

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

AGENDA

APRIL 12, 2006 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

LARRY VIERHEILIG, **PRESIDENT**
MICHAEL WINN, **VICE PRESIDENT**
JUDITH WIRSING, **DIRECTOR**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL LeBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
DAN MIGLIAZZO, **UTILITY SUPERVISOR**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

NOTE:

- **All comments concerning any item on the agenda are to be directed to the Board Chairperson.**
- *Consistent with the Americans with Disabilities Act and California Government Code §54954.2 requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the below referenced public meeting by contacting the District General Manager or Assistant Administrator at 805-929-1133.*
- *District-prepared staff reports and documents are generally posted on the District's website (Nipomocsd.com) on the same date the agenda is posted.*

A. CALL TO ORDER AND FLAG SALUTE

NEXT RESOLUTION 2006-967

B. ROLL CALL

NEXT ORDINANCE 2006-106

C. PUBLIC COMMENT PERIOD

PUBLIC COMMENT

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.

C-1) COMMANDER MARTIN BASTI OF SOUTH COUNTY SHERIFF STATION

Presentation of sheriff activities in the Nipomo area.

C-2) DAN ANDERSON, CDF BATTALION CHIEF, CALIFORNIA DEPARTMENT OF

FORESTRY (CDF) Presentation of CDF activities in the Nipomo area.

D. 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 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.*

D-1) WARRANTS [RECOMMEND APPROVAL]

D-2) BOARD MEETING MINUTES [RECOMMEND APPROVAL]
Regular meeting March 22, 2006

D-3) ACCEPTANCE OF CO 02-0347 (KESHTGAR) [RECOMMEND APPROVAL]

D-4) AWARD BID FOR NEW DUMP-TRUCK TO MULLAHEY FORD OF ARROYO GRANDE [RECOMMEND APPROVAL]

D. CONSENT AGENDA (continued)

D-5) ADOPT WATERLINE INTER-TIE PROJECT REIMBURSEMENT RESOLUTION
[RECOMMEND APPROVAL]

D-6) AWARD BID FOR PAINTING 29 BLACKLAKE TRACT 1542 (FAIRWAYS) STREET
LIGHTS [RECOMMEND APPROVAL]

D-7) APPROVE LETTER OPPOSING SB 1317 [RECOMMEND APPROVAL]

D-8) ADOPT RESOLUTION INITIATING ANNUAL LEVY OF STREET LANDSCAPE
MAINTENANCE DISTRICT NO. 1 [RECOMMEND APPROVAL]

E. ADMINISTRATIVE ITEMS

The following may be discussed and action may be taken by the Board.

E-1) SUPPLEMENTAL WATER PROJECT OBJECTIVES

Consider and approve objectives for District's supplemental waterline inter-tie with Santa Maria. [Recommend Approval] – 1 hour.

E-2) SELECT CONSULTANT FOR SOUTHLAND FEASIBILITY REPORT

Review proposals and select a consultant to perform a feasibility study [Select consultant, Authorize Execution of Agreement] – 30 min.

E-3) SELECT CONSULTANT FOR GENERAL MANAGER HIRING PROCESS

Review proposals and select a consultant to assist the District with hiring a General Manager [Select consultant, Authorize Execution of Agreement] – 45 minutes.

E-4) REVIEW DRAFT FUNDING OPTIONS PAPER AND REFER TO
STANDING COMMITTEE

Receive staff presentation summarizing "Comparison of Funding Options and Revenue Sources for NCS D Waterline Inter-tie Project"; discuss funding issues; and refer review of the Draft Paper to the Supplemental Water Project Standing Committee.

[No Action Recommended] – 1.5 hours

E-5) CONSIDER COUNTY PLANNING LAND USE ORDINANCE AMENDMENT

Discuss and possibly take a position regarding the proposal by the County of San Luis Obispo to adopt planning area standards that would require:

- Supplemental water for General Plan Amendments and land divisions in the Nipomo Mesa Water Conservation Area; and
- The application of low water use landscape requirements and the requirement of specific indoor and outdoor water conservation measures in all new construction.

[Discuss position.] – 1 hour.

Nipomo Community Services District
REGULAR MEETING
AGENDA

F. MANAGER'S REPORT

G. COMMITTEE REPORTS

H. DIRECTOR'S COMMENTS

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
SMVWCD VS NCSD SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL
CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
NCSD vs. COUNTY OF SAN LUIS OBISPO (SUMMIT STATION LAND USE
ORDINANCE AND ENVIRONMENTAL IMPACT REPORT)
3. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
MARIA VISTA VS. NCSD CASE NO. CV 040877
4. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
CITIZENS AGAINST NON-NOTIFICATION VS. NCSD, CASE NO. CV 051002

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

K. ADJOURN TO CLOSED SESSION

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

ADJOURN

➤ **THE NEXT REGULAR BOARD MEETING IS APRIL 26, 2006.
TENTATIVELY SCHEDULED ITEMS INCLUDE:**

- Conflict of Interest Code Review
- Amendment of District Annexation Policy
- 2003-Certificates of Participation Resolution
- Holloway Annexation NCSD-County Tax Exchange Negotiation
- Select Appraiser for Supplemental Water Project

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *ml*
DATE: APRIL 7, 2006



CONSENT AGENDA

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LANDSCAPE MAINTENANCE DISTRICT NO. 1 [RECOMMEND APPROVAL]

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\CONSENT 04-12-06.DOC

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS APRIL 7, 2006**

**AGENDA ITEM
D-1
APRIL 12, 2006**

HAND WRITTEN CHECKS

18858	03-03-06	M WINN	50.00
18859	03-03-06	E EBY	50.00
18860	06-06-06	M WINN	50.00
18861	06-06-06	E EBY	50.00
18862	03-14-06	M WINN	50.00
18863	03-13-06	E EBY	50.00
18864	03-13-06	M WINN	50.00
18865	03-13-06	L VIERHEILIG	50.00
18866	03-16-06	L VIERHEILIG	50.00
18867	03-16-06	J WIRSING	50.00
18868	03-20-06	SLO COUNTY CLERK	73.00
18869	03-22-06	P W MANN ELECTRIC	17,563.21
18871	04-12-06	HAMID KESHTGAR	3,975.00
18872	04-06-06	TYCO VALVES & CONTROLS	677.70

**TOTAL COMPUTER
CHECKS
\$ 298,180.56**

VOIDED CHECKS

18870

COMPUTER GENERATED CHECKS

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
11899	03/24/06	EMP01	EMPLOYMENT DEVELOP DEPT	556.38	.00	556.38	A60320	STATE INCOME TAX
11900	03/24/06	MID01	MIDSTATE BANK-PR TAX DEP	2439.96	.00	2439.96	A60320	FEDERAL INCOME TAX
				25.80	.00	25.80	1A60320	FICA
				652.64	.00	652.64	2A60320	MEDICARE (FICA)
			Check Total.....:	3118.40	.00	3118.40		
11901	03/24/06	MID02	MIDSTATE BANK - DIRECT DP	19390.02	.00	19390.02	A60320	NET PAY DEDUCTION
11902	03/24/06	PER01	PERS RETIREMENT	6454.84	.00	6454.84	A60320	PERS PAYROLL REMITTANCE
11903	03/24/06	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A60320	WAGE ASSIGNMENT
11904	03/24/06	STA01	STATE STREET GLOBAL	1230.00	.00	1230.00	A60320	457 DEFERRED COMP
11905	04/07/06	EMP01	EMPLOYMENT DEVELOP DEPT	583.09	.00	583.09	A60403	STATE INCOME TAX
11906	04/07/06	MID01	MIDSTATE BANK-PR TAX DEP	2497.19	.00	2497.19	A60403	FEDERAL INCOME TAX
				649.40	.00	649.40	1A60403	MEDICARE (FICA)
			Check Total.....:	3146.59	.00	3146.59		
11907	04/07/06	MID02	MIDSTATE BANK - DIRECT DP	19210.76	.00	19210.76	A60403	NET PAY DEDUCTION
11908	04/07/06	PER01	PERS RETIREMENT	6454.84	.00	6454.84	A60403	PERS PAYROLL REMITTANCE
11909	04/07/06	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A60403	WAGE ASSIGNMENT
11910	04/07/06	STA01	STATE STREET GLOBAL	1230.00	.00	1230.00	A60403	457 DEFERRED COMP
011911	04/12/06	ADV01	ADVANTAGE ANSWERING PLUS	92.95	.00	92.95	75242	ANSWERING SERVICE
011912	04/12/06	AIR01	AIR POLLUTION CONTROL	2402.80	.00	2402.80	10276	PERMITS FOR INTERNAL COMB
011913	04/12/06	ALX01	ALEXANDER'S CONTRACT SERV	1458.52	.00	1458.52	3010	METER READING SERVICE
011914	04/12/06	AME02	AMERICAN INDUSTRIAL SUPPL	22.93	.00	22.93	157321	SUPPLIES
				38.02	.00	38.02	157802	TOWN WWTP
			Check Total.....:	60.95	.00	60.95		
011915	04/12/06	AME03	AMERI PRIDE	64.07	.00	64.07	F636030	UNIFORMS ETC
				57.49	.00	57.49	F641997	UNIFORMS ETC
			Check Total.....:	121.56	.00	121.56		
011916	04/12/06	ATA01	ATASCADERO MUTUAL WATER	42.50	.00	42.50	031506	PROMOTIONAL PENCILS
011917	04/12/06	BOY01	BOYLE ENGINEERING CORP	675.00	.00	675.00	31564	STANDARD SPECIFICATIONS
				1583.55	.00	1583.55	31892	HETRICK WATERLINE UPGRADE
			Check Total.....:	2258.55	.00	2258.55		

**NIPOMO COMMUNITY SERVICES DISTRICT
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**AGENDA ITEM
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
011918	04/12/06	CAL03	CALIFORNIA ELECTRIC SUPPL	10.47	.00	10.47	640089	SUPPLIES
011919	04/12/06	COM01	COMPUTER NETWORK SERVICES	322.50	.00	322.50	036	COMPUTER SUPPORT
011920	04/12/06	COR01	CORBIN WILLITS SYSTEMS	702.70	.00	702.70	A603151	COMPUTER SUPPORT
011921	04/12/06	CRE01	CREEK ENVIRONMENTAL LABS	24.00	.00	24.00	N1326	BL WWTP LAB
				24.00	.00	24.00	N1357	BL WWTP LAB
				24.00	.00	24.00	N1392	BL WWTP LAB
				24.00	.00	24.00	N1414	BL WWTP LAB
				80.00	.00	80.00	N1447	WATER SYSTEM LAB
				24.00	.00	24.00	N1448	BL WWTP LAB
				24.00	.00	24.00	N1481	BL WWTP LAB
				24.00	.00	24.00	N1514	BL WWTP LAB
				24.00	.00	24.00	N1554	BL WWTP LAB
				24.00	.00	24.00	N1598	BL WWTP LAB
				80.00	.00	80.00	N1599	WATER SYSTEM SAMPLES
				24.00	.00	24.00	N1624	BL WWTP LAB
				24.00	.00	24.00	N1685	BL WWTP LAB
				24.00	.00	24.00	N1705	BL WWTP LAB
				24.00	.00	24.00	N1722	BL WWTP LAB
				24.00	.00	24.00	N1744	LAB TEST-BLWWTP
				24.00	.00	24.00	N1771	LAB TEST-BLWWTP
				24.00	.00	24.00	N1799	LAB TEST-BLWWTP
			Check Total.....:	544.00	.00	544.00		
011922	04/12/06	CUE01	CUESTA EQUIPMENT	133.17	.00	133.17	157714+	TOWN WWTP SUPPLIES
011923	04/12/06	CUL02	CULLIGAN WATER CONDITION	10.12	.00	10.12	033106	DELIVERY
011924	04/12/06	DUN01	DUNBAR, MADONNA	19.58	.00	19.58	031306	TRAVEL TO SLO
				464.68	.00	464.68	032106	TRAVEL TO WATER CONSERVAT
			Check Total.....:	484.26	.00	484.26		
011925	04/12/06	DWI01	DWIGHT'S AUTOMOTIVE	11.24	.00	11.24	29462	VEHICLE SUPPLIES
011926	04/12/06	EBY01	EBY, ED	100.00	.00	100.00	041206	REG BD MEETING 041206
011927	04/12/06	EBY02	ED EBY	49.39	.00	49.39	032206	TRAVEL TO TEMPLETON
011928	04/12/06	EMP01	EMPLOYMENT DEVELOP DEPT	2149.76	.00	2149.76	3/31/06	SUI/ETT QTR 3/31/06
011929	04/12/06	FAR01	FARM SUPPLY COMPANY	316.68	.00	316.68	932901	SUPPLIES
011930	04/12/06	FAR02	FAR WEST EXPRESS	11.00	.00	11.00	73451	PICK UP BILLS
011931	04/12/06	FGL01	FGL ENVIRONMENTAL	176.00	.00	176.00	302319A	LAB TEST-NIPOMO WWTP
				86.00	.00	86.00	602084A	WATER SAMPLES
				181.00	.00	181.00	602318A	BL WWTP LAB
				201.00	.00	201.00	602692A	LAB TEST-NIPOMO WWTP
				52.00	.00	52.00	602693A	BL WWTP LAB
				77.00	.00	77.00	602822A	BL WWTP LAB
				176.00	.00	176.00	602823A	LAB TEST-NIPOMO WWTP
				176.00	.00	176.00	603060A	LAB TEST-NIPOMO WWTP
				77.00	.00	77.00	603061A	LAB TEST-BLWWTP
			Check Total.....:	1202.00	.00	1202.00		
011932	04/12/06	GAR01	GARING TAYLOR & ASSOC	621.00	.00	621.00	6103	PCI-MARIA VISTA
011933	04/12/06	GIL01	GLM, INC.	337.50	.00	337.50	033006A	LANDSCAPE MAINT
				100.00	.00	100.00	033006B	BL LANDSCAPE MAINT
			Check Total.....:	437.50	.00	437.50		
011934	04/12/06	GRA01	GRANDEFLOW, INC.	772.52	.00	772.52	84675	BILLING SUPPLIES
011935	04/12/06	GWA01	GWA INC	1462.05	.00	1462.05	60310064	SECURITY EQUIPMENT
				25.00	.00	25.00	60310606	FIRE ALARM
			Check Total.....:	1487.05	.00	1487.05		
011936	04/12/06	IMP02	IMPAC GOVERNMENT SERVICES	120.58	.00	120.58	032206A	OFFICE SUPPLIES
				1121.40	.00	1121.40	032206B	COMPUTER SUPPLIES
			Check Total.....:	1241.98	.00	1241.98		
011937	04/12/06	IPA01	IPAAC, INC.	8043.75	.00	8043.75	20050907	IPAAC CHURCH WELL SET UP
				8043.75	.00	8043.75	20050908	IPAAC KNOLLWOOD WELL SET
				8043.75	.00	8043.75	20050909	IPAAC SUNDALE WELL SET UP
			Check Total.....:	24131.25	.00	24131.25		

**NIPOMO COMMUNITY SERVICES DISTRICT
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**AGENDA ITEM
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Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
011938	04/12/06	LAC01	LA CHEMICAL	552.09	.00	552.09	51003	CHLORINE
				400.09	.00	400.09	51004	CHLORINE
			Check Total.....:	952.18	.00	952.18		
011939	04/12/06	MCD01	McDONOUGH HOLLAND & ALLEN	3240.84	.00	3240.84	173554	LEGAL FEES
011940	04/12/06	MID05	MID STATE BANK PETTY CASH	70.00	.00	70.00	040506A	HOLLOWAY ANNEXATION RECOR
				2.25	.00	2.25	040506B	PARKING FEE
				84.22	.00	84.22	040506C	SUPPLIES
			Check Total.....:	156.47	.00	156.47		
011941	04/12/06	MOR02	MORE OFFICE SOLUTIONS	307.40	.00	307.40	293571	COPIER MAINT
011942	04/12/06	NEW03	NEW IMAGE TECHNOLOGIES	42.50	.00	42.50	2592	WEB SITE MAINT
011943	04/12/06	NEX01	NEXTEL COMMUNICATIONS	390.07	.00	390.07	031806	809087314-052 CELL PHONES
011944	04/12/06	NIC01	NICKSON'S MACHINE SHOP	5254.40	.00	5254.40	71881	SUNDALE WELL MAINT
011945	04/12/06	NIP01	NIPOMO ACE HARDWARE INC	231.89	.00	231.89	567736+	SUPPLIES
011946	04/12/06	NIP06	NIPOMO AUTO PARTS	40.90	.00	40.90	115181	PARTS FOR TRUCK
011947	04/12/06	NIP09	NIPOMO MARKET PLACE	1760.65	.00	1760.65	320981	GASOLINE
011948	04/12/06	NUT01	NU TECH PEST MGMT	265.00	.00	265.00	55738	PEST CONTROL
				75.00	.00	75.00	56267	PEST CONTROL
				540.00	.00	540.00	56280	DEC DECONTAMINATION
			Check Total.....:	880.00	.00	880.00		
011949	04/12/06	OLD01	OLD TOWN NURSERY	1197.85	.00	1197.85	5439	PLANTING TREES
011950	04/12/06	PER04	PERRY'S ELECTRIC MOTORS	1032.22	.00	1032.22	5926	TOWN WWTP MOTOR MAINT
				1116.20	.00	1116.20	5938	TOWN WWTP MOTOR MAINT
			Check Total.....:	2148.42	.00	2148.42		
011951	04/12/06	PGE01	P G & E	35786.79	.00	35786.79	032906	ELECTRICITY 4449664603-3
011952	04/12/06	PIO01	PIIONEER EQUIPMENT CO	-123.24	.00	-123.24	11421C	CREDIT MEMO
				30.84	.00	30.84	54402	PART
				445.40	.00	445.40	GS09086	REPAIR
			Check Total.....:	353.00	.00	353.00		
011953	04/12/06	PRE01	PRECISION JANITORIAL	275.00	.00	275.00	148	JANITORIAL SERVICE FOR MA
011954	04/12/06	PUL01	PULITZER CENTRAL COAST NP	222.30	.00	222.30	211299	RFP PAINT BL LIGHT POLES
011955	04/12/06	PWM01	PW MANN ELECTRIC INC	3632.00	.00	3632.00	6020	PUMP PANEL
				11321.48	.00	11321.48	6023	TOWN WWTP ELEC MAINT
			Check Total.....:	14953.48	.00	14953.48		
011956	04/12/06	REL01	RELIABLE	197.37	.00	197.37	FDZ49500	OFFICE SUPPLIES
				60.88	.00	60.88	XYT60900	OFFICE SUPPLIES
				182.31	.00	182.31	XYT60901	OFFICE SUPPLIES
				41.26	.00	41.26	XZP49200	OFFICE SUPPLIES
			Check Total.....:	481.82	.00	481.82		
011957	04/12/06	RIC01	RICHARDS, WATSON, GERSHON	51909.90	.00	51909.90	145134	GROUNDWATER ADJUDICATION
011958	04/12/06	RUS01	RUSSCO	4294.69	.00	4294.69	14771	OFFICE DIVIDERS, ETC
011959	04/12/06	SAI01	SAIC	6185.60	.00	6185.60	9359-07	UWMP WORK
011960	04/12/06	SAN01	SANTA MARIA TIRE INC	160.32	.00	160.32	435607+	MAINT ON TRUCKS
011961	04/12/06	SHI01	SHIPSEY & SEITZ, INC	9882.50	.00	9882.50	031506	LEGAL FEES
011962	04/12/06	SNY01	SNYDER LANDSCAPE MAINT CO	553.00	.00	553.00	112	LANDSCAPE MAINT DIST MARC
011963	04/12/06	STA03	STATEWIDE SAFETY & SIGNS	193.06	.00	193.06	43633	HYDRANT NUMBERING
				104.25	.00	104.25	47708	SUPPLIES
			Check Total.....:	297.31	.00	297.31		
011964	04/12/06	STA04	STATE DEPT OF HEALTH SERV	199.65	.00	199.65	650558	WATER SYSTEM FEES

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS APRIL 7, 2006**

**AGENDA ITEM
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
011965	04/12/06	STA06	STATE WATER RESOURCES	34868.35	.00	34868.35	031306	LOAN NO C-06-4501-110
011966	04/12/06	STA09	STANDARD INSURANCE	879.76	.00	879.76	040106	INSURANCE
011967	04/12/06	THE01	THE GAS COMPANY	130.13	.00	130.13	032406	OFFICE HEAT 06235160949
				550.90	.00	550.90	032706	GAS ENGINE - SW WWTP
				50.86	.00	50.86	A60407	SUNDALE GAS
			Check Total.....:	731.89	.00	731.89		
011968	04/12/06	THO01	THOMPSON, ERNIE	42.53	.00	42.53	031606	WORK BOOTS
011969	04/12/06	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	041206	REG BD MEETING 041206
011970	04/12/06	UND01	UNDERGROUND SERVICE ALERT	138.00	.00	138.00	60030045	UNDERGROUND NOTIFICATION
011971	04/12/06	VAL01	VALLEY SEPTIC SERVICE	1500.30	.00	1500.30	2824	JETTING SEWER LINES
				4206.60	.00	4206.60	2827	JETTING SEWER LINES
				312.50	.00	312.50	2954	SOUTHLAND WWTP PUMPING
			Check Total.....:	6019.40	.00	6019.40		
011972	04/12/06	VER01	VERIZON	29.47	.00	29.47	031906A	BL PHONE
				29.36	.00	29.36	031906B	BL PHONE
			Check Total.....:	58.83	.00	58.83		
011973	04/12/06	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	041206	REG BD MEETING 041206
011974	04/12/06	WAL01	WALLACE GROUP	518.00	.00	518.00	19092	PCI FOR TRACT 2595
011975	04/12/06	WAY01	WAYNE COOPER AG SERVICES	1200.00	.00	1200.00	180	ELECTRIC PUMP EFFICIENCY
011976	04/12/06	WIN01	WINN, MICHAEL	100.00	.00	100.00	041206	REG BD MEETING 041206
011977	04/12/06	WIN02	WINN, MICHAEL	133.50	.00	133.50	033006	MILEAGE TO VARIOUS MEETIN
011978	04/12/06	WIR02	WIRSING, JUDY	100.00	.00	100.00	041206	REG BD MEETING 041206
011979	04/12/06	WOO01	DOUGLAS WOOD & ASSOCIATES	5024.23	.00	5024.23	040106	WATERLINE INTER-TIE EIR I
				2517.80	.00	2517.80	041506	WATERLINE INTER-TIE EIR I
			Check Total.....:	7542.03	.00	7542.03		
011980	04/12/06	XER01	XEROX CORPORATION	82.68	.00	82.68	16444552	COPIER MAINT
011981	04/12/06	\C003	COPELAND, STEPHANIE	94.32	.00	94.32	000A60401	MQ CUSTOMER REFUND
011982	04/12/06	\N007	NEWDOLL CONSTRUCTION,	461.00	.00	461.00	000A60401	MQ CUSTOMER REFUND

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

MINUTES

D2

MARCH 22, 2006 9:00 A. M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

BOARD of DIRECTORS

LARRY VIERHEILIG, **PRESIDENT**
MICHAEL WINN, **VICE PRESIDENT**
JUDITH WIRSING, **DIRECTOR**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**

PRINCIPAL STAFF

MICHAEL LeBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **ASSIST. ADMINISTRATOR**
DONNA JOHNSON, **BOARD SECRETARY**
JON SEITZ, **GENERAL COUNSEL**
DAN MIGLIAZZO, **UTILITY SUPERVISOR**

Mission Statement: The Nipomo Community Services District's mission is to provide the citizens of the District with quality, innovative, and cost-effective services through responsive and responsible local government to meet the changing needs of the community.

- 00:00:00 A. CALL TO ORDER AND FLAG SALUTE
President Vierheilig called the meeting of March 22, 2006, to order at 9:00 a.m. and led the flag salute.
- 00:00:39 B. ROLL CALL
At Roll Call, all Board members were present.
President Vierheilig announced to the Board that those who are going to the Ethics Training in Templeton will be carpooling around 12:30 p.m.
- 00:01:20 C. PUBLIC COMMENT PERIOD
PUBLIC COMMENT
The following members of the public spoke:
Bill Nelson, Blacklake Community resident, NCS D customer – stated that he understood the effluent at the Blacklake wastewater treatment facility is not complying with State regulations and probably will not comply with the 2007 new regulations. He asks that the Board consider the cost, if a plan for the expansion of the facility is considered.
Jim Tefft, NCS D customer – stated that he is looking forward to talking to the Board about the powers NCS D has available which may be of interest and helpful to the Olde Towne Nipomo Association.
- 00:06:04 D. CONSENT AGENDA
D-1) WARRANTS
D-2) BOARD MEETING MINUTES
Regular meeting March 8, 2006
D-3) ACCEPTANCE OF PARCEL MAP CO 01-0400 (BODGER)
**RESOLUTION NO. 2006-966
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER IMPROVEMENTS
FOR THE FOR PARCEL MAP CO 01-0400 (BODGER)**
D-4) CONTRACT AMENDMENT, CEQA FOR NIPOMO/SANTA MARIA INTER-TIE
D-5) SURPLUS OBSOLETE WASTEWATER TREATMENT EQUIPMENT

MINUTES SUBJECT TO BOARD APPROVAL

Copy of document found at www.fishbase.org

D. CONSENT AGENDA (continued)

Director Eby suggested that the wording in E-1 of the Minutes should be "no earlier than" rather than "about" October 2006. Upon motion of Director Eby and seconded by Director Winn, the Board unanimously approved the Consent Agenda, as amended. Vote 5-0.

E. ADMINISTRATIVE ITEMS

00:12:45

E-1) SUPPLEMENTAL WATER PIPELINE REQUEST FOR PROPOSALS

Bruce Buel, Projects Assistant, provided an update on the supplemental water pipeline and gave the Board a proposed timeline regarding the Request for Proposal (RFP) for the design stage of the project. There was Board discussion and suggestions concerning the request for proposals.

The following members of the public spoke:

Jim Tefft, NCSO customer – stated that he shared Director Eby's concern about the procurement process and asked if any outside people would be able to take part in the ad-hoc committee discussion.

Jon Seitz, District Legal Counsel, stated that an ad-hoc committee meeting is not necessarily open to the public.

Upon motion of Director Winn and seconded by Director Eby, the Board agreed to accept the RFP as amended and direct staff to circulate the request for proposals to various engineering firms and post on the NCSO website. Vote 5-0

President Vierheilig appointed Director Trotter (as chair) and Director Eby to the Supplemental Water Ad Hoc Committee to assist in evaluating submittals and make recommendations to the Board.

00:43:35

E-2) DISTRICT APPOINTMENT TO WATER RESOURCES ADVISORY COMMITTEE

The Board considered nomination of a primary and alternate District representative to the San Luis Obispo County Water Resources Advisory Committee due to the pending resignation of the current representative, Mr. LeBrun.

Upon motion of Director Trotter and seconded by President Vierheilig, the Board unanimously agreed to nominate Director Eby as the primary representative and Mr. Bruce Buel, as the alternate. There was no public comment. Vote 5-0.

00:53:12

E-3) GENERAL MANAGER HIRING DISCUSSION

The Board considered recommendation from the Personnel Sub-Committee to acquire services of a professional recruiter for the process of hiring a General Manager.

Jon Seitz, District Legal Counsel, explained that a recruiter will assist the Board in setting salary and reaching a broader range of candidates.

Director Eby explained some reasons for using a recruiter

- A well-defined process
- Extensive contacts
- Experience

There was no public comment.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
MINUTES

E-3) GENERAL MANAGER HIRING DISCUSSION (continued)

Upon motion of Director Winn and seconded by Director Eby, the Board agreed to acquire the services of a professional recruiting firm and have the Personnel Sub-Committee review the proposals to recommend a firm. Vote 5-0

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Wirsing, Trotter, and Vierheilig	None	None

01:11:18

E-4) INTERIM-GENERAL MANAGER PROCESS UPDATE

The Board discussed the search for an Interim-General Manager. The Personnel Sub-Committee will review the applicants and select several for the entire Board to interview.

There was no public comment. There was no Board action.

The Board took a break at 10:15 a.m.

The Board resumed at 10:30 a.m.

01:16:50

F. MANAGER'S REPORT

Michael LeBrun, District General Manager, reviewed the written report included in the packet. He also reported that the SLO Planning Commission will be meeting March 23. He suggests that Board members attend in support of the item regarding a supplemental water requirement for all new development on the Mesa.

Director Trotter asked when NCSD customers would be informed of the impacts of a Level III Severity ruling by the Board of Supervisors.

Jon Seitz, District Legal Counsel, suggested that the District's Emergency Water Conservation Plan needs to be updated to outline Stage 3 notification process. NCSD's water conservation stages and SLO County's severity levels are independent of each other.

Director Trotter suggested that the District exercise the alarms on a regular basis to eliminate failing alarms. He also asked about maintenance at the Blacklake facilities.

Director Wirsing asked if there is reporting of water pumping for Golden State Water Company and Woodland's. Answer – Woodland's is not required to report their pumping. The District has pumping numbers for Rural Water and Golden State Water.

Bruce Buel, Projects Assistant, reviewed the Project Update memo presented in the Board packet. The Board discussed the various projects.

01:52:19

G. COMMITTEE REPORTS

Director Eby reported that the Supplemental Water Committee met to discuss and finalize proposed project objectives.

Director Winn reported that the Conservation Committee met Monday, March 13th with the General Manager and the Water Conservation/Compliance Specialist.

President Vierheilig stated that the Personnel Committee will meet next week to form a recommendation for hiring a recruiter to assist the District with hiring a new General Manager.

MINUTES SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
REGULAR MEETING
MINUTES

01:54:17

H. DIRECTOR'S COMMENTS

Director Eby congratulated Director Wirsing on her decision to run for the San Luis Obispo Board of Supervisors.

Candidates' forum will be held in the District Board Room, April 22, 2006, 1:30 to 3:30 p.m. NCAC elections were held Monday, March 20, 2006. The following candidates were uncontested and elected.

Area 1 – Vince McCarthy & one position open

Area 2 – Harry Walls and Ed Eby

Area 3 - No candidate

Area 4 – Dan Woods and Rick Dean

Area 5 – Kevin Beauchamp & one position open

Area 6 – Eljay Hansen & one position open

The new Board will meet Monday March 27 at 6:30. The new name is South County Advisory Council.

Director Eby asked about the two items on the future agenda schedule: "REIMBURSEMENT RESOLUTION FOR DISTRICT COSTS RELATED TO NCSD INTER-TIE PROJECT," and the "AMENDMENT TO THE ANNEXATION POLICY." Mr. Seitz explained the context of both items.

Director Winn – The Orchid Show was splendid. He commended President Vierheilg for his involvement with the show.

He met with Committee to Improve the North County (Northern Santa Barbara County). They have a plan to form their own county (Mission County). He has been asked to be an ex-officio member of their Board in order to strengthen connections between San Luis Obispo County and Santa Barbara County, particularly in water policy.

Central Coast Greenhouse Growers Association met for their quarterly meeting, March 17th.

They are concerned about water quality and quantity on the Mesa.

He apologized to the Board that through mid-May he will be very busy with three weddings.

I. CLOSED SESSION ANNOUNCEMENTS

Jon Seitz, District Legal Counsel, announced there was no need to go into Closed Session.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

N/A

K. ADJOURN TO CLOSED SESSION

N/A

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

N/A

ADJOURN

President Vierheilg adjourned the meeting at 11:20 a.m.

➤ THE NEXT REGULAR BOARD MEETING IS APRIL 12, 2006

TENTATIVELY SCHEDULED ITEMS INCLUDE:

- SUPPLEMENTAL WATER PROJECT OBJECTIVES
- CONSULTANT SELECTION; SOUTHLAND PLANT FEASIBILITY STUDY
- REVISED DISTRICT STANDARDS AND SPECIFICATIONS
- REIMBURSEMENT RESOLUTION FOR DISTRICT COSTS RELATED TO NCSD INTER-TIE PROJECT
- AMENDMENT TO ANNEXATION POLICY

MINUTES SUBJECT TO BOARD APPROVAL

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MSL*
DATE: APRIL 7, 2006

**AGENDA ITEM
D-3
APRIL 12, 2006**

ACCEPTANCE OF WATER AND SEWER IMPROVEMENTS
PARCEL MAP CO 02-0347 (KESHTGAR)

ITEM

Acceptance of water and sewer improvements for Parcel Map CO 02-0347 on S. Frontage Road.

BACKGROUND

Upon completion of a developer's project, the District accepts improvements of the project after all requirements have been met. The developer (Keshtgar) for Parcel Map CO 02-0347, a mini storage on South Frontage Road has installed water and sewer improvements and has met the District's conditions:

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

RECOMMENDATION

Staff recommends that your Honorable Board approve Resolution 2006-Accept CO 02-0347, accepting the water and sewer improvements for Parcel Map CO 02-0347.

ATTACHMENT

Resolution 2006-Accept CO 02-0347

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\ACCEPT CO 02-0347.DOC

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-Accept 02-0347**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE WATER AND SEWER IMPROVEMENTS
FOR THE FOR CO 02-0347 (KESHTGAR)**

WHEREAS, the District approved the construction plans on June 19, 2004, for the water and sewer improvements to be constructed; and

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

WHEREAS, on September 23, 2005, the Owner offered the water and sewer improvements to the Nipomo Community Services District; and

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

WHEREAS, all water and sewer fees for service, required in conformance with District ordinances, have been paid in full for Parcel Map CO 02-0347 (Keshtgar).

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

That the water and sewer improvements to serve the mini storage developed by Parcel Map CO 02-0347 in Nipomo are accepted by this District.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby adopted this 12th day of April, 2006.

Lawrence Vierheilig, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *ML*
DATE: APRIL 7, 2006



AWARD BID FOR NEW DUMP-TRUCK
MULLAHEY FORD OF ARROYO GRANDE

ITEM

Award bid and authorize staff to purchase a new dump truck from Mullahey Ford of Arroyo Grande.

BACKGROUND

Your Honorable Board approved a twenty-eight thousand dollar (\$28,000.00) expenditure to replace the District's dump truck during the current fiscal year. On March 1, 2006, staff faxed the attached bid request to eight (8) area Ford dealers (see below). The District received two bids in response to the bid request.

Staff reviewed both bids carefully and is recommending your Honorable Board approve awarding the low bidder, Mullahey Ford of Arroyo Grande.

RECOMMENDATION

Staff recommends your Honorable Board award the bid to Mullahey Ford and direct staff to execute a purchase agreement.

ATTACHMENT

Bid request Memorandum
Bid responses

Faxed Bid Request March 1, 2006, to the following car dealerships:

<u>Dealership</u>	<u>FAX#</u>
Mullahey Ford	473-0877
Santa Maria Ford	925-7165
Perry Ford	544-7574
Atascadero Ford	470-4473
Paso Robles Ford	239-2683
Lompoc Valley Ford	735-6039
Mel Clayton Ford	682-8530
Jim Vreeland	688-8528



NIPOMO COMMUNITY SERVICES DISTRICT

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

MEMORANDUM

TO: FLEET MANAGER
 FROM: DAN MIGLIAZZO, UTILITY SUPERVISOR
 DATE: MARCH 1, 2006
 RE: F-350 DUMP TRUCK BID REQUEST

5 weeks out

Please respond as soon as possible and no later than March 28, 2006.

Nipomo Community Services District is seeking bids on a vehicle meeting the following description, or equivalent:

New 2006 Ford F350	
Dual rear wheels with 4:10 Ratio limited slip axle	
5-speed automatic transmission	
13,000 pound GVWR package	
Rear stabilizer bar	Passenger air bag
Tow Command System	Convenience Package
5.4 EFI V-8 Engine	Air Conditioning
Jewel effect aero headlamps	California Emissions
Telescoping tow side-mirrors	XL trim/decor package
40 gallon aft of axle fuel tank	Cloth /vinyl weave bench seat
40" tall straight steel head board, solid bottom and perforated metal top	
Horseshoe style, frame-mounted, heavy duty receiver hitch with 7 blade plug	
Legal lighting package and mud flaps	
Cab painted Oxford white with clear coat.	
12'3"X8' wide smooth steel deck flatbed	
Hoist, 11.8 ton rated (based on water level load) with Body Prop, and raised flat bed painted black	

Please contact Dan Migliazzo (dmigliazzo@nipomocsd.com) 929-1133, with questions and to clear "equivalent" submittals.

FILE PATH T:\DOCUMENTS\STAFF FOLDERS\MICHAEL\DUMPTRUCK BID REQUEST.DOC

RECEIVED

MAR 23 2006

NIPOMO COMMUNITY SERVICES DISTRICT

LOMPOC VALLEY FORD

Discover the Difference

March 2, 2006

Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

Attn: Dan Migliazzo, Utility Supervisor

Re: F-350 Dump Truck Bid

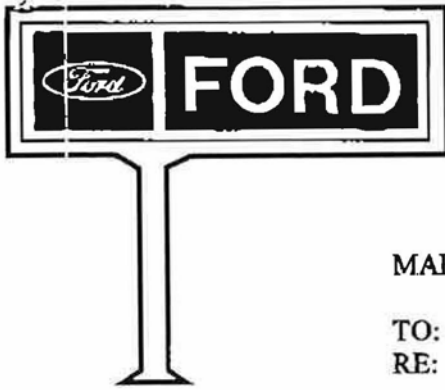
Vehicle Cost	\$23,845.00
Dump Bed	5,600.00
Estimated DMV Fees	1,270.00
Sales Tax	2,138.03
Doc Fee	45.00
Calif. Tire Fee	12.25
<u>Total</u>	<u>\$32,910.20</u>

If you have any questions, please call me at the telephone number listed below.

Sincerely
LOMPOC VALLEY FORD



Robbin Mathews
President



Mullahey Ford

MARCH 2, 2006

TO: NIPOMO COMMUNITY SERVICES DISTRICT
RE: BID ON 2006 FORD F350 DUAL REAR WHEELS

XL TRIM
REAR STABILIZER BAR
TELESCOPING TRAILER TOW MIRRORS
PASSENGER AIR BAGS
5.4 EFI V-8 ENGINE
5 SPEED AUTO TRANSMISSION
3:73 AXLE
XL DÉCOR PACKAGE
JEWEL EFFECT AERO HEADLAMPS
13000# GVWR PACKAGE
CAL EMISSIONS SYSTEM
40 GAL AFT OF AXLE FUEL TANK
CLOTH/VINYL WEAVE BENCH SEAT
CONVENIENCE PACKAGE
SPE CONTROL/TILT STEERING WHEEL
AIR CONDITIONING
AM/FM /CD/CLOCK
TOW COMMAND SYSTEM
TRAILER BRAKE SYSTEM
12'3"L X 96"W SMOOTH STEEL DECK FLATBED
40" TALL STRAIGHT STEEL HEAD BOARD (SOLID BOTTOM & PERFORATED METAL TOP)
HORSESHOE STYLE FRAME MOUNTED HEAVY DUTY RECEIVER HITCH AND 7 BLADE PLUG
HOIST 11.8 TON RATED (BASED ON A WATER LEVEL LOAD) WITH BODY PROP, BODY RAISED
WARNING LIGHT AND BACK UP ALARM
FLATBED PAINTED BLACK
LEGAL LIGHTING PKG & MUD FLAPS

PRICE	\$25,672.11
TAX	1,861.22
TIRE FEE	10.50
	<u>\$27,543.83</u>

LICENSE ON E PLATE

BO BOCOX FLEET/COMMERCIAL MANAGER
MULLAHEY FORD
805-481-3673 PHONE
805-610-5532 CELL



330 Traffic Way • P.O. Box 578 • Arroyo Grande, CA 93421
(805) 481-FORD (3673) • (805) 929-3218 • FAX (805) 473-0877

Copy of document found at www.NoNewWipTax.com

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: April 7, 2006

**AGENDA ITEM
D-5
APRIL 12, 2006**

ADOPT WATERLINE INTERTIE REIMBURSEMENT RESOLUTION

ITEM

Adopt Resolution enabling the discretion of a future Board to reimburse project costs from the proceeds of tax exempt obligations (adopt draft resolution).

BACKGROUND

Attached is a draft resolution drafted by District Counsel that enables a future Board to reimburse project planning expenditures spent before the issue of a tax exempt obligation by including the actual value of such expenditures in the borrowing. By adopting this resolution at this time this Board is preserving the option of a future Board to seek reimbursement but adopting this resolution does NOT commit a future Board to do so.

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached resolution and thereby enable the discretion of a future Board to reimburse project planning expenditures spent before the issue of a tax exempt obligation by including the actual value of such expenditures in any such borrowing.

ATTACHMENTS

1. Draft Resolution

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\Reimbursement Resolution.doc

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-___**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING INTENT TO BE REIMBURSED FOR DISTRICT EXPENDITURES
FROM PROCEEDS OF TAX EXEMPT OBLIGATIONS ISSUED BY DISTRICT
FOR THE DESIGN AND CONSTRUCTION
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
WATERLINE INTERTIE PROJECT WITH THE CITY OF SANTA MARIA**

WHEREAS, the Board of Directors of the Nipomo Community Services District, ("District") proposes to undertake the following project ("Project");

The construction of a water pipeline that traverses the Santa Maria River and that will Intertie the District's and the City of Santa Maria's water distribution systems for the purposes of transporting water. The Project includes ancillary facilities including storage tanks and pump stations; and

WHEREAS, the District intends to finance the Project, or portions of the Project with proceeds from the sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the District desires to incur certain expenditures with respect to the Project from available monies of the District which expenditures are desired to be reimbursed by the District from a portion of the sale of the Obligations; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declare an intention to be reimbursed such expenditures; and

WHEREAS, it is in the public interest and for the public benefit that the District declare its official intent to be reimbursed the expenditures referenced herein; and

WHEREAS, the District Board considered this item at its regularly scheduled April 12, 2006, Board Meeting.

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

1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-__**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING INTENT TO BE REIMBURSED FOR DISTRICT EXPENDITURES
FROM PROCEEDS OF TAX EXEMPT OBLIGATIONS ISSUED BY DISTRICT
FOR THE DESIGN AND CONSTRUCTION
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
WATERLINE INTERTIE PROJECT WITH THE CITY OF SANTA MARIA**

2. The reasonably expected maximum principal amount of the Obligations is nine million six hundred thousand dollars (\$9,600,000.00).
3. This resolution is being adopted not later than 60 days after the payment of the original expenditures (the "Expenditures Date or Dates").
4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the Expenditure Date.
5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the District (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.
6. This resolution is consistent with the budgetary and financial circumstances of the District, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.
7. The District designates its General Property Tax Fund Account as the account from which expenditures will be made that are subject to reimbursement.
8. The limitations described herein do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of four hundred eighty thousand dollars (\$480,000.00) or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-__**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING INTENT TO BE REIMBURSED FOR DISTRICT EXPENDITURES
FROM PROCEEDS OF TAX EXEMPT OBLIGATIONS ISSUED BY DISTRICT
FOR THE DESIGN AND CONSTRUCTION
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
WATERLINE INTERTIE PROJECT WITH THE CITY OF SANTA MARIA**

9. This resolution is adopted as official action of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of issue of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.
10. All the Recitals in this Resolution are true and correct and incorporated herein by reference.

On 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 passed, approved and adopted by the Board of Directors of the Nipomo Community Services District this 12TH day of April 2006.

LAWRENCE VIERHEILEG, President
Nipomo Community Services District
Board of Directors

ATTEST:

DONNA K. JOHNSON,
Secretary to the Board of Directors

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: April 7, 2006



AWARD BID FOR PAINTING OF 29 STREET LIGHTS
BLACKLAKE TRACT 1542 (FAIRWAYS)

ITEM

Authorize execution of contract with low bidder to paint 29 street lights in the Fairways portion of Blacklake and amend FY 05-06 Budget to fund work.

BACKGROUND

On February 24, 2006, staff distributed the attached Request for Proposal to six contractors to paint the 29 street lights in the Fairways portion of Blacklake. On March 13, 2006, staff opened the two bids submitted and determined that Harry Jefferies Custom Painting was the low bidder at \$5,307 (see attached quote). The other bidder, New Life Painting, quoted \$6,525 (see attached quote). Jefferies has worked for other public agencies as an owner/operator, receiving good reviews for his work. Staff believes the Jefferies bid is responsive and responsible.

FY 05-06 Budget Fund 200 Street Lights currently does not list a line item for this work, but the fund has an estimated fund balance of \$47,000.

RECOMMENDATION

It is recommended that your Honorable Board award the bid to Harry Jefferies Custom Painting; authorize execution of a contract with Jefferies for \$5,307 and amend FY 05-06 Fund 200 to transfer \$5,500 from Reserves into a painting line item. Staff further recommends that all customers in Tract 1542 receive notification of the work before commencement of work.

ATTACHMENTS

1. Request for Proposal
2. Jefferies bid
3. New Life bid

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NIPOMO COMMUNITY

BOARD MEMBERS

LARRY VIERHEILIG, PRESIDENT
MICHAEL WINN, VICE PRESIDENT
JUDITH WIRSING, DIRECTOR
CLIFFORD TROTTER, DIRECTOR
ED EBY, DIRECTOR



Celebrating 40 Years of Service 1965-2005

SERVICES DISTRICT

STAFF

MICHAEL LeBRUN, GENERAL MANAGER
LISA BOGNUDA, ASSISTANT ADMINISTRATOR
DAN MIGLIAZZO, UTILITY SUPERVISOR
JON SEITZ, GENERAL COUNSEL

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

February 24, 2006

REQUEST FOR PROPOSALS

Nipomo Community Services District (NCSD) is requesting proposals for the preparation and painting of twenty-nine (29) street lighting poles and heads in Tract 1542 (Fairways) at Blacklake Golf Resort.

Contractor shall be a licensed painting contractor and shall be required to enter into a contract and provide the required certificates of insurance.

- The glass area of the light shall be covered to avoid getting any primer or paint on it
- Each pole shall be prepared and cleaned pursuant to the Sherwin Williams Application Bulletin 1.25A for DTM Acrylic Coating- Semi Gloss (See attached) or product of equal grade or specification and approved by NCSD
- Each pole shall receive two coats of Sherwin Williams Tricorn Black DTM Semi-Gloss Acrylic Paint pursuant to Sherwin Williams Product Information Bulletin 1.25 (See attached) or product of equal grade or specification and approved by NCSD
- The pole number shall be replaced in the same size, shape and location.
- The job site must be kept neat and clean and drop clothes must be used to avoid paint splatters and drops on the surrounding surfaces
- Work shall be completed between 8:00 a.m. and 5:00 p.m. Monday through Friday
- Prevailing Wage shall be paid as determined by the Director of Industrial Labor Relations of the State of California pursuant to California Labor Code Part 7, Chapter 1, Article 2. Prevailing wage determinations are available on the web at www.cslp.ca.gov

Your proposal should consider:

- Inspection of the poles prior to submitting a proposal. Attached is a map and listing of the location of each street light pole.
- At least one meeting with District Staff prior to commencing work

Your proposal submitted to the NCSD should include:

- Description of the firm including experience, similar services to other California local government clients, references and any additional information on qualifications you deem relevant.
- Time Schedule for starting and completing the contract
- Proposed price per pole

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR PROPOSALS

Proposal Evaluation

Proposals will be evaluated based on the following:

- Responsiveness to the Request for Proposal
- Prior experience in providing similar services to local governments in California
- Cost

After proposals are reviewed, District staff will make a recommendation to the District's Board of Directors. The Board of Directors will approve the final selection.

Proposal Due: No later than 4:00 p.m. on Friday, March 17, 2006
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

(805) 929-1133 Office
(805) 929-1932 Fax

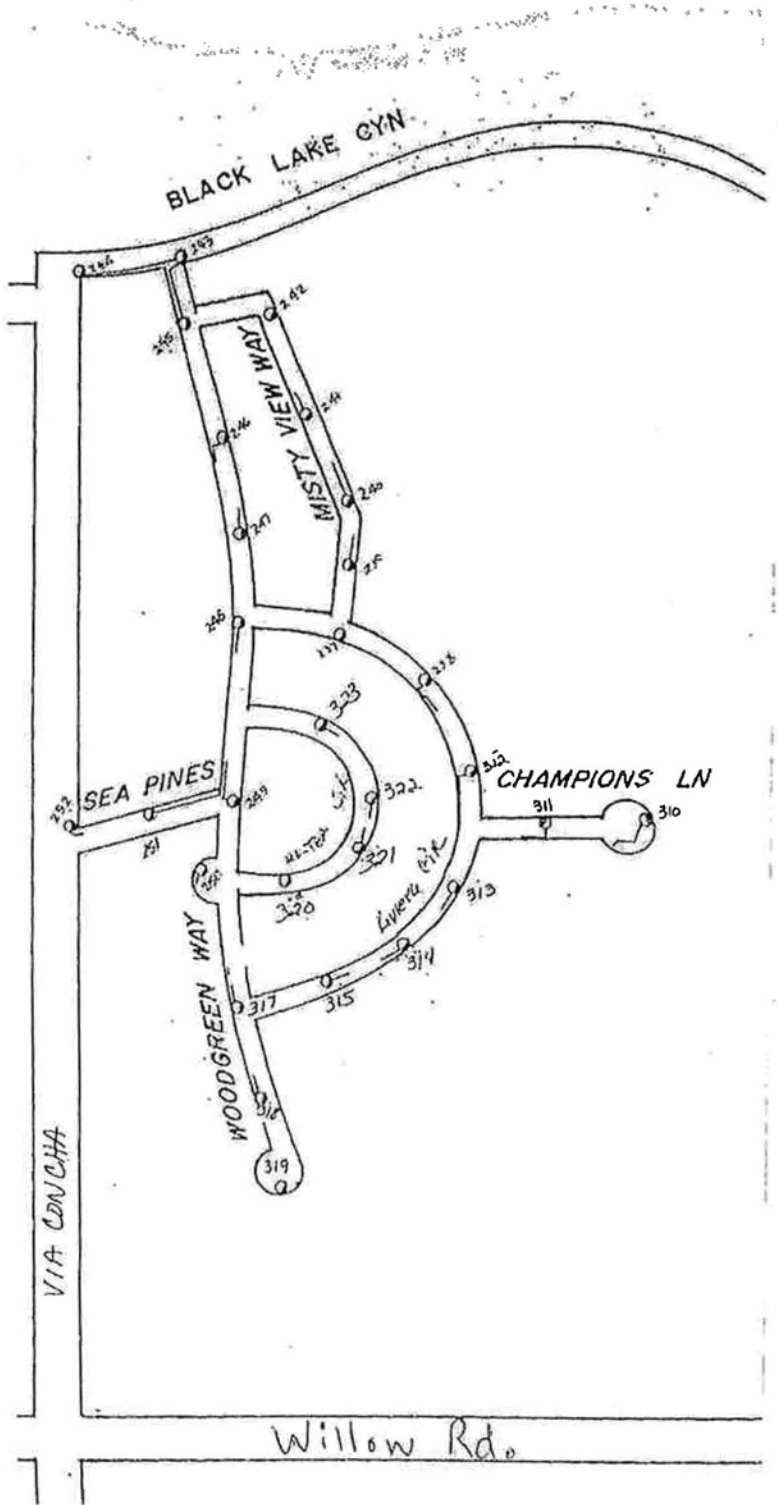
If you have any questions, please call the District Office.

BID PROPOSAL

29 Poles and Heads X \$ _____ per unit = \$ _____ Total Bid Price

Contractor Signature _____ Date _____

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR PROPOSALS
STREET LIGHTING



NIPOMO COMMUNITY SERVICES DISTRICT
 REQUEST FOR PROPOSALS

COUNT	POLE #	LOCATION
1	237	557 Riviera Circle
2	238	576 Riviera Circle
3	239	554 Misty View Way
4	240	538 Misty View Way
5	241	515 Misty View Way
6	242	502 Misty View Way
7	243	Blacklake Cyn Dr Behind 486 Misty View Way
8	244	Corner of Blacklake Cyn Dr & Via Concha
9	245	515 Woodgreen Way
10	246	532 Woodgreen Way
11	247	548 Woodgreen Way
12	248	563 Woodgreen Way
13	249	Across from 595 Woodgreen Way
14	250	605 Woodgreen Way
15	251	Sea Pines Place
16	252	Sea Pines Place & Via Concha
17	310	End of Champions Lane
18	311	1523 Champions Lane
19	312	588 Riviera Circle
20	313	622 Riviera Circle
21	314	642 Riviera Circle
22	315	657 Riviera Circle
23	317	641 Woodgreen Way
24	318	669 Woodgreen Way
25	319	690 Woodgreen Way
26	320	622 Masters Circle
27	321	606 Masters Circle
28	322	592 Masters Circle
29	323	576 Masters Circle



**Industrial
&
Marine
Coatings**

1.25A

DTM ACRYLIC COATING

B66-100 SERIES
B66-200 SERIES

GLOSS
SEMI-GLOSS

APPLICATION BULLETIN

Revised 4/05

SURFACE PREPARATION	APPLICATION CONDITIONS		
<p>Surface must be clean, dry, and in sound condition. Remove all oil, dust, grease, dirt, loose rust, and other foreign material to ensure adequate adhesion.</p> <p>Do not use hydrocarbon solvents for cleaning.</p> <p>Iron & Steel Minimum surface preparation is Hand Tool Clean per SSPC-SP2. Remove all oil and grease from surface by Steam Cleaning per SSPC-SP1. For better performance, use Commercial Blast Cleaning per SSPC-SP6. Primer required except when using Pure White or Ultra White.</p> <p>Aluminum Remove all oil and grease by Steam Cleaning per SSPC-SP1. Self-priming.</p> <p>Galvanizing The surface should be weathered for 6 months prior to painting. Remove all oil and grease by Steam Cleaning per SSPC-SP1. Self-priming.</p> <p>Concrete and Masonry For surface preparation, refer to SSPC-SP13/NACE 6 or ICRI 03732, CSP 1-3. Surfaces should be thoroughly cleaned and dry. Surface temperatures must be at least 55°F before filling. Use Heavy Duty Block Filler. Filler must be thoroughly dry before topcoating per manufacturer's recommendations.</p> <p>Wood Surface must be clean, dry and sound. Prime with recommended primer. No painting should be done immediately after a rain or during foggy weather. Knots and pitch streaks must be scraped, sanded and spot primed before full coat of primer is applied. All nail holes or small openings must be properly caulked.</p> <p>Previously Painted Surfaces If in sound condition, clean the surface of all foreign material. Smooth, hard or glossy coatings and surfaces should be dulled by abrading the surface. Apply a test area, allowing paint to dry one week before testing adhesion. If adhesion is poor, additional abrasion of the surface and/or removal of the previous coating may be necessary. Retest surface for adhesion. If paint is peeling or badly weathered, clean surface to sound substrate and treat as a new surface as above.</p>	<p>Temperature: 50°F minimum, 110°F maximum (air, surface, and material) At least 5°F above dew point</p> <p>Relative humidity: 85% maximum</p> <tr> <th colspan="2" style="background-color: #cccccc;">APPLICATION EQUIPMENT</th> </tr> <p>The following is a guide. Changes in pressures and tip sizes may be needed for proper spray characteristics. Always purge spray equipment before use with listed reducer. Any reduction must be compliant with existing VOC regulations and compatible with existing environmental and application conditions.</p> <p>Reducer/Clean Up Water</p> <p>Airless Spray</p> <p>Pressure 1500 psi Hose 1/4" ID Tip017" - .021" Filter 60 mesh Reduction As needed up to 12½% by volume</p> <p>Conventional Spray</p> <p>Gun Binks 95 Fluid Nozzle 66 Air Nozzle 63PB Atomization Pressure ... 50 psi Fluid Pressure 15-20 psi Reduction As needed up to 12½% by volume</p> <p>Brush</p> <p>Brush Nylon / polyester Reduction Not recommended</p> <p>Roller</p> <p>Cover 3/8" woven with phenolic core Reduction Not recommended</p> <p>If specific application equipment is not listed above, equivalent equipment may be substituted.</p>	APPLICATION EQUIPMENT	
APPLICATION EQUIPMENT			



**Industrial
&
Marine
Coatings**

1.25A

DTM ACRYLIC COATING

B66-100 SERIES
B66-200 SERIES

GLOSS
SEMI-GLOSS

APPLICATION BULLETIN

APPLICATION PROCEDURES	PERFORMANCE TIPS																				
<p>Surface preparation must be completed as indicated.</p> <p>Mixing Instructions: Mix paint thoroughly by boxing and stirring before use.</p> <p>Apply paint at the recommended film thickness and spreading rate as indicated below:</p> <p>Recommended Spreading Rate per coat: Wet mils: 6.5 - 10.0 Dry mils: 2.5 - 4.0 Coverage: 155 - 250 sq ft/gal approximate</p> <p>NOTE: Brush or roll application may require multiple coats to achieve maximum film thickness and uniformity of appearance.</p> <p>Drying Schedule @ 8.0 mils wet 50% RH:</p> <table border="0"> <tr> <td></td> <td>@ 50°F</td> <td>@ 77°F</td> <td>@ 110°F</td> </tr> <tr> <td>To touch:</td> <td>1½ hours</td> <td>1 hour</td> <td>30 minutes</td> </tr> <tr> <td>Tack free:</td> <td>6 hours</td> <td>4 hours</td> <td>2 hours</td> </tr> <tr> <td>To recoat:</td> <td>6 hours</td> <td>4 hours</td> <td>2 hours</td> </tr> <tr> <td>To cure:</td> <td>30 days</td> <td>30 days</td> <td>30 days</td> </tr> </table> <p>Drying time is temperature, humidity, and film thickness dependent.</p> <p>Application of coating above maximum or below minimum recommended spreading rate may adversely affect coating performance.</p>		@ 50°F	@ 77°F	@ 110°F	To touch:	1½ hours	1 hour	30 minutes	Tack free:	6 hours	4 hours	2 hours	To recoat:	6 hours	4 hours	2 hours	To cure:	30 days	30 days	30 days	<p>Stripe coat all crevices, welds, and sharp angles to prevent early failure in these areas.</p> <p>When using spray application, use a 50% overlap with each pass of the gun to avoid holidays, bare areas, and pinholes. If necessary, cross spray at a right angle.</p> <p>During the early stages of drying, the coating is sensitive to rain, dew, high humidity, and moisture condensation. If possible, plan painting schedules to avoid these influences during the first 16-24 hours of curing.</p> <p>Spreading rates are calculated on volume solids and do not include an application loss factor due to surface profile, roughness or porosity of the surface, skill and technique of the applicator, method of application, various surface irregularities, material lost during mixing, spillage, overthinning, climatic conditions, and excessive film build.</p> <p>Excessive reduction of material can affect film build, appearance, and adhesion.</p> <p>Safety Colors, Deep Base, and Ultradeep colors require a prime coat of DTM Acrylic Primer/Finish, B66W1, for maximum durability, adhesion, and corrosion protection.</p> <p>Application temperature above 95°F may cause dry spray, uneven sheen, and poor adhesion.</p> <p>Application temperature below 50°F may cause poor adhesion and lengthen the drying and curing time.</p> <p>DTM Acrylic Coating is extremely sensitive to hydrocarbon containing solvents. When cleaning the surface per SSPC-SP1, use only an emulsifying industrial detergent followed by a water rinse.</p> <p>Do not use hydrocarbon solvents for cleaning.</p> <p>Refer to Product Information sheet for additional performance characteristics and properties.</p>
	@ 50°F	@ 77°F	@ 110°F																		
To touch:	1½ hours	1 hour	30 minutes																		
Tack free:	6 hours	4 hours	2 hours																		
To recoat:	6 hours	4 hours	2 hours																		
To cure:	30 days	30 days	30 days																		
CLEAN UP INSTRUCTIONS	SAFETY PRECAUTIONS																				
<p>Clean spills and spatters immediately with soap and warm water. Clean hands and tools immediately after use with soap and warm water. After cleaning, flush spray equipment with Mineral Spirits to prevent rusting of the equipment. Follow manufacturer's safety recommendations when using Mineral Spirits.</p> <p>NOTE: If coating is allowed to "set-up", Reducer #54, R7K54, may be required for cleaning. Follow manufacturer's safety recommendations when using Reducer #54.</p>	<p>Refer to the MSDS sheet before use.</p> <p>Published technical data and instructions are subject to change without notice. Contact your Sherwin-Williams representative for additional technical data and instructions.</p>																				
DISCLAIMER	WARRANTY																				
<p>The information and recommendations set forth in this Product Data Sheet are based upon tests conducted by or on behalf of The Sherwin-Williams Company. Such information and recommendations set forth herein are subject to change and pertain to the product offered at the time of publication. Consult your Sherwin-Williams representative to obtain the most recent Product Data Information and Application Bulletin.</p>	<p>The Sherwin-Williams Company warrants our products to be free of manufacturing defects in accord with applicable Sherwin-Williams quality control procedures. Liability for products proven defective, if any, is limited to replacement of the defective product or the refund of the purchase price paid for the defective product as determined by Sherwin-Williams. NO OTHER WARRANTY OR GUARANTEE OF ANY KIND IS MADE BY SHERWIN-WILLIAMS, EXPRESSED OR IMPLIED, STATUTORY, BY OPERATION OF LAW OR OTHERWISE, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.</p>																				



**Industrial
&
Marine
Coatings**

1.25

DTM ACRYLIC COATING

B66-100 SERIES
B66-200 SERIES

GLOSS
SEMI-GLOSS

PRODUCT INFORMATION

Revised 4/05

PRODUCT DESCRIPTION		RECOMMENDED USES																					
<p>DTM ACRYLIC COATING is a 100% acrylic, water reducible, corrosion resistant coating for light to moderate industrial use. Designed for new construction or maintenance use and can be used directly over prepared substrates.</p> <ul style="list-style-type: none"> • Chemical resistant • Fast dry • Flash rust/early rust resistant • Suitable for use in USDA Inspected facilities • Interior/exterior use • Corrosion resistant • Low odor 		<p>For use over prepared:</p> <ul style="list-style-type: none"> • Steel • Aluminum • Zinc rich primers • Galvanizing • Concrete • Wood • Masonry • Drywall <p>Examples:</p> <ul style="list-style-type: none"> • Buildings • Machinery • Power plants • Select Marine Structures • Equipment • Piping • Water treatment plants • New Construction • Structural Steel • Storage Tank Exteriors <p>Conforms to AWWA D102-03 OCS #3 Acceptable for use in high performance architectural applications.</p>																					
PRODUCT CHARACTERISTICS		PERFORMANCE CHARACTERISTICS																					
<p>Finish: Gloss or Semi-Gloss</p> <p>Color: Wide range of colors including safety colors</p> <p>Volume Solids: 38% ± 2%, may vary by color Ultra White</p> <p>Weight Solids: 50% ± 2%, may vary by color Ultra White</p> <p>VOC (EPA Method 24): <250 g/L; 2.08 lb/gal Extra White</p> <p>Recommended Spreading Rate per coat:</p> <p>Wet mils: 6.5 - 10.0 Dry mils: 2.5 - 4.0 Coverage: 155 - 250 sq ft/gal approximate</p> <p>NOTE: Brush or roll application may require multiple coats to achieve maximum film thickness and uniformity of appearance.</p> <p>Drying Schedule @ 8.0 mils wet 50% RH:</p> <table border="1"> <thead> <tr> <th></th> <th>@ 50°F</th> <th>@ 77°F</th> <th>@ 110°F</th> </tr> </thead> <tbody> <tr> <td>To touch:</td> <td>1½ hours</td> <td>1 hour</td> <td>30 minutes</td> </tr> <tr> <td>Tack free:</td> <td>6 hours</td> <td>4 hours</td> <td>2 hours</td> </tr> <tr> <td>To recoat:</td> <td>6 hours</td> <td>4 hours</td> <td>2 hours</td> </tr> <tr> <td>To cure:</td> <td>30 days</td> <td>30 days</td> <td>30 days</td> </tr> </tbody> </table> <p>Drying time is temperature, humidity, and film thickness dependent.</p> <p>Shelf Life: 36 months, unopened Store indoors at 40°F to 100°F.</p> <p>Flash Point: >200°F, PMCC</p> <p>Reducer/Clean Up: Water</p>			@ 50°F	@ 77°F	@ 110°F	To touch:	1½ hours	1 hour	30 minutes	Tack free:	6 hours	4 hours	2 hours	To recoat:	6 hours	4 hours	2 hours	To cure:	30 days	30 days	30 days	<p>System Tested: (unless otherwise indicated) Substrate: Steel Surface Preparation: SSPC-SP10 2 cts. DTM Acrylic Coating @ 3 mils dft/ct</p> <p>Abrasion Resistance: Method: ASTM D4060, CS17 wheel, 1000 cycles, 1 kg load Result: 107 mg loss</p> <p>Accelerated Weathering: Method: ASTM D4587, QUV-A, 5,000 hours Results: passes</p> <p>Adhesion: Method: ASTM D4541 Result: >500 psi</p> <p>Corrosion Weathering: Method: ASTM D5894, 15 cycles, 5,040 hours Result: Rating 10 per ASTM D714 for blistering Rating 9 per ASTM D610 for rusting</p> <p>Direct Impact Resistance: Method: ASTM D2794 Result: >160 in. lbs</p> <p>Dry Heat Resistance: Method: ASTM D2485 Result: 300°F</p> <p>Exterior Durability: Method: 1 year, 45° South Result: Excellent</p> <p>Flexibility: Method: ASTM D522, 180° bend, 1/8" mandrel Result: Passes</p> <p>Moisture Condensation Resistance: Method: ASTM D4585, 100°F, 300 hours Result: Passes</p> <p>Pencil Hardness: Method: ASTM D3363 Result: 2B</p> <p>Salt Fog Resistance: Method: ASTM B117, 500 hours Result: Excellent</p> <p>Flame Spread Rating: Method: ASTM E84-91a Result: Flame Spread Index - 5 Smoke Density Index - 0</p> <p>Provides performance comparable to products formulated to federal specification: AA50570, and Paint Specification: SSPC-Paint 23 and 24.</p>	
	@ 50°F	@ 77°F	@ 110°F																				
To touch:	1½ hours	1 hour	30 minutes																				
Tack free:	6 hours	4 hours	2 hours																				
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**Industrial
&
Marine
Coatings**

1.25

DTM ACRYLIC COATING

B66-100 SERIES
B66-200 SERIES

GLOSS
SEMI-GLOSS

PRODUCT INFORMATION

RECOMMENDED SYSTEMS	SURFACE PREPARATION
<p>Steel: 1 ct. DTM Acrylic Primer/Finish @ 2.5 - 5.0 mils dft or Kern Bond FIS @ 2.0 - 5.0 mils dft or Zinc Clad Primer @ 3.0 - 5.0 mils dft or ProCryl Primer @ 2.0 - 4.0 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Steel: 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct (Application of coating on unprimed bare steel may cause pinpoint rusting.)</p> <p>Aluminum: 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Aluminum: 1 ct. DTM Wash Primer, @ 0.7 - 1.3 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Galvanizing: 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Concrete Block: 1 ct. Heavy Duty Block Filler @ 10.0 - 18.0 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Concrete/Masonry: 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Drywall: 1 ct. PrepRite 200 Latex Primer @ 1.0 - 1.5 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Prefinished Siding: (Baked-on finishes) 1 ct. DTM Bonding Primer @ 2.0 - 5.0 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Wood, exterior: 1 ct. A-100 Exterior Oil Wood Primer @ 1.5 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Wood, interior: 1 ct. PrepRite Wall & Wood Primer @ 1.5 mils dft 2 cts. DTM Acrylic Coating @ 2.5 - 4.0 mils dft/ct</p> <p>Safety Colors, Deep Base, and Ultra-deep colors require a prime coat of DTM Acrylic Primer/Finish, B66W1, for maximum durability, adhesion, and corrosion protection.</p> <p>The systems listed above are representative of the product's use, other systems may be appropriate.</p>	<p>Surface must be clean, dry, and in sound condition. Remove all oil, dust, grease, dirt, loose rust, and other foreign material to ensure adequate adhesion.</p> <p>Do not use hydrocarbon solvents for cleaning.</p> <p>Refer to product Application Bulletin for detailed surface preparation information.</p> <p>Minimum recommended surface preparation:</p> <ul style="list-style-type: none"> * Iron & Steel: SSPC-SP2 Aluminum: SSPC-SP1 Galvanizing: SSPC-SP1 Concrete & Masonry: SSPC-SP13/NACE6 or ICFI 03732, CSP 1-3 * Wood: Dry and sanded smooth * Primer required. When using Pure White or Ultra White on metal, no primer is required.
	<h3>TINTING</h3> <p>Tint with Blend-A-Color Toner or EnviroToner at 100% tint strength, using the respective tinting formula pages. Better performance will be achieved with EnviroToners. Five minutes minimum mixing on a mechanical shaker is required for complete mixing of color.</p> <p>Tinting with Blend-A-Color can affect the flash/early rust resistance of the coating.</p>
	<h3>APPLICATION CONDITIONS</h3> <p>Temperature: 50°F minimum, 110°F maximum (air, surface, and material) At least 5°F above dew point</p> <p>Relative humidity: 85% maximum</p> <p>Refer to product Application Bulletin for detailed application information.</p>
	<h3>ORDERING INFORMATION</h3> <p>Packaging: 1 and 5 gallon containers Weight per gallon: 10.2 ± 0.2 lb, may vary by color</p>
	<h3>SAFETY PRECAUTIONS</h3> <p>Refer to the MSDS sheet before use.</p> <p>Published technical data and instructions are subject to change without notice. Contact your Sherwin-Williams representative for additional technical data and instructions.</p>
<h3>DISCLAIMER</h3> <p>The information and recommendations set forth in this Product Data Sheet are based upon tests conducted by or on behalf of The Sherwin-Williams Company. Such information and recommendations set forth herein are subject to change and pertain to the product offered at the time of publication. Consult your Sherwin-Williams representative to obtain the most recent Product Data Information and Application Bulletin.</p>	<h3>WARRANTY</h3> <p>The Sherwin-Williams Company warrants our products to be free of manufacturing defects in accord with applicable Sherwin-Williams quality control procedures. Liability for products proven defective, if any, is limited to replacement of the defective product or the refund of the purchase price paid for the defective product as determined by Sherwin-Williams. NO OTHER WARRANTY OR GUARANTEE OF ANY KIND IS MADE BY SHERWIN-WILLIAMS, EXPRESSED OR IMPLIED, STATUTORY, BY OPERATION OF LAW OR OTHERWISE, INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.</p>

Painting Estimate

03/13/2006



Harry Jefferies Custom Painting

1838 Lauren Ln ~ Santa Maria, Ca 93454
Phone 805-925-4131 ~ Cell 805-478-9184
jefferies@best1.net ~ License 766120

Nipomo Community Services District
148 South Wilson St
Nipomo, CA 93444

Summary: Paint 29 light poles in the Fairways at Blacklake Golf Resort.

- Details:**
- 1. Protect lamp glass and surrounding concrete from primer and paint.**
 - 2. Remove soil from light pole if any is present.**
 - 3. Apply two coats of Sherwin-Williams' Direct-To-Metal (DTM) Acrylic, Semi-Gloss finish in the color Tricorn Black.**
 - 4. Replace the pole number in a style as similar as possible to the original.**
- Note: Estimated start time would be on or around the end of April, weather permitting.**

DESCRIPTION	LABOR AND MATERIALS PER POLE	TOTAL
As described above.	\$183.00	\$5,307.00
	Total	\$5,307.00

Price valid 6 months

Harry Jefferies is licensed in California by the Contractors State License Board, and his license number is 766120.

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR PROPOSALS

Proposal Evaluation

Proposals will be evaluated based on the following:

- Responsiveness to the Request for Proposal
- Prior experience in providing similar services to local governments in California
- Cost

After proposals are reviewed, District staff will make a recommendation to the District's Board of Directors. The Board of Directors will approve the final selection.

Proposal Due: No later than 4:00 p.m. on Friday, March 17, 2006
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

(805) 929-1133 Office
(805) 929-1932 Fax

If you have any questions, please call the District Office.

BID PROPOSAL

29 Poles and Heads X \$ 225.00 per unit = \$ 6525.00 Total Bid Price

Contractor Signature



New Life Painting
937-9836

Date 3.13.06

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MSL*
DATE: APRIL 7, 2006



APPROVE LETTER OPPOSING SB 1317

ITEM

Approve a letter to Senator Abel Maldonado voicing opposition to Senate Bill 1317
[Recommend Approval]

BACKGROUND

Senate Bill 1317 would give more property tax dollars to cities and counties that allow electric companies to build new facilities in their boundaries. This incentive would come at the expense of all special districts in the county/state, regardless of their boundaries. The only exception is if any districts happen to provide water or fire services to the new facility.

CSDA strongly opposes SB 1317, and is urging the District do the same. Staff confirmed with CSDA that an April 13th mailing date is adequate timing for our response to be considered. The Bill is scheduled to be heard on April 19, 2006.

RECOMMENDATION

Staff recommends your Honorable Board review, edit, and approve the draft letter to Senator Maldonado voicing the District's opposition to SB 1317.

ATTACHMENT

Draft Letter

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\SB 1317 OPPOSE.DOC

NIPOMO COMMUNITY



SERVICES DISTRICT

BOARD MEMBERS

LARRY VIERHEILIG, **PRESIDENT**
MICHAEL WINN, **VICE PRESIDENT**
JUDITH WIRSING, **DIRECTOR**
CLIFFORD TROTTER, **DIRECTOR**
ED EBY, **DIRECTOR**

STAFF

MICHAEL LeBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **ASSISTANT ADMINISTRATOR**
JON SEITZ, **GENERAL COUNSEL**

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

April 4, 2006

Honorable Senator Abel Maldonado
Member, California State Senate
State Capitol, Room 4082
Sacramento, California 95814

RE: SENATE BILL 1317 - OPPOSE

Dear Senator Maldonado:

On behalf of Nipomo Community Services District, I am writing to register our opposition to Senate Bill 1317 by Sen. Tom Torlakson, relating to the reallocation of property tax revenues from new utility facilities.

Under the current unitary method applicable to specified utility facilities, all entities of local government receive an allocation of property tax revenues in accordance with a statutory formula. As written, Senate Bill 1317 would modify the current formula by allocating the majority of property tax revenues from new facilities to the city or county that sites the new facility. While the bill would allocate some of the property tax revenues resulting from new facilities to the fire and water providers that would service the new facility - which might be districts - it does so at the expense of all other special districts that provide vital services to the area's residents and businesses. For districts, unlike cities and counties, property taxes are one of the only available revenue sources, so we are extremely sensitive to changes in the allocation formula.

Nipomo Community Services District has dedicated its general purpose property taxes for repayment of debt service on Certificates of Participation issued to fund capital facilities.

Our district understands the need for additional electrical generating capacity, but we strongly disagree with the manner in which Senate Bill 1317 proposes to meet that goal. If cities and counties choose not to site new generation facilities, then rather than modifying a fair property tax allocation system, perhaps the Legislature should evaluate the reasons why cities and counties choose not to site new facilities. Is it because they get too little property tax, or for other reasons? Following such an analysis, the Legislature would be in a much better position to determine if incentives, such as more property tax revenues, are necessary to assist cities and counties in their decision-making process relating to siting new generation facilities.

We appreciate the opportunity to advise you of our opposition to Assembly Bill 737 and we respectfully urge your nay vote

Sincerely,

Lawrence Vierheilig
Nipomo Community Services District
President of the Board of Directors

C: Honorable Tom Torlakson, Room 4032 (Fax: 916/445-2527)
 California Special Districts Association (Fax: 916/442-7889)

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *mlb*
DATE: APRIL 7, 2006



INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS FOR
THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1

ITEM

Resolution initiating proceedings for annual levy of Street Landscape Maintenance District No. 1

BACKGROUND

In 2003, the Board of Directors formed Street Landscape Maintenance District No. 1 to provide the street landscape maintenance for Tract 2409 (Sculpture Homes located on Vista Verde and Ida Street). The Street Landscape Maintenance District was formed under Government Code Section 61601.20 and the Landscaping and Lighting Act of 1972.

Annually, NCSD must follow the procedures outlined in the Government Code and Prop. 218 to levy the assessment on each of the 28 property owners. In order to proceed, the attached Resolution should be adopted to initiate the proceedings and appoint the General Manager, Michael LeBrun, a registered engineer, as the assessment engineer.

RECOMMENDATION

Staff recommends adoption of Resolution 2006-LMD.

ATTACHMENT

Resolution

MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\LMD INITIATION.DOC

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-LMD**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS FOR ANNUAL
LEVY OF ASSESSMENTS FOR THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR
FISCAL YEAR 2006-2007 PURSUANT TO THE PROVISIONS OF PART 2 OF
DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**

WHEREAS, the Nipomo Community Services District Board of Directors ("NCS D") has, by previous Petition and Resolution, formed the Nipomo Community Services District Street Landscape Maintenance District No. 1 (hereinafter referred to as "Street Landscape Maintenance District No. 1") pursuant to the provisions of Government Code §61601.20 and the Landscaping and Lighting Act of 1772 (hereinafter referred to as the "Act") that provides for the levy and collection of assessments by the County of San Luis Obispo for the Nipomo Community Services District to pay for the installation, planting and maintenance of landscaping within public streets, right of ways or easements within the Nipomo Community Services District; and

WHEREAS, Street Landscape Maintenance District No. 1 and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

WHEREAS, the NCS D has appointed the General Manager, Michael LeBrun, a registered engineer, as assessment engineer for the purpose of assisting with the Annual Levy of the Street Landscape Maintenance District No. 1 and to prepare and file a report in accordance with the Act.

NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District for the Nipomo Street Landscape Maintenance District No. 1, as follows:

SECTION 1: The NCS D hereby initiates proceedings for annual levy of assessments for Street Landscape Maintenance District No. 1 for Fiscal Year 2006-2007 pursuant to the provisions of the Act.

SECTION 2: The improvements within Street Landscape Maintenance District No. 1 include: trees, shrubs, grass, and other ornamental vegetation, and appurtenant facilities and including irrigation system within the Street Landscape Maintenance District No. 1. The Board of Directors does not anticipate new improvements or substantial changes in existing improvements.

SECTION 3: Engineer's Annual Levy Report: The NCS D Board of Directors hereby orders the General Manager, Michael LeBrun, a registered engineer, to prepare the Engineer's Annual Levy Report concerning the levy of assessments for Street Landscape Maintenance District No. 1 in accordance with *Chapter 3, Section 22622* of the Act.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 12th day of April, 2006, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lawrence Vierheilig, President
Board of Directors
Nipomo Community Services District

ATTEST:

APPROVED:

Donna K. Johnson, Secretary
Nipomo Community Services District
Board of Directors

Jon S. Seitz, District Legal Counsel
Nipomo Community Services District

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: April 7, 2006



SUPPLEMENTAL WATER PROJECT OBJECTIVES

ITEM

Consider and approve objectives for District's supplemental waterline inter-tie with Santa Maria [Recommend Approval] – 1 hour

BACKGROUND

Your Honorable Board reviewed a preliminary set of Objectives at the March 8, 2006, Board Meeting, referred select issues to the Ad Hoc Environmental Review Committee and set this hearing to consider adoption of a final set of Project Objectives. On March 13, 2006, the Ad Hoc Committee agreed on edits to the Draft Objectives and on March 14, 2006, staff posted the attached Draft Objectives on the District's Website. Since March 14, 2006, staff has talked to several parties that wanted more information, but the District has received no formal communication on the Draft Objectives.

Projects Assistant Bruce Buel is scheduled to present the draft set of objectives.

RECOMMENDATION

It is recommended that your Honorable Board receive the presentation, ask any questions, receive public input, edit the Draft Objectives as appropriate and then adopt a final set of Project Objectives as edited. Staff further requests authority to incorporate the adopted Project Objectives into the Draft Environmental Impact Report.

ATTACHMENTS

1. Draft Project Objectives

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\WATERLINE INTERTIE PROJECT OBJECTIVES.DOC

DRAFT NCSD WATERLINE INTERTIE PROJECT OBJECTIVES

The basic objective of the proposed Nipomo Community Services District Waterline Intertie Project is to construct a pipeline connection from the City of Santa Maria water distribution system across the Santa Maria River to the existing water distribution system within the Nipomo Community Services District. In so doing, the proposed Project will also achieve the following objectives:

1. Avoid further depletion of the Nipomo Mesa Groundwater Management Area of the Santa Maria Groundwater Basin (NMMA) and prevent sea water intrusion by providing supplemental water consistent with proposed settlement agreements related to the groundwater adjudication.
2. Comply with the 2005 groundwater adjudication settlement stipulation that recognizes the need for active management of the NMMA.
3. Assist in balancing groundwater levels in the NMMA.
4. Augment current water supplies available to the Nipomo Community Services District (District) by 2,000 acre-feet per year (afy).
5. Augment current water supplies available to the Woodlands and other water purveyors on the Mesa (Golden State and Rural Water) by 1,000 afy.
6. Increase the reliability of District water supply by providing a diversity of water sources.
7. Comply with Local Agency Formation Commission (LAFCO) requirements for securing supplemental water prior to annexation of lands now within the District's Sphere of Influence. This supplemental water for annexations shall be in addition to the initial 3,000 afy.
8. Avoid multiple waterline crossings of the Santa Maria River and associated environmental impacts, by constructing a single pipeline capable of transporting sufficient water for potential NMMA growth consistent with the South County Area Plan (Inland) of San Luis Obispo County's General Plan.
9. Avoid depletion of the NMMA by:
 - A. Providing supplemental water for new development within the current service area of the District and the Mesa's other water purveyors (Golden State and Rural Water) consistent with the South County Area Plan (Inland);
 - B. Facilitating supplemental water delivery for new development within the District's Sphere of Influence consistent with the South County Area Plan (Inland) and the conditions in LAFCO's 2004 Sphere of Influence Update.
 - C. Providing the basis for the assessment of impact fees upon development outside the District's Sphere of Influence and the service areas of the Mesa's other water purveyors (Golden State and Rural Water).

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MSL*
DATE: APRIL 7, 2006

AGENDA ITEM
E-2
APRIL 12, 2006

SELECT CONSULTANT FOR SOUTHLAND FEASIBILITY REPORT

ITEM

Review Proposals and select a consultant to perform a feasibility study [Select Firm and Authorize Execution of Agreement]– 30 minutes.

BACKGROUND

On February 7, 2006, the District received a Notice of Violations from the Regional Water Quality Control Board for the Southland Wastewater Facility (attached). The Notice responds to elevated Biochemical Oxygen Demand (BOD) levels in the Facility discharge which on seven occasions in the past year have exceeded Regional Board set limitations.

The Regional Board's Notice directs the District to "... immediately take actions necessary to ensure compliance with Order No. 97-75. As soon as possible, but not later than March 6, 2006, submit a report of actions needed to correct wastewater treatment facility deficiencies and discharge violations. The report shall include, but not be limited to: 1) a summary of actions needed to maintain compliance; 2) design of facility improvements; and 3) schedule for completing necessary corrective actions.

Staff discussed with Regional Board staff and provided a written explanation to (within recent annual discharge report and December 2005 monthly report) the high BOD readings. These explanations are based on the widely recognized fact that the BOD parameter has many shortcomings. In the District's case, it appears nitrifying bacteria populations within the secondary ponds increase in the fall and winter months. When large populations of nitrifying bacteria are present in a BOD sample, an oxygen demand is exerted by the bacteria and an erroneously high biochemical oxygen demand is reported.

Nonetheless, the explanation does NOT fix the "problem" and both Regional Board staff and District staff recognized the Southland Facility is in need of process upgrade. Additionally, plant expansion is on the 2-5 year horizon. With upgrade/expansion, a new permit from the Regional Board can be expected (current permit issued in 1997). With the new permit, more and tighter discharge limits are expected. The District welcomes the new permit limits in recognition that the discharge from the plant ultimately becomes part of the District's supply equation and thus producing the highest quality effluent reasonably achievable is in the District's best interest.

District Counsel transmitted a request for extension of the Notice response timeline to the Regional Board on March 1, 2006. On March 3, 2006, the Regional Board approved an extension of the submittal date for July 6, 2006 (attached). On March 8, 2006, the District Board authorized the processing of a Request for Proposals (attached) for consulting engineers to evaluate the feasibility of upgrading the Southland Wastewater Treatment Facility. On March 9, 2006, staff posted notice at the office, posted a copy of the RFP on NCSA's website, and mailed the attached RFP to five firms (Boyle, Cannon, MNS, Penfield and Smith, and Wallace). On March 30, 2006, three firms responded with proposals which were previously distributed to your Honorable Board.

A staff review team comprised of General Manager Michael LeBrun, Utility Supervisor Dan Migliazzo and Projects Assistant Bruce Buel reviewed each of the proposals based on a 100 point scale with a maximum of 25 points for RFP Responsiveness; 20 points for Work Product Timeliness; 20 points for team qualifications; 20 points for Relevant Experience; 10 points for references; and 5 points for cost. The review team ranked Boyle the highest scoring firm with an average score of 94. Wallace achieved a score of 83 and MNS achieved a score of 60. Boyle's proposed scope of work is attached.

RECOMMENDATION

Staff recommends that your Honorable Board select the firm of Boyle Engineering to perform the services detailed in the attached Scope of Work on a time and materials basis with a not to exceed expenditure limit of \$29,939 for Boyle's First Phase. Staff is NOT recommending Phase 2 at this time. Staff further requests that the President be authorized to execute a standard consulting agreement.

ATTACHMENTS

- Regional Water Board Notice of Violation
- Regional Water Board Time Extension
- Request for Proposal
- Boyle Engineering's Proposed Scope of Work

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\SOUTHLAND PROPOSAL AWARD.DOC



California Regional Water Quality Control Board
Central Coast Region



Alan C. Lloyd, Ph.D.
 Agency Secretary

Internet Address: <http://www.waterboards.ca.gov/centralcoast>
 895 Aerovista Place, Suite 101, San Luis Obispo, California 93401-7906
 Phone (805) 549-3147 • FAX (805) 543-0397

Arnold Schwarzenegger
 Governor

February 7, 2006

Michael LeBrun, General Manager
 Nipomo Community Services District
 P. O. Box 326
 Nipomo, CA 93444-0326

RECEIVED
 FEB 10 2006
 NIPOMO COMMUNITY
 SERVICES DISTRICT

Dear Mr. LeBrun:

**NOTICE OF VIOLATIONS – NIPOMO COMMUNITY SERVICES DISTRICT
 SOUTHLAND WASTEWATER FACILITY, SAN LUIS OBISPO COUNTY**

Our review of your monthly monitoring reports indicates your facility is having ongoing difficulty in complying with requirements specified in Waste Discharge/Water Reclamation Requirements Order No. 97-75. Specifically, the following violations were reported during 2005.

January - BOD maximum and monthly average violations, no corrective actions plan.

February - BOD maximum and monthly average violations, no corrective actions plan.

March - Suspended solids violation (lab error suspected)

April - no violations, significant BOD and suspended solids improvement

May, June and July - no violations

August - BOD maximum and monthly average violations, no corrective actions plan.

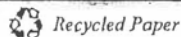
September - BOD maximum and monthly average violations, no corrective actions plan.

October - BOD maximum and monthly average violations, no corrective actions plan.

November - BOD maximum and monthly average violations, no corrective actions plan.

Your reports include brief explanation of temporary corrective actions or concerns, but do not adequately address long-term compliance, implementation schedules or success of past actions. Laboratory reports submitted with your November monitoring report indicate significant variation in sample results from the two contract laboratories, making compliance evaluation or effectiveness of process alterations extremely difficult. We recommend you investigate the dependability of analytical results in conjunction with your investigation of treatment facility improvements.

California Environmental Protection Agency



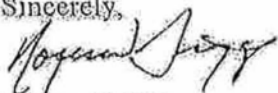
You must immediately take actions necessary to ensure compliance with Order No. 97-75. As soon as possible, but not later than March 6, 2006, submit a report of actions needed to correct wastewater treatment facility deficiencies and discharge violations. The report shall include, but not be limited to; 1) a summary of actions needed to maintain compliance; 2) design of facility improvements; and 3) schedule for completing necessary corrective actions.

The Regional Board's requirement for the compliance report described above is made pursuant to Section 13267 of the California Water Code. Pursuant to Section 13268 of the Water Code, a violation of a requirement made pursuant to Water Code Section 13267 may subject you to civil liability of up to \$1,000 per day for each day in which the violation occurs. The Regional Board needs the required information in order to ensure compliance with discharge requirements and protection of water quality. You are required to submit this information because your self-monitoring reports demonstrate ongoing violations of requirements, and based on the available data you are responsible for the discharge. The requirement that the Discharger submit a report of waste discharge is also pursuant to Section 13260 of the California Water Code. Section 13261 of the Water Code states that a violation of a request made pursuant to Water Code Section 13260 may subject the Discharger to administrative civil liability of up to \$1,000 per day. More detailed information is available in the Regional Board's public file on this matter.

Any person affected by this action of the Regional Board may petition the State Water Resources Control Board (State Board) to review the action in accordance with Section 13320 of the California Water Code and Title 23, California Code of Regulations, Section 2050. The petition must be received by the State Board, Office of Chief Counsel, P. O. Box 100 Sacramento, 95812 within 30 days of the date of this order. Copies of the law and regulations applicable to filing petitions will be provided upon request.

If you have questions, please call Sorrel Marks at 805/549-3695 or Harvey Packard at 805/542-4639.

Sincerely,



Roger W. Briggs
Executive Officer

S:/wdr/wdr facilities/san luis obispo co/Nipomo/BOD NOV
Task: 126-01
File: Nipomo CSD Southland Plant



California Regional Water Quality Control Board
Central Coast Region



Alan C. Lloyd, Ph.D.
 Agency Secretary

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 895 Aerovista Place, Suite 101, San Luis Obispo, California 93401-7906
 Phone (805) 549-3147 • FAX (805) 543-0397

Arnold Schwarzen
 Governor

March 3, 2006

Michael LeBrun, General Manager
 Nipomo Community Services District
 P. O. Box 326
 Nipomo, CA 93444-0326

Dear Mr. LeBrun:

**REQUEST FOR EXTENSION TO RESPOND TO NOTICE OF VIOLATIONS – NIPOMO
 COMMUNITY SERVICES DISTRICT, SAN LUIS OBISPO COUNTY**

This letter responds to your March 1, 2006 request (submitted by Jon Seitz on behalf of the District) for extended time to respond to our February 7, 2006 Notice of Violations.

Your request indicates that the District plans to hire a consultant to respond to the Notice of Violations and that such actions will take up to 120 days. We understand that you expect the discharge to meet effluent limitations during the requested extension period. Based in part on this expectation of compliance, the extended time frame for submittal of the report is acceptable.

However, the Notice of Violations reiterates Order No. 97-75 reporting requirements, calling for submittal of a report summarizing noncompliance causes, corrective actions and schedule for implementation (Standard Provisions C.3, C.4 and C.5). Therefore, if a lengthy RFP process to secure consulting services is necessary to implement these standard requirements, then the District should include in its report an evaluation of wastewater operations and engineering staffing adequacy. Please include evaluation of staffing in the report.

Water Board staff will not recommend enforcement action if the District submits the required report by July 6, 2006. Failure to comply with this deadline will subject the District to enforcement action, including administrative civil liability, based on the original due date. As indicated above, the Standard Provisions and Reporting Requirements portion of your waste discharge requirements calls for such information regarding discharge violations to be submitted with regular monitoring reports. Accordingly, original due dates correspond with monthly monitoring report dates for those months in which violations occurred.

If you have questions, please call Sorrel Marks at 805/549-3695 or Harvey Packard at 805/542-4639.

Sincerely,

Roger W. Briggs
 Executive Officer

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MAR 7 2006

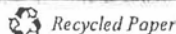
NIPOMO COMMUNITY
 SERVICES DISTRICT

S:/wdr/wdr facilities/san luis obispo co/Nipomo/BOD NOV.extension

Task: 126-01

File: Nipomo CSD Southland Plant

California Environmental Protection Agency



NIPOMO COMMUNITY

BOARD MEMBERS

LARRY VIERHEILIG, PRESIDENT
MICHAEL WINN, VICE PRESIDENT
JUDITH WIRSING, DIRECTOR
CLIFFORD TROTTER, DIRECTOR
ED EBY, DIRECTOR



SERVICES DISTRICT

STAFF

MICHAEL LeBRUN, GENERAL MANAGER
LISA BOGNUDA, ASSISTANT ADMINISTRATOR
JON SEITZ, GENERAL COUNSEL

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Website address: NipomoCSD.com

March 9, 2006

Various Engineering Firms

SUBJECT: REQUEST FOR PROPOSAL FOR ENGINEERING SERVICES – SOUTHLAND WWTF UPGRADE FEASIBILITY STUDY

Nipomo Community Services District (NCSD) intends to upgrade its Southland Wastewater Treatment Facility (Southland) to achieve a higher level of discharge treated wastewater quality and to comply with the RWQCB Notice of Violation (NOV) dated February 7, 2006 (attached) and the March 3, 2006 RWQCB Time Extension (attached).

NCSD is seeking proposals to investigate the causes of the violations, to identify options for curing these problems, to compare the cost effectiveness of those options, and to recommend the best apparent option. NCSD will expect the consultant to interact with District staff, RWQCB staff and the District Board to develop new treated wastewater discharge standards more stringent than those specified in RWQCB Waste Discharge Order 97-75 (attached) and to use these new standards as the basis of design for a facility upgrade. NCSD will also expect the consultant to develop an expedited timeline for environmental review, design, and construction of the recommended upgrade.

SERVICES REQUESTED

The District requires engineering services to:

- Review background information and meet with NCSD staff and RWQCB staff;
- Compile and submit 10 sets of a letter report by 4/28/06 proposing new Treated Wastewater Quality Standards; present that letter report to NCSD staff and the RWQCB for comment;
- Edit the report, submit 20 sets by 5/3/06 for presentation to the NCSD Board, and participate in a Meeting with the NCSD Board on 5/10/06 to approve or edit the proposed WQ Standards;
- Prepare and submit 10 sets of the Administrative Draft Feasibility Study to NCSD staff for comment by 6/7/06;
- Edit the Feasibility Study, submit 20 sets by 6/21/06 for presentation to the NCSD Board, and participate in a meeting with the NCSD Board on 6/28/06 to select the proposed WQ Upgrades for more detailed analysis;
- Prepare and submit 20 copies of a letter report by 7/6/06 describing an expedited process for environmental review, design, and construction of the WQ upgrades;
- Present the letter report to the NCSD Board of Directors at a public meeting on 7/12/06;
- Participate in committee meetings and forums as requested;
- Submit electronic copy of all work product deliverables in a format acceptable to NCSD.

PROPOSAL REQUIREMENTS

Ten copies of the proposal package must be received by NCS D in a sealed envelope by **4 p.m. on Thursday March 30, 2006**, to be considered. The exterior of the envelope must identify the proposal as "Southland Upgrade Feasibility Study". Faxes, E-Mails, proposals not enclosed in a sealed/labeled envelope, and proposals received after 4:00 p.m. on Thursday March 30, 2006, will be returned to the submitter. The main proposal shall be limited to 20 pages, with the exception of résumés and project lists, and include as a minimum the following:

1. Introduction
 - Present your understanding of the project and the services requested;
 - Discuss any proposed scope amendments;
 - Briefly discuss the team's qualifications
2. Scope of Services and Timeline
 - Detail your proposed approach to the assignment;
 - Describe your proposed timeline for execution of the requested services.
3. Personnel
 - Identify and define the experience of the design team leader and provide résumé;
 - Include an organizational chart depicting the name and position of all team members including employees of sub-consultants and provide résumés;
 - Describe the role of each team member.
4. Experience
 - Describe your team's experience with compiling feasibility studies;
 - Describe your success in meeting project budgets and timelines over the past two years and explain circumstances resulting in failures.
5. References
 - Provide references for projects of similar scope and nature performed within the past five years;
 - List the client's name, address, and a description of the work performed. Include the name, phone, and e-mail for the client's key contact on the project.
6. Cost Estimate
 - Provide an anticipated cost summary including the proposed basis of fees and charges along with the hourly rates of all team members and a breakout of professional service costs versus out of pocket expenses.
7. Signature
 - The proposal shall be signed by an official authorized to bind the firm and shall contain a statement that the proposal is valid for ninety (90) Days.

SELECTION PROCESS

NCSD will screen proposals and select a short list for interviews. Interviews are tentatively scheduled for the beginning of April. The Board is tentatively scheduled to select a firm at its April 12, 2006 meeting.

PROPOSAL EVALUATION

Proposals will be evaluated on the following:

- Responsiveness to Request for Proposal
- Work product timeliness
- Team qualifications and expertise
- Prior experience in providing similar services to CA Local Government
- Cost
- References

Notes:

This is a time sensitive project. The District requires prompt attention to these matters.

The District uses a standard consulting agreement for all engineering services. Attached is a sample copy of the agreement that NCSD will expect to execute with the selected design firm for this project.

NCSD reserves the right to reject all submittals and/or re-open submittals at its discretion. NCSD reserves the right to negotiate with lesser ranked firms if the negotiation with the top ranked firm is unsuccessful. The submitter retains no interest in the proposal once received by NCSD.

For more information on the project or this RFP, contact NCSD Project Assistant Bruce Buel at 805-929-1133 or bbuel@nipomocsd.com.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Michael LeBrun, P.E.
General Manager

Enclosures

- February 7, 2006, RWQCB Notice of Violation
- March 3, 2006 RWQCB Time Extension
- RWQCB Order No. 97-75
- Standard consulting agreement

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2 Scope of Services and Timeline

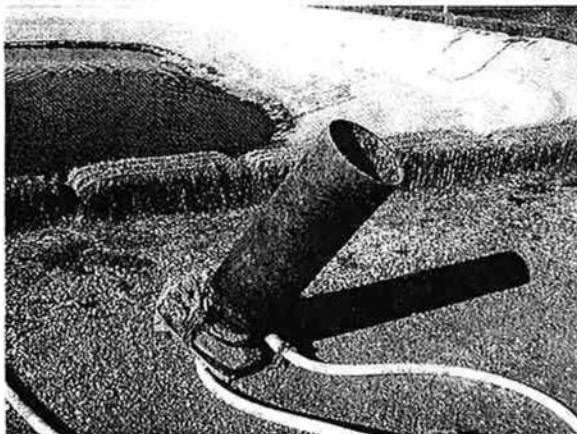
2.1 Scope of Services

Task Group 1 – Kickoff Meeting and Data Review

Boyle staff will lead and conduct a kickoff meeting with District staff to establish the project schedule and discuss available data. Boyle staff will also perform a plant walkthrough with District staff after the kickoff meeting, in order to document improvements previously performed by District staff. We will schedule and attend a subsequent meeting with RWQCB staff to discuss the project approach and schedule, as determined in the Kickoff Meeting. Boyle will review plant flow records, correspondence between RWQCB and NCSO, and available process monitoring data collected from the past 2 years.

Task Group 2 – Letter Report (Action Plan)

Boyle will prepare an Action Plan for submittal to RWQCB. This report will include the following information:



Subsurface Injector from Aerated Ponds:

District Operators have removed several of these injectors. They have been installing mechanical surface aerators and have noted better plant performance as a result.

- Review of previous Waste Discharge Requirement (WDR) violations and potential causes;
- Assessment of treatment pond capacity (including hydraulic parameters and aeration requirements) to meet current Waste Discharge Requirements (WDRs);
- Summary of work completed by operators to address violations and assessment of progress, and
- Schedule and approach for Technical Memorandum (Task Group 3) and optional Wastewater Facility Master Plan (Task Group 4 – if District desires to proceed with this Task).

Boyle will submit ten (10) copies of the draft report to NCSO staff and the RWQCB for review. We will submit twenty (20) copies of the final report for presentation to the NCSO Board. Boyle team members (Mr. Reynolds and Mr. Nunley) will participate in a Board meeting to approve or edit the proposed Action Plan.

Task Group 3 – Technical Memorandum for Immediate Improvements at WWTP

Boyle will prepare a technical memorandum to address operational changes, control scenarios, and “low-cost” improvements which will be accomplished within the next 30-90 days. Our team will attend a walkthrough of the plant with District staff to discuss potential improvements. The purpose of the document is to demonstrate additional progress to RWQCB in preventing future violations. The report will include descriptions and photographs of noticeable deficiencies and conceptual cost opinions.

The Project Team will attend one other meeting with District staff after the draft Technical Memorandum is submitted and reviewed.

Boyle will submit three (3) copies of the draft Memorandum and five (5) copies of the final Memorandum to the District.

Task Group 4 (Optional) – Wastewater Treatment Facility Master Plan

If the District wishes to develop a Master Plan for the WWTF, our approach will consist of the following recommended tasks:

Task 401 – Review of Plant Performance and Capacity

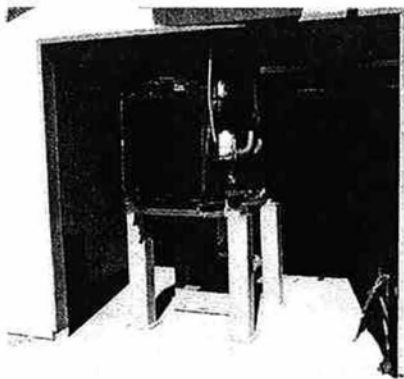
- Analysis of current average and peak flow demands, including dry and wet weather, from available previous 2 years of data. Boyle will develop peaking factors and evaluate possible infiltration/inflow to the collection system based on available treatment plant data;
- Analysis of loading rates and solids production;
- Review of historical plant performance from previous 2 years of data; and
- Assessment of existing hydraulic and process capacity of influent pumps, pipes, ponds and aeration systems.

Task 402 – Development of design criteria

- Projection of buildout flow demands, plant loading, and solids production, based on information available from Sphere of Influence study. Projected flow demands and plant loading will be developed for 2011, 2016, 2021, and 2026 if planning information is available for these increments;
- Anticipation of future water quality standards. It is assumed one (1) meeting will be held with RWQCB staff to discuss trends. We will review Title 22 requirements, draft Groundwater Recharge standards from CDHS, and Basin Plan criteria as well.

Task 403 – Facility Improvements

Boyle will recommend improvements which will be implemented over the next 1-2 years to address existing deficiencies (other than minor items addressed in Technical Memorandum) and enhance plant performance. These improvements will help meet final Waste Discharge Requirements, will be compatible with future plant upgrades to meet buildout, but will not



Blower and Gas Engine Building:

District intends to use existing facilities (large air lines and blowers) to the extent possible for plant upgrades. An example would be use of air-lift pumps at future headworks facilities.

require major plant process modifications (such as conversion to a different treatment process). For example, Boyle will evaluate approach and cost for screening and removal of inorganics at the headworks of the plant. Two alternatives for screening will be analyzed.

This component of the Plan will focus on developing a robust headworks; improving operability and automation, in order to minimize staff maintenance time; upgrading sludge handling and drying facilities; and utilizing existing facilities to the extent possible.

Task 404 – Alternatives Evaluation for Future Plant Improvements

Future demands and anticipated water quality goals may require expansion, augmentation, or conversion of the pond system. It is assumed four (4) treatment process alternatives will be evaluated for meeting community needs at buildout. Boyle will prepare process flow diagrams, schematic plans, and planning-level conceptual cost opinions for each alternative.

It is assumed that percolation ponds will be used for discharge of treated effluent. Current loading rates and soil conditions at the plant site will be used to project future percolation pond and/or wet weather size requirements. No hydrogeological investigation will be performed at this time to evaluate capacity of percolation ponds. District staff may want to look at reuse options or other disposal opportunities at a later date.

Upon completion of this alternatives evaluation, process alternatives will be presented to the District for consideration. The recommended alternative will be identified as the preferred project. Boyle and the District will develop a phased plan for upgrading the plant toward this ultimate facility.

Task 405 – Capital Improvements Plan

The Master Plan will provide a phased Capital Improvements Plan for the Wastewater Treatment Facility. It will include a schematic plan with recommended improvements, as well as a schedule and cost for implementation of the improvements.



It is assumed the District will provide anticipated permitting schedules (including CEQA and all other federal, state, and local permits required for the project).

It is assumed Boyle staff will attend one Kickoff meeting, three (3) progress meetings with District staff, and one (1) meeting with District and RWQCB staff. Boyle will also prepare one (1) presentation for the District Board.



Boyle will submit ten (10) copies of the draft and twenty (20) copies of the final Master Plan to the District.

Sludge Drying Bed No. 1 and No. 2:
Sludge drying beds are unlined and have no facilities to decant water. Sludge management will be a focus of the Facility Master Plan (optional task).

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *msl*
DATE: April 7, 2006

**AGENDA ITEM
E-3
APRIL 12, 2006**

SELECT CONSULTANT FOR GENERAL MANAGER HIRING PROCESS

ITEM

Review Proposals and select a consultant to assist the District with hiring a General Manager [Select Consultant, Authorize Execution of Agreement] – 45 minutes.

BACKGROUND

On March 8, 2006, your Honorable Board directed staff to request proposals for professional services to assist in hiring a General Manager. Staff sent a request for proposals, via electronic mail, to nine recruiting firms. Staff also forwarded the request to Mr. Mike Davis who has worked with the District in the past and expressed interest in providing recruitment services to the District.

On March 22, 2006, your Honorable Board approved the use of a professional recruiter to assist the Board in hiring a General Manager and directed the personnel sub-committee (Directors Vierheilig and Wirsing) to review proposals and make a recommendation.

The District received four (4) proposals in response to the request for proposals. All proposals have been previously transmitted to your Honorable Board. The personnel sub-committee met and reviewed the proposals in detail. The sub-committee's ranking sheet is attached.

RECOMMENDATION

Staff recommends that your Honorable Board receive the sub-committee report, discuss the proposals, receive public comment, select a firm, and direct staff to execute a professional services agreement.

ATTACHMENTS

- Sub-committee ranking sheet

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\RECRUITMENT PROPOSAL AWARD.DOC

Professional Recruiter Evaluation/Selection Criteria

Personnel Sub-Committee

Recommendation	<u>#1 Anderson</u>	<u>#2 Murray</u>	<u>#3 Davis</u>	<u>#4 Hayhurst</u>
1. Develop project approach with Board and staff	Yes	No	Yes	Yes
2. Develop GM profile with Board and staff with approval of final profile by Board	Yes	Yes	Yes	Yes
3. Recruitment targets professional periodicals as well as personal contacts	Yes	Yes	Yes	Yes
4. Performs initial screening of candidates including review of references	Yes	Yes	Yes	Yes
5. Reviews with Board, the remaining candidates from the initial screening process	Yes	No- makes recommendations	Yes	No- makes recommendations
6. Provides Board with report on the candidates resumes, references and initial interviews	Yes	Yes	Yes	Yes
7. Coordinates logistics for final candidates interview with District	Yes	Yes	Yes	???
8. Prepares candidate interview material for Board	Yes	Yes	Yes	Yes
9. Attends and assists Board with candidates interviews and post interview briefing	Yes	Yes	Yes	Yes
10. Conducts background verifications and advises Board	Yes	Yes	Yes	Yes
11. Assists Board in negotiating compensation package for selected candidate	Yes	Yes	Optional	Yes
12. Notifies other final candidates of Board decision	Yes	Yes	???	???
13. Financial responsibility for candidates travel	District	District	District	District
14. Financial responsibility for expenses	District	District	District	District
15. Estimated Professional Expenses	\$16,675	\$18,500	\$18,500	\$16,000
Estimated Expenses	\$ 7,500	\$ 7,500	\$ 6,500	\$ 8,000
Total Estimated Cost	\$24,175	\$26,000	\$25,000	\$24,000

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 7, 2006

**AGENDA ITEM
E-4
APRIL 12, 2006**

Review Draft Funding Options Paper and Refer to Standing Committee

ITEM

Receive staff presentation summarizing "Comparison of Funding Options and Revenue Sources for the NCSD Waterline Inter-tie Project"; discuss funding issues; and refer review of the Draft Paper to the Supplemental Water Project Standing Committee. [No action recommended] 1.5 hours

BACKGROUND

Attached is a draft "Comparison of Funding Options and Revenue Sources for the NCSD Waterline Inter-tie Project" prepared by the Projects Assistant, Bruce Buel. This memo reviews various options to secure the funding necessary to build the Project, various sources of revenue to repay the debt service on any such borrowing, and various sources of revenue to pay for the on-going project operations, maintenance, and replacement costs including the cost of buying water from the City of Santa Maria. As detailed in the Project Strategic Plan, the Board is scheduled to review this issue in April and to make initial determinations this spring so that applications and RFPs can be prepared for subsequent Board review.

Projects Assistant Bruce Buel is scheduled to present the draft memo to the Board and to answer any questions from the Board or the community in regards to the plan.

RECOMMENDATION

It is recommended that your Honorable Board receive the presentation, ask any questions, receive public input, and then refer the memo to the Funding Options Memo to the Waterline Inter-tie Committee (Directors Eby and Winn) for recommendations by May 24, 2006.

ATTACHMENTS

1. Draft Memo

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\WATERLINE INTER-TIE FUNDING OPTIONS.DOC

**COMPARISON OF FUNDING OPTIONS AND REVENUE SOURCES
FOR THE
NCSD WATERLINE INTERTIE PROJECT**

APRIL 2006

**COMPARISON OF FUNDING OPTIONS AND REVENUE SOURCES
FOR THE NCSD WATERLINE INTERTIE PROJECT**

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COMPARISON OF FUNDING OPTIONS AND REVENUE SOURCES FOR THE NCSW WATERLINE INTERTIE PROJECT

EXECUTIVE SUMMARY

This memo is intended to describe and compare various funding options to pay for construction and various revenue sources for paying debt service costs and operating costs for the Nipomo Community Services District (District) Waterline Intertie Project (Project) so that the District Board can focus the efforts of District Staff.

Section I describes the purpose of the memo and defines assumptions.

Section II describes and compares the likely funding sources available to the District to fund the cost of construction, including 2003 Certificates of Participation (COP) Trust Funds, Capacity Charge Reserves, Property Tax Reserves, Purveyor Buy-in Contributions, Grants and Appropriations, Low-Interest Loans, Municipal Bonds/COPs, and Turn-Key Design/Build Concepts.

Section III describes and compares the likely revenue sources available to the District to pay for the Project's annual debt service (Principal and Interest), including Capacity Charges, Purveyor Contributions, Annexation Fees, In-Lieu Fees, Property Taxes, User Fees, Assessments, and Special Taxes.

Section IV describes and compares the likely revenue sources available to the District to pay for operating, maintenance and replacement costs once the project is operational, including Capacity Charges, Annexation Charges, In-Lieu Fees, Purveyor Contributions, Property Taxes, User Fees, Assessments, and Special Taxes.

Section V provides staff recommendations. Staff recommends that the Board use a combination of Grants, Reserves, Purveyor Buy-In Contributions, Low-Interest Loans, and COPs to fund the Project. Staff recommends that the Board use a combination of Capacity Charges, Purveyor Contributions, Annexation Fees, In-Lieu Fees, Property Taxes, and User Fees to pay debt service costs. Staff recommends that the Board use a combination of Purveyor Contributions, Property Taxes, and User Fees to pay for ongoing operational costs.

COMPARISON OF FUNDING OPTIONS AND REVENUE SOURCES
FOR THE
NCSD WATERLINE INTERTIE PROJECT

April 5, 2006

I. OVERVIEW

This memo is intended to describe and compare various funding options to pay for construction and various revenue sources for paying debt service costs and operating costs for the Nipomo Community Services District (District) Waterline Intertie Project (Project) so that the District Board can focus the efforts of District Staff. It should be noted that the various funding options and revenue sources described are not necessarily exclusive; in fact, some funding options cannot pay for select components of the Project and must be combined with other funding options. It should also be noted that grant and Low-Interest loans require approval by third parties and thus there is no guarantee of success. All references to user fees, connection charges, and interest rates assume current values.

Section II describes and compares the likely funding sources available to the District to fund the cost of construction. Section III describes and compares the likely revenue sources available to the District to pay for the Project's annual debt service (Principal and Interest). Section IV describes and compares the likely revenue sources available to the District to pay for operating, maintenance, and replacement costs once the project is operational. Section V provides staff recommendations.

II. CAPITAL COST FUNDING OPTIONS

In 2005 Cannon Associates estimated that the capital cost to construct the Project could range from \$7.4 million to \$9.6 million. The majority of this cost is scheduled to be spent on construction from fall 2007 through fall 2008, and some capital costs related to land acquisition could occur as early as winter 2007. The District should secure its final mix of funding before it issues its Notice to Proceed to contractors scheduled for summer 2007. The following narrative description of Funding Options is divided into eight groups (2003 COP Trust Funds, Capacity Charge Reserves, Property Tax Reserves, Purveyor Buy-in Contributions, Grants/Appropriations, Low-Interest Loans, Municipal Bonds/COPs, and Turn-Key Design/Build):

A. 2003 COP TRUST FUND

In 2003 the District secured approximately \$4 million in Certificates of Participations (COPs). \$1,157,000 was budgeted for the Project, of which \$161,128 has been spent; leaving \$995,872. In addition, the Board budgeted an additional \$552,648 for projects that are not likely to proceed (Sheehy Road Storage Facility, Fire Hydrant Installation, and Pomeroy-Willow-Aden Water Transmission Line). The Board could transfer this unencumbered \$552,648 to the Project, resulting in a total available COP Trust Fund contribution of \$1,547,822.

B. SUPPLEMENTAL WATER CAPACITY CHARGE RESERVES

On April 27, 2005 the District Board adopted Ordinance 2005-101 establishing a supplemental water capacity charge schedule for development of land within the District. The proceeds from this Charge are dedicated to development of supplemental water supply, including the Project. Pursuant to Ordinance 2005-101, the FY05-06 Supplemental Water Capacity Charge is \$11,121 for a one-inch meter, with the provision that this charge would be adjusted annually on July 1 to reflect changes in the relevant U. S. Bureau of Labor Statistics Consumer Price Index. Of the \$11,121 total Capacity Charge, \$1,220 is set aside for payment of the capital cost of the Supplemental Water Project. The Capacity Charges became effective on July 1, 2005. From July 1, 2005, through February 28, 2006, the District collected \$526,517 in Capacity Charges, which translates into a total annual rate of approximately \$790,000 per year, of which \$79,561 is set aside for the Project. If this rate of collection continued through July 2008, the District would have approximately \$239,000 to spend on the Project depending on inflation.

It should be noted that the \$1,220 Project contribution per Equivalent Residential Unit (EDU) was calculated based on an assumed Project Capital Cost of \$6 million for 3,000 acre feet per year of transmission. If the actual construction cost is higher or lower than \$6 million, the Board may wish to amend the contribution to reflect the actual cost.

C. PROPERTY TAX RESERVES

The District Board has specified that its general Property Taxes will first be used to pay for the annual debt service on the 2003 COPs; however, the current annual property tax yield (\$442,000) exceeds this fiscal year's COP Debt Service payment (\$244,000). Currently, the District's Property Tax Reserve is approximately \$800,000 and it is growing by about \$200,000 per fiscal year. If this rate of growth were to continue through July 2008, the Reserve would have approximately \$1,200,000. The Board has the discretion to spend property taxes on any active District power, including development of water supply.

D. PURVEYOR BUY-IN CONTRIBUTIONS

Section VIA6 of the 2005 draft court settlement stipulation apportions supplemental water as follows – 66.68% to NCSD; 16.66% to the Woodlands; 8.33% to Golden State Water; and 8.33% to Rural Water Company. Logically, the Woodlands, Golden State and Rural should pay for the respective share of the capital cost in addition to the actual purchase of water and the actual operating and maintenance cost. Thus, their potential aggregate up-front contribution could range from about \$2.5 million (33% of \$7,400,000) to 3.2 million (33% of \$9,600,000); however, additional negotiation is needed to determine the respective willingness of the three parties to pay up-front.

E. GRANTS/APPROPRIATIONS

The numerous federal and state grant programs aimed at funding water infrastructure projects are detailed in Cannon's January 2006 "Summary of Potential Funding Sources for Water Supply Infrastructure". Following is a narrative of the most likely sources at each level:

1. FEDERAL GRANTS/APPROPRIATIONS – The largest and most likely federal funding program for water infrastructure projects is the "Water Resources Development Act" through the U. S. Army Corps of Engineers. This program requires Congressional Authorization (usually a two to four-year effort) followed by Congressional Appropriation (usually a two-year or longer effort). Unfortunately, this program already has a multiple

billion dollar backlog and funds have been diverted in 2005 to assist in the Hurricane Katrina relief effort. Additionally, it is the Corps of Engineers that designs and builds appropriated projects, not the local sponsor. WRDA does require a local match of at least 40%.

2. STATE GRANTS – DWR, SWRCB, DOHS all have Water Grants Programs funded by Proposition 50 and 70 proceeds. The 2005 San Luis Obispo County “Integrated Regional Water Management Program” Application to DWR/SWRCB was not funded in this year’s competition; however, there will be additional opportunities to compete in subsequent years. NCSD has an active \$200,000 “Water Security, Safe Drinking Water, and Contaminant Removal Technology” pre-application pending before DOHS.

F. LOW-INTEREST LOANS

The numerous Federal and State low interest loan programs aimed at funding water infrastructure projects are detailed in Cannon’s January 2006 “Summary of Potential Funding Sources for Water Supply Infrastructure”. The most likely Low-Interest loan funding source for the Project is the California Infrastructure and Economic Development Bank’s (CIEDB) “Infrastructure State Revolving Fund Program”. The CIEDB has the funds to lend up to \$10,000,000 currently at either a 2.79% interest rate for a twenty-year term or a 2.94% interest rate for a thirty-year term. CIEDB does have a \$2 million limit for Agencies whose service territory does not meet low income thresholds. Applicants are required to submit an application to the CIEDB Board, which has discretion to approve the application, approve the application with conditions, or deny the application. A standard condition of the CIEDB approval is to require that the applicant have a secure repayment stream to cover a 1.15 multiple of the debt service obligation. Thus, it is likely that NCSD would need to adopt new user fees to cover the multiple of the annual debt service cost before the funds could be drawn down. In addition, the CIEDB requires that the applicant be ready to start construction within 12 months of the loan commitment. The CIEDB does not require a vote of the community to issue a Low-Interest loan.

As detailed below in Section III, NCSD may need to borrow between \$3 million and \$9.6 million principal to construct the Project.

- If NCSD were to borrow \$3 million from CIED at 2.79% interest with a Twenty-Year term, NCSD's Annual Debt Service Cost would be approximately \$227,000 per year.
- If NCSD were to borrow \$3 million from CIEDB at 2.94% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$188,000.
- If NCSD were to borrow \$9.6 million at 2.79% interest with a Twenty-Year term, NCSD's Annual Debt Service Cost would be approximately \$728,000 per year.
- If NCSD were to borrow \$9.6 million at 2.94% over Thirty-Years, NCSD's Annual Debt Service Cost would be approximately \$603,000 per year.
- Although the Annual Debt Service Cost is lower for the Thirty-Year term, NCSD would pay ten additional payments.

G. MUNICIPAL BONDS/COPS

Community Services Districts can issue Assessment Bonds, Revenue Bonds, Mello-Roos Bonds, and/or Certificates of Participation (COPs). The following narrative describes these funding options:

1. Assessment Bonds – NCSD could issue Assessment Bonds to fund the project pursuant to the 1913 or 1915 Assessment District Acts. NCSD would need to develop an Engineer's Report and secure approval of formation of the assessment district through a weighted vote of the property owners in the proposed assessment district, pursuant to California Constitution Articles XIII C and XIII D (Proposition 218). The drafting of the Engineer's Report and the processing of the property owner election is an expensive (approximately \$100,000) and time-consuming effort. Assessment Bonds can be sold for terms up to 30 years and currently command interest rates of about 5.5% to 6%. Up-front costs for issuing the bonds usually run about 5% of the issue, and a bond reserve fund of 10% of the principal is required.

As detailed below in Section III, NCSD may need to borrow between \$3 million and \$9.6 million principal to construct the Project.

- If NCSD were to issue \$3,450,000 in Assessment Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) Bonds at 5.5% interest with a Thirty-Year term, NCSD's

Annual Debt Service Cost would be approximately \$238,000 per year.

- If NCSD were to issue \$3,450,000 in Assessment Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$251,000 per year.
 - If NCSD were to issue \$11,040,000 in Assessment Bonds (\$9.6 million principal plus 10% Reserve plus 5% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$760,000 per year.
 - If NCSD were to issue \$11,040,000 in Assessment Bonds (\$9.6 million principal plus 10% Reserve plus 5% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$802,000 per year.
2. Revenue Bonds – NCSD could issue Revenue Bonds pursuant to the 1941 Revenue Bond Act. Revenue Bonds would be secured by enactment of user fees to cover the resultant debt service. Revenue Bonds can be sold for terms up to 30 years and currently command interest rates of about 5.5% to 6%. Up-front costs for issuing the bonds usually run about 5% of the issue, and a bond reserve fund of 10% of the principal is required. It should be noted that the California Supreme Court is addressing the issue of what process local governments must use to adopt user fees that support debt (Bighorn-High Desert Water District).

As detailed below in Section III, NCSD may need to borrow between \$3 million and \$9.6 million principal to construct the Project.

- If NCSD were to issue \$3,450,000 in Revenue Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$238,000 per year.
- If NCSD were to issue \$3,450,000 in Revenue Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$251,000 per year.

- If NCSD were to issue \$11,040,000 in Revenue Bonds (\$9.6 million principal plus 10% Reserve plus 5% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$760,000 per year.
 - If NCSD were to issue \$11,040,000 in Revenue Bonds (\$9.6 million principal plus 10% Reserve plus 5% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$802,000 per year.
3. Mello-Roos Bonds – NCSD could issue Mello-Roos Bonds pursuant to the Mello-Roos Community Facilities Act of 1982. The underlying Mello-Roos Special Tax required to leverage the bonds does require a 2/3rds vote of the registered voters in the proposed Special Tax area. The drafting of the Engineer's Report and the processing of the election is an expensive (approximately \$100,000) and time-consuming effort. Mello-Roos Bonds can be sold for terms up to 30 years and currently command interest rates of about 5.5% to 6%. Up-front costs for issuing the bonds usually run about 5% of the issue and a bond reserve fund of 10% of the principal is required.

As detailed below in Section III, NCSD may need to borrow between \$3 million and \$9.6 million principal to construct the Project.

- If NCSD were to issue \$3,450,000 in Mello-Roos Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$238,000 per year.
- If NCSD were to issue \$3,450,000 in Mello-Roos Bonds (\$3 million principal plus 10% Reserve plus 5% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$251,000 per year.
- If NCSD were to issue \$11,040,000 in Mello-Roos Bonds (\$9.6 million principal plus 10% Reserve plus 5% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$760,000 per year.
- If NCSD were to issue \$11,040,000 (\$9.6 million principal plus 10% Reserve plus 5% closing costs) in Mello-Roos Bonds at 6% interest with a Thirty-Year term, NCSD's

Annual Debt Service Cost would be approximately \$802,000 per year.

4. Certificates of Participation – NCSD could issue Certificates of Participation through its NCSD Public Facilities Corporation (Corporation) formed in 2003. The Corporation would construct the facilities and lease the land and facilities back to the District leveraged with the pledge of rates and charges to cover the debt service on the COPs. Pursuant to Articles XIIC and XIID of the California Constitution (Proposition 218), the Board has the discretion to enact these user fees. COPs can be sold for terms up to 30 years and currently command interest rates of about 5.5% to 6%. Up-front costs for issuing the bonds usually run about 3% of the issue, and a bond reserve fund of 10% of the principal is required. It should be noted that the California Supreme Court is addressing the issue of what process local governments must use to adopt user fees that support debt (Bighorn-High Desert Water District).

As detailed below in Section III, NCSD may need to borrow between \$3 million and \$9.6 million principal to construct the Project.

- If NCSD were to issue \$3,390,000 in COPs (\$3 million principal plus 10% Reserve plus 3% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$234,000 per year.
- If NCSD were to issue \$3,390,000 in COPs (\$3 million principal plus 10% Reserve plus 3% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$246,000 per year.
- If NCSD were to issue \$10,848,000 in COPs (\$9.6 million principal plus 10% Reserve plus 3% closing costs) at 5.5% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$747,000 per year.
- If NCSD were to issue \$10,848,000 in COPs (\$9.6 million principal plus 10% Reserve plus 3% closing costs) at 6% interest with a Thirty-Year term, NCSD's Annual Debt Service Cost would be approximately \$788,000 per year.

H. TURN-KEY DESIGN/BUILD

NCSD has conducted initial discussions with private parties who have expressed an interest in forming a Limited Liability Partnership (LLP) for the purposes of designing and building the Project in return for guaranteed entitlements to water capacity for development. The rights and responsibilities of each party have not been defined and substantial negotiation would be required to determine the amount of the capital cost that each party would pay and when.

COMPARISON OF FUNDING OPTIONS

Following is a comparison of the Debt Service costs for some of the Funding Options described above at \$3 million principal and \$9.6 million principal.

COMPARISON OF FUNDING OPTION ANNUAL DEBT SERVICE COST

SOURCE	TERM	INTEREST RATE	ANNUAL DEBT SERVICE ON \$3 MILLION PRINCIPAL	ANNUAL DEBT SERVICE ON \$9.6 MILLION PRINCIPAL
CIEDB	20 Years	2.79%	\$227,000	\$728,000
CIEDB	30 Years	2.94%	\$188,000	\$603,000
Bonds	30 Years	5.50%	\$238,000	\$760,000
Bonds	30 Years	6.0%	\$251,000	\$802,000
COPs	30 Years	5.50%	\$234,000	\$747,000
COPs	30 Years	6.0%	\$246,000	\$788,000

III. REVENUE SOURCES TO PAY DEBT SERVICE COSTS

Cannon Associates in 2005 estimated that the capital cost to construct the Project could range from \$7.4 million to \$9.6 million. The majority of this cost is scheduled to be spent on construction from fall 2007 through fall 2008, and some capital costs related to land acquisition could occur as early as winter 2007. As detailed in Section II of this report, NCS D has the discretion to use 2003 COP Reserves, Capacity Charge Reserves, and Property Tax Reserves. NCS D may also be able to secure grants, to negotiate buy-in contributions from Water Purveyors, and to enjoy contributions from annexation areas and In-Lieu fee areas. If the Board were to dedicate 100% of the various reserves, if NCS D secured grants, if NCS D were able to negotiate buy-ins from the purveyors, and if NCS D were to enjoy annexation and In-Lieu fees, then the respective borrowings could be reduced correspondingly. For the purposes of this report, staff has assumed that the amount of the principal needed to construct the Project would range from \$3 million to \$9.6 million.

As detailed in Section II of this report, each funding option has a different set of front end borrowing cost, reserve requirements and coverage requirements. If NCS D needed \$3 million in principal, then the annual debt service could range from \$188,000 to \$251,000. If NCS D needed \$9.6 million in principal then the annual debt service could range from \$603,000 to \$802,000.

The following narrative description of Revenue Sources to pay debt service costs is divided into eight Revenue Source groups (Capacity Charges, Purveyor Contributions, Annexation Fees, In-Lieu Fees, Property Taxes, User Fees, Assessments, and Special Taxes):

A. CAPACITY CHARGES

On April 27, 2005, this District Board adopted Ordinance 2005-101 establishing a supplemental water capacity charge schedule for development of land within the District that does not have an existing water meter or for parcels in the Summit Station Assessment District that pre-paid their capacity charges along with their assessment. There are approximately 300 vacant parcels of land with an active water meter whose owner would be exempt from paying the capacity charge if they continue to pay their monthly user fees. 139 of the 151 parcels in Summit Station Assessment Area are exempt from paying capacity charges on their existing level of use.

Pursuant to Ordinance 2005-101, the FY05-06 Supplemental Water Capacity Charge is \$11,121 for a one-inch meter, with the provision that this charge would increase every year thereafter on July 1 of successive fiscal years to reflect the increase in the U. S. Bureau of

Labor Statistic's Consumer Price Index for all items for the San Francisco/Oakland/San Jose Standardized Metropolitan Statistical Area (SMSA) and for all items for the Los Angeles/Orange/ Riverside SMSA as of March 31 of the current year over the previous year's index on the same date. Thus, the FY05-06 value of \$11,121 will increase as a function of inflation based on the above stated formula. Of this total \$11,121 per 1" Meter capacity charge, \$1,220 is apportioned to pay for the capital cost of the supplemental water project pipeline.

It should be noted that the \$1,220 Project contribution per 1" Meter was calculated based on an assumed Project Capital Cost of \$6 million and an annual usage of 3,000 acre feet. If the actual construction cost is higher or lower than \$6 million and/or if the actual usage is greater or lower than 3,000 acre feet per year, the Board may wish to amend the contribution to reflect the actual cost.

Similarly,

- the FY05-06 Capacity Charge for a 1.5" meter of \$33,331;
- the FY05-06 Capacity Charge for a 2" meter of \$53,350;
- the FY05-06 Capacity Charge for a 3" meter of \$100,093;
- the FY05-06 Capacity Charge for a 4" meter of \$166,855; and
- the FY05-06 Capacity Charge for a 6" meter of \$336,610 would also increase as a function of inflation based on the above stated formula.

According to the District's 2006 Urban Water Management Plan Update, NCSD could experience between 0 and 300 equivalent residential dwelling units (EDUs) of growth in its existing service area until full build-out of 3,600 additional EDUs. At 2.3% growth on top of NCSD's customer base, the initial rate of growth would be 80 EDUs per year. At 80 EDUs per year, the current capacity charge would generate \$97,600 per year. This is the same rate of growth that the District used in setting the capacity charge in 2005. It should be noted that from 7/1/05 to 3/1/06, NCSD collected \$58,000 in the portion of the capacity charge dedicated to repaying Project Construction Cost. Extrapolating to a full twelve month period, NCSD may enjoy \$87,000 in Capacity Fees in FY05-06. Thus, it appears that the current rate of development is slower than the 80 EDUs previously forecast.

B. PURVEYOR BUY-IN CONTRIBUTIONS

Section VIA6 of the 2005 draft court settlement stipulation apportions supplemental water as follows – 66.68% to NCSD; 16.66% to the Woodlands; 8.33% to Golden State Water; and 8.33% to Rural Water

Company. Logically, the Woodlands, Golden State and Rural should pay for the respective share of the capital cost in addition to the actual purchase of water and the actual operating and maintenance cost. As mentioned in Section II of this report, these three entities may negotiate to pay their respective capital cost contributions up-front or they may negotiate to pay their respective capital cost contributions in installments to offset NCSD's debt service costs. If all three parties negotiated to pay their capital cost obligation in installments then the aggregate contribution would be 33% of the debt service. Thus, depending on the actual amount of the borrowing the aggregate annual payment could range from \$62,000 to \$265,000.

C. ANNEXATION CAPACITY CHARGES

Individuals proposing to annex land into the District would provide a reliable water supply from a source other than the Nipomo Mesa Groundwater Management Area (NMMA) and pay a capacity charge. In addition, the annexing party would need to reserve and ultimately pay for the additional water entitlement from the City of Santa Maria.

According to the District's 2006 Urban Water Management Plan, NCSD could experience up to 1,610 EDUs of additional growth in the approved Sphere of Influence per existing zoning and 3,710 EDUs or more of additional growth in the approved Sphere of Influence per maximum zoning. Assuming that growth is spread evenly over the next Twenty-Years, the average rate of growth could range from 0 to 200 EDUs per year. For the purposes of this report, staff will assume 80 units per year, which would yield \$97,600 per year.

D. IN-LIEU FEES

The County of San Luis Obispo is considering General Plan Amendments and Implementing Ordinances that would establish an in-lieu fee for properties outside of NCSD's Sphere of Influence and the Service Areas of the three other major suppliers. At this time the potential for growth in these areas, the rate of growth, and the magnitude of the In-Lieu fee are unknown. Should the County adopt its proposed fee, then any such fees collected would logically be forwarded to NCSD but such arrangements have yet to be made.

E. PROPERTY TAXES

The District Board has specified that its general Property Taxes will first be used to pay for the annual debt service on the 2003 COPs; however, the current annual property tax yield (\$442,000) exceeds this fiscal year's COP Debt Service payment (\$244,000). Currently, the

District's Property Tax Reserve is approximately \$800,000 and it is growing by about \$200,000 per fiscal year. If this rate of growth were to continue, the Board would have the discretion to apply some or all of the \$200,000 per year to Project annual debt service cost.

F. USER FEES

The NCSD Board has the discretion to set water rates and charges based on the District's actual costs. In FY2005-06, the adopted rates are expected to generate \$1,458,000. Every 1% increase in these rates would generate up to \$14,580 annually.

G. ASSESSMENTS

Articles XIIC and XIID of the California Constitution allow for property assessments to pay for property servicing works such as water supply if approved by a vote of the affected property owners. The proposed Assessment for each property must relate to the future special benefit to be enjoyed by that property. Formation of an assessment district requires the publication of an Assessment Engineer's Report documenting the costs and detailing the proposed assessment per property. The election involves mailing of ballots to each registered owner and counting of all returned ballots. The entire process is labor intensive, expensive, and time consuming. Substantial research would be necessary to estimate the average assessment.

H. SPECIAL TAXES

Articles XIIC and XIID of the California Constitution allow for Special Taxes to pay for infrastructure as long as the voters in the affected are pass a ballot measure authorizing the Special Tax by a 2/3rds majority. The District Board would have the discretion to apportion charges amongst developed residential properties, developed non-residential properties, and vacant land. Substantial research would be necessary to estimate the average Special Tax.

IV. REVENUE SOURCES TO PAY OPERATING COSTS

The MOU between NCS D and the City of Santa Maria provides a choice of formulas for the sale of water to NCS D. According to the “Fixed Rate” Formula, NCS D would pay at least \$750,000 for the minimum delivery of 600 acre feet in the first year of the contract. If NCS D were to use 3,000 acre feet per year, it could pay as much as \$3,750,000 per year. In addition, there will be initial start-up costs and on-going operational, maintenance and replacement (OM&R) costs related to the Project. NCS D has not attempted to quantify these costs at this time.

The following narrative description of Revenue Sources to pay OM&R costs is divided into six Revenue Source groups (Capacity/Annexation/In-Lieu Fees, Purveyor Contributions, Property Taxes, User Fees, Assessments, and Special Taxes). It should be noted that Impact Fees including capacity charges and in-lieu fees cannot be used to pay for OM&R costs.

A. CAPACITY/ANNEXATION/IN-LIEU FEES

\$9,901 out of the \$11,121 Capacity Charge per EDU described previously is reserved for the cost of purchasing water from the City of Santa Maria. Proceeds from any such collected Capacity Charges, Annexation Fees, or In-Lieu Fees can be used to pay for purchase of water but not for ordinary operational costs. As detailed above, NCS D may experience around 80 EDUs/yr of new growth in existing service area and another 80 EDUs/yr of new growth through annexations of land within our Sphere of Influence. The resultant 160 EDUs/yr would pay \$1,584,160 at \$9,901 per EDU.

B. PURVEYOR CONTRIBUTIONS

Section VIA6 of the 2005 draft court settlement stipulation apportions supplemental water as follows – 66.68% to NCS D; 16.66% to the Woodlands; 8.33% to Golden State Water; and 8.33% to Rural Water Company. Logically, the Woodlands, Golden State, and Rural should pay for their respective share of OM&R costs.

C. PROPERTY TAXES

The District Board has specified that its general Property Taxes will first be used to pay for the annual debt service on the 2003 COPs; however, the current annual property tax yield (\$347,000) exceeds this fiscal year’s COP Debt Service payment (\$244,000). Currently, the District’s Property Tax Reserve is approximately \$800,000 and it is growing by about

\$200,000 per fiscal year. If this rate of growth were to continue, the Board would have the discretion to apply some or all of the \$200,000 per year to Project OM&R Costs.

D. USER FEES

The NCSD Board has the discretion to set water rates and charges based on the District's actual costs. In FY2005-06, the adopted rates are expected to generate \$1,458,000. Every 1% increase in these rates would generate up to \$14,580 annually.

E. ASSESSMENTS

Articles XIIC and XIID of the California Constitution allow for property assessments to pay for OM&R costs for property-related services such as water supply if approved by a vote of the affected property owners. The proposed Assessment for each property must relate to the future special benefit to be enjoyed by that property. Formation of an assessment district requires the publication of an Assessment Engineer's Report documenting the costs and detailing the proposed assessment per property. The election involves mailing of ballots to each registered owner and counting of all returned ballots. The entire process is labor intensive, expensive, and time consuming. Substantial research would be necessary to estimate the average assessment.

F. SPECIAL TAXES

Articles XIIC and XIID of the California Constitution allow for Special Taxes to pay for infrastructure as long as the voters in the affected area pass a ballot measure authorizing the Special Tax by a 2/3rds majority. The District Board would have the discretion to apportion charges amongst developed residential properties, developed non-residential properties, and vacant land. Substantial research would be necessary to estimate the average Special Tax.

IV. STAFF RECOMMENDATIONS

Following are staff recommendations for Funding Options, Revenue Sources for Debt Service, and Revenue Options for OM&R:

A. FUNDING OPTIONS

The most advantageous funding source from NCSD's perspective would be Grants and Appropriations; however, the only viable grant funding that is likely in the short term is the DOHS Proposition 50 Safe Drinking Water competition. The status of NCSD's \$200,000 pre-applications should be monitored and aggressively pursued. Additionally, NCSD should consider competing along with the County and individually in the next Integrated Regional Water Grant Program competition.

The next best source of funds involves NCSD reserves. Staff recommends that the Board use all of the available 2003 COP Proceeds, the Capacity Charge Fees collected through 2008, the Annexation Capacity Fees collected through 2008, and any in-lieu fees collected through 2008 to pay for up-front costs and to lower the amount of money that needs to be borrowed. Staff is recommending that the Board transfer all remaining 2003 COP proceeds into the Project. The Board needs to make a policy determination if the property tax reserves should be spent on this project, on some other project, or held for future use.

The next best source of funds involves purveyor buy-in contributions. Staff recommends that the Board set a negotiations goal on maximizing these buy-in contributions so as to minimize the costs of borrowing.

Once the capital cost is determined and the grants, reserves and buy-in contribution numbers are known, NCSD should focus on a mix of CIEDB Loans and COPs to fund the balance. Staff recommends that the Board formally apply to the CIEDB early to get a firm read on the competitiveness of the Project. At the same time, staff recommends that NCSD pursue issuance of a COP and assemble a COP issuance team comprised of Bond Counsel, Underwriter, Trustee and District Counsel.

Staff would recommend that the Board not consider the use of non-COP Municipal Bonds or the LLP Design Build Option for this project.

B. REVENUE SOURCES FOR DEBT SERVICE

The most advantageous source of debt service revenue from the perspective of the current customers would be capacity charges, annexation fees, and in-lieu fees. Staff recommends that the \$1,220 per EDU Capital Portion of any such fees collected after 2008 be dedicated to repayment of debt service costs.

The next best source of debt service revenue would be the purveyor contributions to the extent that it is not possible to negotiate full buy-in up-front.

The next best source of debt service revenue would be general property tax proceeds. The Board will need to make a policy determination if repayment of the debt service is the highest and best use of the General Property Taxes not already dedicated to repayment of the 2003 COP.

The next best source of funding for debt service pay payment would be user fees. Staff recommends that user fees be considered if required by the CIEDB or if necessary to cover debt service costs not paid for by the sources listed above.

Staff would not recommend that the Board use assessment district or special tax funding for this project.

C. REVENUE SOURCES FOR OM&R

The most advantageous sources of revenue to pay for Project OM&R from the perspective of the current customer would be contributions from the other major suppliers and the \$9,901 per EDU Non-Capital portion of any Capacity, Annexation, and In-Lieu Fees collected after 2008.

The next best source of funds for OM&R costs would be user fees.

The next best source of funds for OM&R costs would be general property tax proceeds. The Board will need to make a policy determination if repayment if the debt service is the highest and best use of the General Property Taxes not already dedicated to repayment of the 2003 COP.

Staff would not recommend that the Board use assessments or special taxes for this project.

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 7, 2006



CONSIDER COUNTY PLANNING LAND USE ORDINANCE AMENDMENT

ITEM

Discuss and possibly take a position regarding the proposal by the County of San Luis Obispo to adopt planning area standards that would require:

- Supplemental water for General Plan Amendments and land divisions in the Nipomo Mesa Water Conservation Area; and
- The application of low water use landscape requirements and the requirement of specific indoor and outdoor water conservation measures in all new construction.

BACKGROUND

San Luis Obispo County planning department is recommending a Land Use Ordinance amendment to include an area-wide standard requiring supplemental water, or the payment of a supplemental water mitigation fee, for all new development which would otherwise add demand on groundwater underlying the Nipomo Mesa Management Area of the Santa Maria Groundwater basin. In addition to requiring supplemental water or a supplemental water fee, the Amendment is proposed to include a number of water conservation requirements for the area (see page 3-13 of attached County staff report).

The County staff report prepared for the March 23, 2006 Planning Commission meeting is attached. Director Winn and staff attended the Planning Commission meeting and spoke, on behalf of the District, in support of the area-wide standard. The Planning Commission voted in favor of staff's recommendation and amended the recommendation to include limitations on turf areas.

The Amendment is now scheduled for consideration by the Board of Supervisors on May 9, 2006. In order for District representation at that meeting to clearly represent your Honorable Board's position on the proposed Amendment, staff is requesting discussion and direction.

RECOMMENDATION

It is recommended that your Honorable Board consider the attached County staff report, discuss the proposed amendment and direct staff.

ATTACHMENTS

March 23, 2006 County staff report, File 2005-0006

3-1

COUNTY OF SAN LUIS OBISPO DEPARTMENT OF PLANNING AND BUILDING STAFF REPORT



PLANNING COMMISSION

"Making a Difference"

MEETING DATE March 23, 2006	CONTACT/PHONE John Hand, Senior Planner 781-5999	APPLICANT County of San Luis Obispo	FILE NO. LRP2005-0006
SUBJECT A request by the County of San Luis Obispo to amend the Land Use Ordinance (Title 22 of the County Code), Section 22.112.020 to: 1) add an areawide standard to require requests for General Plan Amendments and land divisions within the Nipomo Mesa Water Conservation Area (NMWCA) to demonstrate either that no increase in water use would result from the proposed development or to provide supplemental water to offset any projected increase; and, 2) add an areawide standard to increase the number of projects in the NMWCA subject to low water use landscape requirements; and, 3) amend the South County (Inland) Area Plan to add a service program indicating the county's intent to adopt a supplemental water development fee for development resulting from land divisions within the NMWCA; and, 4) amend the Building and Construction Ordinance (Title 19 of the County Code) to require inclusion of specific indoor and outdoor water conservation measures for all new development in the NMWCA. The purpose of this request is to assist in maintaining and restoring the groundwater resource in the Nipomo Mesa Water Conservation Area.			
RECOMMENDED ACTION Recommend to the Board of Supervisors: Approval of amendments as shown in Exhibits LRP2005-00006:A, B and C based on the recommended findings listed in this report.			
ENVIRONMENTAL DETERMINATION The Environmental Coordinator has approved a Categorical Exemption for this proposal (Section 15307, Class 7). The proposed general plan amendment and ordinance amendments constitute actions to assure the maintenance, restoration or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.			
LAND USE CATEGORY Various	COMBINING DESIGNATION Various	ASSESSOR PARCEL NUMBER Various	SUPERVISOR DISTRICT(S) 4
PLANNING AREA STANDARDS: None applicable			
EXISTING USES: Not Applicable			
SURROUNDING LAND USE CATEGORIES AND USES: Not Applicable			
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: This proposal implements a directive from the Board of Supervisors, with involvement of the Nipomo CSD and Nipomo Community Advisory Committee.			
TOPOGRAPHY: Varied		VEGETATION: Varied	
PROPOSED SERVICES: Not Applicable		ACCEPTANCE DATE: Not Applicable	
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER ♦ SAN LUIS OBISPO ♦ CALIFORNIA 93408 ♦ (805) 781-5600 ♦ FAX: (805) 781-1242			

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PROJECT HISTORY

Public hearings were conducted in 2004 by the Planning Commission and Board of Supervisors to consider a Resource Capacity Study (RCS) for water supply in the Nipomo Mesa area. The RCS recommended several actions that would allow development to continue without causing additional stress on the groundwater supply. At its hearing on November 2, 2004, the Board authorized the preparation of planning area standards to increase the number of projects in the Nipomo Mesa Water Conservation Area (NMWCA) subject to low water use landscape requirements and to require inclusion of specific indoor and outdoor water conservation measures for all new development in the NMWCA. At a subsequent hearing on May 10, 2005, the Board authorized preparation of another planning area standard to require requests for General Plan Amendments and land divisions within the NMWCA to demonstrate either that no increase in non-agricultural water use would result from the proposed development or to provide supplemental water to offset any projected increase. For general plan amendments, "provision of supplemental water" means that supplemental water, at the time of application, is available for delivery to the Nipomo Mesa. In the case of land divisions, "provision of supplemental water" would be in the form of a fee to be paid at the time of building permit issuance.

AUTHORITY

Land Use Element Amendment

The Land Use Element sets forth the authority by which the General Plan can be amended. The following factors should be considered by the Board in making their decision, pursuant to the Land Use Element:

- a. **Necessity.** *Relationship to other existing LUE policies, including the guidelines for land use category amendments in Chapter 6 (see Exhibit C), to determine if those policies make the proposed amendment unnecessary or inappropriate.*
- b. **Timing.** *Whether the proposed change is unnecessary or premature in relation to the inventory of similarly designated land, the amount and nature of similar requests, and the timing of projected growth.*
- c. **Vicinity.** *Relationship of the site to the surrounding area to determine if the area of the proposed change should be expanded or reduced in order to consider surrounding physical conditions. These may include resource availability, environmental constraints, and carrying capacity for the area in the evaluation.*
- d. **Cumulative effects of the request.** *Individual property owner requests for changes are evaluated in view of existing buildout, current population and resource capacity conditions, and other important information developed as part of the update process.*

Land Use Ordinance Amendment

The Land Use Element sets forth the authority by which the ordinance can be amended. The following factors shall be considered pursuant to the Land Use Element:

Guidelines for Amendments to Land Use Ordinance

The Land Use Ordinance guides new development so as to be in character with its surroundings and to maintain amenities for living. These principles implement the general goals of the Land Use Element that are stated in Chapter 1.

Development of new or amended Land Use Ordinance standards should be guided by the following principles for implementation of the general plan goals:

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1. *All developments should be designed with maximum consideration of the characteristics of project sites and their surroundings:*
 - a. *To enhance and achieve full use of special site potentials such as natural terrain, views, vegetation, natural waterways or other features;*
 - b. *To respect and mitigate (or avoid) special site constraints such as climatic conditions, noise, flooding, slope stability, significant vegetation or ecologically sensitive surroundings;*
 - c. *To be compatible with present and potential adjacent land uses within the context of the area's urban, suburban or rural character.*

2. *Designs for proposed residential uses should include:*
 - a. *Provisions for privacy and usable open space;*
 - b. *Orientation and design features to shelter from prevailing winds and adverse weather, while enabling use of natural light, ventilation and shade.*

3. *All developments should be designed to provide safe vehicular and pedestrian movement, adequate parking for residents, guests, employees and emergency vehicles.*

Staff comments - Land Use Ordinance Amendment

The guidelines are intended for application to actual land development proposals. This proposal is for plan amendments that would apply additional standards to development proposals. Therefore, many of the guidelines are not applicable in this case

General Goals - Land Use Element

The proposed planning area standards are consistent with the general goals in Chapter 1 of Framework for Planning (Part I of the Land Use Element).

Staff comments - General Goals

Consistency with applicable goals is noted in the following table.

General Goals of the Land Use Element	Staff Comments re: Consistency
1. Maintain and protect a living environment that is safe, healthful and pleasant for all residents by conserving nonrenewable resources and replenishing renewable resources.	Consistent: The purposes of this amendment are to minimize additional water demand and to facilitate replenishment of the groundwater basin by bringing in supplemental water.
2. Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.	Consistent: This amendment would insure that new development would not cause increased pumping from the groundwater basin and would encourage participation of new development in the effort to acquire supplemental water.

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<p>6. Provide for a sustainable rate of orderly development within the planned capacity of resources and services and the county's and citizens' financial ability to provide them.</p>	<p>Consistent: New development would be limited to that which could provide supplemental water or result in no net increase in non-agricultural water demand. New development may also contribute to the cost of providing supplemental water, thereby reducing the financial burden on existing customers.</p>
<p>10. Encourage the protection of agricultural land for the production of food, fiber and other agricultural commodities.</p>	<p>Consistent: In determining whether or not a proposed development would result in an increase in water demand, water use in support of existing agriculture is not considered.</p>
<p>11. Design and maintain a land use pattern and population capacity that is consistent with the capacities of existing public services and facilities, and their programmed expansion where funding has been identified.</p>	<p>Consistent: New development would be limited to that which could provide supplemental water or result in no net increase in non-agricultural water demand. Capacity of water providers to provide service would be maintained.</p>
<p>12. Encourage the phasing of urban development in a compact manner, first using vacant or underutilized "infill" parcels and lands next to existing development.</p>	<p>Consistent: Parcels adjacent to the Nipomo CSD would have access to supplemental water via annexation to the CSD and participation in the supplemental water project.</p>
<p>16. Avoid the use of public facilities, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities and service levels.</p>	<p>Consistent: Adoption of the proposed standards is intended to assist the effort to restore a balance between water supply and demand in the Nipomo Mesa area.</p>
<p>17. Finance the cost of additional services and facilities from those who benefit by providing for dedications, in-lieu fees or exactions.</p>	<p>Consistent: The proposed standards will benefit new development by allowing development to proceed, but only if such development participates in funding the cost of providing supplemental water.</p>

PROPOSED AMENDMENTS

Proposed amendments to the Land Use Ordinance, South County (Inland) Area Plan and Building and Construction Ordinance are attached. The amendments will add standards to require applications for general plan amendments and land divisions within the NMWCA to provide documentation that estimates non-agricultural water demand for the proposed land division or development that would be allowed under the new land use category. The demand is required not to exceed the estimated non-agricultural demand without the requested amendment or land division or supplemental water would need to be provided. In addition, development on lots within the NMWCA are required to use the water efficient landscape standards, as modified in the proposed planning area standard and to use specific indoor and outdoor water conservation measures as detailed in an amendment to the Building and Construction Ordinance.

3-5

General plan amendments to provide supplemental water. The requirement for general plan amendments to provide supplemental water can be implemented by an amendment to Title 22, the Land Use Ordinance. That amendment is included as Exhibit LRP2005-00006A.

Land divisions participate in supplemental water acquisition. Implementation of the Board's intent regarding land divisions is somewhat more complicated. The intent is that land divisions should participate in the acquisition of supplemental water through payment of a supplemental water development fee for each lot created as a result of the division. The county would collect the fee and the fee would be transferred to the agency responsible for implementing a supplemental water project - presumably, the Nipomo Community Services District. Determination of the amount of the fee and the process for adopting the fee are governed by AB 1600, which requires that any such fee must be based upon the principle that the fee must not exceed the estimated, reasonable cost of the project's proportionate share of the proposed facility. Typically, these estimates are prepared by a consultant with expertise in the estimation of costs of capital projects. Based on discussions with the consultant who prepared the supplemental water cost estimate for the Nipomo CSD, it appears that consultant costs to establish the county's supplemental water development fee would be less than \$10,000. The fee, itself, would not exceed \$13,000 per residential unit or residential equivalent.

Since the exact amount of the fee has not yet been determined, the Board's directive regarding land divisions should be thought of as requiring implementation in phases:

Phase 1 is an amendment to the South County Area Plan creating a service program calling for the county to conduct an AB 1600 process to determine the amount of the supplemental water development fee (this amendment is proposed as part of this package);

Phase 2 is budgeting for and retaining a consultant to determine the fee;

Phase 3 is adopting the fee and including the requirement to pay the fee as an amendment to Title 19.

The proposed general plan amendment that would implement Phase 1 is included as Exhibit LRP2005-00006B.

Water conservation measures. The requirement for specific indoor and outdoor water conservation measures is best accomplished by an amendment to Title 19, the Building and Construction Ordinance. That amendment is included as Exhibit LRP2005-00006C.

FINDINGS

Environmental Determination

- A. The Environmental Coordinator has approved a Categorical Exemption for this proposal (Section 15307, Class 7). The proposed general plan amendment constitutes an action to assure the maintenance, restoration or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

Amendments

- B. The proposed amendment to the Land Use Ordinance will limit general plan amendments to those that would not increase the extraction of groundwater and expand the application of low water-use landscape requirements.
- C. The proposed amendment to the Building and Construction Ordinance will require all new construction in the Nipomo Mesa Water Conservation Area to include specific indoor and outdoor water conservation measures.
- D. The proposed amendment to the South County (Inland) Area Plan will add a service program indicating the county's intent to establish and collect a supplemental water development fee for each lot resulting from a land division in the Nipomo Mesa Water Conservation Area that is not otherwise contributing to the development of supplemental water.
- E. The proposed amendments are consistent with the Land Use Element and other adopted elements of the general plan because the proposed planning area standards, program, and building requirements are consistent with the general goals of the Land Use Element.
- F. The proposed amendments are consistent with the guidelines for amendments to the Land Use Ordinance because the proposal will balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources by insuring that new development would not cause increased pumping from the groundwater basin and by requiring participation of new development in the effort to acquire supplemental water.
- G. The proposed amendments will protect the public health, safety and welfare of the area residents by allowing for new development that does not increase extractions from the groundwater basin and by requiring inclusion of water conservation measures in all new construction.

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EXHIBIT LRP2005-00006:A

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 22 OF THE
SAN LUIS OBISPO COUNTY CODE, THE LAND USE ORDINANCE
SECTION 22.112.020 RELATING TO THE NIPOMO MESA AREA

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1. Section 22.112.020 of the Land Use Ordinance, Title 22 of the San Luis Obispo County Code, is hereby amended by adding new subsection E to read as follows and renumbering all figures as necessary:

22.112.020 – Areawide Standards

E. Nipomo Mesa Water Conservation Area. The following standards apply to all land in the Nipomo Mesa Water Conservation Area shown in Figure 112-4.

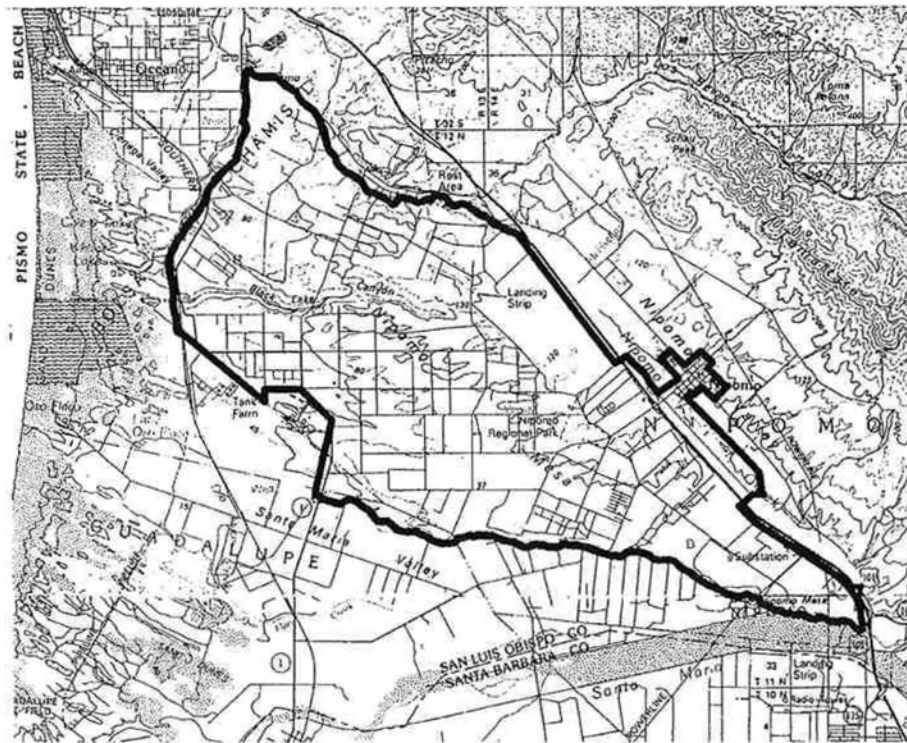


Figure 112-4 - Nipomo Mesa Water Conservation Area

- 1. General Plan Amendments and land divisions.** Applications for general plan amendments and land divisions in the Nipomo Mesa Water Conservation Area shall include documentation regarding estimated existing and proposed non-agricultural water demand for the land division or development that could occur with the General Plan Amendment. If this documentation indicates that the proposed non-agricultural water demand exceeds the demand without the requested amendment or land division, the application shall include provisions for supplemental water as follows:

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- a. **General Plan Amendments.** Where the estimated non-agricultural water demand resulting from the amendment would exceed the existing non-agricultural demand, the application shall not be approved unless supplemental water to off-set the proposed development's estimated increase in non-agricultural demand has been specifically allocated for the exclusive use of the development resulting from the general plan amendment, and is available for delivery to the Nipomo Mesa Water Conservation Area.
 - b. **Land Divisions.** Where the estimated non-agricultural water demand resulting from the land division would exceed the existing non-agricultural demand, a supplemental water development fee shall be paid for each dwelling unit or dwelling unit equivalent, at the time of building permit issuance, in the amount then currently imposed by county ordinance. If development resulting from the land division is subject to payment of supplemental water development fees to an entity other than San Luis Obispo County, the amount of these other fees shall be deducted from the County fee.
2. **Landscape standards.** The standards in Chapter 22.16 apply to the following projects within the Nipomo Mesa Water Conservation Area:
- a. **Public projects.** Projects completed by a public agency that require a land use permit.
 - b. **New non-residential projects.** All new projects within the Recreation, Office and Professional, Commercial Retail, Commercial Service, Industrial and Public Facilities land use categories.
 - c. **Developer-installed.**
 - (1) All developer-installed landscaping in all Residential land use categories within urban or village areas.
 - (2) All developer-installed landscaping in all land use categories outside of urban or village areas where the parcel is 5.0 acres or less.
 - d. **Homeowner-installed.** All homeowner-installed landscaping for any project for which a land use permit is required.
3. **Building Permits.** Building permits issued for construction in the Nipomo Mesa Water Conservation Area shall comply with Section 19.20.240.d.

SECTION 2. The project qualifies for a Categorical Exemption (Class 7) pursuant to CEQA Guidelines Section 15307 because the actions proposed will assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

SECTION 3. If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences,

clauses, phrases or portions be declared invalid or unconstitutional.

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SECTION 4. This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Before the expiration of 15 days after the adoption of this ordinance, it shall be published once in a newspaper of general circulation published in the County of San Luis Obispo, State of

California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

INTRODUCED at a regular meeting of the Board of Supervisors held on the _____ day of _____, 2006, and PASSED AND ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the _____ day of _____, 2006, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

Chairman of the Board of Supervisors,
County of San Luis Obispo,
State of California

ATTEST:

County Clerk and Ex-Officio Clerk of the Board of Supervisors
County of San Luis Obispo, State of California

[SEAL]

ORDINANCE CODE PROVISIONS APPROVED
AS TO FORM AND CODIFICATION:

JAMES B. LINDHOLM, JR.
County Counsel

By: _____
Deputy County Counsel

Dated: _____

1. **Modify Chapter 3, South County Area Plan, Page 3-11, Service Programs by adding Program 6, Supplemental Water Development Fee, and renumbering subsequent programs, as follows:**

F. PLANNING AREA SERVICE PROGRAMS

Programs are non-mandatory actions or policies recommended by the Land Use Element to achieve community or areawide objectives identified in this area plan. The implementation of each LUE program is the responsibility of the community, through the county or other public agency identified in the program itself. Because programs (some of which include special studies) are recommended actions rather than mandatory requirements, implementation of any program by the county should be based on consideration of community needs and substantial community support for the program and its related cost.

The following public facilities, services and resource programs apply to the South County planning area and are grouped under general headings.

Special Districts

1. **Nipomo Community Services District (NCSD).** The Nipomo Community Services District should assume drainage control, fire protection, parks and recreation, street lighting and street tree maintenance to its responsibilities to provide more comprehensive urban services.
2. **County Service Area (CSA) No. 1.** CSA No. 1 should detach areas that receive sewer service from the NCSD, transferring them to the district, and the NCSD should assume responsibility for providing street lighting and storm drainage in those areas.
3. **Multi-Purpose Special District, Hutton Road Area.** LAFCo should work with area property owners to establish a multi-purpose district to supply water and provide septic tank maintenance service in the area of small non-conforming lots.
4. **Cemetery District.** The community should work with the Arroyo Grande Cemetery District to locate and develop a local cemetery, or it should seek to divide and create a south county cemetery district to create and manage a local site.

Water Resources

5. **Water Source Augmentation.** Water providing agencies should work towards programs to provide additional water for the planning area. Any use of the offshore aquifer should be accompanied by a contingency plan for preventing or correcting seawater intrusion.
6. **Supplemental Water Development Fee. The Planning Department, in coordination with the Public Works Department, should determine the amount of a fee to be paid by new development resulting from land divisions that would increase non-agricultural water demand within the Nipomo Mesa Water Conservation Area. Determination of the fee and adoption of an ordinance requiring payment of the fee should be consistent with the requirements of AB 1600.**

- 67. Water Conservation.** The Public Works Department, with assistance from the Planning Department and local water purveyors, should establish a public education program on water conservation and water-conserving landscaping.
- 78. Groundwater Management.** South County water purveyors, cities, agencies, and individual users are encourage to work toward management of the groundwater resource. Agreements and funding should be sought by these entities to prepare an a groundwater study that will assist in identifying the appropriate management strategies.

A comprehensive study of the Santa Maria groundwater basin to be used for future planning purposes should identify the historical and potential impacts to the basin.

Water Systems

- 89. Water Service Plan.** Within the Nipomo urban area, the Nipomo Community Services District and Cal-Cities Water should prepare a water resource capacity study and water service plan for distribution of water to all properties within the urban reserve line.
- 910. Private Water Company Boundary.** Cal-Cities water should relocate their service boundary in Nipomo to be outside the Nipomo Community Services District's sphere of influence.
- 1011. Community Water Systems.** In the Palo Mesa and Los Berros village areas and the Port Hartford Eucalyptus Tract, the county should work with existing small water providers and property owners to establish a community water system in appropriate areas.
- 1112. Water Service Plan Coordination.** The Planning Department should provide Land Use Element plan information to private water companies to coordinate future service expansions with county policies.

Sewage Disposal

- 1213. Wastewater Management Plan.** The county should work with the Regional Water Quality Control Board and other agencies to prepare a Wastewater Management Plan for portions of the Nipomo urban area that utilize septic systems. The plan should identify the cumulative impacts resulting from the continued use of on-site sewage disposal systems, determine the maximum population densities suitable for such areas and prescribe the appropriate minimum parcel sizes that will control ground water or surface water degradation.
- 1314. Septic Systems Maintenance.** In areas intended to be served by septic tanks, the Planning and Health Departments should develop public information mailings and handouts about the proper care and maintenance of septic systems. The Nipomo Community Services District should establish and administer a septic system maintenance program in areas within its boundary not served by the community sewage system. (Amended 1986, Ord. 2270)

Drainage

- 1415. Drainage Analysis.** The County Public Works and Planning Departments should work with the Nipomo Community Services District to prepare a communitywide drainage analysis for the Nipomo urban area to identify problem areas and recommend appropriate remedial action, including any necessary changes to the standards of the Land Use Element to implement measures to correct drainage problems.

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- 15 16. Maintenance of Drainage Channels.** The County Public Works Department should work with the community of Nipomo, area property owners and the Nipomo Community Services District to establish an agency for maintenance of natural drainage ponds or channels for recharge to the groundwater basin. After establishment, the agency should develop a maintenance program designed to prevent significant reduction of ponding capacities while maintaining natural channels in as natural a state as possible.

Solid Waste Disposal

- 16 17. Refuse Collection.** The Planning, Health and Public Works Departments should coordinate to select an appropriate site and program for a rural container station on Nipomo Mesa.
- 17 18. Waste Collection - Nipomo and Village Areas.** A mandatory waste collection service should be investigated in the Nipomo urban area and the village areas that offers recycling and low-cost service for low-volume users for bulk items, green waste and hazardous products. The Department of Planning and Building and the Health Department should investigate the need to require evidence of a contract for private waste collection before the issuance of building permits in village areas.

Police Protection

- 18 19. Sheriff Patrols/Substation.** The community should consider funding additional Sheriff patrols in the South County as well as funding a new substation in the Nipomo area.

Fire Protection

- 19 20. Urban Fire Jurisdiction.** The Nipomo Community Services District should assume responsibility for providing year-round urban fire protection services within the Nipomo Urban Reserve Line. A mutual aid agreement with the County Fire Department (CDF) should be reached for serving areas outside of the district also.
- 20 21. Social Services Planning.** The county Planning and General Services Departments should work with social service agencies to coordinate, plan and schedule the development of social services in Nipomo.
- 21 22. Government Services/Public Service Centers.** The Planning and General Service Departments should prepare a facility needs study of the specific, desirable public services, and their space requirements, that can be scheduled for locating in the identified government facilities locations, as part of the county capital improvement program.

Schools

- 22 23. School Facility Expansion.** The Planning Department should work with the Lucia Mar Unified School District to coordinate plans for siting and funding additional schools. The county staff's role as to funding has been described in the Schools section.
- 23 24. School Facility Siting -** The General Services and Planning Departments should work with the Lucia Mar Unified School District to complete a study and environmental determination by 1998 of the appropriate location for a high school.

3-13

EXHIBIT LRP 2005-00006:C

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 19 OF THE SAN LUIS OBISPO COUNTY CODE, THE
CONSTRUCTION ORDINANCE, BY AMENDING SECTION 19.20.240 RELATING TO
WATER CONSERVATION ON THE NIPOMO MESA

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1: Section 19.20.240 of the Construction Ordinance, Title 19 of the San Luis Obispo County Code, is hereby amended as follows:

19.20.240 - Water Conservation Provisions. The requirements in this section shall apply to all new installations and, where specifically required, to existing structures.

- a. **Water fixtures.** Water fixtures shall comply with current requirements of the California Energy Commission and Department of Water Resources.
- b. **Existing structures.** In existing buildings, replacement water fixtures shall conform to the above requirements. In addition, all fixtures in an existing building shall be brought into conformance with these requirements when an alteration of that building meets either of the following criteria:
 - (1) A bathroom is added;
 - (2) The floor area is increased by twenty per cent (20%) or more.
- c. **Other requirements:**
 - (1) Spas, hot tubs, fountains and other decorative bodies of water shall be equipped with recirculating systems and shall be designed to operate without a continuous supply of water.
 - (2) Vehicle wash facilities shall have approved water reclamation systems which provide for reuse of a minimum of fifty percent (50%) of the wash water. Hoses, pipes, and faucets for manual application of water to vehicles at such facilities shall be equipped with positive shut-off valves designed to interrupt the flow of water in the absence of operator applied pressure.
 - (3) Water supply piping shall be installed so that each dwelling unit may be served by a separate water meter.
- d. **Nipomo Mesa Water Conservation Area.** In addition to the requirements in sections a, b and c above, the requirements in paragraphs (1) and (2) below shall apply to all new installations in the Nipomo Mesa Water Conservation Area shown in Figure 20-1.
 - (1) Sink faucets in all bathrooms and kitchens shall be equipped with automatic shut-off devices.
 - (2) Drip irrigation systems are required for all landscaped areas. The drip irrigation system shall include the following components: automatic rain shut-off device, soil moisture sensors, a separate meter for outdoor water and an operating manual to instruct the building occupant how to use and maintain the water conservation hardware.

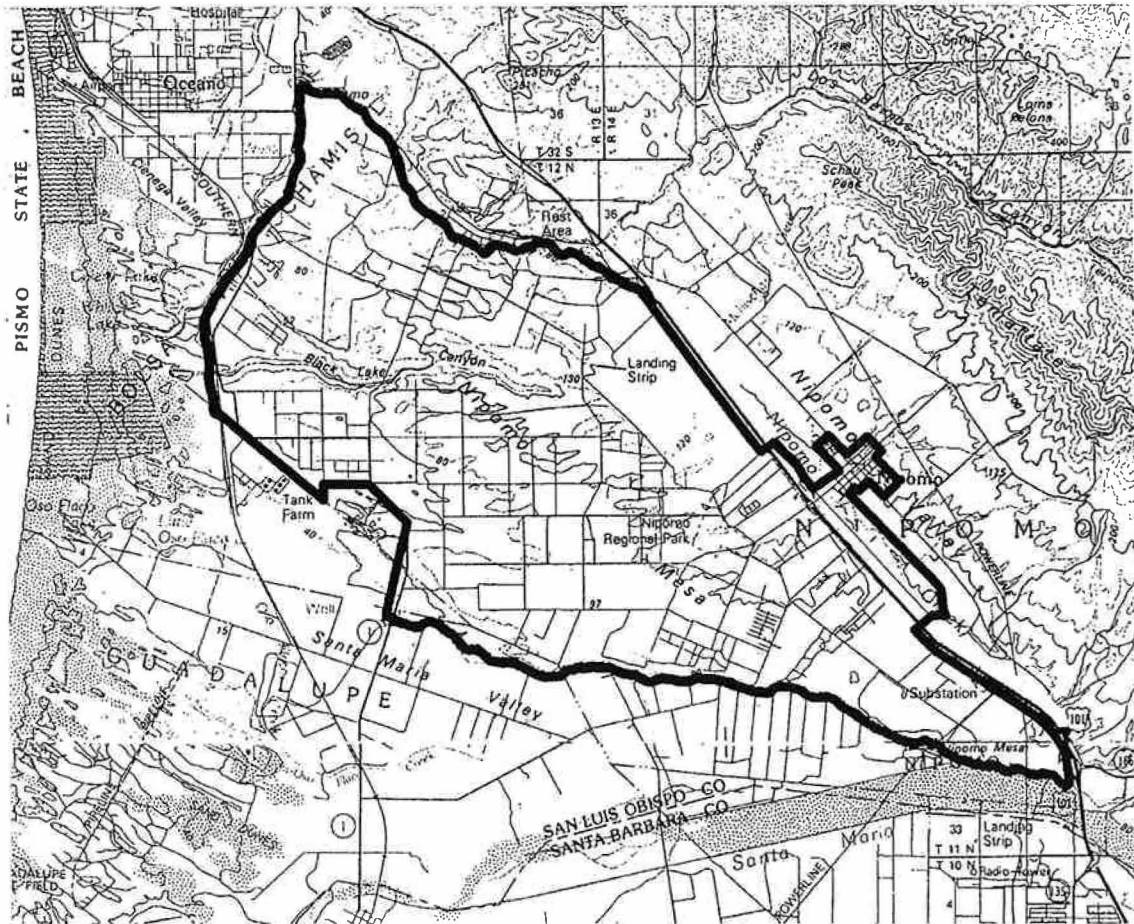


Figure 20-1 Nipomo Mesa Water Conservation Area

SECTION 2. The project qualifies for a Categorical Exemption (Class 7) pursuant to CEQA Guidelines Section 15307 because the actions proposed will assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

SECTION 3. If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 4: This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Before the expiration of 15 days after the adoption of this ordinance, it shall be published once in a newspaper of general circulation published in the County of San Luis Obispo, State of California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

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INTRODUCED at a regular meeting of the Board of Supervisors held on the ____ day of _____, 2006, and PASSED AND ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the _____ day of _____, 2006, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT: None

ABSTAINING: None

Chairman of the Board of Supervisors,
County of San Luis Obispo,
State of California

ATTEST:

County Clerk and Ex-Officio Clerk
of the Board of Supervisors
County of San Luis Obispo, State of California

[SEAL]

ORDINANCE CODE PROVISIONS APPROVED
AS TO FORM AND CODIFICATION:

JAMES B. LINDHOLM, JR.
County Counsel

By: _____
Deputy County Counsel

Dated: _____

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *ML*
DATE: APRIL 7, 2006



MANAGER'S REPORT

ITEM

Standing report to your Honorable Board
Period covered by this report March 18, 2006 through April 7, 2006.

DISTRICT BUSINESS

Administrative

Water Service Requests/Allocation Accounting: No new allocations during the period.

Rainfall totals: The Tribune is reporting Nipomo's seasonal rainfall total to date as 20.56 inches (6" of new rain in past three weeks), with additional rain predicted in the coming week. This year's rainfall exceeds the long term annual average of 16.82 inches (Beeby, 2002 Trial Exhibit C-4) and can be expected to provide significant recharge to the District's groundwater resources.

Safety Program

No injury reports during the period.

Administrative Other

A number of improvements have been completed at the District office:

- Three diseased trees have been removed along Wilson Street, and six new California native trees planted in their place (five along Wilson Street and one near the parking exit to Dana Street).
- New work spaces for our new staff (Projects Assistant and Conservation/Compliance Coordinator) have been created.
- Information posting in the lobby area has been updated and improved.
- Security: A video surveillance system has been installed to continuously monitor the front counter and administrative vehicle parking area. Additionally, a latch has been installed on the swing door at the front counter to slow/deter unauthorized entry. These security improvements have been made as a proactive step to increase staff and equipment safety. They are not in response to any particular incident.

Staff is including monies in next year's proposed budget for exterior improvements at the office, including re-seal and re-stripe the parking lot, painting/repairing building exterior and repair of the fence on the west side of the parking area.

Please take a moment to tour the office and observe these improvements. Additionally, staff welcomes suggestions for further improvements.

Project Activity

Please see the attached report by District Projects Assistant Bruce Buel.

Conservation/Compliance

Please see the attached report by District Conservation/Compliance Specialist Madonna Dunbar.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENT

- Memorandum from District Projects Assistant
- Memorandum from District Conservation/Compliance Specialist



NIPOMO COMMUNITY SERVICES DISTRICT

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

MEMORANDUM

TO: MICHAEL LEBRUN, GENERAL MANAGER *MSL*
FROM: BRUCE BUEL, PROJECTS ASSISTANT
DATE: APRIL 5, 2006
RE: PROJECTS UPDATE – 3/16/06 to 4/5/06

Following is a narrative describing the status and progress on projects that office and field staff has worked on from 3/16/06 through 4/5/06:

NCSD Water Intertie Project –

- This project is in environmental review with the Draft EIR expected to be circulated in May 2006.
- The Board, on March 22, 2006, authorized circulation of the Design Services RFP, created an Ad Hoc Committee comprised of Directors Trotter and Eby, and amended the agreement with Doug Woods Associates for preparation of the Environmental Review for the Project. The Board is scheduled to adopt Project Objectives, review a Draft Funding Options Memo, and consider a reimbursement resolution at its April 12, 2006, Board Meeting.
- The Ad Hoc Environmental Review Committee met one time to discuss Project Development.
- Staff issued the Project Design Services RFP and held five meetings with prospective engineering firms;
- Design Services Proposals are due to NCSD on April 21, 2006. Proposals received will be forwarded to the full board no later than April 24, 2006. Staff will screen down to a short list of finalists by May 5, 2006. The Ad Hoc Design Services Interview Committee is tentatively scheduled to conduct interviews on May 17, 2006, and the Board is scheduled to select a firm at its May 24, 2006, Board Meeting.

- Staff issued the Rough Appraisal Services RFP and held two meetings with prospective appraisal firms;
- Rough Appraisal Services Proposals are due on April 7, 2006, and the Board is scheduled to select a firm at its April 26, 2006, Board Meeting.
- Staff issued a Draft Funding Options Memo for Board, stakeholder and community review.
- Staff provided a tour of the potential routings and facility locations for the Intertie project for Directors Trotter and Eby.
- Staff met with the Public Works Director from the City of Santa Maria to discuss the MOU.
- Staff researched permit, land acquisition and funding issues related to the project.
- Staff submitted a "Common Funding Inquiry Form" to the California Financing Coordinating Committee (CFCC), received feedback from two Agencies that funding was not available; and received feedback from the California Infrastructure and Economic Development Bank that loan funding might be possible.
- Staff has accomplished all critical path tasks necessary to accomplish the Timeline set forth in Section VI of the attached Strategic Plan Outline. Software to facilitate graphical representation of the critical path network has been received. Staff will incorporate critical path information and provide a graphical presentation in future status reports.

Southland WWTF Upgrade Project –

- This project is at the concept stage both in responding to the RWQCB's Notice of Violation (NOV) and considering logical upgrades to the WWTF and to the adjacent collection system.
- The Board is scheduled to consider proposals from consultants to prepare a Feasibility Study on the Upgrade Project at its April 12, 2006, Board Meeting.
- Staff received three proposals in response to the RFP on March 28, 2006.
- Staff has met with several interested consulting engineers regarding the feasibility study.
- Staff has had numerous conversations with RWQCB staff regarding the NOV and the RFP.

Southland Shop Upgrades –

- This Project is at the concept stage with the expectation that staff will bring options to the Board at a future date for enlarging the shop and reorganizing the site.
- Staff has developed rough design layouts for alternative upgrades to the shop and a punch list of upgrades for the grounds.

Standard Specifications –

- The technical phase of this project is nearly complete and the Board is scheduled to consider the draft set of revised Standards Specifications (SS) at its April 26, 2006, Board Meeting.

Hetrick Road Waterline Upgrade –

- This project is nearing completion of design and staff expects to present the plans and bid documents to the Board at its April 26, 2006, Board Meeting.
- The consultant (Boyle) has developed a draft set of the plans and is expected to complete the bid documents by mid April.
- Staff has determined that the project is not categorically exempt pursuant to the California Environmental Quality Act and that a more detailed environmental review will be required. Staff is preparing a Request for Proposal for CEQA Review of the project.
- Staff is drafting Request for Proposals for Engineering Services During Construction (ESDC), Construction Management Services (CM), and Joint ESDC/CM Services.

Blacklake Pump Station Upgrade –

- This project is in the concept design phase with the consultant expected to produce a draft concept design report for upgrades to the pumps and the distribution system by the end of May. Staff expects to present the plans to the Board this summer and bid the project so that it is completed during the winter when water demand is at its lowest.
- Staff has met with the consultant (Boyle) to visualize options for increasing water flows to keep up with peak period demands. Staff has determined that additional services will be required beyond the original Board authorization and staff has

requested that Boyle submit a proposal for additional work for subsequent Board consideration.

- Staff is independently preparing to upgrade the intertie between the Town System and the Blacklake System so that the District can take the Blacklake Pump Station off-line when it comes time for the upgrade.

Frontage Road Relocation –

- The County is the lead agency on this project, which is in its concept phase with no defined timeline for completion.
- Staff has reviewed the Options Report prepared by the County.
- King Ventures and Shapiro have proposed to realign Frontage from Hill Street to Grande Street as part of their respective development proposals. EDA on behalf of the two parties submitted a draft set of plans and profiles to County Public Works last fall. The County and Caltrans have reviewed these initial plans and responded with redlines, but additional discussions are necessary to determine the exact alignment and to deal with reconfiguration of the Southbound off-ramp and drainage.
- Staff met with Dave Watson of King Ventures to discuss the process for review of the proposed relocation of District facilities and NCSD's interest in upgrading these facilities. Mr. Watson provided a set of the initial plans and promised to provide an updated set once EDA completed its redraft.

Telemetry and Control (SCADA)–

- The Telemetry and Control System is functioning with all water storage reservoirs, ten wells, 12 lift stations, both WWTFs, the Blacklake Blower Building, and the Blacklake Connection connected.
- Staff still needs to integrate additional facilities and start using the data capabilities of the software to gather data.
- Staff did hold a contract closure meeting with the contractor and developed a punch-list of outstanding items. Staff expects to schedule an item on an upcoming Board Meeting Agenda for the Board to consider accepting the system.
- Staff has not yet defined the status of the CIMIS station at the Woodlands.

Geographic Information System (Geo-Viewer)

- The GIS System is functioning with data attributes available for most layers in most of the District's Service Area.
- Staff is still adding data and attempting to rectify features to the actual geography.

Basin Groundwater Monitoring-

- The contract details remain under discussion with District legal staff and the consultant's contract managers. Staff is underway with the consultant (SAIC) gathering data as authorized by the Board at its December 14, 2005, Board Meeting.
- Staff expects that this program will extend for multiple years and will involve interaction with the other basin stakeholders.
- Staff continues to gather data for integration into the Data Base to be designed by the consultant.

Preventative Maintenance and Staffing Review -

- This project has just started with staff assembling all systems and facilities.
- Staff has reviewed various computer software systems capable of tracking and reporting on maintenance management and has focused on two competing systems that appear to be promising. Staff will participate in a "show and tell" of the system that the City of Santa Maria is using (one of the two finalists) on April 17, 2006.

Fairways Street Light Painting –

- Staff issued the RFQ to six prospective contractors to paint the 29 light standards in Tract 1542 on February 24, 2006, and opened quotes on March 13, 2006. Two contractors submitted quotes.
- The Board is scheduled to consider awarding the work to the low bidder at its April 12, 2006, Board Meeting.
- Assuming the Board does award this bid, staff will arrange for execution of the contract and schedule implementation in dry weather.

Woodgreen Lift Station Access Upgrade –

- This project is in the concept phase with significant input from the homeowners group. Staff is preparing a “show and tell” with likely contractors to secure quotes for upgrading this access.
- Staff expects to bring quotes for Board consideration late spring with the work to be performed once the ground dries out.

Contract Street Qing –

- Staff had previously solicited quotes for periodic street sweeping of paved roadways within the District; however, the only bid received was not responsive. Staff has researched the firms used by adjacent cities and has reworked the RFQ.
- Staff expects to issue the RFP in April and to open quotes in May with the target of commencing street sweeping on July 1, 2006.

Water Tank Security –

- This project is currently an unfunded idea; however, staff is proposing to include funds in the FY 06-07 Budget to install video camera systems at the Tank Farm and the Standpipe Tank to address security issues.

Blacklake Salts –

- This project involves limiting the discharge from regenerative water softener units within the Blacklake development. Staff expects to develop education material to share with the property owners by this fall.
- Staff understands that the Blacklake Homeowner's Association has promulgated amendments to its Master CCRs prohibiting the installation of new regenerative water softeners and encouraging conversion of existing units to the canister format.
- Staff has discussed the possibility of an incentive program whereby NCSD would offer a monetary reward for conversion of regenerative water softeners to more discharge friendly formats.

Pomeroy Water Line (Willow to Aden) -

- This project remains on hold given the likely realignment of Pomeroy by San Luis Obispo County.

Relocation of NCSD Mains in/through County Drainage Structures -

- SLO County recently agreed to upgrade six Nipomo Drainage Structures over the next three fiscal years. Staff has discussed the opportunity to coordinate with County Public Works as they plan each upgrade.
- As currently planned, SLO County would work on the Mallagh Culvert and the Burton Culvert in FY 06-07; the Sea & Burton Culvert and the Haystack Culvert in FY 07-08; and the Thompson Avenue and the Tefft & Avocado Culvert in FY 08-09.
- Staff has shared this timeline with Mr. Danny Diaz.

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Rough Draft NCSD SUPPLEMENTAL WATER PROJECT Strategic Plan Outline

3/8/06

- I. CEQA Timeline
- II. Design Timeline
- III. Permit Timeline
- IV. Land & ROW Timeline
- V. Funding Timeline
- VI. Critical Path
- VII. 2006 Board/Committee Meetings

T: /Documents/Projects/Supplemental Water/SWP/Table of Contents 3/8/06

I. Rough draft NCSD-SWP CEQA TIMELINE

1. PROJECT OBJECTIVES DEFINITION

- A. Initial Board Review 3/8/06
- B. Web & Office Posting 3/8/06 to 4/12/06
- C. Board Determination 4/12/06

2. DRAFT EIR

- A. Prepare Printcheck Draft 4/14/06 to 5/4/06 (21 days)
- B. Prepare Circulation Draft 5/4/06 to 5/11/06 (7 days)
- C. Printing 5/11/06 to 5/18/06 (7 days)
- D. NOC/Circulation 5/22/06 to 7/10/06 (49 days)
- E. Board Status Report 5/24/06
- F. Presentation to WRAC 6/7/06

3. FINAL EIR

- A. Committee Review #1 7/13/06
- B. Prep Ad Draft Responses 7/10/06 to 8/10/06 (30 days)
- C. Committee Review #2 8/10/06 to 8/24/06 (14 days)
- D. Prepare Printcheck Draft 8/24/06 to 9/7/06 (14 days)
- E. Edit and Print Final 9/7/06 to 9/21/06
- E. Presentation to Board 10/11/06

4. CERTIFICATION

- A. Prepare Findings 9/21/06 to 10/5/06
- B. Certification Hearing #1 10/11/06
- C. Certification Hearing #2 10/25/06
- D. Notice of Determination 10/25/06

5. PROJECT SELECTION

- A. Committee Review TBD
- B. Board Review TBD

T: /Documents/Project/Supplemental Water/SWP/ EIR/TIMELINE CEQA – 3/8/06

II. Rough Draft NCSD-SWP Design Timeline

1. DESIGN TEAM SELECTION

A.	Prepare Draft Design Services RFP	3/17/06	
B.	Board Review RFP and Concept	3/22/06	(See Footnote No. 1)
C.	Circulate Design Services RFP (mail/post)	3/24/06	(See Footnote No. 2)
D.	Receive Design Services Proposals	4/21/06	
E.	Committee Review of Proposals	4/28/06	
F.	Screen to Short List	5/5/06	
G.	Short List Interviews	5/17/06	
H.	Board Selection/Authorize Negotiation	5/24/06	

2. DESIGN SERVICES AGREEMENT

A.	Negotiate Design Agreement	TBD	
B.	Board Review	TBD	
C.	Execute Agreement	TBD	

3. QUALITY CONTROL (QA/QC) TEAM SELECTION

A.	Circulate QA/QC RFP	5/25/06	
B.	Receive QA/QC Proposals	6/15/06	
C.	Board Review	6/28/06	
D.	Execute Agreement	TBD	

4. DESIGN

A.	Issue NTP#1	TBD	
B.	Research & 30% Design	120 Days from NTP#1	
C.	30% Review & Issue NTP#2	TBD (See Footnote #3)	
D.	90% Design Submittal	120 Days from NTP#2	
E.	90% Review & Issue NTP#3	TBD	
F.	100% Design Submittal	21 Days from NTP#3	
G.	Printing	7 Days	

5. CONSTRUCTION MGMT (CM) TEAM SELECTION – If Necessary

A.	Circulate CM RFP	TBD	
B.	Receive CM Proposals	TBD	
C.	Board Review	TBD	
D.	Execute Agreement	TBD	

6. ENGINEERING SERVICES DURING CONSTRUCTION (ESDC)

A.	Negotiate ESDC BUDGET	TBD	
B.	Board Review	TBD	
C.	Execute Agreement	TBD	

II. Rough Draft NCSD-SWP Design Timeline (Continued)

7. BIDDING

- | | | |
|----|--------------------------------------|-----|
| A. | Advertise | TBD |
| B. | Open Bids and Resolve Protest | TBD |
| C. | Award Bids | TBD |
| D. | Execute Contracts/Secure Bonds, Etc. | TBD |
| E. | Issue NTP | TBD |

NOTE #1: Assumes no Value Engineering Exercise and CM is not done by Design Team

NOTE#2: Potential Design Firms –Cannon; Boyle; Wallace; EDA; RRM; Penfield Smith; SAIC; MNS; Provost & Pritchard; Malcolm Pirnie; Carollo; MWH; Black and Vetch; Kennedy Jenks;

NOTE #3: Assumes 30% Submittal instead of the 75% proposed by Cannon (June 2005)

T: /Documents/Projects/Supplemental Water/WWP/Engineering/Timeline Design – 3/8/06

III. Rough Draft NCSD-SWP Permit Timeline

1. INITIAL CONTACTS & CONFIRMATIONS

A.	Letter to Each Agency	3/30/06	(See Footnote #1)
B.	Calls/Meetings with Each Agency	4/5 to 4/26	
C.	Determine Time Sensitive Research	4/26/06	
D.	Secure Proposals to Perform Research	TBD	(See Footnote #2)
E.	Board Consideration of Proposals	TBD	
F.	Execute Agreements	TBD	
G.	Perform Research & Secure Results	TBD	
H.	Summary of Results	TBD	

2. DEIR COMMENT REVIEW

A.	Review DEIR Comment Submitted	7/10/06	
B.	Calls/Meetings with Each Agency	7/11/06 to 7/25/06	
C.	Summary of Results	7/31/06	

3. PERMIT PROCESSING

A.	Prepare and Submit Application	TBD	(See Footnote #3)
B.	Interact with Agency	TBD	
C.	Negotiate Potential Conditions	TBD	
D.	Committee Review of Policy Issues	TBD	
E.	Board Review of Policy Issues	TBD	
F.	Secure Permits	TBD	

4. PERMIT IMPLEMENTATION

A.	Secure Proposals for New Research	TBD	
B.	Board Consideration of Proposals	TBD	
C.	Execute Agreements	TBD	
D.	Perform Research & Secure Results	TBD	
E.	Integrate Conditions/Research into Design	TBD	
F.	Integrate Conditions into Construction	TBD	

NOTE #1 – Permit Agencies: US ACE (Section 404 & NPDES); Ca DFG (1601); CCRWQCB (401 & NPDES); USFWS (7g/10); Caltrans (Encroachment); City Santa Maria (Encroachment Permit); County Santa Barbara (Encroachment Permit); County of SLO (Encroachment Permit);

NOTE #2 – Mitigation D7 Research must start by 8/15/06 to conclude by 10/31/06

NOTE #3 – As soon as possible after FEIR Certification

IV. Rough Draft NCSD-SWP Land & ROW Timeline

1. INTIAL CONTACTS

- A. Letter to Each Owner 3/17/06
- B. Calls to Each Owner 3/24/06 to 3/31/06
- C. Summary of Results 4/7/06

2. ROUGH APPRAISAL

- A. RFQ/RFP to Potential Appraisers 3/17/06 (See Footnote #1)
- B. Receive Proposals 4/7/06
- C. Board Selection re Rough Appraisal 4/26/06
- D. Execute RA Agreement 4/28/06
- E. Secure Rough Appraisal 5/31/06
- F. Board Review (Closed Session) 6/14/06

3. DETAILED APPRAISAL

- A. Board Authorization for Detailed 11/15/06
- B. Execute D A Agreement 11/17/06
- C. Secure Detailed Appraisal Jan 2007
- D. Board Review (Closed Session) Jan 2007

4. NEGOTIATIONS

- A. Tender Offers Jan 2007
- B. Negotiate w Prop Owners Jan 2007 to TBD
- C. Board Review Feb 2007
- D. Open Escrows Feb 2007 to TBD
- E. Board Review TBD

5. FUNDING

- A. Secure Funding Feb 2007
- B. Board Adopt Notice of Acceptance Feb 2007
- C. Close Escrow TBD
- D. Secure Title and File Documents TBD

NOTE #1 – Potential Appraisers: Reeder Gilman; Schenberger et al

V. Rough Draft NCSD-SWP Funding Timeline

1. EVALUATION OF OPTIONS

A.	Project Connection Charge Revenues	2/28/06 to 3/31/06	(Note #1)
B.	Describe Potential Grants/Appropriations	2/28/06 to 3/31/06	(Note #2)
C.	Describe Low Interest Loans	2/28/06 to 3/31/06	(Note #3)
D.	Describe Municipal Bond/COP Options	2/28/06 to 3/31/06	(Note #4)
E.	Describe Purveyor Buy in Options	2/28/06 to 3/31/06	
F.	Describe LLP Turn Key Concept	2/28/06 to 3/31/06	
E.	Summary of Results	4/5/06	

2. INITIAL REVIEW OF OPTIONS

A.	Committee Review	>4/5/06
B.	Board Review	4/26/06

3. FUNDING DEVELOPMENT

A.	Connection Charge Monitoring	Ongoing
B.	Grant Monitoring & Applications	Ongoing
C.	Process Loan/Bond/COP Paperwork	TBD
D.	Secure Funds	TBD

NOTE #1 - Also track County In-Lieu Fees for O&M Coverage

NOTE #2 - Prop 50 w County; Prop 50 NCSD; Fed WRDA

NOTE #3 - Ca SRF; CIEDB; USDA

NOTE #4 - Assessment Bond; Revenue Bond; COP w CSDA; COP NCSD

T: /Documents/Projects/Supplemental Water/SWP/Funds/Timeline Funding 3/8/06

VI. Rough Draft NCSD-SWP Critical Path

ELEMENT	TIMEFRAME
Draft EIR	3/9/06 to 7/10/06
Permit Scoping	3/28/06 to 7/13/06
Time Sensitive Research	3/28/06 to 7/13/06
Land Option Evaluation	3/28/06 to 7/13/06
Funding Option Evaluation	3/28/06 to 7/13/06
Final EIR Processing	7/13/06 to 10/11/06
FEIR Certification	10/11/06 to 10/25/06
Project Selection	10/25/06 to 11/22/06
30% Design	10/25/06 to Feb 07
Permits and Conditions	10/25/06 to Feb 07
Funding Procurement	10/25/06 to Feb 07
Land Acquisition	Feb 07 to June 07
90% Design	Feb 07 to June 07
Bidding	July 07
Contract Award	July 07
Permit Final	July 07 to August 07
NTP	August 07

T: /Documents/Projects/Supplemental Water/SWP/CPN 3/8/06

VII. Rough Draft 2006 NCSD-SWP Board/Committee Meetings

Board Meeting Date	Committee Meeting Date	TOPIC
3/8	3/3	Policy Issues & Timelines Policy Issues & Timeline
3/22		Design Services RFP
4/12	<4/26	Project Objectives
4/26		Funding Options Funding Options; Retain Appraiser
5/10	<5/24	Review Design Proposals
5/24		Select Design Team & DEIR Status Report
6/14		Review Rough Appraisal Results
6/28		Design Team Agreement & QA/QC Team Selection
7/12	7/13	Review of FEIR Comments
7/26		
8/9	<8/24	Review of Responses to FEIR Comments
8/23		
9/13		
9/27		
10/11		FEIR Certification #1
10/25		FEIR Certification #2
11/8		Project Selection #1
11/22		Project Selection #2; Authorize detailed proposals

T: /Documents/Projects/Supplemental Water/SWP/SWP Mtgs 3/8/06



NIPOMO COMMUNITY SERVICES DISTRICT

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MEMORANDUM

TO: MICHAEL LEBRUN, GENERAL MANAGER
FROM: MADONNA DUNBAR, CONSERVATION SPECIALIST
DATE: APRIL 6, 2006
RE: CONSERVATION PROGRAM ACTIVITIES - February, March 2006

PROGRAM ACTIVITIES:

- 1) Researching the BMP's (best management practices), regulations, ordinances and program outreach components that local municipalities have adopted as the basis of their water conservation programs. Most follow, and/or, have signed on the MOU of 14 BMP's designed by the California Urban Water Conservation Council.
- 2) Out of this research - a formal NCSD Program Outline is in initial draft form.
- 3) "2006-07" Conservation Program draft budget submitted to Assistant Manager, Lisa Bognuda.
- 4) Gathering and analysis of NCSD production/consumption history to set benchmark for future reductions monitoring
- 5) Production of new outreach literature in water conservation, household hazardous waste, and solid waste for customer distribution. (see attached) Expansion of education section of NCSAD website.
- 6) Developed upcoming Water Awareness Student Art Contest.
- 7) Bi-weekly press releases issued regarding community cleanup, changes in the universal waste ban, household hazardous disposal, student art contest.
- 8) Presently organizing a 3 session gardening workshop series for June, July, and Aug. with presenters in the areas of: residential irrigation basics, low water use landscape design, and low toxicity gardening.
- 9) Planning booth / events outreach for May - Oct 2006.
- 10) Cross training in general front office procedures.

PROFESSIONAL DEVELOPMENT / TRAINING:

- ◆ 3/22/06 - Attended the 3rd Annual Water Conservation Showcase (see attachment)

At the conference I attended all lectures on the design track (4 irrigation seminars, 1 industrial cooling seminar). Collected information on Bay area water conservation programs offered by local water providers and municipalities. Collected information, met representatives of residential and commercial irrigation supplier new products – especially the CIMIS bases smart-timers, and residential, on-site climate sensitive controllers. This conference was an excellent training session for me – it high-lighted the key irrigation concepts/tools that I needed to learn, in a concise format.

KEY MEETINGS:

Currently developing contacts in local agencies (water conservation, water quality coordinators), in environmental education, as well as, Nipomo civic organizations, and local gardening, irrigation, plumbing vendors.

- ◆3/13/06 – NCSD Conservation subcommittee meeting: discussed NCDS focus, student art contest, program development.

- ◆3/16/06 - Partners in Water Conservation meetings; Agency Updates, PIWC outreach at Home & Garden Show 4/22,23/06 and SLO Earth Day 4/22.23/06, Atascadero coordinator providing a county wide “hot-line” regarding Water Conservation; forwarding calls to appropriate agency. Presentation of the taskforce findings on AB 2717 – (Model Landscape Ordinances).

- ◆ 2/16/06, 3/10/06 - Partners in Water Quality meetings: Agency updates, county storm drain markings scheduled for Nipomo for Fall 06, “Our Water-Our World” low toxicity gardening point of sale retail education program, storm- drain flooding issues countywide. PIWQ outreach at Home & Garden Show 4/22, 23/06.

- ◆3/28/06 - Joint meeting of the Santa Barbara & SLO Counties Water Conservation coordinators: Updates on all agency activities and outreach programs. Update by Ron Munds, City of SLO, on current status of AB 2515 /2717 (Landscape BMPs, ordinances) being presented by Rep. Laird.

- ◆/3/9/04 - Mike Parsons, Operation Manager, Nipomo Regional Park – discussed the park’s water usage, current irrigation schedule, equipment. They currently use manual scheduling, but track it very closely. We discussed the possibility of a joint pilot project of installing a CIMIS based controller, when the woodlands CIMIS station comes online. He was very receptive to the idea. Funding is the issue.

- ◆4/4/04 - Principal Bob Mistele, Nipomo High School – regarding campus water use, student art contest, fall ‘06 student outreach / community service. Receptive to working together – was going to alert his staff to my services.