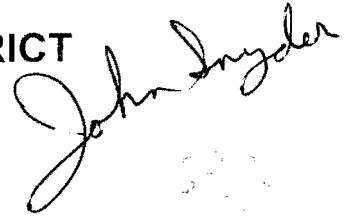


NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

SEPTEMBER 10, 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

DOUG JONES, GENERAL MANAGER
DONNA JOHNSON, BOARD SECRETARY
JON SEITZ, GENERAL COUNSEL

NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson.

Consistent with the Americans with Disabilities Act, NCSD Board agendas and other writings will be made available to disabled persons in an appropriate alternate format. (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 2003-877
B. ROLL CALL NEXT ORDINANCE 2003-98

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) ENVIRONMENTAL REVIEW OF A SEWER LIFT STATION AND FORCE MAIN – MARIA VISTA
Public Hearing - review/approve expanded Initial Study/Mitigated Negative declaration of sewer main extension
D-2) ORDINANCE TO ESTABLISH BLACKLAKE SEWER SERVICE FEES
Introduction of Ordinance adjusting sewer rates for the Blacklake Division
D-3) REVIEW ANNEXATION POLICY
Review/approve modifications to the District's Annexation Policy
D-4) DRAFT ANNEXATION AGREEMENT FOR ANNEX. NO. 23 - NESTER
Review administrative draft agreement for conceptual approval

E. OTHER BUSINESS

- E-1) WATER SERVICE TO THE DANA ADOBE (SLO COUNTY HISTORICAL SOCIETY) (DISCUSSION ITEM)
Review existing water service agreement
E-2) SAN LUIS OBISPO COUNTY DRAFT HOUSING ELEMENT (DISCUSSION ITEM)
Review Housing Element
E-3) REVIEW DISTRICT LEGAL COUNSEL'S FEE SCHEDULE
Review/approve legal counsel's fee schedule

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 August 27, 2003, Regular Board meeting

G. MANAGER'S REPORT

H. COMMITTEE REPORTS

I. DIRECTORS COMMENTS


CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
B. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES, CONFERENCE WITH NEGOTIATOR GC§54956.8 COUNTY NEGOTIATOR - PETE JENNY, REGARDING TERMS & PRICE.

ADJOURN

The next regular Board meeting will be September 24, 2003.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: SEPTEMBER 10, 2003

AGENDA ITEM
D 1
SEPTEMBER 10, 2003

ENVIRONMENTAL REVIEW
SEWER LIFT STATION/FORCE MAIN
MARIA VISTA DEVELOPMENT

ITEM

Public Hearing for review/adoption of an environmental expanded initial study/mitigated negative declaration of a sewer lift station/force main for Tract 1802 and 1856 (Maria Vista)

BACKGROUND

The District has completed Annexation No. 20, the Maria Vista Development, at Joshua and Hutton Roads. The developer has constructed a water line from the development to the District's water system at Southland and Orchard Roads. At the request of the Regional Water Quality Control Board, the developer has proposed to install a lift station to pump the wastewater from this project to the District's wastewater treatment facility rather than having an on-site septic wastewater treatment system. Part of the requirements for construction of the sewer lift station and force main is that an environmental review is required for the proposed project. The District has contracted with Doug Wood and Associates prepared the environmental review. The environmental review has been noticed and circulated prior to the public hearing. The environmental consultant, Mr. Doug Wood, has/will address comments received by the District.

The attached Resolution adopts the Mitigated Negative Declaration and imposes a Mitigation Monitoring Program (Exhibit "A" to the Resolution). The developer has agreed to implement the Mitigation Monitoring Program (see Exhibit "B" to the attached Resolution).

Note that Finding No. 4 of the attached Resolution states:

"Based on the independent objective review of the information contained in the administrative record for this matter, including the prior environmental documentation and determinations by LAFCO in approving Annexation No. 20, and the Mitigated Negative Declaration prepared and adopted in conjunction with the water line extension in the same general area as the proposed Project, the District Board of Directors finds that there is no substantial evidence supporting a fair argument that the Project as mitigated will result in any substantial or potentially substantial adverse change in the environment."

Staff has previously delivered to the Board of Directors a document prepared by Douglas Wood and Associates titled "Maria Vista Sewer Main Extension/Expanded Initial Study/Mitigated Negative Declaration". The Board of Directors, in approving the water line extension to Maria Vista, considered the Initial Study for that Project. Additionally, the Board has previously reviewed the CEQA findings of LAFCO in approving Annexation No. 20. Lastly, both of the prior CEQA studies and determinations are contained in the Administrative Record for the lawsuit "Save the Mesa v. Nipomo Community Services District ". That Administrative Record is available at the District office for the Board's re-review of the referenced documents.

RECOMMENDATION

After the Public Hearing, your Honorable Board may consider adopting the attached Resolution, Notice of Determination and California Fish & Game Fee Exemption for the Maria Vista development.

Board 2003/Tr 1856 EIR

NIPOMO COMMUNITY SERVICES DISTRICT
NOTICE OF INTENT TO ADOPT
A MITIGATED NEGATIVE DECLARATION

Project Description: The proposed project involves installation of approximately 13,000 feet of six-inch sewer force main and lift station(s) from Tracts 1802 and 1856, known as the Maria Vista development, to existing wastewater transmission facilities in Southland Street operated by the Nipomo Community Services District (NCSD). The six-inch sewer force main is proposed to be installed originating at a sewage pump station in the Maria Vista development to run within the right-of-way to a possible second pump station to an existing eight-inch gravity pipeline in Southland Avenue leading to the sewage treatment plant. These proposed wastewater collection facilities are sized to accommodate a maximum of 121 residential lots.

Project Location: At Southland, Orchard, Joshua and Maria Vista Roads, Nipomo, San Luis Obispo County, California.

Review Period Starting and Ending Dates During Which the NCSD Will Receive Comment:
9:00 a.m., August 14, 2003, to 4:30 p.m. September 2, 2003.

Date of NCSD Public Hearing for Project and Consideration of Mitigated Negative Declaration Adoption:

September 10, 2003, 9:00 a.m., the NCSD Board Regular Meeting, NCSD Board Meeting Room, 148 South Wilson Street, Nipomo, CA. The public is invited to attend. After receipt of public testimony the District may continue its consideration and approval of the Mitigated Negative Declaration to another date.


Substitution of Mitigation Measures: At the hearing, the District may substitute one mitigation measure for another based on a finding that:

- The new measure is equivalent or more effective than the proposed mitigation measure;
and
- The new measure will not cause a significant effect on the environment.

Address Where All Documents Pertinent to This Matter May Be Accessed: The proposed Initial Study/Mitigated Negative Declaration and Checklist with supporting documents are available for public review at the Nipomo Community Services District offices, 148 South Wilson Street, Nipomo, CA 93444 during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m.
Mailing address: P O Box 326, Nipomo, CA 93444

Project Approval: The decision to approve or deny the Project as described above will be made separately.

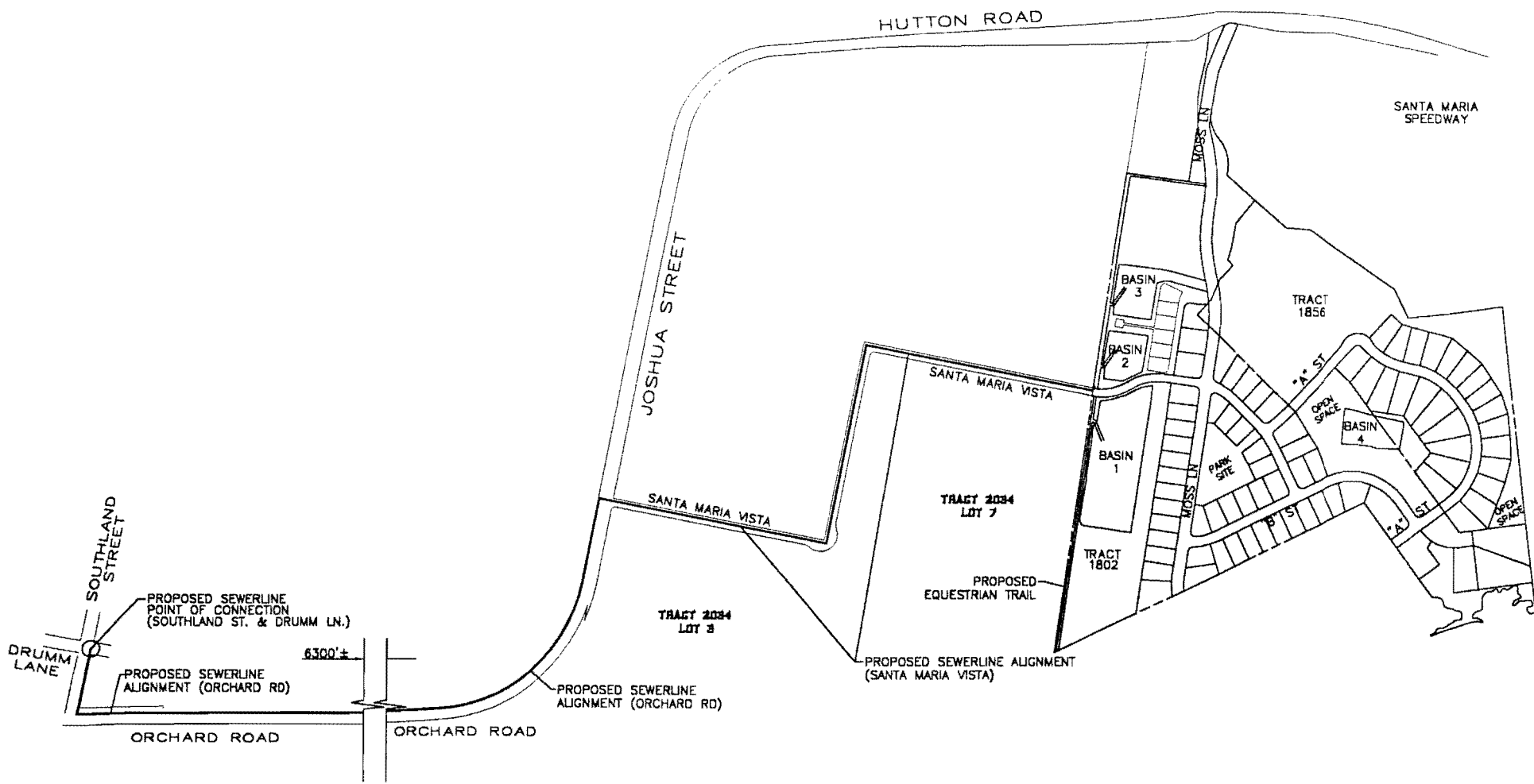
Further Information: For additional information, please call Doug Jones, District General Manager at (805) 929 – 1133.



Signature
Doug Jones, General Manager
Nipomo Community Services District

August 13, 2003

FIGURE
Proposed Sewer Main Extens.



Maria Vista Sewer Main Extension

Douglas Wood & Associates, Inc.

Expanded Initial Study/Mitigated Negative Declaration

MARIA VISTA
SEWER MAIN EXTENSION
EXPANDED INITIAL STUDY/MITIGATED
NEGATIVE DECLARATION

Prepared for:

NIPOMO COMMUNITY SERVICES DISTRICT
148 S. Wilson Street
Nipomo, California 93444
(805) 929-1133

Prepared by:

DOUGLAS WOOD & ASSOCIATES, INC.
1461 Higuera Street
San Luis Obispo, California 93401
(805) 544-1680

August, 2003

RESOLUTION NO. 2003-Mit Neg

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING A MITIGATED NEGATIVE DECLARATION AND
AUTHORIZING THE GENERAL MANAGER TO
FILE A NOTICE OF DETERMINATION FOR
SEWER MAIN EXTENSION TO SERVE MARIA VISTA DEVELOPMENT**

WHEREAS, the Nipomo Community Services District ("District") is a community services district with limited purposes and powers as identified in Sections 61600 et seq. of the Government Code; and

WHEREAS, pursuant to Government Code Section 61600 (b) the Nipomo Community Services District is authorized to:

"Collect, treat and dispose of sewage, waste and storm water of the District and its inhabitants"; and

WHEREAS, pursuant to Local Agency Formation Commission ("LAFCO") approval (Annexation No. 20) the Maria Vista Development is now part of the District; and

WHEREAS, LAFCO determined that Annexation No. 20 would not have a significant impact on the environment, including growth inducing impacts, because any other annexations would be subject to new environmental review and determination, and LAFCO's approval of a separate mitigated negative declaration prepared by LAFCO for the Annexation was not challenged and is now final. Further, the Annexation area approved by LAFCO is not contiguous to the District boundary, therefore, LAFCO must analyze and approve any other annexations to the District, or service by contract with DISTRICT, that may be proposed in the future; and

WHEREAS, the California Regional Water Quality Control Board ("RWQCB"), Central Coast Region has strongly recommended, by letter of January 15, 2003, lifting the sewage from the Maria Vista Development to the Nipomo Community Services District treatment plant; and

WHEREAS, in order for the District to provide sewer service to the Maria Vista Development as recommended by the RWQCB, certain wastewater transportation facilities will require construction (herein the "Project"); and

WHEREAS, the Project involves installation of approximately 13,000 feet of six-inch sewer force main and lift station(s) from Tracts 1802 and 1856, known as the Maria Vista development, to existing wastewater transmission facilities in Southland Street operated by the District. The six-inch sewer force main is proposed to be installed originating at a sewage pump station in the Maria Vista development to run within the right-of-way to a possible second pump station to an existing eight-inch gravity pipeline in Southland Avenue leading to the sewage treatment plant. These proposed wastewater collection facilities are sized to accommodate a maximum of 121 residential lots; and

WHEREAS, the California Environmental Quality Act (CEQA) requires the District to assess the impact of the Project on the environment, and circulate such assessment for public comment; and

WHEREAS, as part of the environmental review process the District retained Douglas Wood and Associates to assess the impacts of the Project on the environment; and

WHEREAS, Douglas Wood and Associates has prepared a document entitled Maria Vista Sewer Main Line Extension Expanded Initial Study/Mitigated Negative Declaration ("Initial Study"). The Initial Study includes a detailed description of the Project and the Initial Study is incorporated herein by reference; and

WHEREAS, the Initial Study proposes that a Negative Declaration with Mitigation Measures be approved for the Project (herein "Mitigated Negative Declaration"); and

WHEREAS, public notice of the proposed Mitigated Negative Declaration was given as required by Section 21092 of the Public Resource Code; and

WHEREAS, on September 10, 2003, the District held a Public Hearing on the proposed Mitigated Negative Declaration, wherein Staff responded to written comments, and public testimony received by the Board of Directors and accepted further public testimony related to adoption of the proposed Mitigated Negative Declaration; and

WHEREAS, only the County has zoning and land use authority over the lands which could be annexed to the District, therefore, the District's actions will not result in growth inducing impacts. Instead, the County must consider CEQA and analyze growth inducing impacts if and when the County exercises its zoning and land use authority regarding properties located along the new sewer main extension. Further, the District does not control the growth of the property to be traversed by the sewer main extension and the District can only provide service to development and potential development that is approved by the County consistent with the County's General Plan. Therefore, the growth inducing impacts of the Project are less than significant.

WHEREAS, only LAFCO has the authority to approve the annexation of additional areas into the District, and LAFCO must first approve of any services by contract that the District may be asked to provide to areas outside the District boundary. Therefore, LAFCO, must consider CEQA, including potential growth inducing effects of any future annexations or services by contract that it may be asked to consider and approve. Therefore, the District does not control the manner in which sewer services may be provided to areas currently outside of its service area in the future, unless and until LAFCO first allows annexation or service by contract. The growth inducing impacts of the Project are therefore less than significant.

WHEREAS, having received, reviewed and considered the foregoing information, as well as any and all information in the record and based on its independent review and analysis, the staff analysis, oral and written testimony, the Initial Study, and this Mitigated Negative Declaration, the Board of Directors hereby makes these Findings of Fact:

1. The Maria Vista Sewer Main Extension Expanded Initial Study/Mitigated Negative Declaration consists of the Expanded Initial Study/Mitigated Negative Declaration dated "August 2003" prepared by Douglas Wood and Associates, the responses to comments on the Draft Mitigated Negative Declaration, the Mitigation Monitoring Program referenced in the Initial Study, these findings of fact, the Staff Reports and any associated attachments (collectively referred to as the Mitigated Negative Declaration).
2. The Mitigated Negative Declaration has been completed in compliance with the California Environmental Quality Act (Public Resources Code Section 21000, et seq) (CEQA), and CEQA Guidelines (14 Cal. Code Regs §§15000 et seq.), and the Board of Directors has received, reviewed and considered the information contained in the Initial Study, all hearings and submissions of testimony from the public and other agencies and organizations.
3. Based on the information in the Initial Study/Mitigated Negative Declaration, these findings of fact and the list of mitigation measures included in the Mitigation Monitoring Program, the Staff Report and documents received as part of the public notice, the District Board of Directors using its own independent objective judgement finds that all potentially significant effects of the Project on the environment can and will be avoided or mitigated to a less than significant level by imposing on the Project the mitigation measures and Mitigation Monitoring Program attached to this Resolution as Exhibit "A".
4. Based on the independent objective review of the information contained in the administrative record for this matter, including the prior environmental documentation and determinations by LAFCO in approving Annexation No. 20 , and the Mitigated Negative Declaration prepared and adopted in conjunction with the water line extension in the same general area as the proposed Project, the District Board of Directors finds that there is no substantial evidence supporting a fair argument that the Project as mitigated will result in any substantial or potentially substantial adverse change in the environment.
5. The District's record supporting these Findings of Fact, includes but is not limited to the following, which are located at the Nipomo Community Services District Offices, 148 S. Wilson, Nipomo, California, 93444:
 - A. Documentary and oral evidence, testimony, and staff comments and responses received and reviewed by the Board during public hearings on the Project.
 - B. The Initial Study prepared by Douglas Wood and Associates and documents referenced therein.
 - C. Regional Water Quality Control Board letter dated January 15, 2003.
 - D. A letter dated 9-3-03 from Maria Vista, attached to this Declaration as Exhibit "B", agreeing to implement the mitigation measures and the Mitigation Monitoring Program.

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

1. That the Board of Directors of the Nipomo Community Services District, based on the Board of Directors independent judgment does hereby approve and adopt a Mitigated Negative Declaration for the Project, including the adoption of the mitigation measures and Mitigation Monitoring Program identified in the Initial Study. (Exhibit "A").
2. The General Manager is authorized to file a Notice of Determination in compliance with Section 21108 and/or 21152 of the Public Resource Code and the State Department of Fish & Game, Certificate of Fee Exemption.
3. The above Recitals and findings of fact are true and correct and incorporated into this Order by reference.

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

AYES: Directors

NOES:

ABSENT:

CONFLICTS:

Michael Winn, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

Res/ 2001-mit dec

| POTENTIALLY SIGNIFICANT IMPACT | MITIGATION MEASURE | SPECIFIC ACTION | MITIGATION MILESTONE | RESPONSIBLE MONITORING PARTY |
|--|---|---|---|-----------------------------------|
| <p><u>Water</u></p> <p>The proposed project will result in short-term landform alteration during project construction which could potentially alter the composition of surface runoff.</p> | <p>1. Prior to the issuance of grading permits, a detailed Drainage and Erosion Control Plan shall be submitted to the County of San Luis Obispo for review and approval. These plans shall maintain the existing site drainage patterns to the greatest extent feasible including the volume and direction of flows and the amount of drainage discharge into areas downstream. The Drainage and Erosion Control Plan shall include, but may not be limited to, the following elements:</p> <p>a) In order to avoid erosion at drainage discharge locations during project construction, erosion control devices such as temporary berms, culverts, sandbagging or detention basins will be provided where necessary.</p> <p>b) All areas disturbed by project grading shall be seeded with native or naturalized grasses in order to reduce dust emissions and erosion and</p> <p>c) Project grading and drainage plans shall include the following note: "No construction work will be permitted in any flowing channel and no graded material or debris will be placed within existing storm drain channels. All work within seasonally dry streambeds shall be in accordance with permits issued by the County of San Luis Obispo.</p> | <p>Submittal of a detailed Drainage and Erosion Control Plan to maintain existing on-site drainage patterns to the greatest extent feasible and the amount of drainage discharge into areas downstream.</p> | <p>Prior to project grading and construction.</p> | <p>County of San Luis Obispo.</p> |

EXHIBIT "A"

II. Summary/Mitigation Monitoring Program
*Maria Vista Sewer Main Extension
Expanded Initial Study/Mitigated Negative Declaration*

| POTENTIALLY SIGNIFICANT IMPACT | MITIGATION MEASURE | SPECIFIC ACTION | MITIGATION MILESTONE | RESPONSIBLE MONITORING PARTY |
|---|---|--|---|--|
| <p><u>Biological Resources</u></p> <p>The proposed project may result in the disturbance of large eucalyptus trees located on the east side of Orchard Road. These trees may represent potential habitat for Monarch Butterflies or nesting raptors.</p> <p><u>Cultural Resources</u></p> <p>Development of the proposed project may result in the excavation of paleontological and archaeological resources during project grading.</p> | <p>1. The proposed sewer main extension shall be aligned on the west side of Orchard Road (a distance of approximately 200 feet) in order to avoid impacting the roots of large trees in this area). If sufficient space on the west side of Orchard Avenue is not available (due to an existing waterline at that location), the proposed sewer main extension shall be located on the east side of the roadway as long as it is demonstrated by a qualified field biologist that the sewer main will avoid impacting the roots of the large trees in this area.</p> <p>1. If any cultural resources are encountered during project grading, a qualified paleontologist/archeologist shall be empowered to temporarily halt or redirect construction equipment while resources are evaluated and appropriate recommendations made.</p> | <p>Review and approval of detailed project plan.</p> <p>Retention of a qualified archaeologist/paleontologist if cultural resources are encountered.</p> | <p>Prior to project grading and construction.</p> <p>During project grading and construction.</p> | <p>Nipomo Community Service District.</p> <p>Nipomo Community Services District.</p> |

EXHIBIT "A"

C. Determination

It has been determined that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in this document have been added to the project.

Exhibit B

The Law Office of Marshall E. Ochylski
Post Office Box 14327
1026 Palm Street, Suite 210
San Luis Obispo, California 93406

Telephone: (805) 544-4546
Facsimile: (805) 544-4594
E-mail: MOchylski@SLOlegal.com

September 3, 2003

Jon Seitz, Esq.
Shipsey & Seitz
1066 Palm Street
San Luis Obispo, CA 93401

**Subject: Maria Vista Force Main Extension
Expanded Initial Study/Mitigated Negative Declaration**

By this letter, Maria Vista agrees to the mitigation measures and the Mitigation Monitoring Program identified in the Expanded Initial Study/Mitigated Negative Declaration dated "August 2003" prepared by Douglas Wood and Associates.

Sincerely,



Marshall E. Ochylski
Attorney at Law

MEO/lpp



Maria Vista Estates,
A California General Partnership
By Erik Benham,
Member Manager
Bening Company, LLC

Notice of Determination

TO: County Clerk
San Luis Obispo County
Government Center Room 385
San Luis Obispo, CA 93408

FROM: Nipomo Community Services District
P O Box 326
Nipomo, CA 93444-0326

SUBJECT: Filing of Notice of Determination in compliance with
Section 21108 and 21152 of the Public Resources Code

PROJECT TITLE: Infrastructure for Maria Vista Development, Tracts 1802 and 1856

CONTACT PERSON: Doug Jones **TELEPHONE:** (805) 929-1133

PROJECT LOCATION: Nipomo

PROJECT DESCRIPTION: Construction a force main and sewer lift station(s) to serve the
Maria Vista Development, Tracts 1802 and 1856

This is to advise that the **NIPOMO COMMUNITY SERVICES DISTRICT** has approved the above described project and has made the following determinations regarding the above described project on September 10, 2003.

1. The Project will not have a significant effect on the environment.
2. A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures were made a condition of the approval of the project.
4. A statement of Overriding Considerations was not adopted for this project.

This is to certify that the final report with comments and responses and record of project approval is available to the General Public at:

Nipomo Community Services District Office
148 S. Wilson Street
Nipomo, CA 93444

Date Rec'd for Filing: _____ Signature: _____
General Manager

CALIFORNIA DEPARTMENT OF FISH AND GAME
CERTIFICATE OF FEE EXEMPTION

De Minimis Impact Finding

Project Title/Location

Nipomo Community Services District
Maria Vista Development, Tracts 1802 & 1856
Post Office Box 326
Nipomo, California 93444-0326

Project Description: Construction a force main and sewer lift station(s) to serve the Maria Vista Development, Tracts 1802 and 1856

Findings of Exemption:

Based upon the evidence in the initial environmental study, which has been completed on the proposed improvement, the Board of Directors of the Nipomo Community Services District have found no evidence that this project will have an adverse effect on wildlife resources or the habitat upon which wildlife depends.

Certification:

I hereby certify that the lead agency has made the above findings of fact and that based upon the initial study and hearing record the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

Doug L. Jones, General Manager
Nipomo Community Services District

Date _____

TO: BOARD OF DIRECTORS
 FROM: DOUG JONES *D*
 DATE: SEPTEMBER 10, 2003

AGENDA ITEM
D2
SEPTEMBER 10, 2003

ORDINANCE TO ESTABLISH BLACKLAKE SEWER SERVICE FEES

ITEM

Introduction of Ordinance adjusting sewer rates for the Blacklake Division

BACKGROUND

Directors Trotter and Blair met with Staff on August 14, 2003, to review the proposed Blacklake sewer rate increase. The Sub-Committee reviewed and recommended the fee structure, as outlined below:

| <u>EXPENDITURES</u> | <u>FY 03-04</u> | <u>FY 04-05</u> | <u>FY 05-06</u> | <u>FY 06-07</u> | <u>FY 07-08</u> | <u>FY 08-09</u> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenditures (3% annual incr) | 203,226 | 209,323 | 215,602 | 222,071 | 228,733 | 235,595 |
| Required Operating Reserve | 42,307 | 43,831 | 45,400 | 47,017 | 48,683 | 50,398 |
| Less Beginning Balance of Operating Reserves | -43,730 | -42,307 | -43,831 | -45,400 | -47,017 | -48,683 |
| Total Expenditures | 201,803 | 210,847 | 217,171 | 223,688 | 230,399 | 237,310 |
| <u>REVENUE REQUIREMENTS</u> | | | | | | |
| 542 DUES X 12 MONTHS (assume 10 new units in FY 04-05 and 10 new units in FY 05-06) | 6504 | 6624 | 6744 | 6744 | 6744 | 6744 |
| <u>REQUIRED MONTHLY RATE</u> | | | | | | |
| Total Expenditures divided by DUES | \$31.03 | \$31.83 | \$32.20 | \$33.17 | \$34.16 | \$35.19 |
| <u>CURRENT ADOPTED RATES</u> | 24.15 | 25.35 | 26.62 | 27.95 | 28.43 | 28.43 |
| <u>PROPOSED RATE INCREASE</u> | \$6.88 | \$6.48 | \$5.58 | \$5.22 | \$5.73 | \$6.76 |

The following is the procedure to implement the rate increase:

1. September 10, 2003, Ordinance introduced and first reading
2. September 24, 2003, Public Hearing, second reading and adoption.
3. Rates will go into effect on December 1, 2003.

The notice of the rate change will be published in the newspaper Sept. 10, and 17, 2003. The September 10th meeting will be to introduce the ordinance and to take public comments. The official Public Hearing to adjust the rates and adopt the ordinance will be September 10, 2003.

The notice of the increase will be included in the December utility billing. By including it in the December utility billing it will place the customers on notice that their next bill will include this increase. (December and January usage to be billed on February 10).

RECOMMENDATION

Introduce Ordinance No. 2003-98 adjusting the Blacklake sewer rates and set a Public Hearing for adopting the rates on September 27, 2003, at 9:00 a.m.

Board letter 2003/BL sewer rate increase

**NOTICE OF PUBLIC HEARING
 NIPOMO COMMUNITY SERVICES DISTRICT (NCSD)
 ADOPTION OF NEW BI-MONTHLY SEWER RATES
 FOR BLACKLAKE SEWER CUSTOMERS ON
 SEPTEMBER 24, 2003 AT 9:00 A.M. AT THE
 DISTRICT BOARD ROOM
 148 South Wilson, Nipomo, California**

The NCSD Board of Directors will hold a public hearing to consider the approval of a proposed Ordinance that would increase bi-monthly rates for sewer service within the District's Blacklake Sewer Division by adopting Appendix A to Chapter 4.12 of the District Code as stated in this Notice.

At the Hearing, any person interested, including all persons receiving District sewer service or owning property within the Blacklake Sewer Service Area, may appear and be heard on the matters set forth in this Notice.

Blacklake Service Area was annexed to NCSD in 1993. At that time, the Blacklake Sewer System was being operated and maintained by San Luis Obispo County Service Area No. 1G (CSA-1G). The County's bi-monthly rate for operations and maintenance at that time was \$52.00.

The proposed bi-monthly sewer rate increase for the NCSD's Blacklake Sewer Division is being driven by budget deficits and the need to establish an operating reserve for major maintenance and replacement of Blacklake Sewer System Facilities.

The NCSD Blacklake Sewer customer currently pays \$48.30 in sewer charges to the District every two months.

Proposed Appendix "A" to Chapter 4.12 of the District Code that establishes the increases in bi-monthly Black Lake sewer rates states as follows:

APPENDIX "A" TO CHAPTER 4.12 OF THE NCSD CODE

BI-MONTHLY SEWER RATES FOR NCSD BLACK LAKE SEWER DIVISION

| EFFECTIVE DATE | 12/1/03 | 6/1/04 | 6/1/05 | 6/1/06 | 6/1/07 | 6/1/08 |
|-----------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| PER DUE | \$62.06 | \$63.66 | \$64.40 | \$66.34 | \$68.32 | \$70.38 |

**NIPOMO COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 2003-BL SEWER RATES**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX A TO CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO
ESTABLISH BI-MONTHLY RATES FOR SEWER SERVICE
WITHIN THE BLACKLAKE DIVISION**

WHEREAS, it is a major responsibility of the Nipomo Community Services District (District) to maintain adequate levels of revenue, equitably collected from all classes of utility customers, to meet the District's financial commitments; and

WHEREAS, the District's Fiscal Year 2003-2004 Budget demonstrates a \$44,226 deficit in the Blacklake Sewer Operation and Maintenance Account; and

WHEREAS, District Staff has prepared a Blacklake Sewer Rate Study to establish rates and charges to bring into balance the Blacklake Sewer Operation and Maintenance Account and to establish a twenty-five percent (25%) operations reserve as recommended by the District's Consultant Perry R. Louck; and

WHEREAS, based upon facts and analysis presented during the District Budget Hearings for 2003-2004, the Staff Study, the Staff Report, and public testimony received, the District Board of Directors finds:

- A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act);
- B. That notice has been provided pursuant to Government Code Section 54354.5;
- C. The fees, rates and charges that are the subject of this Ordinance do not exceed the estimated reasonable cost of providing the services for which the fees and/or charge or charges are imposed;
- D. That the public benefits from the logical, long-range approach to operations, maintenance and replacement of public facilities:

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

Section 1. Authority.

This Ordinance is enacted pursuant to Government Code Sections 61600 (b), 61621, and 61621.5.

Section 2.

Appendix A to Chapter 4.12 related to bi-monthly sewer user fees for the Blacklake Division is hereby repealed in its entirety and replaced with the bimonthly rates and charges reflected in Exhibit A attached hereto and incorporated into this Ordinance by reference.

Section 3. Repeal of Prior Ordinances and Resolutions

All Ordinances, sections of Ordinances and Resolutions that are inconsistent with this ordinance are hereby repealed.

Section 4. Effect of Repeal on Past Actions and Obligations.

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

ORDINANCE NO. 2003-BL SEWER RATES

AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX A TO CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO
ESTABLISH BI-MONTHLY RATES FOR SEWER SERVICE
WITHIN THE BLACKLAKE DIVISION

Section 5. CEQA Findings

The Board of Directors of the District finds that the fees and charges adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The Board of Directors further finds that the adoption of the Rules and Regulations established by this Ordinance fall within the activities described in Section 15378(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 Rules and Regulations may have a significant effect on the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 6. 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 7. Effect of Headings in Ordinance.

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

Section 8. Effective Date.

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

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

AYES:
NOES:
ABSENT:
ABSTAINING:

Michael Winn, President of the Board
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

DONNA K. JOHNSON
Secretary to the Board

JON S. SEITZ
District Legal Counsel

ORDINANCE NO. 2003-BL SEWER RATES

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX A TO CHAPTER 4.12 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO
ESTABLISH BI-MONTHLY RATES FOR SEWER SERVICE
WITHIN THE BLACKLAKE DIVISION**

EXHIBIT "A"

**BI-MONTHLY SEWER USER FEES
BLACKLAKE DIVISION**

| EFFECTIVE DATE | 12/1/03 | 6/1/04 | 6/1/05 | 6/1/06 | 6/1/07 | 6/1/08 |
|-----------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| PER DUE | \$62.06 | \$63.66 | \$64.40 | \$66.34 | \$68.32 | \$70.38 |

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *DJ*
DATE: SEPTEMBER 10, 2003



REVIEW ANNEXATION POLICY

ITEM

Review/approve modifications to the District's Annexation Policy

BACKGROUND

The Annexation Committee (Directors Wirsing and Winn), at the last Board meeting held on August 27, 2003, made suggestions to modify the District's Annexation Policy. At that time, a number of modifications were requested to be incorporated into the Annexation Policy. The majority of the modifications were made in the Cluster Development section, IV(F) of the policy.

RECOMMENDATION

After your Honorable Board has considered the modifications to the Annexation Policy, they may proceed to adopt the policy with the revisions.

RESOLUTION NO. 2003-Annex Policy

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

WHEREAS, the Nipomo Community Services District (District) adopted its Annexation Policy on April 23, 2003 ("Annexation Policy"); and

WHEREAS, the District Board of Directors considered amendments to the Annexation Policy at its regular meeting of August 27, 2003 and instructed Staff to return to the Board with amendments to the Annexation Policy for further consideration and approval; 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.

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

1. The amendments to the Annexation Policy as referenced in Exhibit "A" are hereby approved and adopted.

2. The Board of Directors of the District finds that the amendment of the Annexation Policy 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 the Amendment falls within the activities described in Section 15378(b)(2) of the CEQA Guidelines which are deemed not to be "projects". Even if the adoption of the Amendment is a "project" for purposes of CEQA, the District Board finds that it is exempt from review pursuant to Section 15061(b)(3) which provides that an activity is not subject to CEQA review where it can be seen with certainty that there is no possibility that it may have a "significant effect on the environment." The District Board finds that it can be seen with certainty that there is no possibility that the adoption of this Resolution and the approval of the provisions contained herein may have a significant effect on the environment. The District General Manager is authorized to prepare, execute and file a notice of exemption pursuant to the above provisions.

3. The above Recitals are true and correct and incorporated herein by reference.

4. If any section, subsection, sentence, clause or phrase in this Resolution and/or the amendments to the Annexation Policy are 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 and/or the amendments to the Annexation Policy. The Governing Board of the District hereby declares that it would have passed this Resolution and/or the amendments to the Annexation Policy, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence,

RESOLUTION NO. 2003-860

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

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.

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

~~DRAFT AUGUST 2003~~ SEPTEMBER 4, 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 reliable water source, other than water from the Nipomo Hydrologic Sub-Area (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 (e.g., 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.

- 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.

- I. The Board shall make the final determination about the suitability of any water source.

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 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:

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. Section IV F of the Annexation Policy is hereby amended as follows:

~~F. Cluster Developments:~~

~~1. District may negotiate with and require Applicants planning a cluster development to dedicate the open space parcels produced thereby to the District, or another agency, or appropriate caretaker organization for maintenance and improvements for an identified purpose approved by District and which may be operated by District. Other designees might be San Luis Obispo County Parks and Recreation, Lucia Mar Unified School District, or other such public benefit agencies; *~~

~~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 the Special Tax.~~

~~* The underlining and strikeouts of Section F(1) show proposed amendment.~~

1. The District will only consider annexations of cluster developments that include the requirement for ongoing management of the open space parcel(s) for the purposes of:
 - a. Conserving water drawn from the underlying groundwater basin;
 - b. Preventing the accumulation of solid waste, litter, and construction and demolition waste; and
 - c. Preventing the accumulation of weeds and other fire hazards that would create further demand on the District's water resources.
2. Pursuant to County Code a cluster division is to include at least one (1) open space parcel that may be used for one of the allowable residential units, provided that the building does not exceed six thousand (6,000) square feet and is defined on the recorded map. Otherwise the open space parcel is not to be developed with structural uses other than agriculture accessory buildings. The open space parcel may be used for any one of the following: crop production or range land; historic, archaeological, wildlife preserve, water storage or recharge; leach field or spray disposal area, scenic areas, protection from hazardous areas; public outdoor recreation; or other similar open space uses.

3. The use and restrictions referenced in Paragraphs 1 and 2 above, are to be guaranteed by a "Dedication", approved in writing by the District, as a party to the "Dedication". The Dedication shall be in the form of an Open Space Easement, recordable agreement, dedication of fee, or partial fee title to a public or quasi public agency.
4. If the open space parcel is designated for crop production or range land, then the Dedication related to water use shall include:
 - a. Water pumped from the groundwater basin will only be used for crop production or grazing livestock;
 - b. A reference to the ongoing groundwater adjudication shall be identified, along with a statement that Owner acknowledges that Owner is the party subject to limitations imposed by a Court or other agency with jurisdiction related to pumping from the underlying groundwater basin; and
 - c. That Owner will not transport water from the open space parcel to other parcels that do not share a common boundary and common ownership with the open space parcel. Under no circumstances shall the Owner transport water from the open space parcel to a residential parcel.
5. If the District accepts responsibility for the open space parcel, then Applicant shall form an Assessment District, Special Tax District, or establish an endowment acceptable to District for the purposes of the operation and maintenance of the open space parcel.
6. Applicant shall establish a Homeowners Association for the purposes of assuming obligations in Subparagraph 5 above in the event the District is required to abandon the Assessment District or Special Tax District.

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
- B. Pay one hundred percent (100%) of the monthly supplemental water charge (see ~~III~~ IV D above); and
- C. District will not deliver water to the area of annexation until:
 1. ~~As~~ Sufficient supplemental water is under contract and available in the NCSD system 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
DATE: SEPTEMBER 10, 2003



PROPOSED ANNEXATION NO. 23
ANNEXATION AGREEMENT
NESTER

ITEM

Review administrative draft agreement for conceptual approval of Annexation No. 23 - Nester

BACKGROUND

Annexation No. 23 consists of an 18-acre parcel at Pomeroy Road near Waypoint. The applicant, Mr. Greg Nester, submitted an application for annexation in November 2002. Your Honorable Board has continued this matter with respect to adopting an annexation policy. Staff has prepared an administrative draft agreement for Annexation No. 23 for the Board's review and conceptual approval.

RECOMMENDATION

After your Honorable Board has reviewed the draft agreement for Annexation No. 23, staff recommends that you direct staff to finalize the agreement as directed by the Board.

Board 2003/Annex agmnt 23

Drafting Notes:

- Draft Agreement assumes property overlies sufficient groundwater resources (Policy IV applies, include analysis in Staff Report).
- Draft Agreement assumes District has adequate water resources to serve Project pending acquisition of supplemental water (Policy IV E (2) applies, include analysis in Staff Report).
- The Applicant proposes cluster development, therefore Policy IV F applies (Staff to discuss with Applicant and revise Section 13 of Agreement).
- Applicant to provide District with proof of Title.
- The following Sections require further modifications: Introduction, Recital A, and Section 18 Notices
- The following Sections contain my comments: Section 1, Section 8, Section 9, and Section 12

**2nd Discussion Draft
Nester Annexation
08-14-03**

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

APN# _____

Exhibit "A" – Legal Description of Property
Exhibit "B" - District Annexation Policy
Exhibit "C" - Hourly Rates for District Staff and Consultants

VISTA ROBLES, LLC
ANNEXATION AGREEMENT AND
PETITION TO FORM ZONE OF BENEFIT

THIS AGREEMENT, made this ____ day of _____, 2003 by and between the Nipomo Community Services District, (herein referred to as District), and Vista Robles, LLC, a _____, (herein referred to as ("Applicant")), with reference to the following recitals.

RECITALS

A. Applicant is the fee title owner of certain real property (herein the "Property" or the "Area of Annexation") located at Pomeroy Rd., otherwise known as Tract 2499. The subject Property is approximately eighteen and one-half (18.5) acres in area. The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

B. The Property is located outside the District's Sphere of Influence as established by the Local Agency Formation Commission ("LAFCO"). Further LAFCO is in the process of updating the District's Sphere of Influence.

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

D. The Project will be processed in accordance with this Agreement and the District's Annexation Policies attached hereto as Exhibit "B".

E. The cost of processing the Project includes District costs (including legal, engineering, environmental assessment and administrative costs) and Local Agency Formation Commission (LAFCO) costs (including administrative costs and environmental assessment costs). Applicant acknowledges responsibility for payment of the District and LAFCO costs.

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

1. Project Description:

The Project shall consist of the Annexation of approximately eighteen and one-half (18.5) acres to be developed into eighteen (18) single family residential units and one (1) open space parcel to be used for agricultural purposes.

Comment: Will there be a District water connection to the "open space parcel"? What happens if agricultural use is abandoned?

2. Water Service Limitations:

The District's obligation to provide water service to the Area of Annexation and parcels therein is limited to the number of residential units identified in Section 1 above. Additional water service to the Area of Annexation will require a written agreement and shall be based on the

availability of and payment for supplemental water.

3. Groundwater Resources:

The proposed Area of Annexation overlies sufficient groundwater resources.

4. District Processing Costs:

A. At the time of execution of this Agreement, Applicant shall deposit with the District the sum of six thousand dollars (\$6,000) for District services more particularly described in Recital E above. The Applicant authorizes the District to withdraw from the deposit payment for services pursuant to this Agreement as they are incurred by District.

District will notify Applicant whenever the deposit is reduced to one thousand dollars (\$1,000) or less. Within 15 days after such notification is mailed, Applicant shall make an additional deposit in the same amount as the initial deposit.

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

5. Payment of District's Fees and Charges

A. Annexation Fees: Prior to final LAFCO approval of the proposed Annexation, Applicant shall deposit with District the sum of nine thousand two hundred and fifty dollars (\$9,250) representing the District's Annexation fees.

B. District Connection and Capacity Charges: Prior to final LAFCO approval, Applicant shall pay District, District's then established connection and capacity charges for District services. The District's water capacity charge shall be reduced by that portion attributed to well production.

C. Supplemental Water Charges: Prior to final LAFCO approval Applicant shall deposit with the District the sum of one hundred eighty thousand dollars (\$180,000) or equivalent securities acceptable to the District to be applied to District administrative and consultant costs in acquiring supplemental water and to offset costs of supplemental water.

6. Obligations of Applicant: In addition to the obligations of Applicant referenced in this Agreement, the Applicant shall have the following additional obligations:

A. Provide information, petitions, studies and proposals as requested by District for analysis, processing and/or approvals.

B. At Applicant's sole cost, Applicant shall promptly and diligently process the Project through LAFCO. If annexation has not been completed within twelve (12) months from the date of this Agreement, the District shall have the right to terminate this Agreement at any time thereafter, unless such time for completion is extended by written agreement. Such extension must be requested in writing by the Applicant prior to the expiration of said two (2) month period. If the Agreement is terminated the District shall have no further obligation under this Agreement. Upon termination the District shall refund any deposits made by Applicant which have not been used by the District prior to the date of termination.

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

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

E. Comply with all conditions placed on the Project by LAFCO.

7. Obligations of District:

Applicant and the District understand and agree that processing the Project by the District and the LAFCO will require many discretionary approvals. Therefore, there are no promises or guarantees that the Project will be successfully processed/approved by the District and/or LAFCO.

In the event that the Project is withdrawn or not approved, then the District will return the unused deposit to Applicant as provided in Section 3B, above.

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

8. Delivery of Water Service

The District's current water resources are adequate to supply the Area of Annexation consistent with the service levels identified in paragraph 1 above. The District will provide water to the Area of Annexation upon LAFCO's final approval and the District's acceptance of infrastructure improvements.

~~Comment: The District may consider the following options related to this Section:~~

- ~~1. Require the Applicant to pay for independent engineering analysis to determine whether or not the District has excess capacity to serve the Area of Annexation particularly for large scale annexations; or~~
- ~~2. Rely on the District's water management plan (yet to be approved) to determine availability of water resources.~~
- ~~3. Delay water service until delivery of supplemental water.~~

9. Dedications and Covenants: Applicant hereby promises, agrees and covenants not to pump water from wells that draw from the groundwater basin underlying the Area of Annexation for non-agricultural uses. Applicant may continue to pump from the groundwater for agricultural related purposes on the open space parcel subject to any limitations imposed by a Court or other agency with jurisdiction.

Doug, we should discuss in context of open space parcel and proposed agricultural use.

10. Petition to Establish Zone of Benefit: Pursuant to §61700 et seq. of the Government Code, Applicant hereby petitions the District to form a Zone of Benefit as follows:

A. The boundaries of the zone shall be co-terminus with the Area of Annexation.

B. The purpose of the zone of benefit is for fixing and collecting special rates for furnishing supplemental water to the Area of Annexation.

C. Prior to final LAFCO approval, District shall approve the Petition to establish the Zone of Benefit as herein provided.

D. Prior to final LAFCO approval, Applicant shall provide District with a recordable document that provides constructive notice to each potential owner of lots within the Area of Annexation of the formation of the Zone of Benefit and rate covenant.

11. Rate Covenants: Applicant hereby covenants and agrees on behalf of Applicant and future residents and property owners within the zone established by Section 9, above to pay special water rates and charges within the zone for acquiring and providing supplemental water to the Area of Annexation. Said rates and charges shall be based on the Project's prorata share of the cost of supplemental water, as determined by the District's Engineer, and shall provide for District recovery of the following:

A. One hundred percent (100%) of water transportation and other capital facilities to be constructed to deliver supplemental water to the District.

B. One hundred percent (100%) of District Staff, Engineering, Legal, Environmental and Consultant time in acquiring the supplemental water source.

C. One hundred percent (100%) of any reserve requirement to purchase supplemental water.

D. Eighty percent (80%) of the delivery cost of supplemental water.

12. Management of Open Space: Staff to discuss with Applicant – may want to consider forming Homeowner’s Association and an Assessment District to manage open space in the event that agricultural use fails.

~~42.~~13. Customer of the District: Upon annexation the residents and commercial users within the Area of Annexation shall become “regular customers” of the District with no greater entitlements to water service than any other District resident.

~~43.~~14. Indemnification and Hold Harmless

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

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

4415. Term of Agreement and Termination

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

Prior to final LAFCO approval of the Project, Applicant may terminate this Agreement with fifteen (15) days written notice to District. Termination shall not relieve Applicant of its responsibility for payment of costs incurred by District to the date of termination as provided in Section 3 of this Agreement.

4516. Waiver of Rights

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

4617. Entire Agreement

This Agreement is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by the Applicant and the District.

4718. Notices

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

shown below:

NIPOMO COMMUNITY SERVICES DISTRICT

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

APPLICANT:

~~48~~19. Successors and Assigns: The District and Applicant agree that Applicant's Obligations, Agreements and Covenants contained in this Agreement shall run with the land and shall be binding upon Applicant, its heirs, successors, executors, administrators, and assigns and shall inure to the benefit of District and its successors and assigns.

~~49~~20. Headings

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, not shall they enter into the interpretation of this Agreement.

~~20~~21 Cooperation

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

B. Indemnity. Applicant and the undersigned jointly and severally agree to defend, indemnify and hold the District harmless against any loss, claim, damage, liability or expense (including, without limitation, reasonable attorneys' fees) arising out of the representations and warranties of Subsection A above.

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

APPLICANT:

By: _____

(Note: Signature must be notarized)

By: _____

(Note: Signature must be notarized)

DISTRICT:

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

Attest:

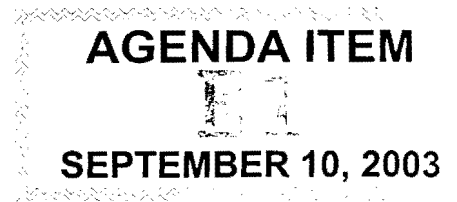
Approved as to Form

Donna Johnson
Secretary to the Board

Jon S. Seitz,
District Legal Counsel

T:\Jon\CLIENT\1NCSD\Matters\Nester Annexation F-273\Agreement revised 08-14-03.doc

TO: BOARD OF DIRECTORS
FROM: DOUG JONES *S*
DATE: SEPTEMBER 10, 2003



WATER SERVICE TO THE DANA ADOBE

ITEM

Review existing water service agreement with the Dana Adobe

BACKGROUND

In June 1972, the District Board of Director approved an outside District water supply to the Dana Adobe as administered by the San Luis Obispo Historical Society. Discussion may take place around paragraph 8 in the aspect that change of ownership will terminate this agreement.

RECOMMENDATION

This item was put on the agenda for discussion purposes. Your Honorable Board may direct staff how they wish to proceed in this matter.

Board 2003/Dana Adobe

20414

AGREEMENT

THIS AGREEMENT entered into this 5th day of June 1972, by and between the NIPOMO COMMUNITY SERVICES DISTRICT, a public corporation located in the County of San Luis Obispo, State of California, and hereinafter termed "District", and the SAN LUIS OBISPO COUNTY HISTORICAL SOCIETY, a non-profit corporation located in the County of San Luis Obispo, State of California, and hereinafter termed "Society":

WITNESSETH:

WHEREAS, Society operates the Dana Adobe located outside of the Nipomo Community Services District boundaries, and

WHEREAS, the Dana Adobe is a structure of outstanding historical significance in the County of San Luis Obispo and is open to the public for viewing, and

WHEREAS, the Dana Adobe has no water presently available to it, but has urgent need of water for sanitary purposes, and

WHEREAS, Nipomo Community Services District has water which it can make available to the Dana Adobe for said purposes, it is in the public interest that such be done, District has the legal power so to do, and there is no other source of water for the Dana Adobe than District.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises and agreements herein set forth, District

District and Society, the parties hereto, hereby mutually covenant and agree as follows:

1. That the above recitals are true and correct.
2. That District shall provide to Society water from the District water system for the use of the Dana Adobe, and Society shall pay District for said water pursuant to the duly established District water rates.
3. That Society shall pay for all costs of connecting the Dana Adobe to the District water system.
4. That the District shall install a water meter for the Dana Adobe in the County road right of way at the end of Districts ten (10) inch water main on Oak Glenn (a County road); provided, however, that Society shall pay District the cost of said meter, and Society shall pay District the regular District hook-up charge.
5. That Society shall at its own sole cost and expense install waterpipes from said meter to the Dana Adobe approximately 5/8 of a mile in said County road; provided that said waterpipes shall be the property of Society and shall be operated, maintained, repaired, replaced and enlarged by Society at its sole cost and expense.
6. That Society agrees that District has prior water-pipe and appurtenant facility rights in said County road where Society will install said waterpipes as stated hereinabove, and that District is not waiving said prior rights therein by this Agreement; therefore, Society agrees that if at

anytime in the future it is in the judgment of District in its interest to so do, District may install its own waterpipes and appurtenant facilities in said County road in said same area; and Society further agrees that in the above event, if at such time or any other time the relocation of the waterpipes or any portion thereof installed by Society pursuant to this Agreement is required, that Society will pay for the full cost of said relocation.

7. Neither party shall assign this Agreement or any rights thereunder without the prior written consent of the other party.

8. In the event that title to the Dana Adobe is transferred, either voluntarily or involuntarily, at any time, to any person, firm, corporation or entity, public or private, other than Society, then in that event this Agreement shall automatically terminate and be null and void; provided that in that event District may cease furnishing water to said Dana Adobe, and Society agrees that it is not acquiring any water rights by this Agreement.

9. This Agreement shall be binding on the successors and assigns of District and of Society.

IN WITNESS WHEREOF, District and Society have executed this Agreement on the day and year first hereinabove set forth.

NIPOMO COMMUNITY SERVICES DISTRICT

By: *Fernando J. Sweeney*
President of the Governing Board
of said District

ATTEST:

M. L. [unclear]
Secretary of the Governing Board
of said District

SAN LUIS OBISPO COUNTY HISTORICAL
SOCIETY

By: *W. Young Davis*
President of said Society

Quilbe L. Anderson
Secretary of said Society

REGULAR MEETING JUNE 14, 1972

20414

DIRECTORS PRESENT: L.Sweeney, J. Backus, H.Sutcliffe, R. Stanton
DIRECTORS ABSENT: Mrs. B. Mylan

Meeting called to order at 8:00 P.M. Mr. Sweeney asked for the minutes of last meeting. Mrs. Ott read the minutes, Mr. Stanton made a minor correction then made motion, minutes stand as corrected, Mr. Sutcliffe seconded the motion.

Dana Adobe: Mr. Sweeney reported that we had received agreement back from Historical Society signed by their president and secretary, he then read agreement and said we had received our fees for connection, namely \$340.00 plus \$22.50 deposit & turn on fees. They are out of District. Mr. Sweeney asked Board if we should go ahead with installation? Mr. Sutcliffe said he would make the motion to go ahead, Mr. Backus seconded, all in favor.

Office Building Next: Mr. O'Neil of Butler Builders, was present and presented catalogue showing pictures of pre cut steel buildings. Said they could use general plan and add what was necessary for our needs. Mr. Sweeney stated ours was to be an office building and would need to be a little more elaborate. Mr. O'Neil said it would be all spelled out in a contract, should they get the bid, as to just what we wanted and what they would do. Discussion followed on Federal Grant and our establishing the four corners of building site. Plans were left with Directors, they will have preconference and decide more what they want. Mr. Stanton asked for price range. Mr. Sweeney appointed Mr. Stanton & Mr. Sutcliffe as a committee to study floor plans, then call Mr. O'Neil and he could then give us comparable prices.

Customers' name changed on records: Mrs. Ott spoke of irregularity where a church changed location, and a different church group is now being serviced from this location but do not want to pay the \$22.50 so is continuing under the original church name and records. Mr. Stanton made motion to go by ordinance, Mr. Backus seconded motion.

Ball property infractions: Mr. Sweeney reported water is turned off in old Ball water line, he said the old hydrant should be activated for fire protection. Mr. Stanton said we do not legally own old line, we should get permission to use old line and hydrant. It was proposed to buy a hydrant and install where 2" meter was taken out and tap into our line. Floor was opened for comments. Complaints were heard in regards to open trenches on private property, as to who is responsible to cover them. Water lines run in many directions on these properties and across many different properties. Property owner will cover trenches. Mr. Stanton made motion to contact Mr. Ball and ask him to dispose of his

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: SEPTEMBER 10, 2003

AGENDA ITEM
E2
SEPTEMBER 10, 2003

SLO COUNTY DRAFT HOUSING ELEMENT

ITEM

Review San Luis Obispo County Draft Housing Element

BACKGROUND

The District has received a copy of the San Luis Obispo County Draft Housing Element, which was previously given to the Board for information purposes. Your Honorable Board may wish to establish a sub-committee to review the County's proposed Housing Element and make recommendations to the Board how you wish to respond to the draft.

RECOMMENDATION

Your Honorable Board may wish to appoint a sub-committee to review the County Housing Element.

Board 2003/Housing element

County of San Luis Obispo

**Draft Housing Element
San Luis Obispo County General Plan**

ADOPTED BY
THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS
DECEMBER ____, 2003
RESOLUTION No. _____

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SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP
DIRECTOR

August 8, 2003

To: Interested Parties

From: John Busselle, Senior Planner *JB*

Subject: Environmental Determination of the Housing Element of the San Luis Obispo County General Plan

San Luis Obispo County is conducting an environmental determination of the proposed update to the Housing Element of the county's General Plan. The Housing Element applies to the unincorporated area of the county. It contains one goal, two objectives, 7 policies and 15 programs which focus on achieving an adequate supply of housing affordable to all residents of the county.

The policies and programs in the proposed update will be evaluated pursuant to the California Environmental Quality Act (CEQA), using the environmental categories set forth in the County's CEQA checklist as follows: Aesthetics, Agricultural Resources Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards/Hazardous Materials, Noise, Population/Housing, Public Services/Utilities, Recreation, Transportation/Circulation, Wastewater, Water Land Use and Cumulative Impacts.

Identified impacts shall be designated as significant or insignificant pursuant to the criteria of CEQA and mitigation measures recommended. Indirect or secondary impacts of the project shall also be discussed and mitigation measures recommended, if appropriate.

I have attached a copy of the introduction to the proposed Housing Element and the goals, objectives, policies and programs for your review. If you have any comments, please send them to the following address:

John Busselle, Senior Planner
County of San Luis Obispo
Department of Planning and Building
1194 Pacific St., Suite 102
San Luis Obispo, Ca. 93401

RECEIVED

AUG 1 - 2003

RECEIVED
SERVICES DISTRICT


Please submit your comments by September 12, 2003

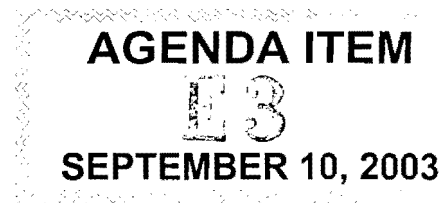
Thank you.

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600 5154

EMAIL: planning@co.slo.ca.us • FAX: (805) 781-1242 • WEBSITE: <http://www.slocoplanbdg.com>

Copy of document found at www.NoNewWipTax.com

TO: BOARD OF DIRECTORS
FROM: DOUG JONES 
DATE: SEPTEMBER 10, 2003



REVIEW DISTRICT LEGAL COUNSEL FEE SCHEDULE

ITEM

Review correspondence from District Legal Counsel, Jon Seitz on revision of fee schedule

BACKGROUND

Shipsey and Seitz, Inc. has been the District's legal counsel for the past number of years. Jon Seitz, District Legal Counsel, has submitted correspondence to the District revising their fee schedule.

RECOMMENDATION

After your Honorable has reviewed the attached correspondence, they may proceed to approve legal counsel's revised fee schedule.

Board 2003/Legal Counsel fee

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

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

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

September 4, 2003

Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

Attn: Michael Winn, President
Judith Wirsing, Vice President
Robert Blair, Director
Larry Vierheilig, Director
Clifford Trotter, Director
Doug Jones, General Manager

Re: Attorney Fee Proposal
Fiscal Year 2003 - Commencing September 15, 2003

Dear President Winn and Members of the Board:

Shipsey and Seitz provides legal services to the Nipomo Community Services District ("District") under the categories of Retainer Services (covering Board Meetings) and hourly rates (covering duties and obligations of the District Legal Counsel). These services and proposal for fees for fiscal year 2003 are further described as follows:

1. Retainer:

The firm provides preparation for and attendance at regular meetings on a retainer basis to avoid attorney costs becoming a factor in determining agenda and meeting length. Retainer services include: (a) preparation for meetings (regardless of agenda length); (b) telephone conferences with the General Manager, Administrative Assistant, and other management staff, relating to the agenda and Brown Act procedures; and (c) attendance at meetings (regardless of length). Since 2000 we have provided these services at a fixed rate of \$650.00 per month. We propose a retainer of seven hundred and fifty dollars (\$750) per month for fiscal year 2003.

Rarely do the costs of Retainer Services exceed the same services provided under our hourly rates. However, at your request, Shipsey and Seitz will provide Retainer Services at our hourly rate.

Nipomo Community Services District
 Board of Directors
 September 4, 2003
 Page 2 of 4

A recap of the last ten (10) months of Retainer Services are as follows:

| MONTH | HOURS | AMOUNT PAID |
|----------------|--------|-------------|
| August 2002 | 10.9 | \$650.00 |
| September 2002 | 4.45 | \$650.00 |
| October 2002 | 10.8 | \$650.00 |
| November 2002 | 10.5 | \$650.00 |
| December 2002 | 13.2 | \$650.00 |
| January 2003 | 5.95 | \$650.00 |
| February 2003 | 14.10 | \$650.00 |
| March 2003 | 11.9 | \$650.00 |
| April 2003 | 9.7 | \$650.00 |
| May 2003 | 10.55 | \$650.00 |
| Total | 102.05 | \$6,500.00 |

2. Hourly Rates:

Hourly rates include: (a) preparation of ordinance, resolutions, memorandum, contracts, attendance at meetings (other than regular meetings); and (b) general advice pertaining to District business. These services are performed at the request of management staff and/or the President of the Board. These fees are charged in increments of one-tenth per hour. We have been providing these services to the District at the rate of one hundred and thirty dollars (\$130) per hour since 2000. We propose an hourly rate of one hundred and forty dollars (\$140) per hour commencing with fiscal year 2003, commencing September 15, 2003.

3. Reimbursable Hourly Rates and Litigation:

This would represent a new category of legal billing services that are outside District Legal Counsel responsibilities as defined in Sections 1 and 2 above. Under this category the District would be billed one hundred and fifty-five dollars (\$155) per hour for services provided in connection with matters the District is reimbursed through third parties for legal services and/or any work which the District can, by statute or other authority, impose and collect fees from third parties for legal services. Included in this service category would be the preparation, prosecution and defense of litigation.

Nipomo Community Services District
Board of Directors
September 4, 2003
Page 3 of 4

Shipsey and Seitz would prepare separate billing statements for each of the matters referenced in this category.

4. Expenses

Shipsey & Seitz does not expense the District for long distance phone calls, in-office photocopying, faxing, e-mailing, or secretarial time. Shipsey and Seitz would continue to expense the District, at its direct cost, for bulk photocopying (i.e. photocopying service such as Kinko's) and extraordinary mailing (i.e. overnight or large items).

5. Continuing Education and Law Library

Shipsey and Seitz would continue to expense the District for out of pocket costs for: (a) continuing education (that relates to governmental agency representation); (b) specialized computer programs (that relate to governmental services or are obtained at a governmental rate); and (c) books and other materials on the subject of Special District representation. By agreement these costs would be split with other Special Districts that we represent as District Legal Counsel. Currently, the District pays one-third (1/3) of the costs referenced in this paragraph.

6. Billing

I would expect the Board of Directors to approve legal fees as part of the general warrant approval process prior to payment.

7. Outside Counsel

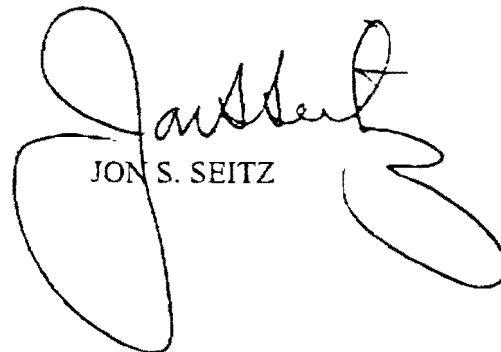
Lastly, upon my recommendation and the authorization of either the District Board of Directors and/or the General Manager, the District would, from time to time, retain Special Counsel to associate with District Legal Counsel on any matter customarily requiring or warranting the need for such Special Counsel by reason of his or her expertise on particular matters.

During the fiscal year 2003 I will continue to represent the District as District Legal Counsel, and my partner, Michael W. Seitz, will continue to represent the District as Deputy District Legal Counsel.

Nipomo Community Services District
Board of Directors
September 4, 2003
Page 4 of 4

If you should have any questions regarding this proposal, I would be happy to discuss them with you.

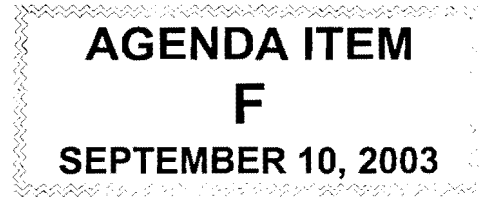
Very Truly Yours,
SHIPSEY & SEITZ, INC.



JON S. SEITZ

JSS:jb

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 10, 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 brackets.

- F-1) WARRANTS [RECOMMEND APPROVAL]
- F-2) BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Minutes of August 27, 2003, Regular Board meeting

WARRANTS SEPTEMBER 10, 2003

**AGENDA ITEM
F-1
SEPTEMBER 10, 2003**

HAND WRITTEN CHECKS

| | | | |
|-------|----------|-----------------|----------|
| 18661 | 08-27-03 | ED EBY | 100.00 |
| 18662 | 09-02-03 | STATE COMP FUND | 3,357.76 |

8492-8527 VOID

COMPUTER GENERATED CHECKS

| Number | Date | Vendor/Organization | Invoice Id | Date | Description/Reference | Period | Amount | Amount Paid |
|--------|----------|---------------------------------|------------|----------|-----------------------|----------|----------|---------------------------|
| 8487 | 08/29/03 | EMP01 EMPLOYMENT DEVELOP DEPT | A30825 | 08/25/03 | STATE INCOME TAX | 08-03 | 501.04 | 501.04 |
| 8488 | 08/29/03 | MID01 MIDSTATE BANK-PR TAX DEP | A30825 | 08/25/03 | COMBINED CHECK | 08-03 | 2155.89 | 2155.89 |
| 8489 | 08/29/03 | MID02 MIDSTATE BANK - DIRECT DP | A30825 | 08/25/03 | NET PAY DEDUCTION | 08-03 | 14720.70 | 14720.70 |
| 8490 | 08/29/03 | PER01 PERS RETIREMENT | A30825 | 08/25/03 | COMBINED CHECK | 08-03 | 2478.76 | 2478.76 |
| 8491 | 08/29/03 | STA01 STATE STREET GLOBAL | A30825 | 08/25/03 | DEFERRED COMP | 08-03 | 735.00 | 735.00 |
| | | | | | | | | |
| 008528 | 09/10/03 | ADV01 ADVANTAGE ANSWERING PLUS | | 82.95 | .00 | 82.95 | 54983 | ANSWERING SERVICE |
| 008529 | 09/10/03 | AWW01 AWWA BOOKSTORE | | 68.50 | .00 | 68.50 | 1958 | WATER QUALITY THIRD EDIT |
| 008530 | 09/10/03 | BLA01 BLAIR, ROBERT L | 100.00 | | .00 | 100.00 | 091003 | REGULAR BD MTG 9/10/03 |
| 008531 | 09/10/03 | COU01 COURIER SYSTEMS | | 80.00 | .00 | 80.00 | 118305+ | LAB PICK UP & DELIVERY |
| 008532 | 09/10/03 | CRE01 CREEK ENVIRONMENTAL LABS | | 30.00 | .00 | 30.00 | K3210 | BL WWTP LAB |
| | | | | 30.00 | .00 | 30.00 | K3223 | BL WWTP LAB |
| | | Check Total.....: | | 60.00 | .00 | 60.00 | | |
| | | | | | | | | |
| 008533 | 09/10/03 | CRW01 CRWA | | 250.00 | .00 | 250.00 | 100103 | WASTEWATER SEMINAR |
| 008534 | 09/10/03 | FAR01 FARM SUPPLY COMPANY | 1059.19 | | .00 | 1059.19 | 151820+ | CITRIC ACID BLS |
| 008535 | 09/10/03 | FAR02 FAR WEST EXPRESS | | 11.00 | .00 | 11.00 | 59750 | DELIVERY TO SLO MAILING |
| 008536 | 09/10/03 | FGL01 FGL ENVIRONMENTAL | | 44.80 | .00 | 44.80 | 308534 | NIPOMO WWTP LAB |
| | | | | 44.80 | .00 | 44.80 | 308787 | NIPOMO WWTP LAB |
| | | | | 44.80 | .00 | 44.80 | 308268A | BL WWTP LAB |
| | | | | 44.80 | .00 | 44.80 | 308270A | NIPOMO WWTP LAB |
| | | | | 44.80 | .00 | 44.80 | 308790A | LAB-BLWWTP |
| | | Check Total.....: | | 224.00 | .00 | 224.00 | | |
| | | | | | | | | |
| 008537 | 09/10/03 | FRA02 FRANK'S LOCK AND KEY | | 70.00 | .00 | 70.00 | 19176 | BOARDROOM DOOR REPAIR |
| 008538 | 09/10/03 | GIL01 GLM, INC. | | 265.00 | .00 | 265.00 | 082803 | 34003 LANDSCAPE OFFICE |
| | | | | 90.00 | .00 | 90.00 | 082803-2 | 72004 LANDSCAPE BL |
| | | Check Total.....: | | 355.00 | .00 | 355.00 | | |
| | | | | | | | | |
| 008539 | 09/10/03 | IMP01 IMPACT TRAINING SERVICES | | 389.00 | .00 | 389.00 | 100903 | ELECT CONTROLS SEMINAR - |
| 008540 | 09/10/03 | JON01 DOUG JONES | | 60.00 | .00 | 60.00 | A30905 | PER DIEM-MONTEREY SEMINAR |
| 008541 | 09/10/03 | MIS01 MISSION UNIFORM SERVICE | | 246.20 | .00 | 246.20 | 430897+ | UNIFORMS & MATS |
| 008542 | 09/10/03 | MJR01 M J ROSS CONSTRUCTION INC | 23237.37 | | .00 | 23237.37 | 4723 | TEFFT ST LATERALS ETC |
| 008543 | 09/10/03 | NIP03 NIPOMO SHELL | | 1006.81 | .00 | 1006.81 | 225 | GASOLINE |
| | | | | 979.35 | .00 | 979.35 | 174685 | FUEL FOR JUNE |
| | | Check Total.....: | | 1986.16 | .00 | 1986.16 | | |
| | | | | | | | | |
| 008544 | 09/10/03 | NIP06 NIPOMO AUTO PARTS | | 19.46 | .00 | 19.46 | A30905 | VEHICLE PARTS |
| 008545 | 09/10/03 | PGE01 P G & E | 54981.09 | | .00 | 54981.09 | AUG 2003 | ELECTRICITY-AUGUST |
| 008546 | 09/10/03 | PLA01 PLATINUM PLUS FOR BUSINES | 1090.00 | | .00 | 1090.00 | A30905 | SEMINARS-CSDA |
| | | | | 25.00 | .00 | 25.00 | B030905 | HOTEL-CSDA SEMINAR |
| | | | | 59.00 | .00 | 59.00 | C030905 | SUBSCRIPTION TO US WATER |
| | | | | 65.98 | .00 | 65.98 | D030905 | TOYOTA REPAIR |
| | | Check Total.....: | | 1239.98 | .00 | 1239.98 | | |
| | | | | | | | | |
| 008547 | 09/10/03 | PRE01 PRECISION JANITORIAL | | 275.00 | .00 | 275.00 | AUGUST | JANITORIAL-AUGUST |

COMPUTER GENERATED CHECKS

| Check Number | Check Date | Vendor Number | Vendor Name | Gross Amount | Discount Amount | Net Amount | Invoice # | Payment Information Description |
|--------------|------------|---------------|---------------------------|--------------|-----------------|------------|-----------|---------------------------------|
| 008548 | 09/10/03 | RIC01 | RICHARDS, WATSON, GERSHON | 59414.01 | .00 | 59414.01 | 128495 | GROUNDWATER LITIGATION-JU |
| 008549 | 09/10/03 | SAN01 | SANTA MARIA TIRE INC | 130.19 | .00 | 130.19 | 415845 | CHEVY SERVICE/REPAIR |
| 008550 | 09/10/03 | SIM03 | SIMMONS, TOLBERT | 120.00 | .00 | 120.00 | A30905 | STEEL TOE BOOTS-EMPLOYEE |
| 008551 | 09/10/03 | SPI01 | SPIESS CONSTRUCTION CO. | 41983.05 | .00 | 41983.05 | 2316-RET | RETENTION FMT-1.0 MG STOR |
| 008552 | 09/10/03 | STA08 | STAPLES | 130.80 | .00 | 130.80 | 714294001 | PAPER/TONER CARTRIDGES |
| 008553 | 09/10/03 | THE01 | THE GAS COMPANY | 11.33 | .00 | 11.33 | A30905 | GAS-OFFICE BLDG |
| | | | | 5417.32 | .00 | 5417.32 | AUGUST | SUNDALE WELL-AUGUST |
| | | | Check Total.....: | 5428.65 | .00 | 5428.65 | | |
| 008554 | 09/10/03 | TRI04 | TRINCON, INC. | 5418.98 | .00 | 5418.98 | A30905 | REFUND BALANCE-ANNEXATION |
| 008555 | 09/10/03 | TRO01 | TROTTER, CLIFFORD | 100.00 | .00 | 100.00 | 091003 | REGULAR BD MTG 9/10/03 |
| 008556 | 09/10/03 | USA01 | USA BLUEBOOK | 258.30 | .00 | 258.30 | 704105 | SAMPLE KIT/FLOAT SWITCH |
| 008557 | 09/10/03 | VER01 | VERIZON | 29.32 | .00 | 29.32 | A30905 | BL TELEPHONE |
| | | | | 31.41 | .00 | 31.41 | A030905 | BL TELEPHONE |
| | | | Check Total.....: | 60.73 | .00 | 60.73 | | |
| 008558 | 09/10/03 | VIE01 | VIERHEILIG, LARRY | 100.00 | .00 | 100.00 | 091003 | REGULAR BD MTG 9/10/03 |
| 008559 | 09/10/03 | VIK01 | VIKING OFFICE PRODUCTS | 101.34 | .00 | 101.34 | 661092 | LASER JET TONER |
| | | | | -75.00 | .00 | -75.00 | 670701C | CREDIT-LASER JET CARTRIDGE |
| | | | Check Total.....: | 26.34 | .00 | 26.34 | | |
| 008560 | 09/10/03 | WIN01 | WINN, MICHAEL | 50.00 | .00 | 50.00 | 090403 | SUBCOMMITTEE MTG 9/4/03-A |
| | | | | 100.00 | .00 | 100.00 | 091003 | REGULAR BD MTG 9/10/03 |
| | | | Check Total.....: | 150.00 | .00 | 150.00 | | |
| 008561 | 09/10/03 | WIR02 | WIRSING, JUDY | 50.00 | .00 | 50.00 | 090403 | SUBCOMMITTEE MTG 9/4/03-A |
| | | | | 100.00 | .00 | 100.00 | 091003 | REGULAR BD MTG 9/10/03 |
| | | | Check Total.....: | 150.00 | .00 | 150.00 | | |
| 008562 | 09/10/03 | XER01 | XEROX CORPORATION | 80.17 | .00 | 80.17 | 097408251 | COPIER MAINTENANCE |

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

AUGUST 27, 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

DOUG JONES, GENERAL MANAGER
DONNA JOHNSON, BOARD SECRETARY
JON SEITZ, GENERAL COUNSEL

NOTE: All comments concerning any item on the agenda are to be directed to the Board Chairperson. Consistent with the Americans with Disabilities Act, NCSD Board agendas and other writings will be made available to disabled persons in an appropriate alternate format. (If assistance is needed, please contact the District office at least one day before the meeting.)

A. CALL TO ORDER AND FLAG SALUTE

President Winn called the meeting of August 27, 2003, to order at 9:03 a.m. and led the flag salute.

B. ROLL CALL

At Roll Call, the following Board members were present:
Directors Vierheilig, Trotter, Wirsing and Winn. Director Blair had a planned absence.

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.

There was no public comment.

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

D-1) DISTRICT-INSTALLED SEWER LINE REIMBURSEMENT – STORY STREET

Public Hearing to establish sewer line reimbursement costs for Story St. & Meredith Extension

A Public Hearing was held to review the costs of the sewer line constructed on Story St. and the Meredith Extension for the reimbursement spread amounts to be paid to the District if property owners choose to connect to the District-installed sewer line.

The following members of the public spoke:

Dennis Cajas, Nipomo property owner – stated that he thought that selling the easement two years ago to the District for the construction of the sewer line would entitle him to connect to the sewer line for only the cost of the sewer capacity fee. He did not realize he would be required to pay a reimbursement fee.

The Board and District Manager, Doug Jones, explained that Mr. Cajas, as well as the other property owners along the sewer line, would not have to pay the fee until he decided to connect his property to the sewer line.

Upon motion of Director Trotter and seconded by Director Vierheilig, the Board adopted Resolution 2003-876 approving reimbursement charges for District-installed sewer mains with a minor change in the spread. Vote 3-1 with Director Wirsing voting no. Director Blair was absent.

RESOLUTION NO. 2003 – 876

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING REIMBURSEMENT CHARGES FOR
DISTRICT INSTALLED SEWER MAINS
(DISTRICT CODE §4.12.085A)

MINUTES SUBJECT TO BOARD APPROVAL

- D-2) REQUEST FOR SERVICE – TRACT 2441 (GRAY TRUST)
Request for renewal of an Intent-to-Serve for a 38-lot project at Blume & Grande

The Board reviewed the request for water and sewer service for Tract 2441. Terry Orton, Westland Engineering – stated that the County actually required 38 homes to be on the parcel. Director Vierheilg suggested that grasses used in the tract be a type that uses less water than the type planned. Upon motion of Director Vierheilg and seconded by Director Trotter, the Board approved an Intent-to-Serve letter for Tract 2441. Director Trotter commented that he was still concerned that the District does not have a sound source of water. Vote 3-1 with Director Blair being absent and Director Wirsing voting no and commenting that there is a serious water situation and we need supplemental water.

- D-3) REVIEW EXISTING ANNEXATION POLICY
Review possible modifications to the policy

The Board reviewed the proposed Annexation Policy. Some minor grammatical changes were addressed first.

The following members of the public spoke:

Ed Eby, NCSD resident – stated that there was a loophole that should be changed in V-C-1. The supplemental water should be in Nipomo and not just available.

Vince McCarthy, NCSD resident – stated that there should be an emergency clause included. Also, there is no well history required. [Mr. Seitz explained that the District does not intend to use wells.]

Jim Kinninger, NCAC Chair – stated that he was glad that NCSD was addressing the cluster developments in the policy.

Greg Nester, developer – stated that he is a proponent of open space.

Erik Benham, developer – asked about IVF 1 [Mr. Seitz explained that it did not apply to his development because it was already annexed into the District.] He also stated that IVF 3, concerning homeowners associations, should not be included.

President Winn closed the Public Comment period.

Mr. Seitz explained that because of Proposition 218, the clause concerning the homeowners associations was added to protect the District.

Upon motion of Director Trotter and seconded by Director Wirsing, the Board unanimously agreed to table this item until the suggested changes to the Annexation Policy were made. Vote 4-0

- D-4) DRAFT MEMORANDUM OF AGREEMENT ON SPHERE OF INFLUENCE (SOI)
Review draft agreement between SLO County and NCSD on District SOI boundary

The Board reviewed the draft Memorandum of Agreement between SLO County and NCSD on the proposed Sphere of Influence.

The following members of the public spoke:

Ken Bornholdt, representative for the Woodland Project – thanked the Board for excluding the Woodland Project area from the SOI. He suggested the words “in the District’s view” in the 8th Whereas of the agreement in place of the words “generally accepted”overdraft.

Jim Kinninger, NCAC Chair – stated that he supports the MOA.

Ed Eby, NCSD resident – stated that he still believed this to be a hollow document with no enforcement power. He also suggested that the document should be accurate. In the 9th Whereas, all annexations do not require supplemental water. In Exhibit A #4 – serving area to be determined by LAFCo is open-ended.

Vince McCarthy, NCSO resident – stated that the document needs a clause addressing the law suit.

The Board noted appreciation to the volunteers from the NCAC and Supervisor Achadjian for consideration and input in this matter.

Jon Seitz, District Legal Counsel suggested adding “the District’s Annexation Policy and” to Exhibit A #4 after “currently zoned consistent with “...

Upon motion of Director Wirsing and seconded by Director Vierheilg, the Board unanimously approved the Memorandum of Agreement with the minor changes discussed. Vote 4-0 with Director Blair being absent.

D-5) REVIEW SPHERE OF INFLUENCE (SOI)
Approve LAFCo SOI study area

The Board reviewed the LAFCo SOI study areas.

The following members of the public spoke:

Jim Kinninger, NCAC chair and private citizen of Nipomo – stated that he would like to see the SOI Area 7 extended to Hwy 1 and to the bluff.

Ed Eby, NCSO resident, Save the Mesa President - Mr. Eby read a letter he presented to the Board at the meeting and stated that he was speaking with the support of Save the Mesa.

Kenneth Bornholdt, Woodlands representative - stated that he wanted to make sure Area 6 would be removed from the map.

Upon motion of Director Trotter and seconded by Director Vierheilg, the Board unanimously approved the Sphere of Influence map as presented with exclusion of Area 6 and the extension of Area 7 to the edge of the bluff and the area north of Willow Rd. in light of the Memorandum of Understanding and the Annexation Policy. Vote 4-0 with Director Blair being absent.

E. OTHER BUSINESS

E-1) DISTRICT PERSONNEL
Consider recruitment of Utility Worker I Position

The Board discussed the early recruitment of a Utility Worker 1 position.

There was no public comment.

Upon motion of Director Wirsing and seconded by Director Vierheilg, the Board unanimously approved the recruitment of a Utility Worker 1. Vote 4-0 with Director Blair being absent.

E-2) GENERAL MANAGER RECRUITMENT
Review recruitment schedule

The Board discussed a possible timeline for hiring a new general manager. A Board Committee will meet to discuss the job description. There was no public comment. There was no Board action.

- 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 August 13, 2003, Regular Board meeting

Upon motion of Director Vierheilg and seconded by Director Wirsing, the Board unanimously approved the Consent Agenda. Vote 4-0 with Director Blair being absent.

G. **MANAGER'S REPORT**

Doug Jones, District General Manager, reported that he attended a seminar in Monterey concerning desalination. He learned quite a lot from interacting with different contacts made.

H. **COMMITTEE REPORTS**

High School Committee - Directors Vierheilg and Blair - discussed the water and sewer document sent to Lucia Maria Unified School District.

I. **DIRECTORS COMMENTS**

Director Trotter is working on a letter to be sent to the residents of the Blacklake Division explaining the need to raise the sewer rates.

Director Wirsing appreciates that the Minutes are better, more informative.

Director Vierheilg attended the Air Pollution Control District strategic plan workshop.

Director Winn encouraged staff to develop a flow chart for development. [Mr. Jones noted that a document is available giving steps for development.]

He would like to agendize the Urban Water Management Plan.

He asked that legal staff bring suggestions for NCSD to provide water service for new zoning densification.

He would like to know the time-table for a new table for the boardroom.

Jon Seitz, District Legal Counsel, announced the need to go into Closed Session to discuss Item B below. There was no public comment on the Closed Session item to be discussed.

The Board went into Closed Session at 12:30 p.m.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9

- A. SMVWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
B. WATER LINE EASEMENT ACROSS COUNTY PARK - DISTRICT NEGOTIATOR - DOUG JONES, CONFERENCE WITH NEGOTIATOR GC§54956.8 COUNTY NEGOTIATOR - PETE JENNY, REGARDING TERMS & PRICE.

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

ADJOURN

President Winn adjourned the meeting at 12: 36 p.m.

The next regular Board meeting will be September 10, 2003.