, the applicant, sent a note to the Board requesting that this item be continued.

E. OTHER BUSINESS

- E-1) REQUEST FOR TIME EXTENSION FOR ANNEX. NO. 19 (Lucia Mar Unified School District Nipomo High School)
Request LAFCO for an additional 6 month extension for completion of Annex. No. 19

Upon motion of Director Vierheilg and seconded by Director Wirsing, the Board unanimously agreed to direct staff to send a request to LAFCO for an additional six months for completion of Annexation 19 (Lucia Mar Unified School District, Nipomo High School) Vote 5-0

- 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 March 19, 2003, Regular Board meeting
Minutes of March 28, 2003, Special Board meeting

Director Wirsing requested that Item F-3 be pulled for further discussion.

Upon motion of Director Wirsing and seconded by Director Vierheilg, the Board unanimously approved Items F-1 and F-2 of the Consent Agenda.

- F-3) ANNEXATION NO. 20 (MARIA VISTA) [RECOMMEND APPROVAL]
Resolution acknowledging conditions of Annexation No. 20 have been satisfied

Director Wirsing has consistently voted against this project and will continue to do so.

Upon motion of Director Vierheilg and seconded by Director Blair, the Board approved Resolution 2003-859 acknowledging conditions of Annexation No. 20 have been satisfied. There was no public comment. Vote 4-1 with Director Wirsing voting no.

RESOLUTION NO. 2003-859
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ACKNOWLEDGING THAT CONDITIONS OF
ANNEXATION FOR ANNEXATION NO. 20 (MARIA VISTA) HAVE BEEN SATISFIED

G. MANAGER'S REPORT

Doug Jones, District General Manager, discussed possible changes for future Board meetings. No action was taken on this item.

There will be a Special Meeting Monday, April 21, 2003, 9:00 a.m. to interview the consultants for the Initial City Incorporation Feasibility Study.

April 23, 2003, Board meeting will begin at 9:00 a.m. as usual. After the regular business is conducted, the meeting will be adjourned to the 7:00 p.m. to be held in the Forum at Nipomo High School to consider the LAFCo proposed Sphere of Influence.

H. COMMITTEE REPORTS

- H-1) New Community Services

Director Vierheilg reported on the committee for new community services. He and Director Wirsing presented a list of ideas to the whole Board.

Director Winn reported on the Annexation Committee and the Incorporation Committee (Winn and Wirsing).

I. DIRECTORS COMMENTS

Director Blair stated his feelings of the inequity between the roads being paved in Oceano and not Nipomo. He also reported on the seminar he attended in Sacramento.

Director Vierheilg reported on the Air Pollution Control District workshop he attended.

Director Winn reported on the Olde Towne services being installed and the ground-breaking ceremony May 22, 2003, at 11:00 a.m. He also reported that the NCAC is not representative of this District.

NCSB Board
MINUTES
April 9, 2003

Jon Seitz, District Legal Counsel, announced the need to go into Closed Session. There was no public comment for the items to be discussed in Closed Session.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSB SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
- B. SAVE THE MESA vs NCSB CASE NO. CV 020181
- C. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES, CONFERENCE WITH NEGOTIATOR GC§54956.8 COUNTY NEGOTIATOR - PETE JENNY, REGARDING TERMS & PRICE.
- D. ANTICIPATED/INITIATE LITIGATION, ONE CASE

The Board came out of Closed Session and had no reportable action.

ADJOURN

President Winn adjourned the meeting at 12:35 p.m.

The regular Board Meeting of April 16, 2003 has been canceled and rescheduled to April 23, 2003, at 9:00 a.m.

Minutes
4-9-03

520 Camino Roble
Nipomo, CA 93444
April 9, 2003

Nipomo Community Services District (NCSD)
Michael Winn, President
Judith Wirsing, Vice President
Robert Blair, Director
Clifford Trotter, Director
Larry Vierheilig, Director
Douglas Jones, General Manager
Donna Johnson, Secretary to the Board
Jon Seitz, General Counsel

RE: Items D-2, D-3, D-6, and D-7, April 9, 2003 Agenda

Honorable Directors and Staff:

I offer the following comments on today's agenda items:

D-2 SUPPLEMENTAL WATER SUPPLY

It appears that the City of Santa Maria is the most promising near term source for supplemental water. The General Manager has been in contact with an individual in Santa Maria regarding this matter. I have several questions regarding this pursuit:

- 1) How much water per year are you seeking?
- 2) Under what conditions could this water delivery be voluntarily curtailed by the seller?
- 3) What do you think the cost of this supplemental water to the NCSD customer will be?
- 4) What will be the implementation (capital) cost to bring and accommodate the new water?
- 5) Who will pay for the implementation costs? Current ratepayers? New supplemental water users only?
- 6) Whose approval is required for this contract on the seller side? Mr. Chisam? A local government body? Outside agencies (our County, Santa Barbara County, state)?
- 7) When do you anticipate the first of this water will reach the water system in Nipomo?
- 8) Is there an approved NCSD supplemental water policy? Should there be one?

D-3 DISTRICT ANNEXATION POLICY

1) **Under the Resolution** - The "Hydrologic Sub-Area (HSA)" should be called the "Nipomo Hydrologic Sub-Area (HSA)" to be consistent with the accepted terminology as defined on page 4 of the 2002 DWR report. Otherwise it could be confused with the Pismo HSA or the Oceano HSA, separate areas.

2) Under III, GENERAL POLICIES, A – It is still ambiguous as to who is responsible for providing supplemental water. Is it only the NCSD or is there an option for the annexation applicant to find supplemental water? If the applicant provides supplemental water, is it tied into the NCSD system, and cost structure? If the applicant provides his own supplemental water, it should originate from outside the Nipomo HSA, to avoid depleting our aquifer and conflicting with possible judgements or settlements in the Santa Maria case.

3) Under III, GENERAL POLICIES, C – This paragraph used to require an “immediate need” for service. Now there is no time limit. An annexation is a de-facto obligation of the NCSD to provide service. “Will serve” letters have an expiration date. It seems consistent to require a time related due diligence clause to the annexation obligation to limit annexations to serious development. Otherwise speculators can use annexation as a currency issued by the NCSD.

In the second paragraph, change “may” to “shall” to assure County approvals.

4) Under IV, GENERAL STANDARDS FOR AREAS OF ANNEXATION THAT DO NOT OVERLIE SUFFICIENT GROUNDWATER RESOURCES, C, 1 - The word “available” as applied to supplemental water needs to be defined. Available could mean that water is available today in Santa Maria, even though no authorizations, appropriations, or contracts are in place. I suggest that available be defined as supplemental water that is able to flow into the NCSD system at the instant of availability. You cannot commit to water delivery without an assured supply of water.

5) Under VII, SUBMITTAL OF ANNEXATION APPLICATION AND LAYOUT PLAN – The application and layout plan should be accompanied with a schedule the applicant is expected to meet within the time limit established in General Policies (III, C).

D-6 REQUEST FOR ANNEXATION, OAKRIDGE, NEWMAN

My previous objections for this annexation stand.

D-7 REQUEST FOR ANNEXATION, ANNEXATION NO 24 (NIPOMO HILLS)

My previous objections for this annexation stand. . Please note that paragraph B in the General Policies of your new Annexation Policy discourages sewerage service without water service. In addition, certification should be required that this supplemental water does not come from the Nipomo HSA, to avoid depleting our aquifer and conflicting with possible judgements or settlements in the Santa Maria case.

Sincerely yours,

Ed Eby

Ed Eby
NCSD Customer

April 8, 03
To: NCSD Board of Directors
From: Cliff Trotter
Re: Proposed draft Sphere Of Influence
And Annexation policy

Suggestions relative to the proposed changes NCSD Sphere Of Influence and draft Annexation Policy which will help provide assurances to the community that the urban reserve line will be considered in order to protect the rural character of Nipomo. As you know, many individuals in the community are concerned that the extension of the Sphere Of Influence on too broad a scale would lead to future requests for changes in zoning and the resultant greater density. The final form of the NCSD Annexation Policy and Sphere Of Influence will also be major factors when the boundaries of the proposed city of Nipomo are being established.

A statement should be made that the District recognizes the close interaction of providing urban services and the South County Area Plan and will provide for the logical extension of services consistent with that plan.

A statement should also be made that in order to protect the rural character of the community, the District will give careful consideration to requests for services outside of the urban reserve line. Further, the District will consult with NCAC when such services are being considered keeping in mind that the district has the final word in such matters.

NEW COMMUNITY SERVICES COMMITTEE

Purpose: Survey residents of the community for input regarding new services they want the NCSD to undertake and provide.

Goal(s):

Criteria:


- * These services may or may not be within the NCSD's currently active or latent powers
- * Input from residents of the community inside and outside of current NCSD boundaries and/or Sphere of Influence (SOI)
- * New Service cost or within NCSD's current active or latent powers not a consideration at this time

Data Collection:

- * Meetings-
 - one large town hall
 - mini-town halls by area with meetings at NCSD
 - mini-town halls in area homes with refreshments
- * Surveys-
 - Adobe Press
 - in NCSD bills
 - announce at community events
- * Meeting Notices-
 - in NCSD bills
 - Adobe Press
 - flyers in areas/community-wide

Steps:

- * Set-up Ad hoc Community Committee
- * Select appropriate survey method(s)
- * Conduct surveys, gather input from community, and sort by number of responses per service
- * Prioritize services with guidance from Ad hoc Community Committee
- * Check requested services against NCSD's active and latent powers
- * Resolve any latent power deficiencies with NCSD Staff, Ad hoc Committee, and LAFCo
- * Determine depth and breadth of new services and secure estimated cost for implementation and on-going operation with support from NCSD Staff and the Ad hoc Committee
- * With NCSD Staff and Ad hoc Committee support, determine feasibility of new services based on cost to ratepayers and non-ratepayers, benefit to community, and impact to NCSD infrastructure and personnel
- * Select those services that are determined feasible and disseminate to the community-at-large in a Draft Report at a town hall meeting
- * Based on input at town hall meeting, revise draft report with services prioritized, schedule of implementation (if applicable), and issue Final Report

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: APRIL 23, 2003

THIRD QUARTER FINANCIAL STATEMENTS

Attached is the summary of revenues and expenses and cash balances for each fund as of March 31, 2003 (Page 1). Also, attached are the Consolidated Balance Sheet as of March 31, 2003 (Page 2) and the Consolidated Income Statement for the nine months ended March 31, 2003 (Page 3 - 4).

The fiscal year is 75% complete. The Total Revenues are at 82.58% of the budgeted amount, Operation and Maintenance (O & M) Expenditures are at 66.93% of the budgeted amount, and General and Administrative (G & A) Expenditures are at 72.35% of the budgeted amount.

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

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

RECOMMENDATION

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

SUMMARY OF REVENUES AND EXPENSES BY FUND
NINE MONTHS ENDED MARCH 31, 2003

FUND	FUND #	YTD REVENUES	YTD EXPENSES	(1) FUNDED REPLACEMENT	03/31/02 YTD SURPLUS/ (DEFICIT)	(2) TRANSFERS TO/FROM	AFTER TRANSFERS YTD SURPLUS/ (DEFICIT)	3/31/01 YTD SURPLUS (DEFICIT)
Administration	110	111,029	(111,029)	0	0	0	0	0
Town Water	120	1,188,685	(894,041)	(268,538)	26,106	0	26,106	62,389
Town Sewer	130	479,306	(237,034)	(191,813)	50,459	0	50,459	28,334
Blacklake Water	140	150,037	(171,848)	(15,000)	(36,811)	0	(36,811)	(11,661)
Blacklake Sewer	150	100,790	(91,280)	(25,500)	(15,990)	0	(15,990)	(8,734)
Montecito Verde II	160	5,205	(2,065)	0	3,140	0	3,140	49
Blacklake Streetlighting	200	13,484	(14,160)	0	(676)	0	(676)	0
Landscape Maintenance	250	27	0	0	27	0	27	(797)
Solid Waste	300	49,000	(4,351)	0	44,649	0	44,649	31,289
Drainage Maintenance	400	7,739	0	0	7,739	(6,468)	1,271	(33)
Property Taxes	600	208,176	(299)	0	207,877	6,468	214,345	201,195
Town Water Capacity Fees	700	45,704	(3,050)	0	42,654	0	42,654	47,071
Town Sewer Capacity Fees	710	70,794	(3,050)	0	67,744	0	67,744	94,321
Funded Replacement-Town Water	800	18,567	(26,402)	268,538	260,703	0	260,703	282,991
Funded Replacement-Town Sewer	810	26,873	0	191,813	218,686	0	218,686	221,905
Funded Replacement-BL Water	820	9,174	0	15,000	24,174	0	24,174	28,724
Funded Replacement-BL Sewer	830	1,556	0	25,500	27,056	0	27,056	27,080
TOTAL		2,486,146	(1,558,609)	0	927,537	0	927,537	1,004,123

CASH BALANCE OF EACH FUND
AS OF MARCH 31, 2003

FUND	FUND #	CASH BALANCE 03/31/03	COMPARISON CASH BALANCE 03/31/02
Administration	110	(25,690)	(30,175)
Town Water	120	(111,334)	11,358
Town Sewer	130	679,521	616,899
Blacklake Water	140	136,873	208,255
Blacklake Sewer	150	49,561	59,318
Montecito Verde II	160	43,829	42,911
Blacklake Streetlighting	200	52,975	53,979
Landscape Maintenance	250	11,023	0
Solid Waste	300	104,502	29,670
Drainage Maintenance	400	6,277	5,000
Property Tax	600	1,275,329	972,398
Town Water Capacity Fees	700	2,784,368	2,327,259
Town Sewer Capacity Fees	710	4,160,324	3,874,232
Funded Replacement-Town Water	800	1,178,938	855,675
Funded Replacement-Town Sewer	810	1,669,635	1,385,413
Funded Replacement-BL Water	820	544,628	510,914
Funded Replacement-BL Sewer	830	106,949	70,901
TOTAL		12,667,708	10,994,007

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF MARCH 31, 2003

ASSETS

Cash and Cash Equivalents	12,667,706.25
Accounts Receivable - Utility Billing	66,671.48
Unbilled Accounts Receivable	321,000.00
Property, Plant & Equipment	29,562,381.57
Accumulated Depreciation	(7,816,444.72)
Prepaid Insurance	5,454.54
Accrued Interest Receivable	62,791.70
Notes Receivable - MV I	30,007.15
Deposit - W/C Insurance	2,039.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(53,321.93)
Total Assets	35,105,119.04

LIABILITIES

Accounts Payable	113,785.72
Refunds Payable	1,073.07
Construction Meter Deposits	9,500.00
Compensated Absences Payable	45,360.00
Deposits	208,175.94
Payroll Taxes Payable	(5,614.44)
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Revenue Bonds - Current Portion	7,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue Bonds Payable - Long Term Portion	162,000.00
SRF Loan #110 Payable - Long Term Portion	557,893.60
SRF Loan #120 Payable - Long Term Portion	717,064.25
Total Liabilities	1,923,756.74

FUND EQUITY

Contributed Capital - Assets	7,680,782.72
Contributed Capital - Capacity Fees (CY)	1,532,264.50
Contributed Capital - Capacity Fees (PY)	12,448,756.11
Contributed Capital - Right of Way	31,600.00
Contributed Capital - Assessment Districts	1,495,305.00
Contributed Capital - Grants	3,005,487.00
Retained Earnings-Reserved (Debt Service)	15,600.00
Retained Earnings-Reserved (Emergencies)	50,000.00
Retained Earnings-Reserved (Sewer Grant)	225,000.00
Retained Earnings-Reserved (Funded Replacement)	2,222,511.74
Retained Earnings - Unreserved	3,546,516.44
CURRENT EARNINGS	927,538.79
Total Fund Equity	33,181,362.30
Total Liabilities and Fund Equity	35,105,119.04

UNAUDITED

NIFCMG COMMUNITY SERVICES DISTRICT
 INCOME STATEMENT - CONSOLIDATED
 FOR THE PERIOD ENDING MARCH 31, 2003

	YTD ACTUAL -----	ANNUAL BUDGET -----	% REMAINING -----
REVENUES			
Water - Fixed Charge	278,037.94	348,150.00	20.14 %
Water - Usage	893,607.56	1,065,911.00	16.16 %
Construction Water	46,021.13	25,000.00	(84.08) %
Fire System Fee	2,782.74	4,000.00	30.13 %
Sewer Charges	535,068.86	700,600.00	23.63 %
Fees and Penalties	24,467.64	23,900.00	(2.38) %
Meters	60,146.00	27,500.00	(118.71) %
Plan Check & Inspection Fees	12,992.00	7,000.00	(85.60) %
Sewer Lift Station Fees	14,500.00	0	.00 %
Maintenance Guarantee	20,250.00	0	.00 %
Franchise Fees	47,743.29	64,000.00	25.40 %
Miscellaneous Income	110,541.39	27,400.00	(303.44) %
Street Lighting Charges	12,570.00	18,258.00	31.15 %
Operating Transfers In - Funded Administration	20,264.81	144,470.00	85.97 %
Operating Transfers In - Funded Replacement	500,849.91	667,800.00	25.00 %
Total Revenues	2,579,843.27	3,123,989.00	17.42 %
OPERATIONS AND MAINTENANCE			
Wages and Benefits	183,835.20	259,800.00	29.24 %
Electricity	392,036.48	596,000.00	34.22 %
Natural Gas	18,559.54	50,000.00	62.88 %
Chemicals	11,252.66	17,100.00	34.19 %
Lab Tests	25,864.50	24,230.00	(6.75) %
Operating Supplies	41,213.04	30,500.00	(35.12) %
Outside Services	33,157.11	36,200.00	8.41 %
Permits and Operating Fees	10,460.95	10,925.00	4.25 %
Repairs and Maintenance	64,852.80	96,800.00	33.00 %
Engineering	1,511.32	11,000.00	86.26 %
Fuel	5,627.98	11,000.00	48.84 %
Paging Service	725.55	1,500.00	51.63 %
Meters - New Installation	2,615.78	15,000.00	82.56 %
Automatic Meter Reading Devices - New Installation	0	20,000.00	100.00 %
Meters - Replacement Program	0	2,000.00	100.00 %
Automatic Meter Reading - Replacement Program	0	12,000.00	100.00 %
Uniforms	2,091.18	4,500.00	53.53 %
Clean Up	2,136.79	6,000.00	64.39 %
Rebate Program-Summit Station	23,255.62	100,000.00	76.74 %
Operating Transfers Out - Funded Replacement	500,849.91	667,800.00	25.00 %
Subtotal - O & M	1,320,046.41	1,972,355.00	33.07 %
GENERAL AND ADMINISTRATIVE			
Wages and Benefits	204,818.91	286,205.00	28.44 %
Utilities	3,205.12	5,155.00	37.83 %
Audit	3,550.00	3,550.00	.00 %
Bank Charges and Fees	618.55	660.00	6.28 %

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING MARCH 31, 2003

	YTD ACTUAL	ANNUAL BUDGET	% REMAINING
Computer Expense	11,057.08	13,000.00	14.95 %
Consulting	17,940.00	16,000.00	(12.13) %
Director Fees	13,250.00	17,000.00	22.06 %
Dues and Subscriptions	5,304.78	5,500.00	3.55 %
Education and Training	4,521.00	6,800.00	33.51 %
Elections	3,549.86	3,500.00	(1.42) %
Insurance - Liability	16,941.00	24,000.00	29.41 %
LAFCO Funding	15,371.00	17,000.00	9.58 %
Landscape and Janitorial	6,615.40	8,390.00	21.15 %
Legal - General Counsel	27,531.51	74,000.00	62.80 %
Legal - Water Counsel	244,124.04	300,000.00	18.63 %
Professional Services-Unanticipated	103,788.50	0	.00 %
Miscellaneous	504.12	35,000.00	98.56 %
Newsletters & Mailers	117.45	3,700.00	96.83 %
Office Supplies	3,430.59	5,000.00	31.39 %
Operating Supplies	1,343.36	7,500.00	82.09 %
Outside Service	911.12	2,000.00	54.44 %
Postage	9,143.47	15,600.00	41.39 %
Public Notices	4,949.70	3,150.00	(57.13) %
Repairs and Maintenance	3,551.09	5,200.00	31.71 %
Property Taxes	650.80	625.00	(4.13) %
Telephone	4,188.34	5,200.00	19.46 %
Travel and Mileage	3,945.58	8,000.00	50.68 %
Operating Transfer Out - Funded Administration	20,264.81	144,470.00	85.97 %
Subtotal - G & A	735,187.08	1,016,205.00	27.65 %
NON OPERATING INCOME			
Interest Income	211,213.89	353,350.00	40.23 %
Property Tax Revenues	195,940.12	243,200.00	19.43 %
Subtotal - Non Operating Income	407,154.01	596,550.00	31.75 %
NON OPERATING EXPENSES			
Interest Expense	4,225.00	8,450.00	50.00 %
Subtotal - Non Operating Expenses	4,225.00	8,450.00	50.00 %
Net Surplus/(Deficit)	927,538.79	723,529.00	28.20 %

UNAUDITED

Professional Services-unanticipated includes District Legal Counsel, District Engineer, Water Counsel and Consultants for the Save the Mesa litigation and the Woodlands project.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES 

DATE: APRIL 23, 2003

INVESTMENT POLICY - QUARTERLY REPORT

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

Below is the March 31, 2003 Quarterly Report for your review. The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the Investment Policy.

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

NIPOMO COMMUNITY SERVICES DISTRICT
INVESTMENT POLICY - QUARTERLY REPORT 3/31/03


The District's investments are as follows:


TYPE OF INVESTMENT	INSTITUTION	DATE OF MATURITY	AMOUNT OF DEPOSIT 3/31/03	RATE OF INTEREST	ACCRUED INTEREST 3/31/03	AMOUNT OF DEPOSIT 3/31/02	RATE OF INTEREST	ACCRUED INTEREST 3/31/02
Money Market Checking	Mid-State Bank	n/a	\$116,636.45	0.15%	\$0.00	\$28,169.10	0.50%	\$0.00
Savings	Mid-State Bank	n/a	\$885.43	2.00%	\$0.00	\$878.36	2.00%	\$0.00
Pooled Money Investment	Local Agency Investment Fund	n/a	\$12,663,271.58	1.98%	\$63,128.22	\$11,022,592.11	2.75%	\$79,414.98

n/a = not applicable

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2003 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

Respectfully submitted,


Doug Jones
General Manager and
Finance Officer/Treasurer

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: APRIL 23, 2003

AGENDA ITEM
G
APRIL 23, 2003

MANAGER'S REPORT

G-1) DISTRICT BOND RATING GETS AN "A"

The District received an "A" rating from Standard and Poor's for its series 2003 bond issuance.

Your Honorable Board has authorized staff and special bond counsel to issue indebtedness secured by the District property tax to secure financing for existing and future water improvement projects. Part of the process is having a rating of the security of the District with respect to floating indebtedness. Standard and Poor's rating is attached.

The stable outlook indicates the expectation that the district will maintain good coverage of the debt service backed by the net revenues from the water system and the property tax.

Operations

The sole source of water is groundwater supplied by nine active wells. The district pumped 2,494 acre feet in 2002, and projects only a slight increase in the number of connections during the next three years. The district's current monthly rate for 7,500 gallons is in line with neighboring districts, at \$18.28. The district has passed a rate ordinance that contains rate increases through 2009.

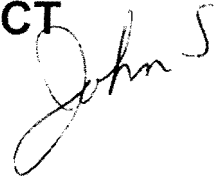
Legal Provisions

This issue contains adequate legal provisions, including an additional bonds test (ABT), which requires that, in order to issue additional debt, the estimated net revenues in each fiscal year must equal 1.25x that year's debt service. In addition, the district must meet one of two other tests, which require 1.25x coverage of prior-period debt service by prior-period revenue. In addition, the district has covenanted to fix annual rates at a level sufficient to yield net revenues of 1.25x that year's debt service. The reserve level for the bonds is equal to the least of: 1.0x maximum annual debt service, 10% of the initial certificate principal, or 125% of annual debt service.

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NIPOMO COMMUNITY SERVICES DISTRICT



SPECIAL MEETING AT A SPECIAL LOCATION

APRIL 23, 2003
WEDNESDAY
7:00 P. M.

**NIPOMO HIGH SCHOOL
FORUM
525 N. THOMPSON AVENUE
NIPOMO, CALIFORNIA**

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**

AGENDA

CALL TO ORDER AND FLAG SALUTE

ROLL CALL

Public Comment on Agenda Items

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

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

REVIEW AND CONSIDER PROPOSED NCSD SPHERE OF INFLUENCE BOUNDARIES

Review LAFCO study areas for NCSD Sphere Of Influence and make recommendations to Local Agency Formation Commission (LAFCO)

ADJOURN

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: APRIL 23, 2003

**SPECIAL MEETING
AGENDA ITEM
APRIL 23, 2003**

SPHERE OF INFLUENCE BOUNDARIES

ITEM

Review and consider LAFCO proposed NCSD sphere of influence boundaries

BACKGROUND

The Local Agency Formation Commission (LAFCO) is required to update and review public entities Spheres of Influence within their jurisdiction. The Sphere of Influence is a projection in which future services may be rendered by the public entity 20 years into the future. The projected services that may be provided by NCSD for the next 20 year will be primarily governed by the County's land use planning. Therefore, NCSD services would primarily depend on the County land use element requirements for such services.

The draft proposed Sphere of Influence boundary was developed with the following criteria:

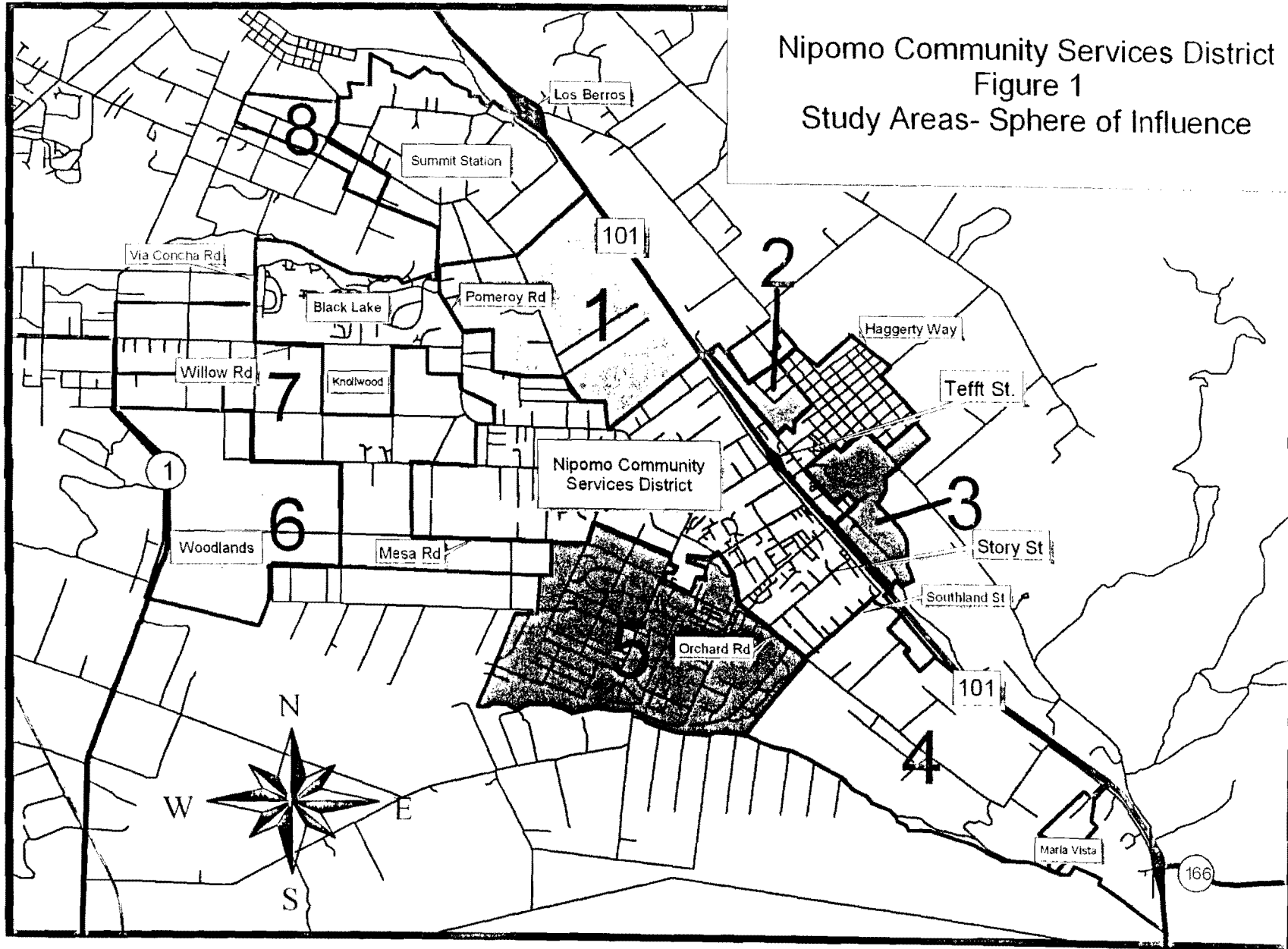
- Land areas adjacent to District waterlines would be included in the boundary
- Within the District boundary conservation measures could be imposed, such as tiered water rates and conservation programs
- Possible elimination of multiple water service agencies or companies (mutual water companies, private water companies, etc.)
- A single agency supervising the area, therefore implementing the economy of scale with respect to services.
- Having local control from a locally elected board of directors

The LAFCO has put together eight study areas for the proposed District Sphere of Influence, which is shown on the attached map.

RECOMMENDATION

After input is received from the community, your Honorable Board may make a recommendation to LAFCO on the boundaries or have further review.

Nipomo Community Services District
Figure 1
Study Areas- Sphere of Influence



SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
Nipomo Community Services District
Sphere of Influence Update – Municipal Service Review

WHAT'S HAPPENING?

The Local Agency Formation Commission of San Luis Obispo is preparing a Sphere of Influence Update and Municipal Service Review for the Nipomo Community Services District. A Sphere of Influence (SOI) is the area where the Community Services District might extend its services in the next 20 years. The Municipal Service Review studies the District's capability to provide services to its existing service area as well as the SOI areas that may be served by the District in the future. In order to evaluate the District's potential SOI, the area has been divided into eight study areas that are shown on the attached map. Each area is being evaluated in terms of existing land use, future development potential, and resources that might be needed to serve these areas. A Draft Sphere of Influence Update and Municipal Service Review is being prepared and will be released for public review and comment prior to public hearings. **The attached map does not represent the Sphere of Influence for the District.**

WHAT CAN I DO?

Please review the attached map and use the comment form to provide any comments or relevant information about the eight areas being studied. You may attach additional comments and/or information as needed. This could include information about existing land uses in an area, possible future development, applicable land use policies, potential impacts of including (or not including) an area in the District's SOI, the District's capability to serve the areas, resources available to serve the areas, or any other pertinent information. Information about what areas the SOI should or should not include and why would also be appreciated.

WHAT OTHER INFORMATION IS AVAILABLE?

Please visit our website at WWW.SLLOAFCO.COM to download the map and comment form. You may provide comments regarding the SOI areas by e-mailing us at our website, or send comments directly to DCHURCH@SLLOAFCO.COM.

IS THERE A DEADLINE?

Please submit any comments you may have regarding the Study Areas by **March 17, 2003**. Status reports and study sessions will be presented at the Commission's regularly scheduled meetings on February 20, 2003 and March 20, 2003.

CONTACT

If you have any questions, please call David Church at 805-788-2096. Correspondence should be addressed to 1042 Pacific Street, Suite A, San Luis Obispo, CA 93401. LAFCO's FAX number is 805-788-2072.


NIPOMO COMMUNITY ADVISORY COUNCIL
PO Box 1132 Nipomo CA 93448-1132

April 14, 2003, 2003

K.H. "Katcho" Achadjian
County Government Center
1050 Monterey Street
San Luis Obispo, CA 93408

Re: Nipomo Community Advisory Council Position on Proposed NCSD SOI Extension Study areas

Dear Katcho,

The NCAC Board thanks you for taking time from your busy schedule to attend our recent March 24, 2003 Board meeting. We had hoped to reach a consensus of the Council at that meeting on the proposed study areas for the NCSD Sphere of Influence (SOI). LAFCo representatives gave a presentation on the SOI request and presented the boundaries of their eight study areas. However, as you know, there were still too many questions remaining to reach a consensus. As a result, NCAC scheduled a special meeting on March 31, 2003 for further discussion and to develop a position.

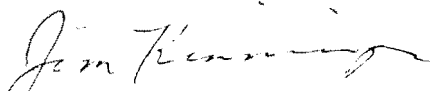
Between meetings a committee for each study area was established, composed of interested NCAC members, who were charged to discuss their area with residents and other interested parties and present the pros and cons for including all or part of their area as part of the LAFCo SOI study. The committee was also requested to present a motion for the portion of their area to be included in the LAFCo study.

The NCAC met again on March 31, 2003 to discuss the SOI map for the NCSD and to develop Council comments as to which areas should be included in the study areas. These comments would be given to LAFCo and the NCSD. The NCSD perspective on the SOI areas was presented, followed by a LAFCo presentation reiterating the LAFCo guidelines. County Planning also presented their concerns. These presentations were followed by public comment, after which the Council discussed each area in detail and reached a position on the NCAC guidelines to both the LAFCo and NCSD.

The map as Attachment 1, prepared by David Church, LAFCo analyst, summarizes the results of the NCAC recommended study areas for extension of the NCSD SOI.

Attachment 2 provides a more detailed definition of each of the recommended study areas.

Sincerely,

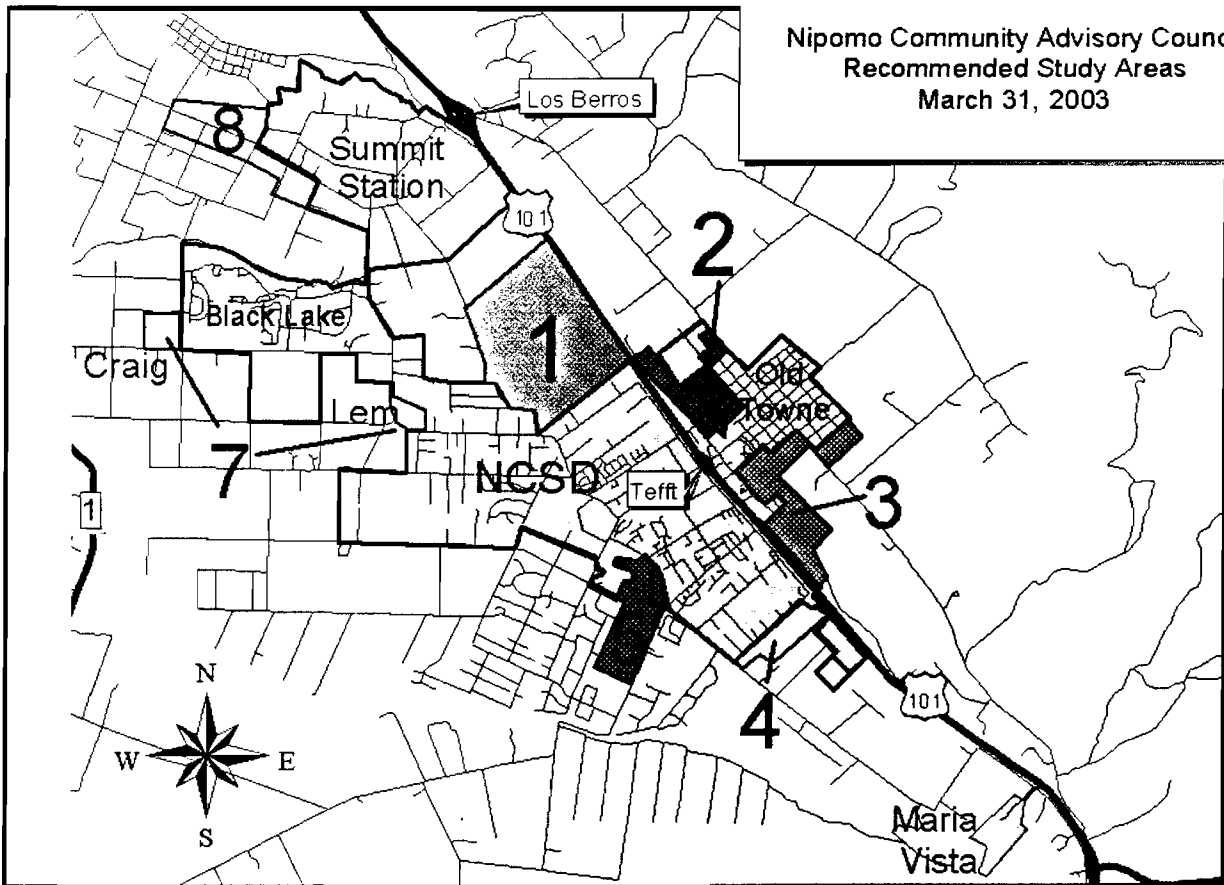


Jim Kinninger, Chair
805-343-9494
jkinninger@earthlink.net

Copies to: NCSD and LAFCo

Attachment 1

Nipomo Community Advisory Council
Recommended Study Areas
March 31, 2003



Attachment 2

Detailed Recommendations on NCSO SOI Study Areas

Study Area 1. Boundaries for this study area should be:

South: Nipomo Urban Reserve Line (URL)
East: Highway 101
North: The north boundary of the 40-acre parcels north of the proposed Willow Road extension
West: Hetrick Road and the Nipomo URL

Vote: Aye – 8; Nay – 4; Abstain – 2

Study Area 2. Boundaries for this study area should remain as proposed by LAFCo.

Vote: Aye – 10; Nay – 3; Abstain – 1

Study Area 3. This area should be reduced to remove the Agriculturally zoned areas and the Dana Adobe. The remaining study area would include all the Residential Single Family and Residential Suburban areas and the proposed Government Center area.

Vote: Aye – 12; Nay – 1; Abstain – 1

Study Area 4. All of this proposed area should be eliminated with the exception of the Southland Specific Plan area.

Vote: Aye – 12; Nay – 1; Abstain - 1

Study Area 5. All of this proposed area should be eliminated with the exception of the Residential Single Family zoned areas area.

Vote: Aye – 12; Nay – 1; Abstain – 1

Study Area 6. None of this proposed area should be included.

Vote: Aye – 10; Nay – 3; Abstain – 1

Study Area 7. All of this proposed area should be eliminated with the exception of the Lem parcel along Pomeroy and the Craig parcel on Willow and Via Concho.

Vote: Aye – 9; Nay – 2; Abstain – 2

Study Area 8. Boundaries for this study area should remain as proposed by LAFCo.

Vote: Aye – 10; Nay – 2; Abstain - 1

April 14, 2003

Board of Directors
Nipomo Community Services District
148 So. Wilson
Nipomo, CA 93444

Dear Board Members,

RE: Sphere of Influence Study

I have attached a copy of the two letters submitted to LAFCO in regards to the inclusion of my parcel (APN #90-301-042) in your Study Area #1. I am in favor of the expansion of your sphere of influence to cover the entire Area #1.

Sincerely,



Donna Mehlschau
101 Mehlschau Rd.
Nipomo, CA 93444
805-929-5037

March 11, 2003

Mr. David Church
LAFCO
1035 Palm Street
San Luis Obispo, CA 93401

Dear Mr. Church,

RE: Nipomo Community Services District Sphere of Influence

As an owner in area #1 of parcels number: 91-301-042 and 91-301-046
please note the following.

I am in favor of Nipomo Community Services District (NCSD) expanding their sphere of influence. Nipomo has had significant growth and development in the past few years. It is in the best interest of the Nipomo area to have a single voice when it comes to developing and protecting water resources for individual homeowners. The proliferation of more individual water companies with individual septic systems is not desirable.

NCSD, through an elected board, can provide a voice for the future of our community.

Sincerely,

Donna Mehlschau
101 Mehlschau Rd.
Nipomo, CA 93444
805-929-5037

March 25, 2003

Mr. David Church
LAFCO
1035 Palm Street
San Luis Obispo, CA 93401

Dear Mr. Church,

RE: Nipomo Community Services District Sphere of Influence Area #1

I attended the NCAC meeting March 24, 2003. It appears you are looking for specific information as to how this expanded sphere might affect each area. May I please take this opportunity to explain why APN # 90-301-042 should be included in the NCSD sphere of influence?

...In 1989 we recorded Easement Deeds and Water Service Agreement DOC.NO. 63018 (Sept 15, 1989). This agreement granted the NCSD a perpetual exclusive 2 acre easement for water storage facilities in exchange for limited water service to the then 202 acre parcel APN #91-301-38.

...Water transmission lines, Fire Hydrants, and valves have been installed along the future Willow Road alignment from Hetrick Rd to the 101 Freeway. Right of way for Willow Road is currently being appraised.

...NCSD has erected a large water storage tank on the 2 acre easement.

...We requested inclusion at the time Summit Station Road was annexed but were told our 202 acre parcel was too large and it was zoned Agriculture.

...We filed a notice of non-renewal on the Ag Preserve Contract some time ago (1985), the Contract expired (1996) and APN #90-301-042 has applied to be removed from the Nipomo preserve (2003).

...The soils in this area are class IV irrigated and class VI non-irrigated. Present use is limited grazing and the soil is poorly suited to rangeland as it is droughty with short periods of quality forage.

...A General Plan Amendment is currently being processed to change the zoning from Agriculture to Commercial.

...I am attaching a map of the five parcels which made up the original APN#91-301-38 and believe all five should be included in the NCSD sphere of influence.

Because we now sit with a tremendously noticeable white water storage tank that serves the NCSD district on one corner of our property and because we are presently eligible for limited service I believe we are already within the sphere of influence and a candidate for future annexation to NCSD. Your consideration of this matter is most appreciated and I will be happy to answer any questions.

Sincerely,

Donna Mehlschau
101 Mehlschau RD
Nipomo, CA 93444
805-929-5037