

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

AGENDA

APRIL 26, 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.*
- *Items may be taken out of order. The Board typically breaks for lunch at approximately 12 noon and conducts closed session at that time, reconvening to public session at approximately 1:00 p.m..*

A. CALL TO ORDER AND FLAG SALUTE

NEXT RESOLUTION 2006-970

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.

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 April 12, 2006

D-3) SAFETY MEETING MINUTES [RECOMMEND APPROVAL]
Safety meeting April 14, 2006

D-4) SELECT APPRAISER TO PERFORM ROUGH/TENTATIVE APPRAISALS IN SUPPORT OF INTERTIE PROJECT [RECOMMEND APPROVAL]

D-5) PROPERTY TAX EXCHANGE FOR PROPOSED HOLLOWAY ANNEXATION #27 [RECOMMEND APPROVAL]

- E. ADMINISTRATIVE ITEMS (The following may be discussed and action may be taken by the Board.)
 - E-1) AMEND ANNEXATION POLICY
Consider staff recommendation to update annexation policy in regard to supplemental water fees and requirements [Recommend Approval] – 1 hour.
 - E-2) HETRICK WATER LINE UPGRADE
Staff will provide a project/process overview and update [No action recommended] – 30 min.
 - E-3) SUPPLEMENTAL WATER LAND USE ORDINANCE
Consider a draft letter to San Luis Obispo County outlining the Board's position on the proposed land use ordinance amendment regarding supplemental water [Approve letter] – 30 minutes.
 - E-4) PROPOSED STATEWIDE GENERAL WASTE DISCHARGE REQUIREMENTS FOR WASTEWATER COLLECTION SYSTEMS
Overview and summary of a proposal by the State Water Resources Control Board to adopt statewide regulations for sanitary sewer overflows [No Action recommended] – 30 minutes.
 - E-5) APPOINT DISTRICT REPRESENTATIVE TO SOUTH COUNTY ADVISORY COUNCIL
Board will elect and approve a non-voting District representative to the SCAC. [Approve Appointment] – 10 minutes.
 - E-6) INVESTMENT POLICY – FIRST QUARTER REPORT
Review, accept and direct staff to file first quarter investment policy report. [Accept Report] – 10 minutes.
 - E-7) QUARTERLY FINANCIAL REPORT – THIRD QUARTER
Review, accept, and direct staff to file quarterly financial report for the third quarter of fiscal year 2005-2006. [Accept Report] – 15 minutes
- F. MANAGER'S REPORT
- G. COMMITTEE REPORTS
 - G-1) Receive Minutes from April 19, 2006 Supplemental Water Project Committee Meeting [Adopt draft minutes]
- 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 MARIA VISTA VS. NCSD CASE NO. CV 040877
 - 3. CONFERENCE WITH LEGAL COUNSEL PENDING LITIGATION GC§54956.9 CITIZENS AGAINST NON-NOTIFICATION (CANN) VS. NCSD, CASE NO. CV 051002

**Nipomo Community Services District
REGULAR MEETING
AGENDA**

4. PUBLIC EMPLOYEE APPOINTMENT – INTERIM GENERAL MANAGER
GOVERNMENT CODE §54957 (TENTATIVELY SCHEDULED FOR 1:30
P.M.)

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 MAY 10, 2006.**
TENTATIVELY SCHEDULED ITEMS INCLUDE:

- Conflict of Interest Code Review
- 2003-Certificates of Participation Resolution
- Southland Upgrade Standards
- Blacklake Water Plant Design Agreement Amendment
- Review Environmental Services Proposals

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MLB*
DATE: APRIL 21, 2006



CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately.

**Questions or clarification may be made by the Board members
without removal from the Consent Agenda.**

The recommendations for each item are noted in brackets.

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OF INTERTIE PROJECT [RECOMMEND APPROVAL]
- D-5) PROPERTY TAX EXCHANGE FOR PROPOSED HOLLOWAY ANNEXATION #27
[RECOMMEND APPROVAL]

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS APRIL 21, 2006**

**AGENDA ITEM
D-1
APRIL 26, 2006**

HAND WRITTEN CHECKS

18873	4/17/06	EBY, ED	50.00
18874	4/17/06	VIERHEILIG, LARRY	50.00
18875	4/19/06	WINN, MICHAEL	50.00
18876	4/19/06	EBY, ED	50.00
18877	4/19/06	SLO COUNTY RECORDER	11.00

**TOTAL COMPUTER
CHECKS
\$ 118,867.00**

VOIDED CHECKS

18870

COMPUTER GENERATED CHECKS

11983	04/21/06	EMP01	EMPLOYMENT DEVELOP DEPT	602.18	.00	602.18	A60417	STATE INCOME TAX
11984	04/21/06	MID01	MIDSTATE BANK-PR TAX DEP	2558.05	.00	2558.05	A60417	FEDERAL INCOME TAX
				25.80	.00	25.80	1A60417	FICA
				663.56	.00	663.56	2A60417	MEDICARE (FICA)
			Check Total.....:	3247.41	.00	3247.41		
11985	04/21/06	MID02	MIDSTATE BANK - DIRECT DP	19597.05	.00	19597.05	A60417	NET PAY DEDUCTION
11986	04/21/06	PER01	PERS RETIREMENT	6454.84	.00	6454.84	A60417	PERS PAYROLL REMITTANCE
11987	04/21/06	SIM01	SIMMONS, DEBRA	150.00	.00	150.00	A60417	WAGE ASSIGNMENT
11988	04/21/06	STA01	STATE STREET GLOBAL	1230.00	.00	1230.00	A60417	457 DEFERRED COMP
011989	04/26/06	AME03	AMERI PRIDE	61.99	.00	61.99	F647884	UNIFORM SERVICE
				61.89	.00	61.89	F653890	UNIFORM SERVICE
			Check Total.....:	123.88	.00	123.88		
011990	04/26/06	AME07	AMERICAN RED CROSS	554.00	.00	554.00	3838	FIRST AID/CPR TRAINING
011991	04/26/06	BUE01	BUEL, BRUCE	40.00	.00	40.00	040906	PER DIEM
				154.27	.00	154.27	A60419	TRAVEL/PER DIEM SACRAMENT
			Check Total.....:	194.27	.00	194.27		
011992	04/26/06	COM02	COMMUNICATION SOLUTIONS	107.94	.00	107.94	3554	SPARE PART
011993	04/26/06	COR01	CORBIN WILLITS SYSTEMS	702.70	.00	702.70	A604151	MONTHLY SUPPORT/SERVICE
011994	04/26/06	CRE01	CREEK ENVIRONMENTAL LABS	80.00	.00	80.00	N1723	LAB TEST-TOWN WATER
				24.00	.00	24.00	N1826	LAB TEST-BLWWTP
				24.00	.00	24.00	N1852	LAB TEST-BLWWTP
				80.00	.00	80.00	N1853	LAB TEST-WATER SAMPLES
				24.00	.00	24.00	N1897	LAB TEST-BLWWTP
				24.00	.00	24.00	N1955	LAB TEST-BLWWTP
				24.00	.00	24.00	N1993	LAB TEST-BLWWTP
			Check Total.....:	280.00	.00	280.00		
011995	04/26/06	EBY01	EBY, ED	100.00	.00	100.00	42606	REGULAR BOARD MTG 4/26/06
011996	04/26/06	FGL01	FGL ENVIRONMENTAL	77.00	.00	77.00	603281A	LAB TEST-BLWWTP
				248.00	.00	248.00	603283A	LAB TEST-TOWN WWTP
				372.00	.00	372.00	603284A	LAB TEST-TOWN WWTP
				201.00	.00	201.00	603529A	LAB TEST-TOWN WWTP
				52.00	.00	52.00	605350A	LAB TEST-BL WWTP
			Check Total.....:	950.00	.00	950.00		
011997	04/26/06	GRO01	GROENIGER & CO	2949.38	.00	2949.38	546668	10 AIR VAC ENCLOSURES
				388.29	.00	388.29	547513	HYDRANT PARTS
			Check Total.....:	3337.67	.00	3337.67		
011998	04/26/06	HAY01	HAYES & SONS	2725.00	.00	2725.00	501186	ASPHALT REPAIRS
011999	04/26/06	LAC01	LA CHEMICAL	628.09	.00	628.09	54607	SODIUM HYPOCHLORITE
				270.90	.00	270.90	54608	SODIUM HYPOCHLORITE
			Check Total.....:	898.99	.00	898.99		

**NIPOMO COMMUNITY SERVICES DISTRICT
WARRANTS APRIL 21, 2006**

**AGENDA ITEM
D-1
APRIL 26, 2006
PAGE TWO**

012000	04/26/06	NOB01	NOBEL SYSTEMS .	6340.92	.00	6340.92	9194	GIS UPDATES
012001	04/26/06	OFF01	OFFICE DEPOT	225.21	.00	225.21	330458495	OFFICE CHAIR
				146.39	.00	146.39	332625714	OFFICE SUPPLIES
				-21.60	.00	-21.60	333051015C	CREDIT MEMO
			Check Total.....:	350.00	.00	350.00		
012002	04/26/06	PAC01	SBC/MCI	36.10	.00	36.10	T4862499	TELEPHONE
				144.59	.00	144.59	T4862501	TELEPHONE
				116.45	.00	116.45	T4862502	TELEPHONE
			Check Total.....:	297.14	.00	297.14		
012003	04/26/06	POS01	POSTMASTER	160.00	.00	160.00	A60419	PERMIT FEE
012004	04/26/06	QUI03	QUINN RENTAL SERVICES	31.27	.00	31.27	2071440	CONCRETE
012005	04/26/06	REL01	RELIABLE	17.99	.00	17.99	FDZ49501	OFFICE SUPPLIES
				-1.82	.00	-1.82	FFD15298C	CREDIT MEMO
				67.74	.00	67.74	VBH19500	OFFICE SUPPLIES
				117.87	.00	117.87	XZP49201	OFFICE SUPPLIES
			Check Total.....:	201.78	.00	201.78		
012006	04/26/06	RIC01	RICHARDS, WATSON, GERSHON	61447.39	.00	61447.39	145617	GROUNDWATER LITIGATION
012007	04/26/06	SAN09	SAN LUIS MAILING SERVICE	32.68	.00	32.68	30215	MAILING 2ND NOTICE
				88.69	.00	88.69	30222	MAILING BILLS
				152.10	.00	152.10	30215A	POSTAGE FOR 2ND NOTICE
				575.42	.00	575.42	30222A	POSTAGE FOR BILLS
			Check Total.....:	848.89	.00	848.89		
012008	04/26/06	SAN13	SAN LUIS POWERHOUSE	944.63	.00	944.63	20232	BLOCK HEATER FOR GENERATO
012009	04/26/06	SOU01	SOUTH COUNTY SANITARY	35.33	.00	35.33	1389047	OFFICE TRASH COLLECTION
				165.80	.00	165.80	1394004	OLD TOWN TRASH COLLECTION
			Check Total.....:	201.13	.00	201.13		
012010	04/26/06	TRO01	TROTTER, CLIFFORD	100.00	.00	100.00	42606	REGULAR BOARD MTG 4/26/06
012011	04/26/06	USA01	USA BLUEBOOK	310.24	.00	310.24	147888	SUPPLIES
012012	04/26/06	VIC01	VICTOR BACKHOE, INC.	1294.96	.00	1294.96	1888	REPAIR FH-PRINCESS COURT
				1068.34	.00	1068.34	1889	REPAIR WATER SERVICE-KENT
				763.10	.00	763.10	1890	REPAIR CHECK VALVE
				814.60	.00	814.60	1892	CLOSE CORP-CROSBY
				1068.34	.00	1068.34	1893	LOCATE/VERIFY WATER MAINS
				1068.34	.00	1068.34	1894	INSTALL BLIND FLANGE-AMBE
			Check Total.....:	6077.68	.00	6077.68		
012013	04/26/06	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	042606	REGULAR BOARD MTG 4/26/06
012014	04/26/06	WIN01	WINN, MICHAEL	100.00	.00	100.00	042606	REGULAR BOARD MTG 4/26/06
012015	04/26/06	WIR02	WIRSING, JUDY	100.00	.00	100.00	42606	REGULAR BOARD MTG 4/26/06

NIPOMO COMMUNITY SERVICES DISTRICT

Celebrating 41 - Years of Service 1965 - 2006

MINUTES

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**
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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 to order at 9:00 a.m. and led the flag salute.
- 00:00:20 B. ROLL CALL
At Roll Call, all Board members were present.
- 00:01:17 C. PUBLIC COMMENT PERIOD
PUBLIC COMMENT
- C-1) COMMANDER MARTIN BASTI OF SOUTH COUNTY SHERIFF STATION
- Commander Martin Basti reported on the sheriff activities in the Nipomo area.
 - Tool theft at a construction site on Pomeroy
 - Gun theft out of a safe
 - Torch Run April 13, will be running through Nipomo about 9:30 a.m. to 12:00.
 - Seven new positions have been filled, including a criminal investigator for identity theft for computers, etc.
- The Board thanked him for his report.
- C-2) DAN ANDERSON, CDF BATTALION CHIEF, CALIFORNIA DEPARTMENT OF FORESTRY (CDF)
Captain Felix Camacho of the Nipomo CDF reported for Battalion Chief Anderson. At Station 20, there were 96 calls, which included 4 fires. At the Mesa Station, there were 45 calls, which included 3 fires. May 1, 2006 is the official start of Fire Season. Seasonal staffing will be arriving soon. He noted that at least a 100-foot clearance around structures for defensible space is desirable. If there are questions, Captain Camacho suggests calling the fire station. Captain Camacho introduced "The Firefighter of the Year", Mike Delio. Presentation of the award will be Saturday, April 15th at the Oceano Elks Club. A chipping event in the Nipomo and Mesa area will be May 8 through May 21, 2006.
Zone 1 – West Mesa area May 8 - 21
Zone 2 – Central Nipomo area – May 29 - June 11
Zone 3 – East Nipomo area June 21 – July 2
Each household may have 1 ton or a 15 x 15 foot pile of green waste. They will not be hauling away the chips as in the past. Director Winn asked about weed abatement. Captain Camacho stated that the department is trying to contact the property owners when the weeds need to be cleared away to a defensible space. Director Trotter suggested a weed inhibitor as used in the Kern County area.
The Board thanked him for his report.
There were no other public comments.

00:18:55

D. CONSENT AGENDA

- D-1) WARRANTS
- D-2) BOARD MEETING MINUTES
 Regular meeting March 22, 2006
- D-3) ACCEPTANCE OF CO 02-0347 (KESHTGAR)
 RESOLUTION NO. 2006-967
 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)
- D-4) AWARD BID FOR NEW DUMP-TRUCK TO MULLAHEY FORD OF ARROYO GRANDE
- D-5) ADOPT WATERLINE INTER-TIE PROJECT REIMBURSEMENT RESOLUTION
 RESOLUTION NO. 2006-968
 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 INTER-TIE PROJECT WITH THE CITY OF SANTA MARIA
- D-6) AWARD BID FOR PAINTING 29 BLACKLAKE TRACT 1542 (FAIRWAY)
 STREET LIGHTS
- D-7) APPROVE LETTER OPPOSING SB 1317
- D-8) ADOPT RESOLUTION INITIATING ANNUAL LEVY OF STREET LANDSCAPE
 MAINTENANCE DISTRICT NO. 1
 RESOLUTION NO. 2006-969
 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

Upon motion of Director Winn, and seconded by Director Trotter, the Board approved the Consent Agenda with amendments. There was no public comment. Director Winn asks to add Brown Act information to Minutes in E-2. Vote 5-0.

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

ADMINISTRATIVE ITEMS

00:25:17

E-1) SUPPLEMENTAL WATER PROJECT OBJECTIVES

Bruce Buel, Projects Assistant, reviewed the Draft NCSD Waterline Inter-tie Project Objectives as presented in the board letter. The Board discussed minor changes in #3 adding "by reduction of pumping" and in # 6, adding "...to avoid the potential of the use of District and other purveyors supplemental water returns to support the water requirements for new development". There was no public comment. Upon motion of Director Eby, and seconded by Director Winn, the Board agreed to adopt the waterline inter-tie objectives with amendments, as discussed. Vote 5-0

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

00:46:18

E-2) SELECT CONSULTANT FOR SOUTHLAND FEASIBILITY REPORT

Bruce Buel, Projects Assistant, reviewed the request for proposals and process of selecting a consultant to perform a feasibility study for the Southland Wastewater Treatment Facility. The Board discussed the process and the proposals. There was no public comment. Mike Nunley, Boyle Engineering, spoke to the Board about the proposed project. Upon motion of Director Eby and seconded by Director Wirsing, the Board unanimously agreed to direct staff to enter into an agreement with Boyle Engineering as consultant for Phase I of the project. Vote 5-0

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

01:02:11

E-3) **SELECT CONSULTANT FOR GENERAL MANAGER HIRING PROCESS**

The Board reviewed proposals for professional services to assist in hiring a General Manager. The Personnel Committee (Directors Wirsing and Vierheilig) discussed their decision for the recommendation to select Andersen. There was no public comment. Upon motion of President Vierheilig and seconded by Director Wirsing, the Board unanimously agreed to select Ralph Andersen and Associates and to authorize execution of the agreement for professional services. Vote 5-0

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

The Board took a break at 10:15 a.m.
 The Board reconvened at 10:30 a.m.

01:14:45

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

The Board heard a presentation from Bruce Buel, Projects Assistant, summarizing "Comparison of Funding Options and Revenue Sources for NCSW Waterline Inter-tie Project". The Board discussed funding issues. A Standing Committee meeting is proposed for April 19th in the evening.

The following members of the public spoke:

Greg Nester, local builder and investor – stated that a limited liability corporation was formed to pre-pay funding for the proposed waterline from Santa Maria. The Home Builders Association has been supporting the in-lieu fees. He asks that the lines of communication be left open. He stated that he appreciates Mr. Buel's work on the timeline.

Klara Bergman, Crystal Oaks developer – stated that she would like information on how to work with the Board toward the funding for the project.

Jon Seitz, District Legal Counsel, explained that the District needs more information about the engineer's estimate before any discussions can take place.

There was no Board action.

At 12:25 p.m. Jon Seitz, District Legal Counsel, announced the following items to be discussed in Closed Session.

03:06:56

I. **CLOSED SESSION ANNOUNCEMENTS**

1. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
SMVWCD VS NCSO SANTA CLARA COUNTY CASE NO. CV 770214 AND ALL CONSOLIDATED CASES.
2. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
NCSO 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. NCSO CASE NO. CV 040877
4. CONFERENCE WITH LEGAL COUNSEL Pending Litigation GC§54956.9
CITIZENS AGAINST NON-NOTIFICATION VS. NCSO, CASE NO. CV 051002

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 12:25 p.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:15 p.m.. Jon Seitz, District Legal Counsel, announced that the Board heard an update on the items listed above. There was no reportable action.

ADMINISTRATIVE ITEMS (continued)

03:08:15

E-5) CONSIDER COUNTY PLANNING LAND USE ORDINANCE AMENDMENT

The Board discussed the meeting for May 9 regarding a proposal by the County of San Luis Obispo Board of Supervisors 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.

Director Eby objected to another Director and District Staff claiming to speak on behalf of the NCSO Board to the Planning Commission on March 23, 2006, regarding a proposed land use ordinance regarding supplemental water since the Planning Commission Staff Report was never agendaized for formal discussion by the NCSO Board.

Director Wirsing expressed similar concerns as Director Eby regarding Board representation before the Planning Commission and stated that she knows of several people whose wells are near NCSO wells have dried up. There is a serious water problem on the mesa. She stated that she believes this Land Use Ordinance amendment is growth inducing and cannot support it.

Director Winn stated his and Staff's comments before the Planning Commission expressed "general support" of the proposed land use ordinance amendment and that the Board had established this position in numerous previous Board agendaized action items.

The following members of the public spoke:

Greg Nester, local builder/developer – stated that the Board has an excellent opportunity to influence and exercise some power outside the District. He suggested not getting stuck on the irrigation points of the proposal. When the fees are predictable and are in balance across the mesa, the builders are more apt to support the District's efforts.

Director Trotter left the meeting at 2:20 p.m.

E-5) CONSIDER COUNTY PLANNING LAND USE ORDINANCE AMENDMENT (continued)

Director Winn made the following motion:

1. Encourage staff to communicate with the County to see a good product come out of this proposed amendment
2. Support portion starting at Section 3-7 (amendment to Title 22) understanding that it gives no fixed amount but that we will participate with the County as their fact-finding group comes up with a number.
3. Section beginning on 3-13 (Title 19) - have the addition (an item #3) of turf limitations and communicate with County staff that the District would like professional guidance with drip irrigation systems.

Director Eby seconded the motion. Vote 3-1 with Director Wirsing voting no.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, and Vierheilig	Director Wirsing	Director Trotter

04:40:00

F. MANAGER'S REPORT

Michael LeBrun, District General Manager – reviewed the Board letter. He informed the Board that he and Madonna Dunbar, the Conservation/Compliance Specialist, met with David Church of LAFCo. Mr. Church seemed impressed by the District's improvement with a conservation program. Interim manager applications will be forwarded to the Personnel Sub-Committee.

Handouts – County Planning Commission Notice, Affordable Housing Workshop April 27th. May 9th Land Use Ordinance.

LAFCo will be considering the Holloway Annexation May 18th.

Received a complete application for annexation of the Craig property, west of the Blacklake community.

There was no public comment.

04:45:30

G. COMMITTEE REPORTS

Directors Winn and Vierheilig met March 29th with Supervisor Achadjian concerning the parking. It was not a very productive meeting.

Directors Wirsing and Vierheilig reported earlier on their committee meeting concerning the hiring of a recruiter to assist in hiring a General Manager.

Directors Eby and Vierheilig (Finance Committee) will meet April 17th concerning the budget.

04:51:45

H. DIRECTOR'S COMMENTS

Director Eby stated that at the last NCAC, now SCAC, meeting he was elected chairman.

Director Winn stated:

He commended Ms. Dunbar's work on the conservation program. He noted that the notices for the Clean-up Day arrived the Friday before the Monday of the event. The notices need to go out at least 10 days before the event. The material needs to say, one day only on regular pick-up day.

WRAC tour of Polonial Pass today, April 12, 2006, at 4:00 p.m.

CCGGA Open House, Saturday, April 15th 9:00 a.m. - 3:00 p.m.

Thur. April 20th – Traffic and Circulation with SCAC 9:00 -11:00 a.m.

April 22nd Save the Mesa Candidates Forum in NCSB Board Room 1:30-3:30 p.m. for the three candidates running for supervisor (Director Wirsing being one of the three.)

**Nipomo Community Services District
REGULAR MEETING
MINUTES**

H. DIRECTOR'S COMMENTS (continued)

President Vierheilig

Thur. April 13th - NCSD and Nipomo Native Garden will be presenting home landscaping with native plants to the Blacklake Men's Gyro Club. Madonna Dunbar, the NCSD Conservation/Compliance Specialist will be presenting information also.

Jon Seitz, District Legal Counsel, reminded the Board that April 21st is the CSDA meeting in Oceano. There will be an election for a representative to LAFCo if a quorum can be met.

05:00:00

ADJOURN

President Vierheilig adjourned the meeting at 3:12 p.m.

➤ **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

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

AGENDA ITEM
D-3
APRIL 26, 2006

MSL

NCSD
SAFETY MEETING
MINUTES

APRIL 13 AND 14, 2006, 8:00 A.M
DISTRICT OFFICE

The American Red Cross conducted First Aid/CPR training for the District employees.

On Thursday, April 13, 2006, the following employees attended:

Lisa Bognuda
Bruce Buel
Kathy Beltran
Rick Motley
Scott German
Rigo Rodriguez

On Friday, April 14, 2006, the following employees attended:

Michael LeBrun
Donna Johnson
Madonna Dunbar
Butch Simmons
Erne Thompson

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MSL*
DATE: APRIL 21, 2006

AGENDA ITEM
D-4
APRIL 26, 2006

SELECT APPRAISER TO PERFORM ROUGH APPRAISAL IN SUPPORT OF INTERTIE PROJECT

ITEM

Review Proposals and select a consultant to prepare rough appraisals [Select Firm and Authorize Execution of Agreement].

BACKGROUND

NCSD's Draft Strategic Plan Outline for the Waterline Intertie Project calls for the preparation of rough appraisals on all of the pipeline route alternatives and the tank site location options so that your Honorable Board can compare the total cost of each combination of routes and sites as it selects the project to be designed. The cost information from these rough appraisals would be presented along with engineering information so that an informed comparison of these combinations can be made. It is desirable to start the rough appraisal process now so that the selected appraiser will have adequate time to complete their analysis.

On March 17, 2006, staff posted notice at the office, posted a copy of the RFP on NCSD's website, and mailed the attached RFP to three firms (Reeder et al; Schenberger et al and Tarvin). On April 7, 2006, two firms responded with proposals (attached). Schenberger indicated that they would be available for the more detailed appraisals once the Board selected properties for negotiation.

A staff review team comprised of General Manager Michael LeBrun, Assistant Administrator Lisa Bognuda and Projects Assistant Bruce Buel reviewed each of the proposals based on a 70 point scale with a maximum of 25 points for RFP Responsiveness; 20 points for team qualifications; 20 points for Relevant Experience; and 5 points for cost. The review team ranked Tarvin the highest scoring firm with an average score of 62.5. Reeder achieved a score of 59 and Schenberger declined to submit a proposal.

RECOMMENDATION

Staff recommends that your Honorable Board select the firm of Tarvin and Associates to perform the services detailed in the attached Tarvin proposal on a time and materials basis with a not to exceed expenditure limit of \$31,900. Staff further requests that the President be authorized to execute a standard consulting agreement.

ATTACHMENTS

- Request for Proposal
- Tarvin and Associates Proposal
- Schenberger et al Proposal

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\ROUGH APPRAISAL AWARD.DOC

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 17, 2006

Various Appraisal Firms

SUBJECT: REQUEST FOR PROPOSAL FOR INITIAL APPRAISAL SERVICES – WATERLINE INTERTIE PROJECT

Nipomo Community Services District (NCSD) intends to construct a waterline from the City of Santa Maria to Nipomo to supply supplemental water for the District. The Project will involve purchase of property on both sides of the Santa Maria River and likely subsurface rights under the Santa Maria River. At this time NCSD has not selected the specific routing for the pipeline, however, the district has narrowed the routing options down to the three courses displayed on the attached figures. It should be noted that for routings A and B the majority of the subsurface main would be over 40 feet below ground surface. At this time NCSD has not selected the specific location for the required facilities (pump stations, storage sites, and treatment facilities), however, the District has identified ten specific properties as optional sites identified in the attached figure. Also attached is a listing of potentially affected properties.

NCSD is seeking proposals from a state licensed real estate appraiser to estimate the approximate value of the lands and easements that may be acquired for comparison purposes. NCSD expects to separately commission specific appraisals for selected properties following definition of the proposed project by the NCSD Board.

SERVICES REQUESTED

The District requires appraisal services to:

- Review background information and meet with NCSD staff;
- Compile and submit 10 sets of a confidential letter report to the District describing the approximate value for each identified parcel of land that may be purchased, for the portion of each parcel encumbered by an easement, and for any severance damages for partial purchases;
- Participate in a Board Meeting to Present Results;
- Submit electronic copy of all work product deliverables in a format acceptable to NCSD.

PROPOSAL REQUIREMENTS

Seven copies of the proposal package must be received by NCSD in a sealed envelope by **4 p.m. on Friday April 7, 2006**, to be considered. The exterior of the envelope must identify the proposal as "Rough Appraisal Study". Faxes, E-Mails, proposals not enclosed in a sealed/labeled envelope, and proposals received after 4:00 p.m. on Friday April 7, 2006, will be returned to the submitter. The main proposal shall include as a minimum the following:

1. Introduction
 - Present your understanding of the project and the services requested;
 - Discuss any proposed scope amendments;
2. Scope of Services and Timeline
 - Describe 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;
 - Identify any addition team members and provide résumés;
4. 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.
5. 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 from April 7, 2006 to April 26, 2006. The Board is tentatively scheduled to select a firm at its April 26, 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

Notes:

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

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

- Figure depicting crossing option A
- Figure depicting crossing option B
- Figure depicting facility location options
- Listing of potentially affected properties

T:\Documents\DISTRICT PROJECTS\supplemental water\SMSWP\Land\RFP-Rough Appraisal.doc

Tarvin & Associates - Real Estate Appraisal and Acquisition Services

April 6, 2006

Michael LeBrun, P.E.
General Manager
Nipomo Community Service District
P.O. Box 326
Nipomo, CA 93444 – 0326

Attn: Bruce Buel

Subject: Waterline Intertie Project – Easement Valuation Services

Dear Mr. LeBrun:

Thank you for the opportunity to provide a proposal for right of way related services required in connection with the above referenced project. Per your RFP dated March 17, 2006, it is my understanding that the NCS D is seeking to determine the “estimated (rough) value of the lands and easements” that possess the potential to be impacted by the above project.

Once completed, these “rough” estimates are to be used to study/compare several alternates (Route “A” and Route “B”) and property “Sites” being considered in connection with the above project. A list of these properties/sites is attached to the RFP and contains no less than 10 separate study sites. In addition to the 10 sites, there are also 16 other easement parcels requiring study by the NCS D.

The land rights to be studied are in the form of permanent easements. An easement is defined as follows:

A limited right or interest in the land of another entitling the holder to some use, privilege, or benefit:

Peculiar to an easement is the fact that the owner of the easement (dominant tenement) possesses only a partial equity interest in the encumbered property. The extent of an easement, in terms of the rights possessed, is measured by the stated purpose and manner for which the easement is to be used. It is imperative that the essence of this statement be part of the valuation process when estimated or valuing a partial property interest such as an easement.

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E Mail - rhtarvin@msn.com

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Proposed Scope of Services

Services to be provided will include the following (Approach):

- Perform appropriate market survey and analysis
- Review preliminary title and other salient property data
- Prepare independent easement and site cost estimates (rough value) for study purposes with special focus on the following:
 - The partial taking nature of the proposed acquisitions and address before and after taking concerns (severance damages, cost to cure, etc.).
 - Owner and tenant (business, residential) relocation assistance entitlements*
 - Construction Contract Work (work done by the Agency project construction contractor to mitigate severance damages)

* If determined to be necessary

In addition to the above T&A will:

- Assemble appropriate data and report in a “letter format” (see attached DRAFT).
- Compile the preceding Letter Reports into a single report and submit 10 sets of the Report and confidential letter reports to the NCSA describing and including: 1) the approximate value for each identified parcel (easements and sites) of land that may be purchased, 2) any severance damage that may accrue to a property remainder by reason of the acquisition of an easement and 3) other salient data necessary to make the report comprehensive.
- Review project background information and participate in two meetings with NCSA Staff.
- Participate in one “closed” meeting with the NCSA Board.

IMPORTANT: The above Scope of Service is not intended to, nor will it include, the reporting or imparting of any data, conclusion or professional opinion that could be construed by the user or others as being an “appraisal”, as defined by the “Uniform Standards of Professional Appraisal Practice” (USPAP). The requirements imposed by the USPAP reporting guidelines, as promulgated and published by the Appraisal Foundation, are not applicable to this assignment and are incapable of being adhered to in respect to this task. All reports or deliverables will include this caveat.

The depth of research associated with or required in connection with the above Scope of Service will be considerable less than that required in the process of preparing an actual “appraisal” as defined by USPAP. In this respect, the depth or breadth of all required or necessary research is to be the sole determination of T&A. However, T&A, will in this

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regard, undertake the appropriate due diligence necessary to properly perform and complete all tasks in a professional manner.

As stated in the District's RFP dated March 17, 2006 and subsequent verbal and e-mail communications, all value determinations are to be *approximations or estimates only*. The reference to a "Rough Appraisal Study" in the RFP is interpreted to mean no more than an estimate or approximation of the value of the land rights involved and not an appraisal. Further, the proposed work, at the discretion of T&A, may or may not include contact with property project impacted property owners and tenants/lessees, personal confirmation of market data by principles and, but not limited to, entire or larger property inspections, etc.

Timeline

T&A is prepared to commence work on this important project upon the receipt of a written "Notice to Proceed" from the NCSO. Given the nature of the work and the importance of continuity, all work be personally performed by R. H. Tarvin, SR/WA, IFAS, and State Certified General Real Estate Appraiser. Any assistance and support in respect to this task, if required, will be of a research nature.

Once directed to proceed, T&A estimates that it will take approximately 45 to 60 days to complete this assignment.

Cost Proposal

Hourly Billing Rate: R.H. Tarvin, SR/WA, IFAS - \$110/hour

Prepare and deliver to the NCSO Letter Reports for the 16 identified potential easement and 10 sites 275 hours @ \$110/hour	-	\$30,250
Prepare for and attend staff and board meeting 15 hours @ \$110/hour	-	\$1,650
Total not to Exceed:	-	\$31,900 (Total)

The above Cost Proposal includes both direct and indirect expenses. T&A does not anticipate any out of pocket expenditures in connection with this project.

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The above cost estimate is based upon project input that is assumed to be complete at this time. It further assumes that services required of consultant will focus on no more than the 10 property sites and 16 easements over other properties associated with the two selected Routes identified in the District's RFP. Further, all deliverables will be in the form of "Letter Report".

If the scope of the project changes, Tarvin & Associates should be notified immediately. Tarvin & Associates reserves the right to amend this proposal to properly reflect conditions consistent with a revised or updated scope of service. Extra work will also be billed at \$110/hour.

The District will need to provide the following:

- Easement and site maps delineating all easements by Site or Route alternate
- Easement take and larger parcel area calculations displayed by APN for each Site or Route alternate.
- Easement or site map depicting existing public utility locations or conflict mapping for each alternate
- Preliminary Title Reports for each impacted property
- List of known toxic or hazardous waste concerns (T&A will assume no responsibility for the identifying or locating any such site)
- Written "Notice to Proceed"

By agreement between the parties some of the above items may be determined to be unnecessary.

This proposal is valid for 90 days from the date first identified above.

Tarvin & Associates looks forward to being of service.

Sincerely,



Tarvin & Associates
R.H. Tarvin, SR/WA, IFAS
Right of Way Project Manager and Certified General Real Estate Appraiser

229 Miller Way, Arroyo Grande, CA 93420, (805) 489-0147, (805) 489-9480 FAX
E Mail - rhtarvin@msn.com

Tarvin & Associates - Real Estate Appraisal and Acquisition Services

Tarvin & Associates - Biographical Sketch

R.H. (Bob) Tarvin SR/WA - Is the owner of Tarvin & Associates, a right of way consulting firm. Prior to forming his own company, Bob was employed by the California Department of Transportation for over 25 years. Bob credits Caltrans with providing him with the opportunity to gain invaluable experience in the right of way field. While at Caltrans he served as the Local Programs Manager in District 5 (San Luis Obispo) providing right of way oversight and assistance in connection with highway projects located throughout the state. His current business activities have included providing right of way consultation to the California Department of Water Resources in connection with a 120-mile state water pipeline project located on the central coast of California and various other local public agency projects. Bob also served as the President of the International Right of Way Association during 1991-92. He has in the past represented the International Right of Way Association as their appointed trustee to the Appraisal Foundation.

Mr. Tarvin is an experienced real estate appraiser and right of way manager with a strong background in the valuation and acquisition of lands required for Caltrans highway and other public works projects. He has provided right of way management and oversight in connection with public works projects throughout the state. In addition to being a State Certified appraiser he also possesses two appraisal designations from two highly respected and recognized professional appraisal organizations

Projects Undertaken by Tarvin & Associates - Partial List

- El Campo Road / SR 101, Arroyo Grande, **Project Study Report**
- Brisco Road SR 101, Arroyo Grande, **Project Study Report**
- Halcyon Road / SR 1, San Luis Obispo County, **Project Study Report**
- Stowell Road Interchange, Santa Maria, **Project Study Report**
- Donovan Road Interchange, Santa Maria, **Project Study Report**
- Rte. 101/Milpas Street Roundabout, Santa Barbara Co. **Project Study Report** and complete Right of Way project Management/Appraisal/Acquisition.
- Rte. 101/Rte. 46 Interchange, City of Atascadero, **Project Study Report**
- Rte. 101/Union Valley Parkway - Santa Maria, **Project Study Report**
- Rte. 135/Hummel Dr. - Santa Maria, **Project Study Report**
- Rte. 101/Los Carneros Rd. Interch., Santa Barbara Co., **Project Study Report**
- Rte 135/Betteravia Rd. Santa Maria, **Project Study Report**
- Rte. 101/154 Interchange Project, Santa Barbara Co., **Project Study Report**
- Rte. 101/156 Realignment Project, Monterey County, **Project Study Report**
- Blosser Road Widening Project, Santa Maria – **Appraisal and acquisition**
- Skyline Road Extension, Lassen County, **Project Study Report**
- Pease Road Interchange, Yuba City, **Project Study Report**

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- San Benito Street Extension - San Benito County (SBCOG), Right of Way Project Management, Appraisal and Acquisition
- Hall Road Realignment - Monterey County, Rights of Way Acquisition
- Westside Blvd./Union Road Alignment - San Benito County, Right of Way Project Management, Appraisal and Acquisition
- Grover Beach MultiModal Transit Facility, Amtrak Station - Appraisal
- Highway 001 Widening Project - CALTRANS, San Luis Obispo County - Appraisal
- Elk Lane Bridge Replacement, City of San Luis Obispo - Project Appraiser
- California Coastal Aqueduct Project, San Luis Obispo County, Appraisal and Acquisition
- 101/Main Street Interchange Project - Santa Maria, SBCAG, Right of Way Management/Appraisal/Acquisition
- Highway 135 Storm Drain Project - City of Santa Maria, Management, Appraisal, Acquisition
- Coastal Aqueduct Project, San Luis Obispo County, Appraisal and Acquisition

Professional References:

Bruce Nybo, P.E.

Project Engineer
City of Santa Maria Public Works Department
110 S. Pine, Suite 221
Santa Maria, CA 93454-5190
805 925-0951 ext. 473

Don Irelan

Real Property Agent
City of Santa Barbara
Public Works Department
P.O. Box 33
Santa Barbara, CA 93102
805 564-5467

John Maddux

Chief Right of Way Agent
Caltrans
3220 Higuera Street
San Luis Obispo, CA 93401
805 549-3352

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Tarvin & Associates - Real Estate Appraisal and Acquisition Services

**** PROFESSIONAL QUALIFICATIONS ****

R. H. Tarvin, SRWA, IFAS

Right of Way Project Manager and Real Estate Appraiser

PROFESSIONAL AFFILIATIONS

- Past President International Right of Way Association
- Registered Senior Member, International Right of Way Association
- Appraisal Foundation Member Representative
- Past Director - Council of Appraisers and Property Professional Society.
- Chairman - Appraisal Foundation Advisory Council
- State Certified General Real Estate Appraiser - State of Calif. #AG016894
- Appraisal Foundation - Trustee
- California Real Estate Brokers Licensee - #01196512
- Designated Member (IFAS) National Association of Independent Fee Estate Appraisers

EDUCATION AND PROFESSIONAL DEVELOPMENT

California State University at Sacramento, Bachelor of Science Degree - Business Administration

PROFESSIONAL COURSES (partial listing)

FHWA Appraisals Under Eminent Domain
Appraisal and Appraisal Review for Federal-Aid Highway Programs
Adventures in Appraising Real Property - SREA
Industrial Valuation - AIREA
Right of Way Academy (Department of Transportation)
Case Studies in Real Estate Valuation - AIREA
Valuation Standards and Report Writing - AIREA
Litigation Valuation - AIREA
Standards of Expert Testimony
Appraisal Principals Courses - Cuesta College
Principles of Ethics - IRWA
Appraisal of Partial Acquisitions - IRWA

COURT EXPERIENCE

Qualified as Expert Witness in Monterey, San Luis Obispo, and Santa Barbara County.

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E Mail - rhtarvin@msn.com

REEDER, GILMAN & BORGQUIST

Appraisers and Consultants • Real and Personal Property

WARREN REEDER • MAI, SR/WA
SCREA, CA # AG006321
Senior Member - APPRAISAL INSTITUTE
INTERNATIONAL RIGHT OF WAY ASSOCIATION

1101 South Broadway, Suite A, Santa Maria, California 93454

P. O. Box 726, Santa Maria, California 93456

Telephone: (805) 925-2603

LESLIE J. GILMAN • MBA, SR/WA
SCREA, CA # AG014980
Senior Member - INTERNATIONAL RIGHT OF WAY ASSOCIATION

Fax: (805) 925-0840

Email: info@rgbappraisers.com

M. LISA BORGQUIST
SCREA, CA # AG014431

Website: WWW.RGBAPPRAISERS.COM

Federal Tax ID #77-0555850

April 6, 2006

Mr. Michael LeBrun, P.E.
General Manager
Nipomo Community Services District
148 South Wilson Street
P.O. Box 326
Nipomo, CA 93444-0326

RE: Appraisal Proposal – Waterline Intertie Pipeline Project,
City of Santa Maria to Nipomo, CA

Dear Mr. LeBrun:

This proposal is in response to the request of Bruce Buel for an appraisal proposal concerning the subject water pipeline project.

The project, at present, includes approximately 62 parcels that would be affected by the proposed underground pipeline to be acquired in easement form. This project starts at the City of Santa Maria and extends to the Nipomo Area.

Major pipeline projects that our firm has appraised are as follows:

Celeron Oil Pipeline Easement Project, ± 100 Parcels, San Luis Obispo and Santa Barbara County, California.

Hollister Ranch vs. Chevron Oil and Gas Pipeline Easement Project, ± 120 Parcels.

California State Water Project Pipeline Easement, Kern County Line through San Luis Obispo County to the Casmalia area in Santa Barbara County. This reach is \pm 105 miles plus an additional reach from the City of San Luis Obispo to Morro Bay; approximately another 15 miles.

Central Coast Water Authority Water Pipeline Easement Project, Casmalia to Lake Cachuma, Santa Barbara County, \pm 45 miles with about 70 Parcels.

In addition to the above, we have completed numerous pipeline projects in the Tri - County area including both water lines, sewer lines, petroleum pipelines, etc.

I have personally been in the appraisal field since 1985; a period of 21 years. Significant condemnation appraisal work over the past 13 years has been for government agencies although we have performed a substantial amount for private property owners. Please refer to the attached Professional Qualifications of our firm for additional appraisal qualifications and information concerning each of the three appraisers in our office.

On a project of this size, we anticipate that all three appraisers will be involved. Please see the appraiser's resumes you requested along with this proposal.

The purpose of the appraisal is to estimate just compensation for the acquisition for underground easement rights of way for the subject water pipeline. The exact number of larger parcels is yet to be determined at the present time. Therefore, we based this proposal on the data that we received, which is basically a list of San Luis Obispo County Assessor's Parcel numbers and ownership names. It appears there are 30 larger parcels involved in the project at this time. We have also assumed that the appraisal relative to each larger parcel can be completed in a summary format. With the data we have been provided, it is somewhat difficult to precisely estimate an appraisal fee at this time. However, we estimate the appraisal would approximate the following concept:

According to the map provided, and discussions with Bruce Buel there are pump sites and tank sites along the Right of Way, to be acquired in fee. Estimated appraisal fees for these Surface Rights are estimated at \$3,000 for each site.

According to our calculations, this leaves approximately 30 parcels affected by the underground pipeline easement. We estimate appraisal fees to average \$1,500 each, for a total of \$45,000.

The total estimated appraisal fees are undetermined at this time and will depend on the final amount of parcels.

Due to the magnitude of this project, we would appreciate the capability of billing periodically; i.e. monthly, quarterly, etc., as the project proceeds. The above fee does not include charges for any additional work, if required. The fee for such services as consultation, court preparation time, attendance at depositions, travel expenses and appearances before a court or administrative agency shall be billed at our current rate at the time the services are performed. Our current rate is \$200 per hour. All additional work will be billed on a periodic basis and at our discretion. Payment for additional work is due within 30 days of billing. If the scope of the assignment should be expanded at your request, the additional work will be billed at our current rate and added to the initial appraisal fee. This proposal will remain in effect ninety (90) days from its date.

Due to our firm's staffing and experience in appraising throughout the subject property area, we expect we can meet most reasonable time frames. With the data that has been provided, it is impossible at this time to estimate a time frame.

This appraisal report will be made in conformity with and subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice of the Appraisal Institute. In addition to this letter, we have enclosed a copy of our Professional Qualifications for your review. Our Qualifications can also be found on our website, www.rgbappraisers.com

We thank you for your interest in our firm's services and for giving us the opportunity to be of service to you. We trust this proposal will suffice as to your present needs. If you have additional questions, please contact the undersigned.

Very truly yours,

REEDER, GILMAN & BORGQUIST
REAL ESTATE APPRAISERS

M. Lisa Borgquist By W.R.
M. Lisa Borgquist
Certified General Real Estate Appraiser, CA#AG014431

WR:ajs



REEDER, GILMAN & BORGQUIST

Appraisers and Consultants • Real & Personal Property

WARREN REEDER • MAI, SR/WA
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INTERNATIONAL RIGHT OF WAY ASSOCIATION

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Website: WWW.RGBAPPRAISERS.COM

PROFESSIONAL QUALIFICATIONS

The firm of Reeder, Gilman & Borgquist is an association of appraisers whose practice began in 1946 under the direction of Ellis Rice. Burt Fugate and Robert Chapman joined the firm in 1962, which became Rice, Fugate & Chapman. In 1976, Warren Reeder and Les Gilman associated with the firm, which became known as Reeder, Fugate, Chapman & Gilman. In May of 1981, the firm became Reeder, Gilman & Associates to reflect the retirement of Robert Chapman and Burt Fugate from the appraisal profession. In October of 2000, Lisa Borgquist became partner in the firm, and the firm name is now Reeder, Gilman & Borgquist.

Our firm's appraisal capabilities are comprehensive. Appraisals include agricultural, industrial, commercial, residential, business opportunities and

special purpose properties, as well as involvement in eminent domain procedures. Our clients are varied and include individuals, financial institutions, corporations, and government agencies. The geographic area we service encompasses the tri-county areas of San Luis Obispo, Santa Barbara, and Ventura counties.

With our background, experience, and education in the appraisal field, we will continue to offer comprehensive appraisal and consultation services.

The following pages include our real estate appraisal specialties, a partial list of clients, the professional designations of our appraisers, and a summary of the qualifications of the individuals of our appraisal organization.



REAL ESTATE APPRAISAL SPECIALTIES

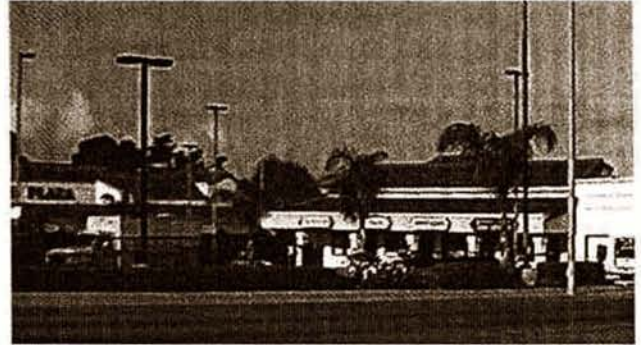
APPRAISAL SERVICES

- Appraisal Reviews
- Condemnation / Eminent Domain
- Consulting-Feasibility Studies
- Consulting-Highest and Best Use Studies
- Consulting-Market Analysis
- Estates
- Evaluations
- Land Use Studies
- Litigation / Expert Testimony
- Mortgage
- Zoning
- Other



ASSEMBLY, SPORTS & ENTERTAINMENT

- Auditorium
- Bowling Alley
- Campground / RV Trailer Camp
- Club / Lounge
- Community Center
- Equestrian Facility
- Golf Course / Country Club
- Health / Athletic Club / Spa
- Reception Hall / Banquet Facility
- Religious Facility
- Theater – Drive In
- Theatre – Indoor Screen Multiplex
- Other



COMMERCIAL / RETAIL

- Bar / Nightclub / Tavern / Brewery
- Car Wash – Full Service
- Car Wash – Self Service
- Community Store
- Convenience Store – Gas
- Convenience Store – No Gas
- Convenience / Strip Center
- Day Care Facility / Nursery
- Factory Outlet Center / Mall
- Financial Institution
- Funeral Home / Mortuary
- Garden Center
- Neighborhood Strip Mall
- Parking Garage / Surface
- Power Center
- Restaurant – Fast Food
- Restaurant – Limited Service
- Restaurant – Sit Down Full Table Service
- Service Station / Gas Station
/ Quick Lubes
- Single Tenant Building
- Vehicle Dealership
- Other



REAL ESTATE APPRAISAL SPECIALTIES

AGRICULTURAL

- Dairy Farm
- Dryland Farm
- Greenhouse / Nursery
- Horse Farm
- Irrigated Crop Land
- Irrigated Pasture
- Livestock Auction Market / Stockyard
- Livestock Farm / Ranch
- Livestock Feed Processing Facility
- Livestock Feedlot
- Orchards / Groves
- Poultry Facility
- Vineyard
- Winery
- Other



MIXED USE

- Hotel – Office
- Hotel – Office – Residential
- Retail – Office
- Retail – Residential
- Other



RESIDENTIAL

- Multi-Family – Garden Apartments
- Multi-Family – Low Income Housing
- Subsidized Housing
- Multi-Family – Low-Rise Apartments
- Student Housing – Apartment
- Student Housing – Dorm
- PUDs
- Subdivisions
- Mansions / Luxury Homes
- Other

SENIOR HOUSING

- Assisted Living
- Continuing Care Retirement Center
- Independent Living



REAL ESTATE APPRAISAL SPECIALTIES

OFFICE

- Office Building – Single Tenant
- Office Building – Multi-Tenant
- Office Park / Campus
- Office Condo
- Other

LODGING / HOSPITALITY

- All Suites
- Bed & Breakfast / Guest House
- Convention
- Economy
- Full Service
- Limited Service
- Resort / Spa
- Other



GOVERNMENT / MUNICIPAL

- Airport / Airport Hangar
- Governmental Building
- Libraries
- Police / Fire Stations
- Post Offices
- School Buildings / Facilities
- Train Station / Bus Terminal
- Other



INDUSTRIAL

- Beverage Processing Plant
- Cold Storage Plant
- Dock / Distribution Facility
- Heavy Manufacturing
- Industrial Condo
- Industrial Park
- Light Manufacturing
- Meat Packing / Food Processing Plant
- R & D Development / Tech Center
- Repair / Maintenance Centers
- Self-Storage / Mini-Storage
- Single Tenant Special Use
- Truck Terminal / Hub / Transit
- Warehouse – Distribution
- Warehouse – Public Storage
- Warehouse – Refrigerated
/ Cold Storage
- Mini Warehouse
- Other



REAL ESTATE APPRAISAL SPECIALTIES

LAND

- Bulk Subdivision land
- Easements
- Industrial Site
- Multi-Family Site
- Office Site
- Park Setting / Open Space
/ Natural Lands
- Residential / Acreage
- Retail / Commercial Site
- Wetland / Marsh / Flood Zone
- Other



HEALTH CARE

- Acute Care / Hospital
- Medical Office Building
- Nursing Home
- Rehabilitation Center
- Skilled Care Facility
- Other



SPECIAL PURPOSE / OTHER

- Cemetery / Mausoleum / Crematory
- Corridor / Right of Way
- Landfill
- Mineral Rights / Quarries / Mining
- Museum / Gallery
- Outdoor Advertising
- Salvage Yard
- Towers
- Transmission Lines
- Oil and Gas Property / Pipelines
- Other





PARTIAL LIST OF CLIENTS

INDUSTRIES:

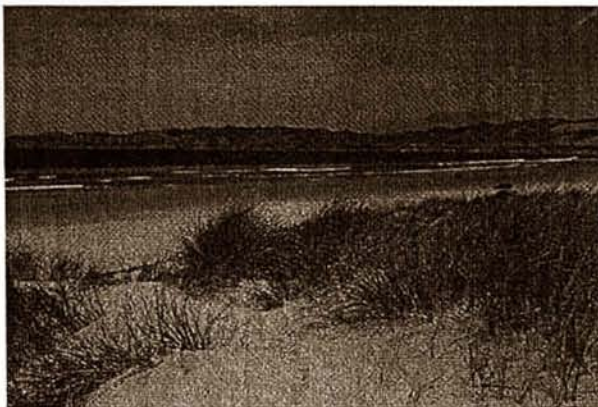
- **General:** Ford Motor Co., Granite Construction, Chrysler Corp., Gould Corp., Santa Maria Valley Railroad, Quintron Systems, International Telephone and Telegraph, Marian Medical Center, Chicago Title Company, McCarthy Steel Company
- **Agricultural:** Gainey Ranch & Winery, Firestone Winery, Zaca Mesa Winery, Central Coast Farm Credit Association, Chandler Ranches, Hearst Ranch, Bixby Ranch Company, Newhall Land and Farming, Alisal Ranch, O.T. Rice & Son, Inc., Santa Maria Berry Farms, Fess Parker Ranch & Winery
- **Oil Companies:** ARCO, Shell, Chevron, Texaco, Marathon, Conoco, Exxon, Venoco Inc.
- **Utilities:** Pacific Gas & Electric, Southern California Gas, Southern California Edison, General Telephone

FINANCIAL INSTITUTIONS:

Wells Fargo Bank, Bank of America, Santa Lucia Bank, Mitsubishi Bank, Union Bank, Bank of Montecito, Lloyds Bank, Cathay Bank, Sanwa Bank, Sumitomo Bank, Commerce Bank, Santa Barbara Bank & Trust, First Bank of San Luis Obispo, Heritage Oaks Bank, Upland Bank, Regency Savings Bank, City Commerce Bank, Southern Pacific Bank

ENVIRONMENTAL:

The Nature Conservancy, California State Coastal Conservancy, Land Trust for Santa Barbara County, Morro Bay National Estuary Program, The Trust for Public Land



GOVERNMENT:

- **United States:** Federal Aviation Agency, Western White House (Reagan Ranch), Department of Interior, U.S. Postal Service, U.S. Department of Justice, General Services Administration, F.D.I.C., Department of Veterans Affairs
- **State:** Caltrans, California State Coastal Conservancy, California Department of Justice, California Department of Water Resources, California Department of Parks and Recreation, Central Coast Water Authority
- **Counties:** Santa Barbara, San Luis Obispo, Ventura, Santa Barbara County Association of Governments (SBCAG)
- **Cities:** Santa Barbara, Santa Maria, San Luis Obispo, Morro Bay, Ventura, Oxnard, Port Hueneme, Lompoc, Arroyo Grande, Grover Beach, Guadalupe, Paso Robles, Atascadero

SPECIAL DISTRICTS:

Santa Barbara County Flood Control, San Luis Obispo County Flood Control, Santa Barbara Metropolitan Transit, Goleta Water, Santa Ynez River Water Conservation, Solvang Municipal Improvement District, Santa Maria Airport District, Santa Barbara High School District, Cambria Community Services District, Port San Luis Harbor District

GENERAL CLIENTS:

In addition to the above, our firm serves various clients throughout the Central Coast. These include law firms, private individuals, agricultural, commercial and industrial clients.



PROFESSIONAL DESIGNATIONS OF APPRAISERS

MAI - MEMBER APPRAISAL INSTITUTE

SR/WA - SENIOR MEMBER, INTERNATIONAL RIGHT-OF-WAY ASSOCIATION

SCREA - STATE CERTIFIED REAL ESTATE APPRAISER

INFORMATION ON DESIGNATIONS:

MAI - The Appraisal Institute is an organization that awards the MAI appraisal designation to qualified individuals. This designation represents years of appraisal experience in varied types of property and is awarded to those individuals who have demonstrated their appraisal ability through the Institute's stringent requirements which include work experience, testing and educational programs.

SR/WA - The Senior Member, International Right-of-Way Association, professional designation is awarded to those individuals who have demonstrated through testing and experience, their understanding and ability in the field of right-of-way appraisal, engineering, negotiations and eminent domain law.

SCREA - The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989 requires all states to institute a licensing and certification program for appraisers conducting appraisals for federally-related real estate transactions. In compliance with FIRREA, the Office of Real Estate Appraisers (OREA) was established by the State of California. The title "State Certified Real Estate Appraiser" is awarded by the OREA to individuals who have successfully met the minimum requirements for certification. This renewable license authorizes the appraiser to complete appraisals of all real estate transactions without regard to transaction value or complexity.

DESIGNATED PARTNERS:

WARREN REEDER - MAI, SR/WA, SCREA, CA #AG006521

LESLIE J. GILMAN - SR/WA, SCREA, CA #AG014980

M. LISA BORGQUIST - SCREA, CA #AG014431

**WARREN E. REEDER, MAI, SR/WA
REAL ESTATE APPRAISER**

RESIDENCE:

Santa Maria, Santa Barbara County, California

BUSINESS AFFILIATION:

Reeder, Gilman & Borgquist, Appraisers and Consultants

PROFESSIONAL AFFILIATIONS:

Member (MAI) - Member Appraisal Institute

Senior Member (SR/WA) - International Right of Way Association

State Certified Real Estate Appraiser, CA #AG006521 - Office of Real Estate Appraisers

EDUCATION:

LaVerne College - Bachelor of Arts Degree

American Institute of Real Estate Appraisers - Courses I, II, IV, VI & VII, Investment Analysis, Standards of Professional Practice

International Right of Way Association - Varied Courses. Instructor: Income Valuation, Course 402; Easement Valuation, Course 403; Skills of Expert Testimony, Course 214

Certificates in Real Estate, (a) California Real Estate Certificate and (b) University of California Real Estate Certificate with specialization in appraisal

COURT TESTIMONY:

Qualified as an expert witness in the Superior Court of Santa Barbara, Ventura, and San Luis Obispo Counties and Federal Court, Los Angeles County and Orange County

PROFESSIONAL APPRAISAL EXPERIENCE:

2000 - Current	Reeder, Gilman & Borgquist
1981 - 2000	Reeder, Gilman & Associates
1978 - 1981	Reeder, Fugate, Chapman & Gilman
1976 - 1978	Rice, Fugate & Chapman
1967 - 1976	Senior Real Estate Appraiser - Ventura County Department of Public Works
1963 - 1967	Associate Appraiser - Ventura County Assessor's Office

CONCURRENT EXPERIENCE:

Member of Santa Barbara County Assessment Appeals Board, 1992 to Present.

Experience gained in the acquisition of real property for public purposes and the leasing of both agricultural and commercial properties for government projects.

**LESLIE J. GILMAN, MBA, SR/WA
REAL ESTATE APPRAISER**

RESIDENCE:

Santa Maria, Santa Barbara County, California

BUSINESS AFFILIATION:

Reeder, Gilman & Borgquist, Appraisers and Consultants

PROFESSIONAL AFFILIATIONS:

Senior Member (SR/WA) - International Right of Way Association

Associate Member - Appraisal Institute

State Certified Real Estate Appraiser, CA #AG014980 - Office of Real Estate Appraisers

EDUCATION:

University of Southern California - Master of Business Administration (MBA)

California State College at Los Angeles - Bachelor of Science

American Institute of Real Estate Appraisers - Courses I-A, I-B, II, IV and VIII

International Right of Way Association - Courses 201, 205, 210, 211, 403, 701, 702

REGION:

San Luis Obispo, Santa Barbara, Monterey, Los Angeles, Orange, Riverside, San Bernardino

Ventura, Tulare, Kings, Inyo, Kern and Mono Counties; Arizona and Nevada

COURT TESTIMONY:

Qualified as an expert witness in Superior Courts of San Luis Obispo and Santa Barbara Counties; Federal Bankruptcy Court, Santa Barbara, Los Angeles, and San Diego

PROFESSIONAL EXPERIENCE:

2000 - Current	Reeder, Gilman & Borgquist
1981 - 2000	Reeder, Gilman & Associates
1978 - 1981	Reeder, Fugate, Chapman & Gilman
1976 - 1978	Rice, Fugate & Chapman
1965 - 1976	Southern California Edison Company Real Estate Appraiser and Right of Way Agent

CONCURRENT EXPERIENCE:

Licensed Real Estate Broker, Realtor

**M. LISA BORGQUIST
REAL ESTATE APPRAISER**

RESIDENCE:

Grover Beach, San Luis Obispo County, California

BUSINESS AFFILIATION:

Reeder, Gilman & Borgquist, Appraisers and Consultants

PROFESSIONAL AFFILIATIONS:

State Certified Real Estate Appraiser, CA #AG014431 - Office of Real Estate Appraisers

Member - International Right of Way Association

EDUCATION:

Hancock College – Associate in Arts Degree

Appraisal Institute - USPAP, General Applications, Seminars, Advanced Applications, Litigation Seminar, Evaluating Commercial Construction, Non-conforming Uses, Appraisal Litigation

International Right of Way Association – Environmental Contamination, Acquisitions Seminar, Ethics, Easement Valuation, Legal Aspects of Easements, Eminent Domain Case Update, Detrimental Conditions Seminar

Lorman Education Services – Laws of Easements, Advanced Zoning and Land Use

Lincoln Graduate Center - Farm & Land Appraisal

State Board of Equalization - Course 5, Income Approach, Advanced Income and Sales Comparison

State Board of Equalization (Texas, includes Cost, Market, Income & Tax Law) - Courses 120, 210, 220, 230 & 325

APPRAISAL EXPERIENCE:

2000 - Current	Reeder, Gilman & Borgquist
1998 - 2000	Santa Barbara County Assessor, Santa Maria, CA
1992 - 1998	Reeder, Gilman & Associates
1988 - 1992	Santa Barbara County Assessor, Santa Maria, CA
1987 - 1988	Los Angeles County Assessor, Los Angeles, CA
1985 - 1987	Hidalgo County Appraisal District, Pharr, TX

RELEVANT EXPERIENCE:

5/87 - 10/87	Damar Corporation, Los Angeles, CA
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TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: APRIL 21, 2006



PROPERTY TAX EXCHANGE FOR PROPOSED
HOLLOWAY ANNEXATION #27

ITEM

Consider approval of Resolution accepting the annual tax increment to be transferred from County of SLO to NCSD (District) in the amount of 6.31927%.

BACKGROUND

The District and the Holloway's have entered into an Annexation Agreement to annex approximately 20 acres known as Tract 2642.

With any proposed annexation to the District, the State Revenue & Taxation Code Section 99 requires the District and County negotiate transfer of an annual tax increment from the County to the District. With the assistance of the Auditor-Controller's Office, LAFCO has determined that the annual tax increment to be exchanged is 6.31927% effective fiscal year 2007-2008.

In order to complete this process, the County will consider adoption of a Resolution on Tuesday, April 25 (see attached). Upon adoption of Resolutions by both agencies (County and District), LAFCO Commission will then consider the annexation for approval. It is anticipated that LAFCO will consider this annexation on May 18, 2006.

RECOMMENDATION

It is recommended that your Honorable Board adopt Resolution 2006-Holloway tax exchange accepting the annual tax increment to be transferred from County of SLO to District in the amount of 6.31927%.

ATTACHMENTS

District Resolution 2006-Holloway tax exchange
SLO County Staff Report and County Resolution
LAFCO Notice to Commence Negotiation to Transfer of Property Tax Revenue

RESOLUTION NO. 2006-holloway tax exchange

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE
AND ANNUAL TAX INCREMENT FROM COUNTY OF SAN LUIS OBISPO
TO NIPOMO COMMUNITY SERVICES DISTRICT
FOR ANNEXATION NO. 27 (HOLLOWAY)**

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(b) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, when an independent special district is involved, the negotiations are conducted by the Board of Supervisors of the County and the Board of Directors of the District pursuant to Revenue and Taxation Code Section 99.(b)(5); and

WHEREAS, Revenue and Taxation Code Section 99.(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the Local Agency Formation Commission; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the said Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriated adjustments as required by law; and

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increment between the County of San Luis Obispo and the Nipomo Community Services District pursuant to Section 99(a)(1) for the jurisdictional change designated as LAFCo File 1-R-06: Annexation No. 27 (Holloway) to the Nipomo Community Services District; and

WHEREAS, the negotiating parties, to wit: Dan Buckshi, Assistant Administrative Officer, County of San Luis Obispo and Michael LeBrun, General Manager of the Nipomo Community Services District have negotiated the exchange of property tax revenue and annual tax increment between such entities as hereinafter set forth; and

WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increment was consummated by the Board of Supervisors on April 25, 2006; and

WHEREAS, revenue and taxation code Section 99(b)(7) provides for a 15-day renegotiation period if a proposal is modified by LAFCO.

RESOLUTION NO. 2006-holloway tax exchange

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE
AND ANNUAL TAX INCREMENT FROM COUNTY OF SAN LUIS OBISPO
TO NIPOMO COMMUNITY SERVICES DISTRICT
FOR ANNEXATION NO. 27 (HOLLOWAY)
PAGE TWO

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

1. That the recitals set forth above are true, correct and valid.
2. That the Nipomo Community Services District agrees to accept the following negotiated exchange of property tax revenues and annual tax .
 - a. No base property tax revenue shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District.
 - b. For Annexation No. 27, the annual tax increment in an amount to be determined by the County Auditor, based upon the following percentage agreed to by the negotiating parties, 6.31927 percent, before the ERAF calculations, shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District in the fiscal year 2007-2008 and each fiscal year thereafter.
3. Upon receipt of a certified copy of this resolution and a copy of the recorded certificate of completion, the County Auditor shall make the appropriate adjustments to property tax revenues and annual tax increment as set forth above.
4. That the Secretary to the Board of Directors is authorized and directed to transmit a certified copy of this resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies thereof in the manner prescribed by law.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby adopted this 26th 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 SUPERVISORS

FROM: DAN BUCKSHI, ADMINISTRATIVE ANALYST III

DATE: April 25, 2006

SUBJECT: SUBMITTAL OF A RESOLUTION ACCEPTING THE EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT FOR ANNEXATION NO. 27 TO THE NIPOMO COMMUNITY SERVICES DISTRICT (HOLLOWAY).

Recommendation

That the Board approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 27 to the Nipomo Community Services District (Holloway).

Discussion

This request relates to the annexation of approximately 20 acres of property zoned Residential Multi-Family to the Nipomo Community Services District. The property is located in the unincorporated area of San Luis Obispo County, on South Oakglen, approximately 1.2 miles South of Tefft, in Nipomo. The purpose of the annexation is to obtain water and sewer from the Nipomo CSD. The property is proposed to be developed with 20 single family homes and 20 granny units.

Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in this case, the County and the Nipomo Community Services District) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's approval of the proposed change. This resolution is being presented for adoption within the 60-day time frame, which commenced on April 11, 2006. The County Administrative Office and the Nipomo Community Services District staff negotiated on behalf of their respective agencies.

Other Agency Involvement/Impact

The Local Agency Formation Commission has the authority to oversee annexation of property. The property is proposed to be annexed into the Nipomo Community Services District, therefore, as one of the affected agencies, the Nipomo Community Services District participated in the tax exchange negotiations. The Auditor's Office provided the financial analysis.

BOARD OF SUPERVISORS

April 25, 2006

Page 2

Financial Considerations

The County's portion of the property tax, after the Educational Revenue Augmentation Fund (ERAF) calculation, is 27.17584%. The Nipomo CSD average receipt of property taxes from Tax Rate Areas (TRA) in the district is 6.31927%. As such, the County will retain all of the base property taxes and will transfer 6.31927% of the property tax increment to the Nipomo Community Services District.

Results

The fair and equitable exchange of property tax revenue as a result of an annexation of property.

Attachments

Map of proposed annexation

- c - Michael LeBrun, General Manager, NCSD
- Marsha Stillman, Auditor-Controller's Office
- Paul Hood, LAFCO

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2006

PRESENT:

ABSENT:

RESOLUTION NO. _____

**RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE NIPOMO COMMUNITY SERVICES DISTRICT**

The following resolution is hereby offered and read:

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, when a city is involved, the negotiations are conducted between the City Council and the Board of Supervisors of the County; and

WHEREAS, when a special district is involved, the negotiations are conducted by the Board of Supervisors of the County on behalf of the district or districts, unless otherwise requested by said district or districts pursuant to Revenue and Taxation Code Section 99(b)(5); and

WHEREAS, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the Local Agency Formation Commission; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriate adjustments as required by law; and

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increments between the County of San Luis Obispo and the Nipomo Community Services District pursuant to Section 99(a)(1) for the jurisdictional change designated as Annexation No. 27 to the Nipomo Community Services District (Holloway); and

WHEREAS, the negotiating party, to wit: Dan Buckshi, Administrative Analyst, County of San Luis Obispo, on behalf of the County and Michael LeBrun, General Manager, on behalf of the Nipomo Community Services District have negotiated the exchange of property tax revenue and annual tax increments between such entities as hereinafter set forth; and

WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increments be consummated.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth above are true, correct and valid.
2. That the County of San Luis Obispo agrees to accept the following negotiated exchange of base property tax revenues and annual tax increments.
 - (a) No base property tax revenue shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District.
 - (b) Annual tax increments shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District in the fiscal year 2007-2008 and each fiscal year thereafter in the amount of 6.31927 percent after ERAF.
3. Upon receipt of a certified copy of this resolution and a copy of the recorded certificate of completion, the County Auditor shall make the appropriate adjustments to property tax revenues and annual tax increments as set forth above.
4. That the County Clerk is authorized and directed to transmit a certified copy of the resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

Chairperson of the Board of Supervisors

ATTEST

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT
JAMES B. LINDHOLM, JR.
County Counsel

By: _____
Deputy County Counsel

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

Proposed Jurisdictional Change: Annexation No. 27 to the Nipomo CSD (Holloway)

LAFCO File No: 1-R-06

Purpose of proposal: to receive water & sewer services from the NCSD

Negotiating Agencies:

County of San Luis Obispo
Nipomo Community Services District

Agenda Date for
Start of Negotiations:

April 11, 2006

Subject Property:

<u>Tax Code Area</u>	<u>Parcel Nos.</u>	<u>Valuation</u>
052-041	090-171-005	391,104
052-041	090-171-027	128,216
052-041	090-171-028	53,534
052-041	090-171-029	45,603
052-096	None	-0-
Total		<u>618,457</u>

Estimated property tax revenue generated within subject property: 2006-2007

GENERAL FUND	1,681	27.175%
AIR POLLUTION CONTROL	41	0.655%
SPECIAL ROADS # 1	5	0.076%
COUNTY LIBRARY	126	2.033%
PORT SAN LUIS HARBOR	90	1.457%
SLO FLOOD CONTROL	18	0.290%
NACIMIENTO WATER CONS	19	0.311%
LUCIA MAR UNIFIED	2,743	44.365%
SAN LUIS OBISPO COMM COLL	482	7.792%
COUNTY SCHOOL SERVICE	286	4.618%
ERAF	694	11.228%
TOTALS	6,185	100.000%

Percentage of annual tax increment to be exchanged: 6.31927%

Negotiation Period: April 11 to June 13, 2006

Property Tax Exchange effective fiscal year: 2007-08

By: Paul L. Hood
Paul L. Hood, Executive Officer

Date: 3/30/06

Note: At close of negotiations, each agency shall immediately transmit to the LAFCO Executive Officer a certified copy of the resolution setting forth the amount of property tax revenue to be transferred. For dependent districts, the Clerk of the Board of Supervisors shall transmit a certified copy of the Board's resolution adopted on behalf of both parties. This will allow LAFCO to commence processing of the jurisdictional change.

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 21, 2006



AMEND ANNEXATION POLICY

ITEM

Consider staff recommendation to update annexation policy in regard to supplemental water fees and requirements. [Recommend Approval] – 1 hour.

BACKGROUND

The District adopted its current Annexation Policy on September 10, 2003. On May 30, 2004, the Local Agency Formation Commission adopted a Sphere of Influence and Municipal Services Review update for the District. In 2005, the District performed a rate and capacity charge study which culminated with the adoption of supplemental water capacity charges. These new capacity charges became effective on July 1, 2005. On January 25, 2006, the District adopted the 2005 Update to its Urban Water Management Plan.

In recognition of the actions taken subsequent to the Annexation Policy adoption, staff reviewed the Policy and is recommending updates. A “red-lined” version of the current Annexation Policy, showing recommended changes is attached. Additionally, a clean-version of the proposed update is attached as Exhibit A of Resolution 2006 - Annex.

The main thrust of the proposed revisions is the substitution of Supplemental water “deposit” and Zone of Benefit language with a requirement that annexations acquire and dedicate supplemental water resources to the satisfaction of the District and pay the District’s supplemental water based capacity charges. Other minor revisions to language of the Annexation Policy are recommended to improve policy clarity and consistency with subsequent Board action as outlined above.

RECOMMENDATION

Consider staff letter and public input, review and revise the draft proposed Annexation Policy. Approve resolution 2006-Annex adopting updated Annexation Policy.

ATTACHMENTS

Red-line proposed Annexation Policy
Resolution 2006-Annex w/ Exhibit A, Proposed Annexation Policy

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THE ANNEXATION POLICY OF THE NIPOMO COMMUNITY SERVICES DISTRICT

I. PURPOSE

In order to promote efficient processing of requests for annexation to the Nipomo Community Services District, this policy sets forth the framework and standards upon which the Board of Directors will consider such requests and provides notice thereof to the owners of the property that are the subject of such requests.

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II. INTENT

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

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

The District recognizes the County of San Luis Obispo's Resource Capacity Study and the recommendations contained therein and the degradation of the Nipomo Mesa Management Area and the need for conservation of natural and environmental resources, including local resources, their availability and quality, consistent with the South County General Plan of San Luis Obispo County.

III. GENERAL POLICIES

A. Annexations shall provide a reliable water source, other than water from the Nipomo Mesa Management Area also know as the Hydrologic Sub Area.

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B. In order to provide for the orderly development of public service facilities, only those properties will be considered for annexation for which the owners are willing to accept all conditions for service required by the Nipomo Community Services District. Further, requests for annexation solely for sewerage services to the exclusion of water service will be rejected by the Board of Directors, except under extraordinary circumstances.

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

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

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

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

- E. The proposed annexation area boundary shall include all properties that may receive the proposed services to be provided (i.e., use rear property lines rather than streets as boundary lines).
- F. The District is opposed to the formation of homeowner associations for the operation of water and/or sewer systems in the Nipomo Mesa area. Typically, such associations lose efficiency over time, requiring a public entity to take over their operations. A public entity operating from the beginning would eliminate the need for later acquisition and rejuvenation of such systems at additional cost to the property owners.
- G. The District recognizes two (2) general classes of proposed annexations, as follows:
 - 1. Those areas of proposed annexations that overlie the Nipomo Mesa Management Area that could produce adequate groundwater to serve the proposed development if the Applicant were allowed to pump groundwater; and
 - 2. Those areas of proposed annexations that do not meet the requirements of G (1), above.
- H. The Board will not contract for State Project Water as a supplemental water supply without first obtaining the approval of the District voters. *

*Note: The Court may have jurisdiction to order State Project Water as part of the Adjudication Resolution.
- I. The Board shall make the final determination about the suitability of any water source.

IV. GENERAL STANDARDS

- A. Non Agricultural Use of Groundwater Basin Water Prohibited:
 - 1. Applicants shall covenant not to pump from the underlying groundwater basin except for agricultural and or open space irrigation use.
- B. Conditions to be Completed Prior to Final LAFCO Approval:
 - 1. The Applicant shall acquire and dedicate to the District's satisfaction, a volume of supplemental water (from a source acceptable to the District other than Nipomo Mesa Management Area groundwater), equal to that necessary to support full build-out of the annexed lands.
 - 2. The proposed annexation has complied with the requirements of the California Environmental Quality Act and the time to challenge has expired.

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Deleted: s consistent with the following: ¶ ¶ <#>Applicants that connect to the District's water system may continue to pump for agriculture-related uses on Applicant's property, subject to any limitations imposed by a Court or other agency with jurisdiction.¶ <#>¶ Subject to paying the financial obligations referenced in subsections C and D below and further subject to any limitations imposed by a Court or other agency with jurisdiction, Applicants who do not receive District water service may :
Deleted: <#>Continue using existing well production for existing residential and commercial uses on Applicant's property.¶ ¶ <#>Continue to pump for agric(... [1]
Deleted: <#>District Processing Costs:¶ ... [2]
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3. For each connection or potential connection, deposit with the District the then current capacity and connection fees and charges for District services.

C. Customers of the District:

1. Upon annexation, residents and commercial users within the area of the proposed annexation shall become "regular customers" of the District, with no greater entitlements to water service than any other District customer.
2. Subject to compliance with the Annexation Agreement, LAFCO conditions, the District Inspection and Public Facility Agreement, District Rules and Regulations, and a determination by the Board of Directors that the area of annexation meets the requirement of Section III, G (1), and there are adequate water resources to supply the area of annexation or a portion therein then the District may provide water to the area of annexation or a portion therein upon LAFCO final approval.
3. For those areas of annexation that do not meet the requirements of Section III, G (1), the District will not deliver water to the area of annexation until sufficient supplemental water is available in the NCSD water system for delivery.

D. Cluster Developments:

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

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~~<#>For each residential connection to the District's water system or for each existing residential unit that does not connect to District water system. Applicants shall deposit with the District ten thousand dollars (\$10,000) or equivalent securities acceptable to District, to be applied to District administrative and consultant costs in acquiring supplemental water and to offset costs of supplemental water. ¶~~

~~¶
<#>Commercial and/or other uses that exceed a 1" meter shall pay a multiple of the deposit referenced in subsection 1 above based on flow capacity. ¶~~

~~¶
<#>Each connection or potential connection shall pay District capacity and connection fees and charges. The District's water capacity charge shall be reduced by that portion attributed to well production. ¶~~

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

~~¶
<#>Not Used ¶~~

~~¶
Payment of Monthly Supplemental Water Charge: ¶~~

~~¶
Applicants shall agree to establish a zone of benefit with a rate covenant wherein those residents and commercial users within the area of annexation will pay eighty percent (80%) of the actual costs of supplemental water for the area of proposed annexation plus one hundred percent (100%) of the reserve that may be required to obtain supplemental water. ¶ ... [4]~~

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District, as a party to the "Dedication". The Dedication shall be in the form of an open space easement, recordable agreement, dedication of fee, or partial fee title to a public or quasi-public agency.

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

V. DISPUTE RESOLUTION

If an Applicant disputes District determination that the area of proposed annexation does not comply with Article III, G (1), then Applicant, at Applicant's sole cost, may request District to perform reliability tests, including pump tests, to the District Engineer's standards, to determine sufficiency of underlying groundwater resources. The Board of Directors' determination of the sufficiency of the groundwater supply shall be final.

VI. ANNEXATION AGREEMENT

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

- A. That all infrastructure and service line extensions shall be designed and constructed at no cost to District in accordance with District's standards;
- B. Reimbursement to District for its costs in processing the annexation, including administrative costs, legal costs and engineering costs; and

Deleted: <#>GENERAL STANDARDS FOR AREAS OF ANNEXATION THAT DO NOT OVERLIE SUFFICIENT RELIABLE GROUNDWATER RESOURCES.¶
¶
A. The Applicant shall comply with all conditions set forth in Section IV above for proposed annexations that overlie a sufficient groundwater resource; and¶
¶
<#>Not Used¶
¶
Pay one hundred percent (100%) of the monthly supplemental water charge (see IV D above); and¶
¶
C. District will not deliver water to the area of annexation until sufficient supplemental water is under contract and available in the NCS D system for delivery; and¶
¶
<#>All annexation project CEQA review, including challenges, are completed.¶
¶
<#>In addition, the construction phase of the annexation project shall not begin until steps C-1 and C-2 are completed and the Board determines that there is sufficient water to serve the proposed area of annexation during the construction phase.¶
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C. Payment for all applicable District capacity, meter and connection charges.

D. Dedication to the District of a volume of supplemental water (from a source acceptable to the District other than Nipomo Mesa Management Area groundwater) equal to that necessary to support full build-out of the annexed lands.

E. Other terms and conditions as determined by the District.

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VIII. SUBMITTAL OF ANNEXATION APPLICATION AND LAYOUT PLAN

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

RESOLUTION NO. 2006-Annex Policy

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

WHEREAS, the Nipomo Community Services District ("District") last updated its Annexation Policy on or about September 10, 2003 ("Annexation Policy"); and

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

WHEREAS, LAFCO considers CEQA for all proposed annexations and sphere of influence changes and other changes in organizations; and

WHEREAS, on or about May 30, 2004, LAFCO adopted a Sphere of Influence Update ("SOI"), Municipal Service Review ("MSR") for the District. Said Sphere of Influence Update and Municipal Service Review are incorporated herein by this reference; and

WHEREAS, as part of the SOI and Municipal Service Review LAFCO considered and certified an Environmental Impact Report. Said Environmental Impact Report ("EIR") is incorporated herein by this reference; and

WHEREAS, on or about January 25, 2006, the District adopted its Urban Water Management Plan ("UWMP"); and

WHEREAS, the District Board of Directors finds that the policies adopted herein by this Resolution do not conflict with the actions taken by LAFCO as referenced above.

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

1. The amended and restated Annexation Policy, as referenced in Exhibit "A", are hereby approved and adopted.

2. The Board of Directors of the District finds that the amendment of the Annexation Policy does not constitute a "project" under the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 et seq.) or its implementing Guidelines (14 California Code of Regulations Section 15000 et seq.) ("CEQA Guidelines"). The Board further finds that the adoption of the Amended Annexation Policies constitute "general policy and procedure making" described in Section 15378(b)(2) of the CEQA Guidelines which are deemed not to be "projects". Even if the adoption of these amended policies is a "project" for purposes of CEQA, the District Board finds that it is exempt from review pursuant to Section 15061(b)(3) which provides that an activity is not subject to CEQA review where it can be seen with certainty that there is no possibility that it may have a "significant effect on the environment." The District Board finds that it can be seen with certainty that there is no possibility that the adoption of this Resolution and the approval of the amended Annexation Policy herein may have a significant effect on the environment. The District General Manager is authorized to prepare, execute and file a notice of exemption pursuant to the above provisions.

3. The above Recitals are true and correct and incorporated herein by reference and constitute further findings in support of this Resolution.

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

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

AYES:
NOES:
ABSENT:
CONFLICTS:

the foregoing resolution is hereby adopted this _____ day of _____, 2006.

Lawrence Verheilig,
President, Board of Directors
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

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RESOLUTION 2006-ANNEX
EXHIBIT A

THE ANNEXATION POLICY OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

I. PURPOSE

In order to promote efficient processing of requests for annexation to the Nipomo Community Services District, this policy sets forth the framework and standards upon which the Board of Directors will consider such requests and provides notice thereof to the owners of the property that are the subject of such requests.

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**RESOLUTION 2006-ANNEX
EXHIBIT A**

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**RESOLUTION 2006-ANNEX
EXHIBIT A**

2. The proposed annexation has complied with the requirements of the California Environmental Quality Act and the time to challenge has expired.
- 3 For each connection or potential connection, deposit with the District the then current capacity and connection fees and charges for District services.

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D. Cluster Developments:

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 - c. Preventing the accumulation of weeds and other fire hazards that would create further demand on the District's water resources.
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**RESOLUTION 2006-ANNEX
EXHIBIT A**

scenic area, protection from hazardous areas; public outdoor recreation; or other similar use.

3. The use and restrictions referenced in Paragraphs 1 and 2 above, are to be guaranteed by a "Dedication", approved in writing by the District, as a party to the "Dedication". The Dedication shall be in the form of an open space easement, recordable agreement, dedication of fee, or partial fee title to a public or quasi-public agency.
4. If the open space parcel is designated for crop production or range land, then the Dedication related to water use shall include:
 - a. Water pumped from the groundwater basin will only be used for crop production or grazing livestock;
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**RESOLUTION 2006-ANNEX
EXHIBIT A**

A. That all infrastructure and service line extensions shall be designed and constructed at no cost to District in accordance with District's standards;

B. Reimbursement to District for its costs in processing the annexation, including administrative costs, legal costs and engineering costs; and

C. Payment for all applicable District capacity, meter and connection charges.

D. Dedication to the District of a volume of supplemental water (from a source acceptable to the District other than Nipomo Mesa Management Area groundwater) equal to that necessary to support full build-out of the annexed lands.

E. Other terms and conditions as determined by the District.

VIII. SUBMITTAL OF ANNEXATION APPLICATION AND LAYOUT PLAN

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TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 21, 2006

**AGENDA ITEM
E-2
APRIL 26, 2006**

HETRICK WATER LINE UPGRADE

ITEM

Staff will provide a project/process overview and update [No action recommended] – 30 Minutes.

BACKGROUND

Your Honorable Board has agreed to replace 900 linear feet of 8 inch main with a 12 inch main in Hetrick Road from Willow Road South to Live Oak Ridge to improve fire flows and pressures in this portion of the District. To this end, in 2005 the Board retained Boyle Engineers to prepare the plans and specifications for construction of the upgrade. Boyle has submitted the attached plans and profiles (full size plans are available for review at the NCSD Office) along with the draft bid specifications. Josh Reynolds of Boyle is scheduled to present the design to the Board at the Board Meeting and will be available to answer questions.

Boyle's current agreement includes bid services but the Board specifically excluded construction management services so that a separate firm would provide these services. Staff has prepared draft RFPs for Construction Management and Engineering Services During Construction so that the Board can select firms to perform these services once the environmental review phase of the project is complete.

Staff has determined that this project is NOT categorically exempt from CEQA and will require an environmental determination as to whether a Negative Declaration, a Mitigated Negative Declaration or an Environmental Impact Report will be required. Staff has circulated a Request for Statement of Qualifications to six local environmental review firms to determine the availability and interest of these firms to provide environmental review services to NCSD for small projects like the Hetrick Water Line Upgrade that are not categorically exempt. The deadline for submission of the Statement of Qualifications is April 27, 2006. Once NCSD has reviewed the submitted Statements, staff will issue a Request for Proposals to qualified firms and staff will request that the Board select one firm to perform the Hetrick Environmental Review on a "task order" basis similar to the process currently used by NCSD for Plan Checks.

RECOMMENDATION

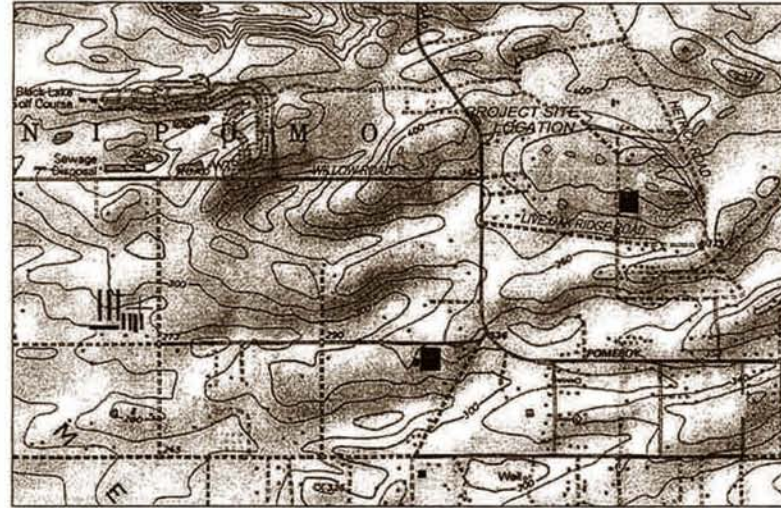
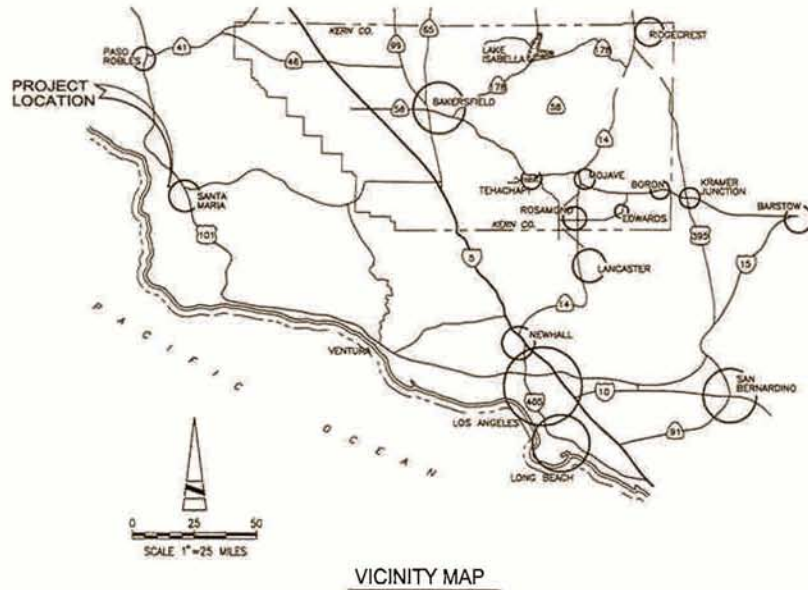
It is recommended that your Honorable Board receive Boyle's presentation; review the attached plans and profiles; order any changes desired; and authorize these plans and profiles to be used as the "proposed project" for the purposes of the CEQA review. Assuming that the Board can select the proposed project at this meeting, staff would propose retention of an Environmental Review firm in May. Staff expects that the Board would make an environmental determination this fall so that the project can be bid and constructed in winter 2007 when water demands are at their lowest levels.

ATTACHMENTS

1. DRAFT HETRICK ROAD WATER LINE PLANS AND PROFILES

CONSTRUCTION PLANS FOR THE NIPOMO COMMUNITY SERVICE DISTRICT HETRICK AVENUE WATERLINE

APRIL 2006



LOCATION MAP



APPROVAL:

Michael LeBrun - General Manager

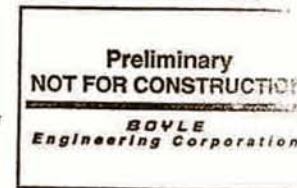
DATE:

Southern California Gas Company

DATE:

SHT. NO. DESCRIPTION

- C-1 TITLE SHEET
- C-1A GENERAL NOTES & LEGEND
- C-2 WATERLINE IMPROVEMENT LAYOUT PLAN AND PROFILE
- C-3 MISCELLANEOUS DETAILS
- C-4 DETAIL SHEET



HETRICK AVENUE
WATERLINE

NIPOMO COMMUNITY SERVICE
DISTRICT

PROJECT NUMBER: _____ DATE: _____

PROJECT OWNER: _____ DATE: _____

PROJECT ENGINEER: _____ DATE: _____

PROJECT NUMBER: _____ FILE NUMBER: _____

BK-N09-100-08 S-2333

SHEET NUMBER: _____ OF _____

C-1 5

BOYLE ENGINEERING CORPORATION

1104 Pacific St., Suite 204
San Luis Obispo, California 93401

Tel. No. (805) 542-8843

Fax No. (805) 542-8900

Boyle Engineering Corporation



GENERAL NOTES

- THE CONTRACTOR SHALL HAVE COPIES OF THE PLANS AND SPECIFICATIONS FOR THIS PROJECT ON-SITE DURING CONSTRUCTION AND SHALL BE FAMILIAR WITH ALL APPLICABLE STANDARDS AND SPECIFICATIONS.
- ALL UTILITY COMPANIES MUST BE NOTIFIED PRIOR TO THE START OF CONSTRUCTION. THE CONSTRUCTION CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT (U.S.A.) AT 1-800-842-2444 TWO TO TEN DAYS PRIOR TO THE START OF EXCAVATION AND SHALL VERIFY THE LOCATION OF ANY KNOWN UTILITIES AND WHETHER OR NOT A REPRESENTATIVE OF EACH COMPANY WILL BE PRESENT DURING EXCAVATION. CONTRACTOR WILL ALSO BE RESPONSIBLE FOR CONTACTING THE APPROPRIATE AGENCY FOR THE LOCATION OF ALL UNDERGROUND FACILITIES. ALL UTILITIES WHO ARE NOT A MEMBER OF U.S.A. MUST ALSO BE NOTIFIED.
- THE LOCATIONS AND ELEVATIONS OF EXISTING UNDERGROUND FACILITIES, WHERE SHOWN ON THE PLANS, ARE BASED ON AVAILABLE RECORDS AND MAY NOT ACCURATELY REFLECT THE ACTUAL LOCATION OR ELEVATION. THE CONTRACTOR SHALL ASSUME SOLE RESPONSIBILITY FOR LOCATING OR HAVING LOCATED, ALL EXISTING UNDERGROUND FACILITIES AND FOR PROTECTING THE SAME DURING CONSTRUCTION. ANY DEVIATIONS FROM THE LOCATIONS SHOWN SHALL IMMEDIATELY BE BROUGHT TO THE ATTENTION OF THE PUBLIC WORKS DIVISION.
- CONTRACTOR IS TO TAKE PRECAUTION AGAINST DAMAGING ROAD SURFACES. NOTE: THE EXISTING STREET SECTIONS AND PARKING AREAS ADJACENT TO THE PROPERTIES MAY BE SUBSTANDARD AND MAY BE SUBJECT TO DAMAGE BY HEAVY LOADING/EQUIPMENT DURING CONSTRUCTION.
- STREETS ARE TO REMAIN OPEN TO THROUGH TRAFFIC AT ALL TIMES. NO TEMPORARY OR LONG TERM PARKING OR STORAGE OF CONSTRUCTION EQUIPMENT OR MATERIALS SHALL OCCUR WITHOUT PRIOR ISSUANCE OF AN ENCROACHMENT PERMIT.
- DURING CONSTRUCTION, IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROVIDE FOR SAFE TRAFFIC CONTROL IN AND AROUND THE SITE. THIS MAY INCLUDE BUT SHALL NOT BE LIMITED TO SIGNS, FLASHING LIGHTS, BARRICADES AND FLAG PERSONS AS DIRECTED BY THE DESIGNER. TRAFFIC CONTROL MEASURES SHALL COMPLY WITH COUNTY STANDARDS.
- THE CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR SAFETY OF THE JOB SITE. THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND SHALL NOT BE LIMITED TO NORMAL WORKING HOURS.
- THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTION OF PUBLIC AND PRIVATE PROPERTY IN THE VICINITY OF HIS WORK. THE CONTRACTOR SHALL REPLACE OR REPAIR TO ITS ORIGINAL CONDITION ALL IMPROVEMENTS OR PROPERTY DAMAGED AS A RESULT OF HIS OPERATIONS.
- CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ENCROACHMENT PERMIT FROM THE COUNTY. CONTACT TOM STOKES, COUNTY ENCROACHMENT PERMIT OFFICER.
- SOILS REPORT BY FUORO WEST, INC. DATED OCTOBER 21, 2005.

EROSION CONTROL NOTES

- EROSION CONTROL DEVICES SHALL BE INSTALLED TO PREVENT ANY SILT OR DUST FROM LEAVING THE SITE. MEASURES INSTALLED SHALL CONFORM TO THOSE SPECIFIED AS "BEST MANAGEMENT PRACTICES" IN THE REGIONAL WATER QUALITY CONTROL BOARD'S EROSION AND SEDIMENT CONTROL FIELD MANUAL. IN THE EVENT THAT THE INSTALLED DEVICES FAIL, ADDITIONAL OR IMPROVED DEVICES SHALL BE PLACED IMMEDIATELY. EROSION SHALL BE CONTROLLED AT THE SOURCE. THE PROJECT PERIMETER SHALL BE PROTECTED WITH DE-SILTING DEVICES.
- PROJECT DRIVEWAYS AND CONSTRUCTION ENTRANCES SHALL BE PROTECTED AGAINST EROSION AND TRACKING OF MUD AND DEBRIS AT ALL TIMES, INCLUDING EVENINGS, WEEKENDS AND HOLIDAYS. SUCH PROTECTION MAY BE MODIFIED TO PROVIDE ACCESS TO THE WORK SITE DURING WORK HOURS.
- ALL STOCKPILES SHALL BE PROTECTED AGAINST WIND AND WATER EROSION, IMMEDIATELY UPON PLACEMENT. SUCH PROTECTION SHALL REMAIN IN PLACE UNTIL USE OR REMOVAL OF THE STOCKPILE, REGARDLESS OF THE TIME OF YEAR.
- ALL FRESH CUT AND FILL SLOPES SHALL BE IMMEDIATELY PROTECTED BY INSTALLATION OF EROSION CONTROL DEVICES, AND UNTIL PERMANENT EROSION CONTROL IS ESTABLISHED.
- PERMANENT EROSION CONTROL MEASURES SHALL BE FULLY ESTABLISHED TO THE SATISFACTION OF THE DISTRICT REPRESENTATIVE. (TO BE COMPLETED NO LESS THAN 30 DAYS PRIOR TO REQUEST FOR FINAL APPROVAL.)
- DURING THE CONSTRUCTION PERIOD, THE PROJECT FRONTAGE(S) SHALL BE SWEEPED AND KEPT FREE OF DIRT, DUST AND DEBRIS.
- WASTE MATERIALS SHALL NOT BE WASHED OFFSITE. THIS INCLUDES BUT IS NOT LIMITED TO SOIL, PAINT, STUCCO, GROUT, COLOR COAT, CONCRETE DUST, SAW RESIDUES, GRINDINGS, AND OIL.
- THE CONTRACTOR IS RESPONSIBLE FOR THE PLACEMENT OF EROSION CONTROL DEVICES WHENEVER RAIN IS FORECAST.

GENERAL WATER MAIN NOTES

- THE WATER FACILITIES TO BE DEDICATED TO THE NCSD (DISTRICT) SHALL BE CONSTRUCTED IN ACCORDANCE WITH THE NCSD STANDARD SPECIFICATIONS.
- THE DISTRICT SHALL BE NOTIFIED AT LEAST TWO (2) WORKING DAYS PRIOR TO START OF CONSTRUCTION. TELEPHONE: (805) 939-1133. CONSTRUCTION WILL NOT TAKE PLACE ON WEEKENDS UNLESS SPECIFICALLY APPROVED BY DISTRICT.
- ALL PIPE, FITTINGS, MATERIALS, AND INSTALLATION SHALL CONFORM TO THE LATEST EDITIONS OF THE AWWA SPECIFICATIONS.
- CONTRACTORS WILL COORDINATE ALL TIE-INS OF NEW WATER MAINS TO EXISTING WATER MAINS WITH THE DISTRICT TO MINIMIZE SERVICE INTERRUPTIONS. PROVIDE AT LEAST 2 WORKING DAYS NOTICE PRIOR TO CONSTRUCTION.
- THE WATER SYSTEM, INCLUDING LATERALS, SHALL BE HYDROSTATICALLY TESTED PRIOR TO PLACING STREET PAVEMENT.
- VALVES SHALL BE FLANGE CONNECTED TO FITTINGS WHEN LOCATED ADJACENT TO FITTINGS.
- WATER LINES SHALL HAVE A MINIMUM COVER OF 36 INCHES.
- FITTINGS SHALL BE FLANGED OR MECHANICAL JOINTS.
- CONTRACTOR SHALL ADJUST VALVE BOXES, FIRE HYDRANT BREAK-OFF FLANGES, METER BOXES, ETC. TO SUBDIVISION FINISH GRADES AFTER CURBS AND GUTTERS, SIDEWALKS, AND STREETS HAVE BEEN CONSTRUCTED AT NO COST TO DISTRICT.
- WHERE FIRE HYDRANTS ARE INSTALLED OR UP GRADED, THE CONTRACTOR SHALL INSTALL REFLECTORIZED, RAISED PAVEMENT MARKERS (STIMSONITE HYDRANT MARKERS). ALSO COMMONLY CALLED "BLUE DOTS". A TWO PART EPOXY ADHESIVE SHALL BE USED TO INSTALL THE MARKERS. ONE MARKER SHALL BE INSTALLED PERPENDICULARLY OPPOSITE EACH FIRE HYDRANT, APPROXIMATELY 6-INCHES OFFSET FROM THE CENTERLINE OF THE STREET ON THE HYDRANT SIDE OF THE STREET.
- SERVICES THAT DO NOT COME STRAIGHT OFF THE MAIN ARE TO HAVE TAPE MARKED "CAUTION WATER LINE BELOW", TAPE TO BE INSTALLED 15-INCHES ABOVE THE SERVICE.
- FIRE HYDRANTS, METER BOXES AND BLOWOFFS SHALL BE LOCATED NO CLOSER THAN 5- FEET FROM BEGINNING OF CURB RETURN, DRIVEWAY OR ANY OTHER UTILITY.
- DURING CONSTRUCTION OF THE IMPROVEMENTS, THE OWNER SHALL NOTE DEVIATIONS FROM THE PLANS ON A SET OF PLANS SPECIFICALLY SET ASIDE FOR THIS PURPOSE. ANY CHANGES SHALL BE MADE ON THE ORIGINALS OF THE PLANS WITH A SUITABLE NOTE ON EACH SHEET STATING THAT THE ORIGINALS ARE THE "RECORD DRAWINGS".
- UPON COMPLETION OF CONSTRUCTION, ONE COMPLETE SET OF RECORD DRAWINGS, ORIGINAL PLOTS ON MYLAR, ALONG WITH ELECTRONIC (AUTOCAD DWG.) FILES SHALL BE FURNISHED TO THE DISTRICT.
- WORK SHALL BE DONE IN ACCORDANCE WITH THE APPROPRIATE ENCROACHMENT PERMITS.
- DISINFECT PIPELINES PER DISTRICT STANDARDS -- DO NOT USE TABLETS WITHOUT DISTRICT AUTHORIZATION.
- LOCATIONS AND ELEVATIONS OF EXISTING WATER LINES AND APPURTENANCES ARE APPROXIMATE. WHERE CONNECTIONS TO EXISTING LINES ARE TO BE MADE, AS SHOWN ON THE PLANS, CONTRACTOR SHALL EXPOSE THE EXISTING LINE AND NOTIFY THE PROJECT ENGINEER OF LOCATION, ELEVATION AND TYPE OF PIPE AN/OR FITTINGS PRIOR TO ANY CONSTRUCTION.
- PVC PIPE SHALL BE CLASS 150 AND SHALL CONFORM TO MEET THE REQUIREMENTS OF A.W.W.A. SPECIFICATIONS C900.
- THE CONTRACTOR SHALL FURNISH SUPPLIERS' CERTIFICATES STATING THAT ALL PIPE, VALVES, FITTINGS, PROTECTIVE COATINGS AND ALL OTHER MATERIALS COMPLY WITH THE SPECIFICATIONS AND REQUIREMENTS OF THE CITY OF PISMO BEACH.

SURVEY NOTES

*Survey Prepared by Wallace Group on September 28-29, 2005.

Basis of Bearings

The Basis of Bearing for this map is between the found monument marking the centerline of Hetrick Road per 17/MB/56, shown as N05S71°W, and shown hereon.

Basis of Elevations

The elevations were based on the assumed datum. The benchmark for this mapping is the top of the brass cap marking the centerline intersection of Live Oak Ridge Road and Hetrick Road as shown on 17/MB/56, and has an assumed elevation of 91.85.

Basis of Measurements

All measurements listed, shown, and represented here are based on ground distances and are U.S. Survey Feet.

Local Control as Follows:

Point	Northing	Easting	Elevation	Description
1	5057.8137	5008.9242	100.00	Set 60d Nail
2	4191.6211	5000.1012	91.56	Set 60d Nail
3	5028.9280	5004.1705	99.79	Fe 2" Brass Cap "TRICE 1254"
BM4	4217.3313	5017.2002	91.85	Fe 2" Brass Cap "TRICE 1254"
5	4817.8517	5027.0331	96.46	Set 60d Nail
6	4546.4251	5022.9534	94.81	Set 60d Nail

Underground Utilities

Underground utility locations are plotted based on above ground point marks by others, above ground surface structures and record drawings. Actual location may differ. Additional underground utility lines may exist. For information regarding utility location, size and depth, condition, and capacity contact utility or municipal/public service facility.

Boundary

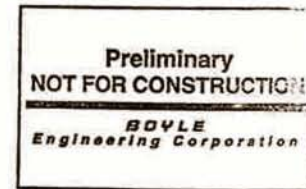
The right and left of way of Hetrick Avenue was established between monuments. The east and west right of ways of Hetrick Avenue were based on monuments on respective sides, causing the record width of sixty (60) feet not to be held. The centerline shown hereon between monuments shown on 17/MB/56 is a construction centerline only and was used to show the various offsets to found monuments. All sidelines of lots and adjacent right of way of Hetrick Road are based on record information only and are informational only. It is beyond the scope of this survey to offer an additional opinion of the re-establishment of the Hetrick Road right of way other than as stated hereon.

References

- R1 17/MB/56
- R2 46/LS/52
- R3 6/PA/52

Legend

	Edge of Powerline
	Drain Line Fence
	Fence
	Underground Storm Drain Line
	Above Ground Storm Drain Line
	Above Ground Sanitary Sewer Line
	Overhead Utility Line
	Underground Sanitary Sewer Line
	Gas Manhole
	Storm Drain Manhole
	Above Ground Sanitary Sewer Manhole
	Meter Manhole
	Gas Box
	Meter Box
	Gas Pedestal
	Gas Meter
	Meter Meter
	Gas Valve
	Irrigation Control Valve
	Meter Valve
	Fire Hydrant
	Guy Wire Anchor
	Power Pole
	Belland/Small Pole
	Clean Out
	Street Sign/Sign Post
	Benchmark and Point Number
	Control Point and Number
	Found Monument as Described
	Brush Line/Drip Line
Abbreviations	
AC	Asphaltic Concrete
ADB	AC Base
Ave	Avenue
Blg	Building
BM	Benchmark
Bst	Bottom
CB	Catch Basin
CF	Curb Face
CDH	Cast In Drilled Hole
CLF	Chain Link Fence
CSP	Corrugated Metal Pipe
Conc.	Concrete
Curb	Curb
Dia	Diameter
Dr	Drive
De	Deviation
Fd	Found
FH	Fire Hydrant
FL	Flow line
IP	Iron Pipe
Joint	Joint
L&T	Lead, Tack and Tag
MH	Manhole
L&T	Nail and Tin
OD	Outside Diameter
PP	Power Pole
PI	Point
Rd	Road
Ret. Wall	Retaining Wall
SD	Storm Drain
SS	Sanitary Sewer
St	Street
TBN	Temporary Benchmark



NIPOMO COMMUNITY SERVICE DISTRICT

HETRICK AVENUE WATERLINE

GENERAL NOTES & LEGEND

C-1A

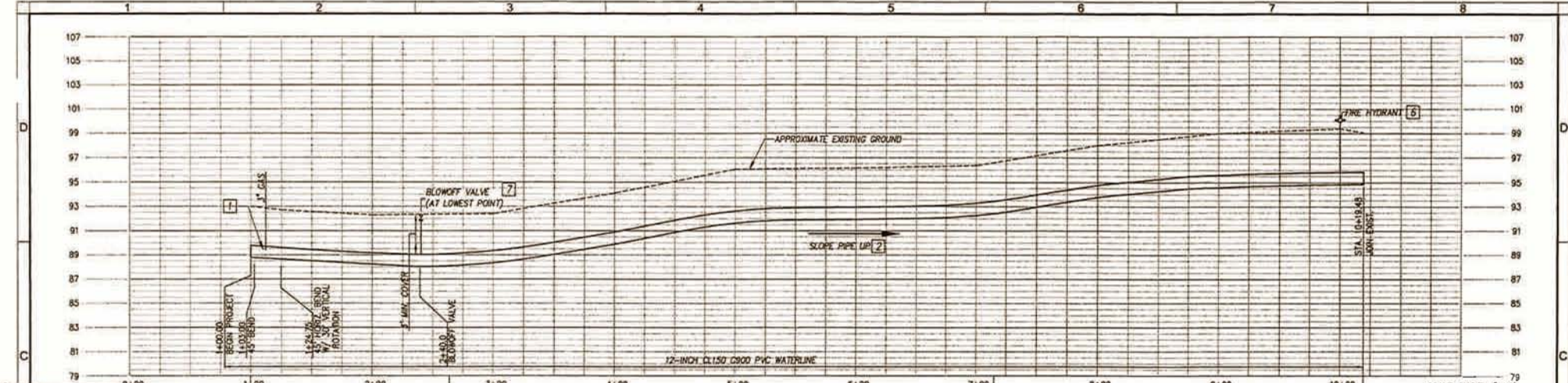
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S-2333

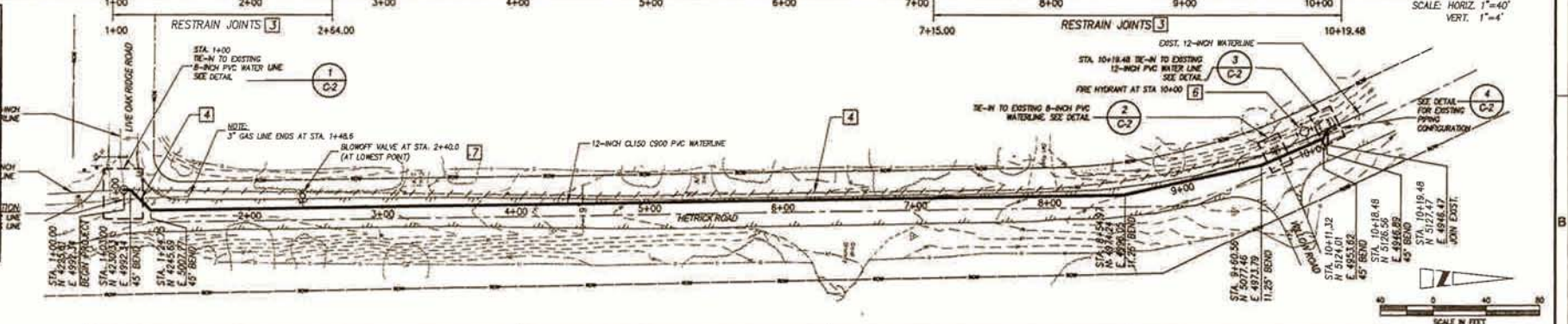
NO.	DATE	DESCRIPTION	APP.
1			
2			

VERIFY SCALES
SCALE IS ONE INCH OR ORIGINAL DRAWING
IF NOT ONE INCH OR TWO SHEET ALLOT SCALES ACCORDING

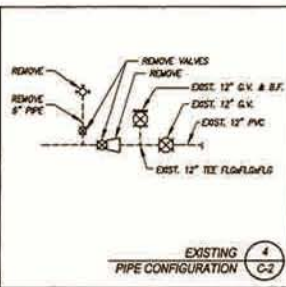
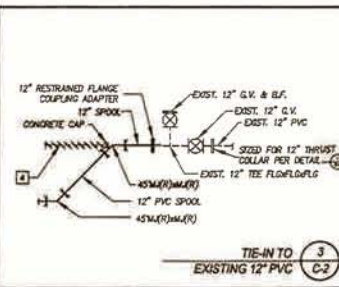
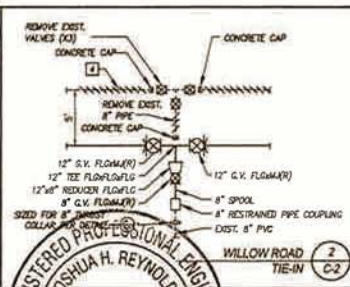
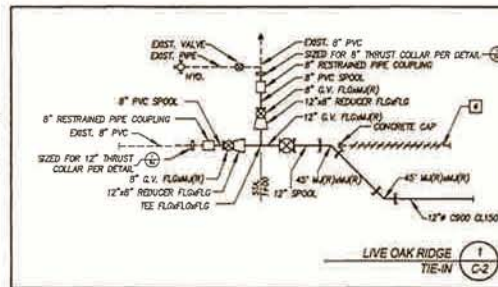
DESIGNED BY	JHR	PROJECT ENGINEER	JOSUA H. REYNOLDS
DRAWN BY	JHR	DATE	09/30/07
CHECKED BY	JHR	PROJECT NUMBER	65400
DATE	NOV. 2005	DISTRICT	NOG-100-DR
		CONTRACTOR	BOYLE



Boyle Engineering Corporation
 Preliminary
NOT FOR CONSTRUCTION

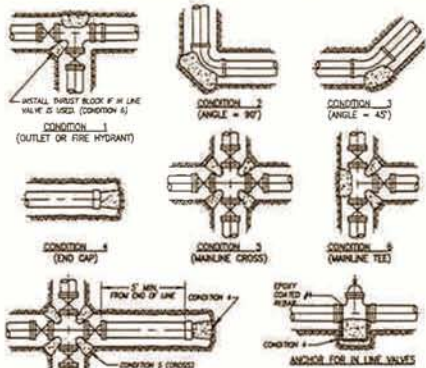


- CONSTRUCTION NOTES:**
- CONTRACTOR TO PUNCH EXISTING 8" TEE AND EXISTING 3" GAS LINE PRIOR TO COMMENCING CONSTRUCTION. SUBMIT WRITTEN REPORT TO ENGINEER INDICATING HORIZONTAL AND VERTICAL LOCATION OF THE UTILITIES. GAS LINE TO BE WAVED BY SO. CAL. GAS.
 - INSTALL PIPE SLOPED UP TO EXISTING AIR VALVE.
 - RESTRAIN JOINTS 140-FEET IN EITHER DIRECTION FROM ANY FITTINGS, EXCEPT ALONG EXISTING WATER MAIN.
 - ABANDON EXISTING 8" PVC PIPE IN PLACE PER DETAIL.
 - REPLACE PAVEMENT PER DETAIL. MATCH EXISTING ROAD WIDTH.
 - FIRE HYDRANT PER DETAIL.
 - BLOW-OFF VALVE PER DETAIL. COORDINATE WITH ENGINEER AND DISTRICT STAFF TO LOCATE BLOW-OFF VALVE IN FIELD. TAP PIPE AT LOWEST POINT.



- GENERAL NOTES:**
- THERE ARE NO WATER SERVICES ON THE PIPELINE BETWEEN LIVE OAK RIDGE RD. AND WILLOW RD.
 - PROTECT ALL TREES AND SHRUBS.
 - REMOVE EXISTING PIPE WHERE IT CONFLICTS WITH NEW PIPE ALIGNMENT.

VERIFY SCALES BAR IS ONE INCH ON ORIGINAL DRAWING IF NOT ONE INCH IN THIS SHEET, ADJUST SCALES ACCORDINGLY	DESIGNED BY: JHR DRAWN BY: JPF CHECKED BY: MKN DATE: NOV. 2005	PROJECT NUMBER: 09133/01 PROJECT NAME: NO9-100-08 CONTRACTOR: BOYLE	REGISTERED PROFESSIONAL ENGINEER JOSHUA H. REYNOLDS No. 65400 Exp. 3/31/07 BOYLE ENGINEERING CORPORATION CIVIL STATE OF CALIFORNIA	NIPOMO COMMUNITY SERVICE DISTRICT	HETRICK AVENUE WATERLINE WATERLINE IMPROVEMENT LAYOUT PLAN & PROFILE	SHEET: C-2 OF 5 SHEETS S-2333
	PROJECT: HETRICK AVENUE WATERLINE IMPROVEMENT LAYOUT PLAN & PROFILE					

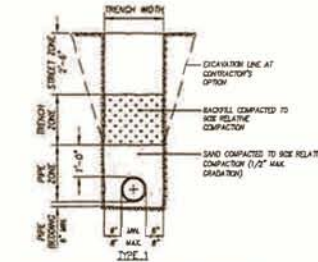


THRUST BLOCK BEARING AREA IN SQ. FT.	
PIPE SIZE	CONDITION
2"	1 2 3 4 5 6
3"	5.0 7.0 4.0 8.0 3.3 EACH 3.3 EACH
4"	8.5 12.0 6.5 8.5 6.0 EACH 4.0 EACH
6"	13.0 18.5 10.0 13.0 8.0 EACH 9.0 EACH
8"	18.5 26.0 14.0 18.5 13.0 EACH 13.0 EACH

BASED ON 1500 P.S.F., 200 P.S.I. TEST PROCEDURE

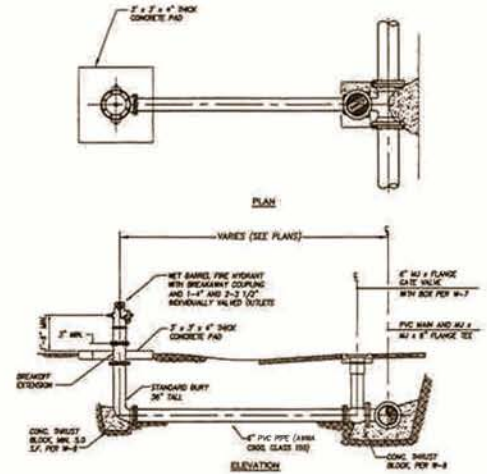
- NOTES:
- THRUST BLOCK BEARING AREA TO LARGEST TEE OR CROSS
 - THRUST BLOCK BEARING AREA'S SHALL BE POURED ON UNDISTURBED SOIL
 - APPROXIMATELY COMPACTED MATERIALS
 - SEE SPEC FOR CONCRETE

THRUST BLOCK DETAIL
NOT TO SCALE



- NOTES:
- SAND SHALL BE FOR STANDARD SPECIFICATIONS FOR EARTHWORK.
 - SEE STANDARD SPECIFICATIONS FOR EARTHWORK IF TRENCH WIDTH EXCEEDS THE MAXIMUM SHOWN ON THIS DRAWING.
 - STREET ZONE TO BE COMPACTED TO 95% RELATIVE COMPACTION IF UNDER ROAD BED OR TO 95% RELATIVE COMPACTION IF OUTSIDE OF PAVEMENT FOR (ASTM D-1557, 3 LAYER). SEE TECHNICAL SPECIFICATIONS FOR EARTHWORK.
 - SEE STREET IMPROVEMENT PLANS (IF APPLICABLE) FOR PAVING REQUIREMENTS.
 - MINIMUM COVER OVER ALL DISTRIBUTION MAINS TO BE 3'-0" AS MEASURED FROM THE BOTTOM OF PAVEMENT.

TRENCH DETAIL
NOT TO SCALE



FIRE HYDRANT ASSEMBLY
NOT TO SCALE

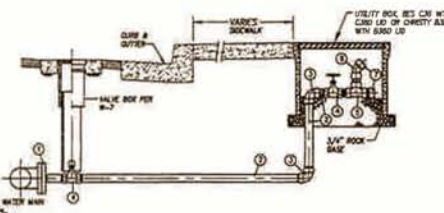
Preliminary
FOR CONSTRUCTION
 Boyle Engineering Corporation



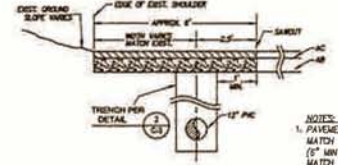
NOTE:
SEE SPEC. SECTION 024100 FOR ABANDONMENT PROCEDURE.

CONCRETE CAP / ABANDON DETAIL
NOT TO SCALE

- MATERIAL LIST:
- 1- SAND FLANGE WITH 3" THREADED OUTLET
 - 3- 3-INCH PIPE
 - 3- 3-INCH ELBOW
 - 3- 3-INCH BRONZE GATE VALVE OR APPROVED EQUAL.
 - 3- 3-INCH TEE
 - 3- 3-INCH 45° STREET ELL.
 - 3- 3-INCH CAP
- NOTES:
- BLOWOFF PIPING SHALL BE FUSION BONDED EPOXY COATED STEEL PIPE AND FITTINGS. AFTER ASSEMBLY EXPOSED THREADS AND DAMAGED AREAS SHALL BE COATED WITH A TWO COMPONENT, RISE SOLIDS (MINIMUM) LIQUID EPOXY RESIN. THOROUGHLY CLEAN BY WIRE BRUSH OR SANDBLAST. AREAS TO BE COATED LIGHTLY AHEAD OF SANDBLAST ADJACENT COATING PRIOR TO APPLYING THE LIQUID EPOXY RESIN. OVERLAP THE PAINT OR BASE COATING A MINIMUM OF 0.5-INCH. APPLY THE LIQUID EPOXY COATING TO A MINIMUM DRY FILM THICKNESS OF 15 MILS. WRAP FITTINGS (FORWARD) AND REPAIRED AREAS WITH 2 LAYERS (FORWARD) TO ME PVC TAPE.



BLOWOFF ASSEMBLY
NOT TO SCALE



- NOTES:
- PAVEMENT & BASE THICKNESS TO MATCH EXIST. (2" MIN. FOR AC) (2" MIN. FOR AS) STORM TO MATCH EXIST.
 - REFER TO TRENCH DETAIL FOR SPECIFIC TRENCHING AND PARTS REQS.
 - COORDINATE WITH COUNTY ENCROACHMENT PERMIT OFFICER FOR FINAL PAVEMENT REQUIREMENTS.
 - LOCATE SANDCUT EDGE OUTSIDE THE LANE WHEELPATHS.

PAVEMENT REPLACEMENT
NOT TO SCALE

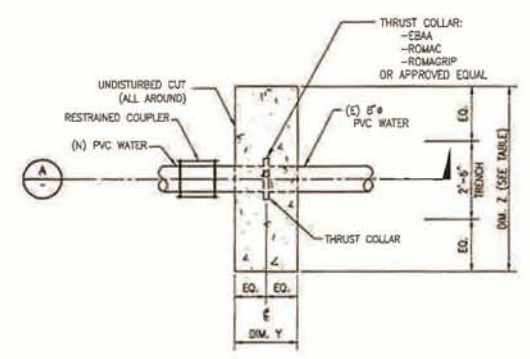


NIPOMO COMMUNITY SERVICE DISTRICT

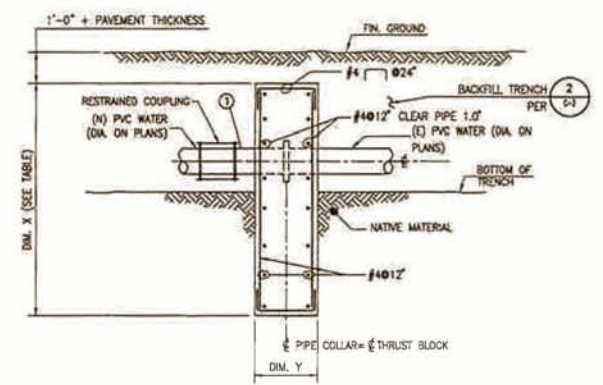
HETRICK AVENUE WATERLINE
 MISCELLANEOUS DETAILS

DRAWING C-3
 SHEET 4
 OF 5 SHEETS
 S-2333

- NOTES:
1. COLLARS SHALL BE SPECIFICALLY DESIGNED FOR THRUST RESTRAINT.
 2. THRUST COLLAR SHALL BE CAPABLE OF TRANSMITTING 1.5 TIMES THE THRUST, AS CALCULATED BY FOLLOWING EQUATION:
 $THRUST = 1.5 \times [TEST PRESSURE (PSI) \times 0.785 \times O.D.(N)^2]$



TYPICAL THRUST COLLAR & BLOCK PLAN (1)
N.T.S.



TYPICAL SECTION (A)
SCALE: N.T.S.

- NOTES:
1. NO JOINTS BETWEEN RESTRAINT COLLAR AND THRUST COLLAR

THRUST COLLAR TABLE

Size	Dim. X (ft.)	Dim. Y (ft.)	Dim. Z (ft.)
8	3.5	1	4.25
12	5.5	1	6



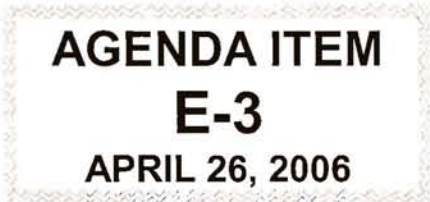
Preliminary
NOT FOR CONSTRUCTION
BOYLE
Engineering Corporation

BOYLE
ENGINEERING CORPORATION
 1194 Pacific St., Suite 204 San Jose, CA 95128 Tel: 408-542-8882
 500 Lake Chabot, CA 94601 Fax: 925-542-8882
 www.boyleengineering.com

REV	DATE	DESCRIPTION	APP

DETAILS SHEET
 C-4
 SHEET 5
 OF 5 SHEETS

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 21, 2006



SUPPLEMENTAL WATER LAND USE ORDINANCE

ITEM

Consider a draft letter to San Luis Obispo County outlining the Board's position on the proposed land use ordinance amendment regarding supplemental water [Approve letter] – 30 min.

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.

The Amendment is now scheduled for consideration by the Board of Supervisors on May 9, 2006. Your Honorable Board discussed the proposed amendment at the April 12, 2006 meeting and directed staff to draft a comment letter to the County (attached).

RECOMMENDATION

Review and amend the draft letter, direct staff to transmit the letter to the County.

ATTACHMENTS

Draft Comment Letter.

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\SW LAND USE ORDINANCE LETTER.doc

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

April 27, 2006

Mr. John Hand
San Luis Obispo County
Planning and Building Department
County Government Center
San Luis Obispo, CA 93401

SUBJECT: PROPOSED LAND USE ORDINANCE AMENDMENT TO REQUIRE SUPPLEMENTAL WATER FOR NEW DEVELOPMENT IN SOUTH COUNTY PLANNING AREA - INLAND

Dear Mr. Hand:

On April 12, 2006, and April 26 2006, the Nipomo Community Services District Board of Directors reviewed your March 23, 2006 Planning Commission hearing staff report and proposed Land Use Ordinance Amendment. The following narrative sets forth the District's official position as adopted by the Board at it's April 26, 2006 meeting.

The District Board is encouraged by and supports the proposed Land Use Ordinance Amendment. It is in the interest of the District and it's customers to insure future planned development in the area does not increase the demand on the already over-burdened groundwater supply. Once adopted, the proposed Amendment would make clear the County's policy supporting this position.

The District requests to be involved with the establishment of the supplemental water infrastructure based in-lieu fee outlined in your staff report since it is the District who is leading the effort to establish a pipeline to facilitate the importation of supplemental water to the planning area. Further, the District feels this infrastructure based fee must be linked to the actual cost of the District's pipeline project and, given the project is the preliminary planning stages with final costs uncertain; the in-lieu fee should be revisable to the extent possible.

Regarding the specific landscape requirements being proposed, the District applauds this effort as our experience shows landscape irrigation accounts for the majority of a homes annual water use with seasonal (summer) water demands being three to four times winter demands. The District suggests the Ordinance included specific restrictions on the amount of turf (lawn) area allowed in new residential construction. It is further suggested that the more technical aspects of this section's requirements (moisture sensors, metering, etcetera) be referenced to industry standards which are regularly updated in order to avoid requiring devices which may become outdated as this industry evolves. One possible reference would be to the California Urban Water Conservation Council. The Council has developed a list of Best Management Practices which are routinely reviewed and updated.

In summary, the District strongly supports the County's effort to establish a clear policy requiring planned development in the South County Area-Inland use supplemental water sources (water other than groundwater from the Nipomo Mesa sub-area of the Santa Maria Groundwater Basin). We look forward to working with you through the adoption and implementation of this proposed Land Use Ordinance Amendment. Please consider these comments as you prepare for the Board of Supervisors consideration of this proposal on May 9, 2006, and please include the District on your list of interested parties/supporters. If you have any questions, please don't hesitate to call.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Michael LeBrun, P.E.
General Manager

Enclosure

cc:

FILE PATH:T:\ADMINISTRATIVE\AGENCIES\SLO COUNTY\SUPPLEMENTAL WATER LUO COMMENT.DOC

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
DATE: April 21, 2006

**AGENDA ITEM
E-4
APRIL 26, 2006**

**PROPOSED STATEWIDE GENERAL WASTE DISCHARGE REQUIREMENTS FOR
WASTEWATER COLLECTION SYSTEMS.**

ITEM

Overview and summary of a proposal by the State Water Resources Control Board County to adopt statewide regulations Sanitary Sewer Overflows [No action recommended] – 30 minutes

BACKGROUND

The State Water Resources Control Board (State Water Board) will consider adopting a Statewide General Waste Discharge Requirement (WDR) for Wastewater Collection System Agencies on May 3, 2006. The State Water Board has, over the past 14 months, worked with a diverse group of stakeholders to develop a regulatory mechanism to provide a consistent statewide approach for reducing Sanitary Sewer Overflows (SSOs). The new regulations will result in increased staff and financial resources – the full extent of which cannot be estimated at this time.

To date, staff has formed a SSO committee (Madonna Dunbar, Chair; Michael LeBrun, Bruce Buel, Dan Migliazzo) to track these regulations and develop an implementation package for required actions and reporting protocol.

Staff views the proposed regulations as providing a needed impetus for improved maintenance, recordkeeping, and reporting relative to our collection system.

No action by the Board recommended at this time. If the proposal is adopted by the SWRCB on May 3, District staff will provide more information for the May 10, Board of Directors meeting.

RECOMMENDATIONS

Consider staff report, direct staff.

ATTACHMENTS

SSO draft public outreach document: "What's an SSMP?"

**DRAFT Public Outreach Document
for
What's an SSMP?**

This easy to read document is developed and provided to interested parties to assist in educating cities, agencies, their management, elected officials and the private sector on the concepts of Sewer System Management Plans.

It is based on examples taken from typical "cMOM" (Capacity, Management, Operations and Maintenance) Program language in use now with many agencies nationally and that has also appeared in Consent Orders, Enforcement Actions, Waste Discharge Requirements and EPA's previously proposed Draft SSO Rule.

In my discussions with numerous cities and agencies, it focuses on what should be in a good plan and allows for site specific flexibility depending on the issues and challenges you face in reliably collecting and delivering the sewage to the local treatment plant.

Nick Arhontes, P.E.
Manager, Regional Assets and Services
Orange County Sanitation District (CA)
narhontes@ocsd.com

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Requirements fro the owner (discharger):

1. The discharger shall properly fund, manage, operate and maintain, with adequately trained staff and/or contractors possessing adequate knowledge skills and abilities as demonstrated through a validated certification program at all times (CWEA's www.cwea.org is recommended in CA), all parts of the sewage collection system owned and/or operated by the discharger.
2. The discharger shall provide adequate capacity to convey base flows and peak flows, including wet weather related events to the minimum design criteria as defined in the discharger's System Evaluation and Capacity Assurance Plan, for all parts of the collection system owned or operated by the discharger.
3. The discharger shall take all feasible steps to stop and mitigate the impact of Sewer System Overflows (SSOs) in the collection system owned or operated by the discharger.
4. The discharger shall provide notification to the local County Health Care Agency (HCA) and the local Regional Board so that they can notify parties with a reasonable potential for exposure to pollutants associated with an SSO.
5. The discharger shall develop and implement a written plan called a Sewer System Management Plan (SSMP), for compliance with these requirements and make it available to any member of the public upon request in writing.
6. The essential elements of the SSMP are specified below. **If the discharger believes that any element of this section is not appropriate or applicable for their SSMP program, the program does not need to address it, but the SSMP must explain why that element is not applicable.** The Regional Board will consider the quality of the SSMP, its implementation and effectiveness in any relevant enforcement action, including, but not limited to, any enforcement action for violation of the Clean Water Act, California Water Code, the Basin Plan prohibition, or these requirements. The SSMP shall include the following components, with the exception of non-applicable components, as stated above:

Sewer System Management Plan (SSMP)

(i) **Goals:** The main goals of the SSMP are to prevent SSOs and to provide a plan and schedule for measures to be implemented to prevent SSOs.

(ii) **Organization:** The SSMP must identify:

(A) Administrative and maintenance positions responsible for implementing measures in the SSMP program, including lines of authority by organization chart or similar document; and

(B) The chain of communication for reporting SSOs, from receipt of a complaint or other information, including the person responsible for reporting SSOs to the Regional Water Quality Control Board, the local County Health Care Agency, and State Office of Emergency Services (OES); reporting to the OES is required if the discharge is 1,000 gallons or larger.

(iii) **Legal Authority:** The SSMP shall include legal authority, through sewer use ordinances, service agreements or other legally binding procedures, to:

- (A) Control infiltration and connections from inflow sources, including satellite systems and their connections from private systems;
- (B) Require that sewers and connections be properly designed and constructed;
- (C) Ensure proper installation, testing, and inspection of new and rehabilitated sewers (such as new or rehabilitated collector sewers and new or rehabilitated service laterals);
- (D) Limit fats and greases and other debris that may cause blockages in the sewage collection system.
- (E) Implement the general and specific prohibitions of the national pretreatment program under 40 CFR 403.5.

(iv) **Measures and Activities.** In order to provide an adequate and appropriate SSO reduction plan, the SSMP shall address the elements listed below that are appropriate and applicable to the discharger's system, and identify the person or position in the organization responsible for each element:

- (A) Provide adequate operation and maintenance of facilities and equipment;
- (B) Maintain an up-to-date map of the collection system showing all gravity line segments and manholes, pumping facilities, pressure pipes and valves, and stormwater conveyance facilities;
- (C) Maintain relevant information to establish and prioritize appropriate SSMP activities (such as the immediate elimination of dry weather overflows or overflows into sensitive waters, such as public drinking water supplies and their source waters, swimming beaches and waters where swimming occurs, shellfish beds, designated Outstanding National Resource Waters or Areas of Special Biological Significance, National Marine Sanctuaries, waters within Federal, State, or local parks, and water containing threatened or endangered species or their habitat), and identify and illustrate trends in overflows, such as frequency and volume;
- (D) Routine preventive operation and maintenance activities by staff and contractors, including a system for scheduling regular maintenance and cleaning of the gravity and pressure collection system sewers, with more frequent cleaning and maintenance targeted at known problem areas including pumping facility components. The Preventative Maintenance (PM) program should have a system of tracking work orders and assessing the success of the PM program;
- (E) Establish a program to assess the current capacity of the collection system owned by the discharger or where the discharger has operational control; including diversions of urban runoff to the sewer system during dry weather periods and control of infiltration and inflow (I/I) during both wet weather events and dry weather periods;
- (F) Identify and prioritize structural deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. This shall include a rehabilitation plan including schedules for the entire system. As with the PM program, sewer rehabilitation and replacement is crucial for the prevention of SSOs. Among the provisions that shall be specified in this section is a plan to rehabilitate and replace sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects as well as pumping facility components that are prone to failure. The program shall also include

regular visual and TV inspection of sewer pipes, manholes and a system for assessing and ranking the condition of sewer pipes and manholes. Finally, the rehabilitation and replacement plan shall include a financial plan that properly manages and protects the infrastructure assets;

(G) Provide training on a regular basis for staff in collection system operations, maintenance, and monitoring and determine if operations and maintenance contractors' staffs are appropriately trained;

(H) Provide equipment and replacement parts inventories, including identification of critical replacement parts such as but not limited to pumping facility components;

(I) Establish a site-specific implementation plan and schedule for a public education outreach program that promotes proper disposal of grease and fats for all service connections;

(J) In accordance with the local County's Drainage Area Management Plan, establish a plan for responding to SSOs from private property that discharge to public right of ways and storm drains, to prevent discharges from SSOs to surface waters and storm drains; and

(K) Develop a plan and a schedule for providing an analysis of alternative methods of disposal for grease and fats, and an implementation plan and a schedule for providing adequate disposal capacity for grease and fats generated within the sewer system service area. This plan shall include an evaluation of the feasibility of using sludge digesters at NPDES wastewater treatment plants for grease disposal and treatment, recycling, rendering, and other disposal alternatives.

(v) Design and Performance Provisions:

(A) Develop design and construction standards and specifications for the installation of new sewer systems, pump stations and other appurtenances; and for rehabilitation and repair of existing sewer systems; and

(B) Develop procedures and standards for inspecting and testing the installation of new gravity and pressure sewers, pumping facilities and other appurtenances, and for rehabilitation and repair projects.

(vi) Monitoring, Measurement and Program Modifications

(A) Monitor the implementation and where appropriate annually measure the effectiveness of each element of the SSMP;

(B) Update program elements, but no less than annually based on your monitoring or performance evaluations; and

(C) Modify the SSMP program, as appropriate to keep it updated and accurate, and ensure that it is available for audit at all times and staff and/or contractors are adequately informed of program changes.

(vii) Overflow Emergency Response Plan (SSOERP) - The discharger shall develop and implement a sanitary sewer overflow emergency response plan that identifies measures to protect public health and the environment. At a minimum, this plan shall include the following:

(A) Ensure proper notification procedures so that the primary responders are informed of all SSOs in a timely manner (to the greatest extent possible);

(B) Ensure that all SSOs (including those that do not discharge to waters of the State) are appropriately responded to, including ensuring that reports of SSOs are immediately dispatched to appropriate personnel for investigation and appropriate response;

(C) Ensure immediate notification of health agencies and other impacted entities (e.g., water suppliers) of all SSOs. Report all SSOs to the Regional Water Quality Control Board and the local County Health Care Agency, and report to the State OES, if the SSO is 1,000 gallons or larger. The SSMP shall identify the public health agency and other officials who will receive immediate notification;

(D) Ensure that appropriate staff and contractor personnel performing O&M or capital project work are aware of and follow the SSOERP and are appropriately trained;

(E) Provide emergency operations, such as traffic and crowd control and other necessary emergency response;

(F) Take all reasonable steps to contain sewage and prevent sewage discharges to surface waters and minimize or correct any adverse impact on the environment resulting from the SSOs, including such accelerated or additional monitoring as may be necessary to determine the nature and impact of the discharge;

(G) Develop and implement a plan for the use of portable aerators where complete recovery of the sanitary sewer overflows is not practicable and where severe oxygen depletion in existing surface waters is expected; and

(H) Develop and implement a plan to respond in a timely manner to SSOs and other emergencies. Collection system staff or contractors should be able to respond to an SSO and attempt to contain in less than an hour from the first call. The discharger shall be capable of meeting this response time day or night, every day of the week. The discharger must own or have ready access to spill and emergency response equipment such as vacuum trucks, hydroflushers or combination sewer cleaning trucks, pumps, temporary bypass hoses or piping, and portable generators.

(viii) Fats, Oils, and Grease (FOG) Control Program: Prepare and implement a fats, oils and grease source control program to reduce the amount of these substances discharged to the sewer collection system. This plan shall include the legal authority to prohibit discharges to the system and identify measures to prevent SSOs caused by fats, oils, and grease blockages of sewers. The elements of an effective FOG control program may include requirements to install grease removal devices (such as traps or preferably, interceptors), design standards for the removal devices, maintenance requirements, Best Management Practices (BMP) requirements, record keeping and reporting requirements. An effective FOG control program must also include authority to inspect grease-producing facilities, enforcement authority, and sufficient staff or contractors to inspect and enforce the FOG ordinance. Grease disposal alternatives should be explored with the local wastewater treatment plant operator and/or private sector to ensure that when FOG is removed from the point sources that a safe and reliable system is in place to accommodate and properly handle the FOG.

(A) The FOG control program shall identify trouble spot sections of the sewer system subject to FOG blockages and establish a PM cleaning schedule for each section; and

(B) The program shall develop and implement source control measures, for all sources of grease and fats discharged to the sewer system, for each section identified in (A) above.

(ix) **System Evaluation and Capacity Assurance Plan:** Prepare and implement a capital improvement plan that will provide hydraulic capacity of key sewer system elements under peak flow conditions. At a minimum, the plan must include:

(A) **Evaluation:** Steps to evaluate those portions of the collection system which are experiencing or contributing to an SSO discharge caused by hydraulic deficiency. The evaluation must provide estimates of peak flows (including flows from SSOs that escape from the system) associated with conditions similar to those causing overflow events, estimates of the capacity of key system components, hydraulic deficiencies (including components of the system with limiting capacity) and the major sources that contribute to the peak flows associated with overflow events;

(B) **Capacity Enhancement Measures:** Establish an annual and long-term capital improvement program to address identified hydraulic deficiencies including prioritization, alternatives analysis, and schedules; and

(C) **Plan updates:** The plan must be updated, at a minimum annually, to describe any significant change in proposed actions and/or implementation schedules. The updates should include available information on the performance of measures that have been implemented.

(x) **SSMP Program Audits:** As part of the SSMP and not less than annually, the discharger shall conduct an internal audit, appropriate to the size of the system and the number of overflows, and submit to its Regional Board a report of such audit, evaluating the SSMP and its compliance with this subsection, including its deficiencies and steps to correct them.

(xi) **Communications:** The discharger shall communicate on a regular basis with the public and interested parties on the implementation and performance of its SSMP. The communication system shall allow the public and interested parties to provide input to the discharger as the program is developed and implemented.

Sewer System Management Plan Development Time Schedule

7. The discharger shall develop, deliver, and implement its site specific SSMP in accordance with the SWRCB's proposed schedule. (dates for deliverables to be negotiated with SWRCB or designee?)

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TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSC*
DATE: April 21, 2006

**AGENDA ITEM
E-5
APRIL 26, 2006**

APPOINT DISTRICT REPRESENTATIVE TO SOUTH COUNTY ADVISORY COUNCIL

ITEM

Board will elect and approve a non-voting District representative to the SCAC [Approve Appointment] – 10 min.

BACKGROUND

The South County Advisory Council (Formerly the Nipomo Area Advisory Council) is a local Council whose mission is as follows:

The mission of the South County Advisory Council ("SCAC") is to provide a forum for citizen involvement and information on issues which affect the greater part of the Nipomo Community. The SCAC seeks to achieve sound community planning and development of the Nipomo and Nipomo Mesa area through consideration of social, technological, environmental and political impacts and to advocate measures to promote a safe environment for our citizens and visitors.

The Council's Board of Director membership includes an ex-officio (non-voting) representative from the District. Currently, Director Eby holds this position. In a recent Council election Director Eby won appointment as an Area 2 representative (voting position) on the Council's Board and has been appointed as the 2006 Chairman for the Council's Board.

In recognition of these changes, your Honorable Board may consider appointing a new Director as the ex-officio representative to the Council.

RECOMMENDATION

Nominate and elect a representative to the South County Advisory Council, direct staff to forward a letter to the Council announcing the change in District representation.

ATTACHMENTS

No Attachments

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TO: BOARD OF DIRECTORS
 FROM: MICHAEL LEBRUN *ML*
 DATE: APRIL 21, 2006

**AGENDA ITEM
 E-6
 APRIL 26, 2006**

INVESTMENT POLICY – FIRST QUARTER REPORT

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

Below is the March 31, 2006 Quarterly Report for your review. The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the Investment Policy.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the 2006 Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

INVESTMENT POLICY-FOURTH QUARTER REPORT 3/31/06

Investment	Institution	Amount of Deposit 3/31/06	Rate of Interest	Quarterly Interest Earned or Accrued 3/31/06	Amount of Deposit 3/31/05	Rate of Interest	Quarterly Interest Earned or Accrued 3/31/05
Money Market	Mid State Bank	\$38,734.78	0.25%	\$26.67	\$56,644.20	0.10%	\$10.89
Savings	Mid State Bank	\$894.91	0.75%	\$1.12	\$890.43	0.25%	\$0.55
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$17,471,314.05	4.03%	\$169,847.40	\$16,097,252.25	2.38%	\$94,780.36

RECOMMENDATION

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

ATTACHMENTS

None

TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *meu*
DATE: APRIL 21, 2006



QUARTERLY FINANCIAL REPORT-THIRD QUARTER

ITEM

Review, accept, and direct Staff to file quarterly financial report for the third quarter of fiscal year 2005-2006

BACKGROUND

The District's fiscal year is now 75% complete. The consolidated operating revenues are at 78.04% of the budget, operating expenditures are at 67.11% of the budget and general and administrative expenditures are at 63.51 % of the budget.

Attached are the following which provide an overview of the first nine months of the fiscal year :

Page 1-2	Quarterly Highlight Information Sheet
Page 3	Summary of Revenues, Expenses and Cash Balances by Fund
Page 4	Consolidated Balance Sheet
Page 5-6	Consolidated Income Statement
Page 7-8	Graphs for Consolidated Revenues and Expenses
Page 9-12	Graphs for major funds (Town Water, Town Sewer, Blacklake Water and Blacklake Sewer)

Detailed information by fund is available in the office.

RECOMMENDATION

It is recommended that your Honorable Board accept and direct Staff to file the quarterly financial report for the third quarter of fiscal year 2005-2006.

**NIPOMO COMMUNITY SERVICES DISTRICT
 QUARTERLY FINANCIAL REPORT-SECOND QUARTER
 MARCH 31, 2006**

QUARTERLY HIGHLIGHT INFORMATION SHEET

SUPPLEMENTAL WATER FUND CAPACITY FEES(FUND #500)

	1ST QTR 9-30-05	2ND QTR 12-31-05	3RD QTR 3-31-06	FISCAL YEAR-TO-DATE
Supplemental Water Capacity - Water Supply Portion	\$346,535.00	\$79,208.00	\$66,828.23	\$492,571.23
Supplemental Water Capacity - Pipeline Portion	\$42,700.00	\$9,760.00	\$8,248.52	\$60,708.52
Subtotal	\$389,235.00	\$88,968.00	\$75,076.75	\$553,279.75
Accrued interest income	\$2,881.26	\$3,719.47	\$5,085.07	\$11,685.80
	<u>\$392,116.26</u>	<u>\$92,687.47</u>	<u>\$80,161.82</u>	<u>\$564,965.55</u>

LEGAL FEES

	1ST QTR 9-30-05	2ND QTR 12-31-05	3RD QTR 3-31-06	FISCAL YEAR-TO-DATE
Shipsey and Seitz, Inc.	\$6,185.00	\$14,125.25	\$28,531.87	\$48,842.12
Richards, Watson & Gershon	\$14,173.30	\$24,008.25	\$106,822.43	\$145,003.98
McDonough, Holland & Allen	\$0.00	\$0.00	\$15,972.13	\$15,972.13
Zimmer and Marcus	\$1,072.50	\$0.00	\$0.00	\$1,072.50
	<u>\$21,430.80</u>	<u>\$38,133.50</u>	<u>\$151,326.43</u>	<u>\$210,890.73</u>

ENGINEERING FEES

	1ST QTR 9-30-05	2ND QTR 12-31-05	3RD QTR 3-31-06	FISCAL YEAR-TO-DATE
Garing, Taylor & Assoc				
District Projects	\$2,998.10	\$6,357.09	\$1,230.92	\$10,586.11
PCI-Reimbursables	\$1,267.50	\$2,759.59	\$2,843.47	\$6,870.56
Boyle Engineering				
District Projects	\$1,984.50	\$20,893.13	\$15,153.83	\$38,031.46
PCI-Reimbursables	\$2,060.10	\$828.90	\$4,054.86	\$6,943.86
Cannon & Associates				
District Projects	\$0.00	\$0.00	\$4,708.50	\$4,708.50
Wallace Group				
PCI-Reimbursables	\$1,092.15	\$423.50	\$518.00	\$2,033.65
	<u>\$9,402.35</u>	<u>\$31,262.21</u>	<u>\$28,509.58</u>	<u>\$40,664.56</u>

**NIPOMO COMMUNITY SERVICES DISTRICT
CERTIFICATES OF PARTICIPATION (COP)
ACCUMULATED COSTS AND FUND BALANCE**

	EXPENDITURES 1ST QTR 9-30-05	EXPENDITURES 2ND QTR 12-31-05	EXPENDITURES 3RD QTR 3-31-06	EXPENDITURES FISCAL YEAR-TO-DATE
Hermreck Well	\$1,836.21	\$243.00	\$432.00	\$2,511.21
Supplemental Water Project				
Feasibility Engineering-Cannon Assoc	\$0.00	\$0.00	\$0.00	\$0.00
CEQA-Doug Wood & Assoc	\$34,250.14	\$22,934.00	\$14,068.58	\$71,252.72
Cost Estimates/Prelim Schedule-Cannon Assoc	\$1,826.25	\$103.00	\$673.50	\$2,602.75
Routes/Facilities-Cannon Assoc	\$520.00	\$0.00	\$0.00	\$520.00
Prop 50 Grant Application-Cannon Assoc	\$0.00	\$2,175.00	\$4,035.00	\$6,210.00
Ongoing Project Support-Cannon Assoc	\$0.00	\$9,939.94	\$0.00	\$9,939.94
Subtotal	\$36,596.39	\$35,151.94	\$18,777.08	\$90,525.41
Grand Total	38,432.60	35,394.94	19,209.08	93,036.62

	BUDGET	EXPENDITURES THRU JUNE 30, 2005	EXPENDITURES FISCAL YEAR-TO-DATE	BUDGETED BALANCE REMAINING
Hermreck Well	400,000.00	(367,558.29)	(2,511.21)	29,930.50
Supplemental Water Project				
Feasibility Engineering-Cannon Assoc	25,000.00	(25,887.29)	0.00	(887.29)
CEQA-Doug Wood & Assoc	113,000.00	(29,037.48)	(71,252.72)	12,709.80
Cost Estimates/Prelim Schedule-Cannon Assoc	10,000.00	(3,706.19)	(2,602.75)	3,691.06
Routes/Facilities-Cannon Assoc	10,000.00	(5,050.07)	(520.00)	4,429.93
Prop 50 Grant Application-Cannon Assoc	7,000.00	(2,757.00)	(6,210.00)	(1,967.00)
Ongoing Project Support-Cannon Assoc	10,000.00	0.00	(9,939.94)	60.06
Subtotal	175,000.00	(66,438.03)	(90,525.41)	18,036.56
Grand Total	575,000.00	(433,996.32)	(93,036.62)	47,967.06

(1)

	FUND BALANCE
COP Fund Balance as of 3-31-06	2,060,891.03
Less Balance Remaining on Budgeted amounts (See Above)	(47,967.06) (1)
COP Balance available for Supplemental Water Project	<u>2,012,923.97</u>

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
NINE MONTHS ENDING MARCH 31, 2006

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	YTD SUPRLUS/ (DEFICIT)
Administration	110	140,852	(140,852)	0	0
Town Water	120	1,651,678	(912,435)	(70,259)	668,984
Town Sewer	130	558,274	(351,220)	(150,553)	56,501
Blacklake Water	140	187,850	(175,053)	0	12,797
Blacklake Sewer	150	177,557	(132,594)	(25,500)	19,463
Blacklake Street Lighting	200	13,487	(15,947)	0	(2,460)
Street Landscape Maintenance	250	6,194	(6,096)	0	98
Solid Waste	300	82,516	(58,040)	0	24,476
Drainage Maintenance	400	9,183	0	0	9,183
Supplemental Water Capacity Fees	500	11,688	0	0	11,688
Property Taxes	600	231,619	(176,337)	0	55,282
Town Water Capacity Fees	700	123,914	(6,249)	0	117,665
Town Sewer Capacity Fees	710	137,658	(6,249)	0	131,409
Funded Replacement-Town Water	800	47,837	0	70,259	118,096
Funded Replacement-Town Sewer	810	62,258	0	150,553	212,811
Funded Replacement-BL Water	820	13,727	0	0	13,727
Funded Replacement-BL Sewer	830	2,002	0	25,500	27,502
TOTAL		3,458,294	(1,981,072)	0	1,477,222

CASH BALANCE OF EACH FUND
AS OF MARCH 31, 2006

FUND	FUND #	CASH BALANCE 3/31/2006
Administration	110	(3,998)
Town Water	120	1,017,428
Town Sewer	130	633,155
Blacklake Water	140	16,711
Blacklake Sewer	150	59,339
Blacklake Street Lighting	200	47,411
Street Landscape Maintenance	250	6,791
Solid Waste	300	325,690
Drainage Maintenance	400	14,392
Supplemental Water Capacity Fees	500	559,882
Property Taxes (incl COP)	600	535,399
Town Water Capacity Fees	700	4,559,573
Town Sewer Capacity Fees	710	5,128,749
Funded Replacement-Town Water	800	1,768,055
Funded Replacement-Town Sewer	810	2,310,135
Funded Replacement-BL Water	820	498,102
Funded Replacement-BL Sewer	830	(41,713)
Funds held in Trust		2,122,360
TOTAL		19,557,461

NIPOMO COMMUNITY SERVICES DISTRICT
BALANCE SHEET - CONSOLIDATED
AS OF MARCH 31, 2006

ASSETS

Cash and Cash Equivalents	19,495,992.74
Accounts Receivable - Utility Billing	118,280.74
Unbilled Accounts Receivable	392,000.00
Property, Plant & Equipment	33,617,287.32
Accumulated Depreciation	(9,672,928.72)
Prepaid Expenses	10,491.81
Accrued Interest Receivable	190,215.40
Notes Receivable - MVI/MVII	1,922.56
Reservation Fee	37,500.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(112,904.35)
Revenue COP's Bond Discount	178,100.60
Accumulated Amortization - Bond Discount	(12,615.36)
Total Assets	44,500,176.74

LIABILITIES

Accounts Payable	234,241.60
Other Payables	9,032.55
Refunds Payable	18,445.27
Construction Meter Deposits	11,000.00
Compensated Absences Payable	54,294.00
Accrued Interest Payable	56,275.00
Deposits	33,405.57
Payroll Taxes Payable	3,082.68
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Revenue Bonds - Current Portion	8,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue COP's-Current Portion	80,000.00
Revenue Bonds Payable - Long Term Portion	138,000.00
SRF Loan #110 Payable - Long Term Portion	418,420.20
SRF Loan #120 Payable - Long Term Portion	590,523.50
Revenue COP's - Long Term Portion	3,765,000.00
Total Liabilities	5,527,238.97

FUND EQUITY

Contributed Capital - Assets	8,741,013.78
Contributed Capital - Capacity Fees (CY)	127,578.75
Contributed Capital - Supplemental Water Fees (CY)	208,528.75
Contributed Capital - Capacity Fees (PY)	16,095,900.07
Contributed Capital - Supplemental Water Fees (PY)	355,872.00
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,393,086.00
Contributed Capital - Grants	3,045,222.66
Retained Earnings-Reserved (Debt Service)	15,600.00
Retained Earnings-Reserved (Emergencies)	50,000.00
Retained Earnings-Reserved (Sewer Grant)	270,000.00
Retained Earnings-Reserved (Funded Replacement)	4,860,968.13
Retained Earnings - Unreserved	2,261,845.31
CURRENT EARNINGS	1,477,222.32
Total Fund Equity	38,972,937.77
Total Liabilities and Fund Equity	44,500,176.74

UNAUDITED

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING MARCH 31, 2006

	<u>YTD ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>% OF BUDGET</u>
<u>REVENUES</u>			
Water - Fixed Charge	423,138.17	531,000.00	79.69 %
Water - Usage	1,273,293.86	1,448,000.00	87.93 %
Construction Water	54,764.04	10,000.00	547.64 %
Fire System Fee	2,796.60	4,000.00	69.92 %
Emergency Intertie Water Sales - SCWC	1,789.99	0	.00 %
Sewer Charges	717,606.74	920,000.00	78.00 %
Fees and Penalties	38,518.77	44,100.00	87.34 %
Meters	2,275.00	18,700.00	12.17 %
Plan Check & Inspection Fees	700.00	6,000.00	11.67 %
Franchise Fees	74,665.60	95,500.00	78.18 %
Miscellaneous Income	31,826.57	28,600.00	111.28 %
Street Lighting Charges	12,192.00	18,870.00	64.61 %
Landscape Maintenance Dist Charges	6,011.98	9,938.00	60.49 %
Operating Transfers In - Funded Administration	131,090.43	201,398.00	65.09 %
Operating Transfers In - Funded Replacement	246,311.91	529,814.00	46.49 %
Total Revenues	3,016,981.66	3,865,920.00	78.04 %
<u>OPERATIONS AND MAINTENANCE</u>			
Wages and Benefits	323,629.95	438,910.00	73.73 %
Electricity	305,125.90	561,105.00	54.38 %
Natural Gas	48,616.15	93,000.00	52.28 %
Water	995.77	2,675.00	37.23 %
Chemicals	10,501.67	27,400.00	38.33 %
Lab Tests	41,860.50	38,000.00	110.16 %
Operating Supplies	48,023.94	54,000.00	88.93 %
Outside Services	33,448.17	96,500.00	34.66 %
Permits and Operating Fees	11,120.93	17,630.00	63.08 %
Repairs and Maintenance	152,337.99	127,000.00	119.95 %
Engineering	10,326.50	27,000.00	38.25 %
Fuel	15,268.42	21,000.00	72.71 %
Paging Service	3,913.49	5,045.00	77.57 %
Meters - New Installation	7,549.29	10,000.00	75.49 %
Automatic Meter Reading Devices - New Installation	0	8,000.00	.00 %
Meters - Replacement Program	4,020.59	6,000.00	67.01 %
Uniforms	2,870.77	4,500.00	63.79 %
Landscape Maintenance & Water	5,024.75	7,155.00	70.23 %
Clean Up	2,479.71	25,000.00	9.92 %
Street Sweeping	525.00	0	.00 %
Operating Transfers Out - Funded Replacement	246,311.91	328,416.00	75.00 %
Subtotal - O & M	1,273,951.40	1,898,336.00	67.11 %
<u>GENERAL AND ADMINISTRATIVE</u>			
Wages and Benefits	253,113.08	355,748.00	71.15 %
Utilities	4,706.78	6,000.00	78.45 %
Audit	4,625.00	5,000.00	92.50 %

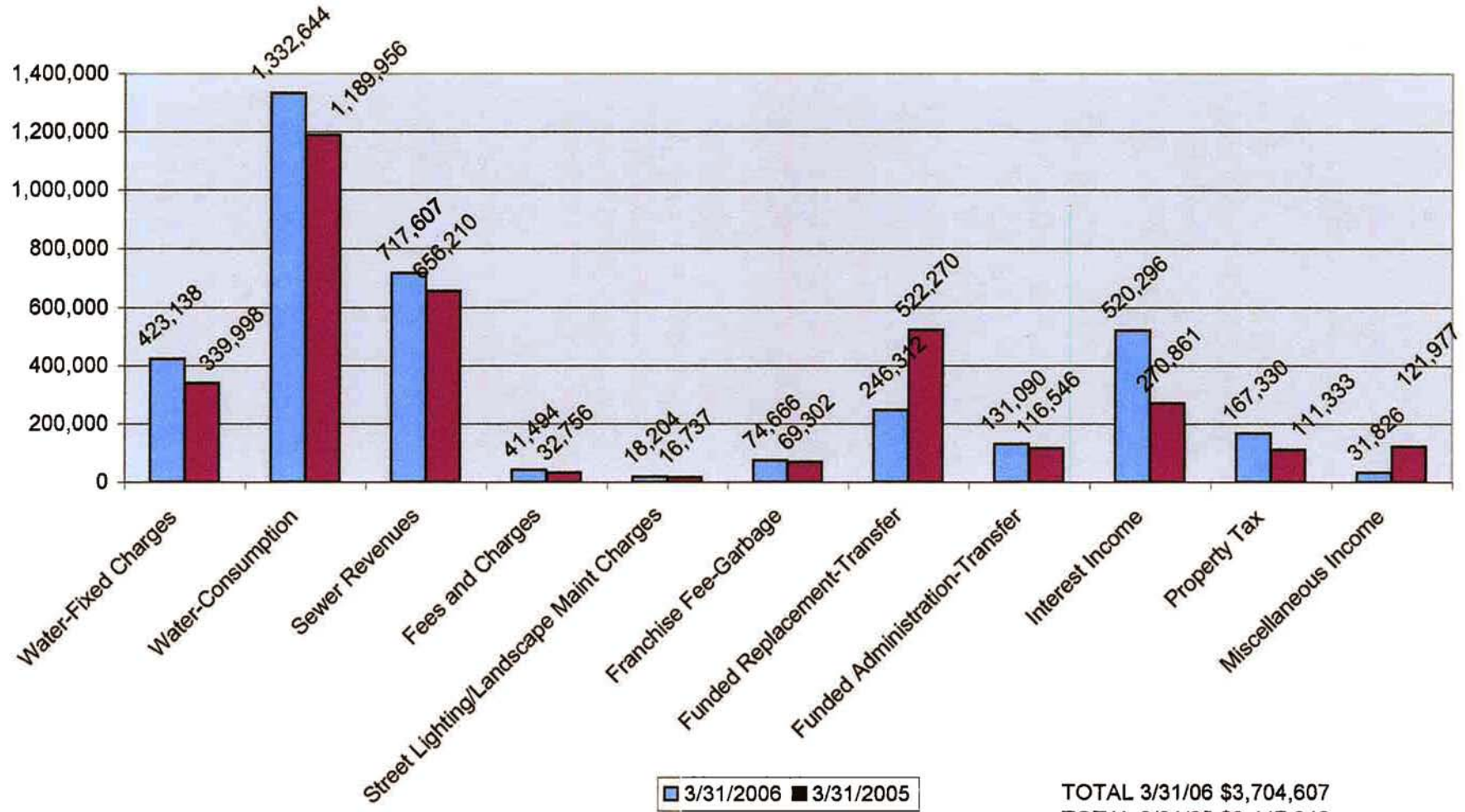
Continued on next page

NIPOMO COMMUNITY SERVICES DISTRICT
INCOME STATEMENT - CONSOLIDATED
FOR THE PERIOD ENDING MARCH 31, 2006

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
Bank Charges and Fees	555.10	1,530.00	36.28 %
Computer Expense	29,252.26	26,000.00	112.51 %
Director Fees	9,900.00	19,410.00	51.00 %
Dues and Subscriptions	5,863.84	7,000.00	83.77 %
Education and Training	1,656.08	8,000.00	20.70 %
Insurance - Liability	24,712.34	35,000.00	70.61 %
LAFCO Funding	12,148.00	13,000.00	93.45 %
Landscape and Janitorial	7,324.83	8,615.00	85.02 %
Legal - General Counsel	42,096.52	83,000.00	50.72 %
Legal - Special Counsel	1,072.50	0	.00 %
Legal - Water Counsel	145,003.98	250,000.00	58.00 %
Professional Services	1,764.00	50,000.00	3.53 %
Miscellaneous	570.00	4,500.00	12.67 %
Newsletters & Mailers	0	2,500.00	.00 %
Office Supplies	7,920.89	9,000.00	88.01 %
Outside Service	5,178.12	6,100.00	84.89 %
Postage	9,976.26	14,000.00	71.26 %
Public Notices	5,790.73	2,025.00	285.96 %
Repairs and Maintenance	5,196.85	5,000.00	103.94 %
Property Taxes	669.76	710.00	94.33 %
Telephone	3,009.66	4,000.00	75.24 %
Travel and Mileage	4,963.76	11,600.00	42.79 %
Bond Administration	1,500.00	4,000.00	37.50 %
Operating Transfer Out - Funded Administration	131,090.43	201,398.00	65.09 %
Subtotal - G & A	719,660.77	1,133,136.00	63.51 %
NON OPERATING INCOME			
Interest Income	520,295.59	321,320.00	161.92 %
Property Tax Revenues	167,329.88	99,900.00	167.50 %
Subtotal - Non Operating Income	687,625.47	421,220.00	163.25 %
NON OPERATING EXPENSES			
Interest Expense	183,772.64	174,925.00	105.06 %
Other Expense	50,000.00	50,000.00	100.00 %
Subtotal - Non Operating Expenses	233,772.64	224,925.00	103.93 %
Net Surplus/(Deficit)	1,477,222.32	1,030,743.00	143.32 %

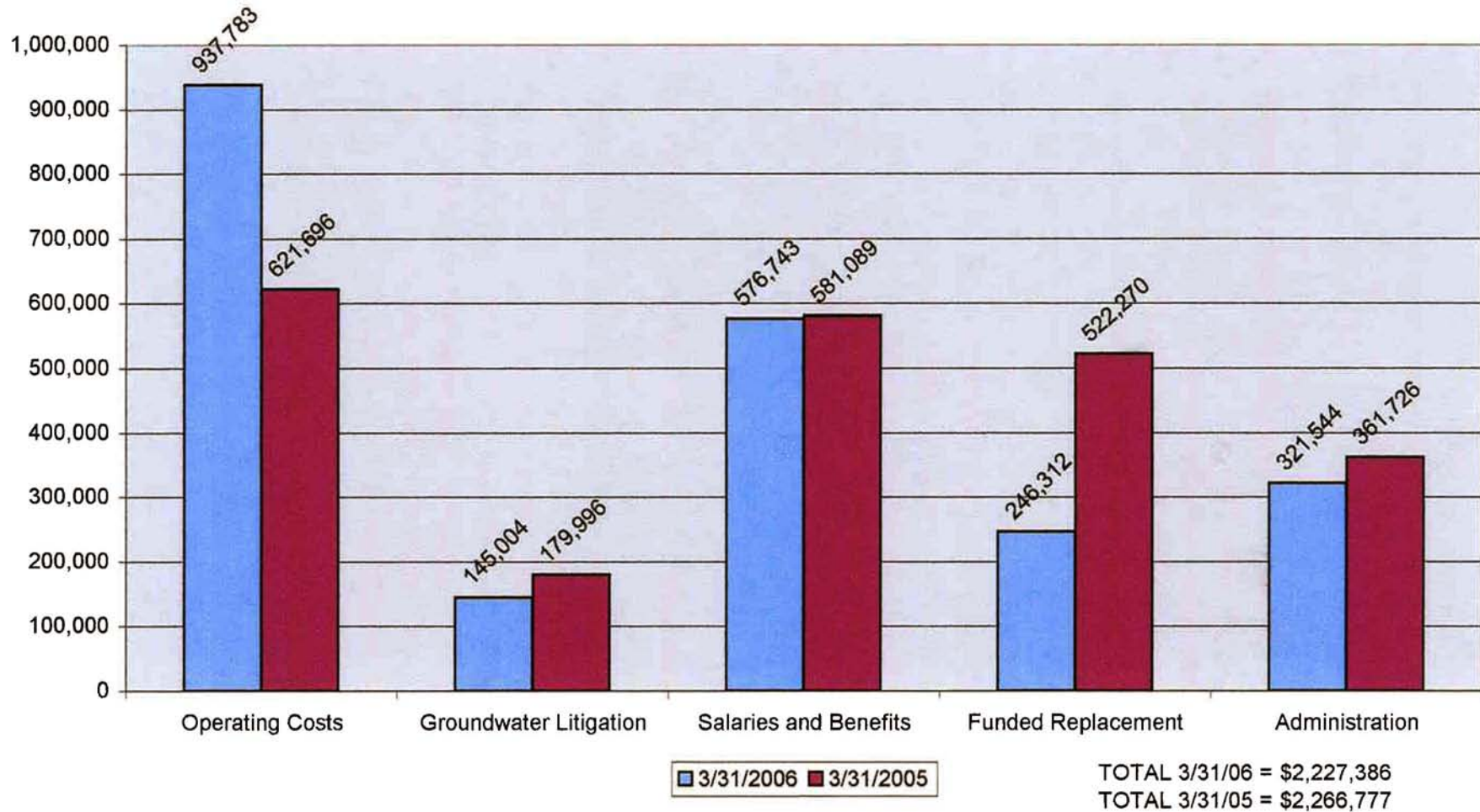
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**NIPOMO COMMUNITY SERVICES DISTRICT
COMBINED REVENUES FOR ALL FUNDS
NINE MONTHS ENDED
MARCH 31, 2006 AND MARCH 31, 2005**

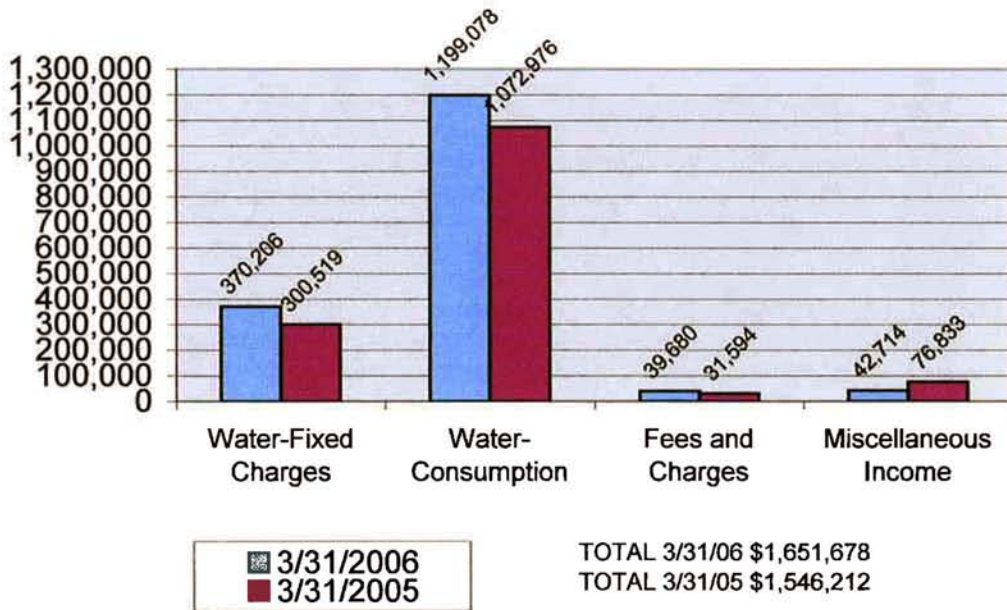


TOTAL 3/31/06 \$3,704,607
TOTAL 3/31/05 \$3,447,946

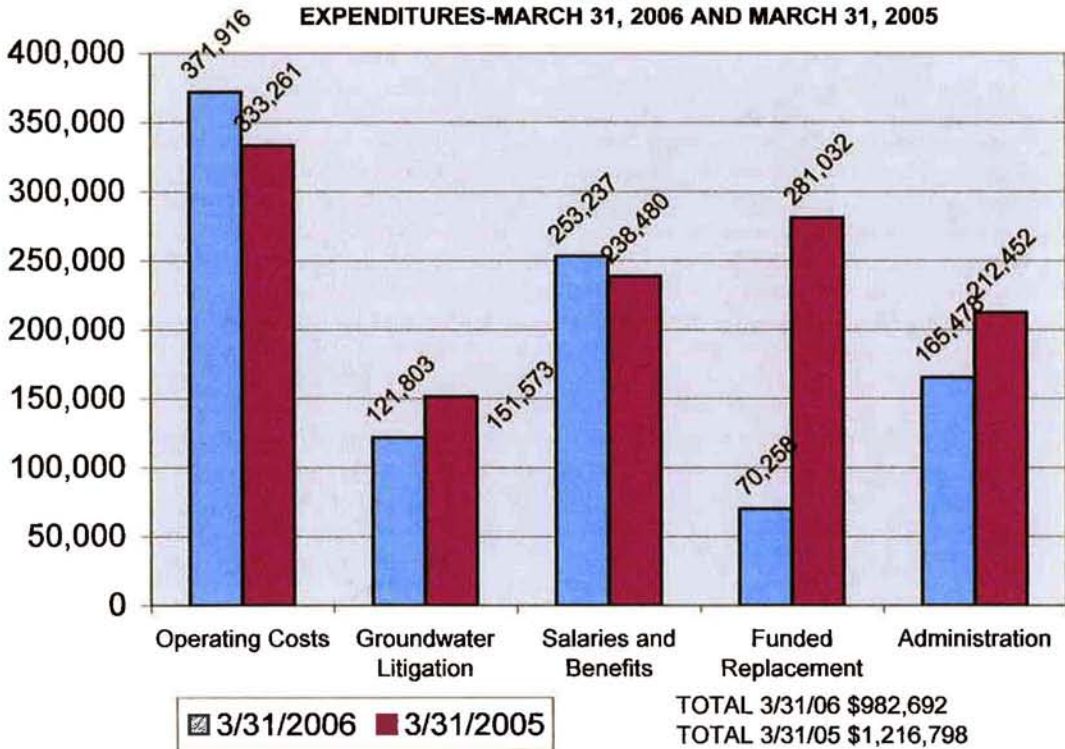
**NIPOMO COMMUNITY SERVICES DISTRICT
 COMBINED EXPENDITURES FOR ALL FUNDS
 NINE MONTHS ENDED
 MARCH 31, 2006 AND MARCH 31, 2005**



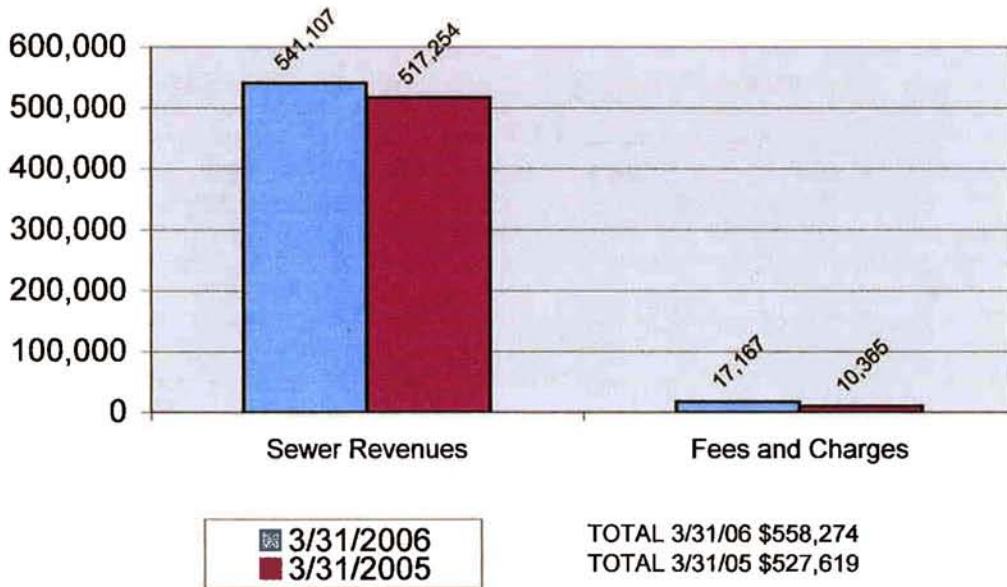
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN WATER FUND #120
REVENUES-MARCH 31, 2006 AND MARCH 31, 2005**



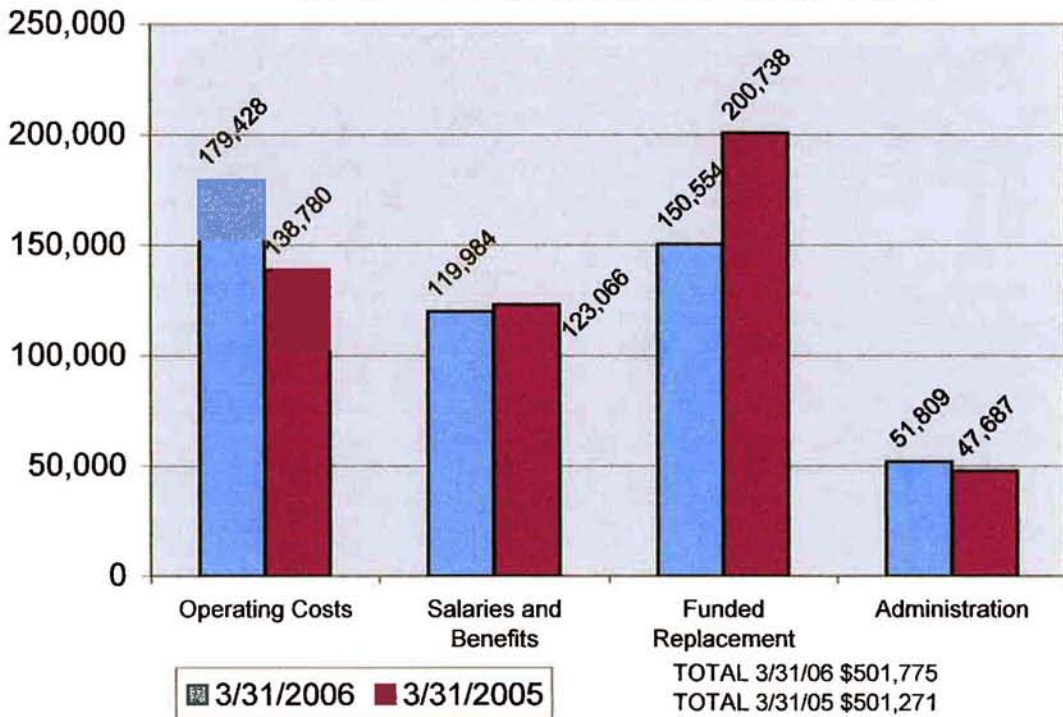
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN WATER FUND #120
EXPENDITURES-MARCH 31, 2006 AND MARCH 31, 2005**



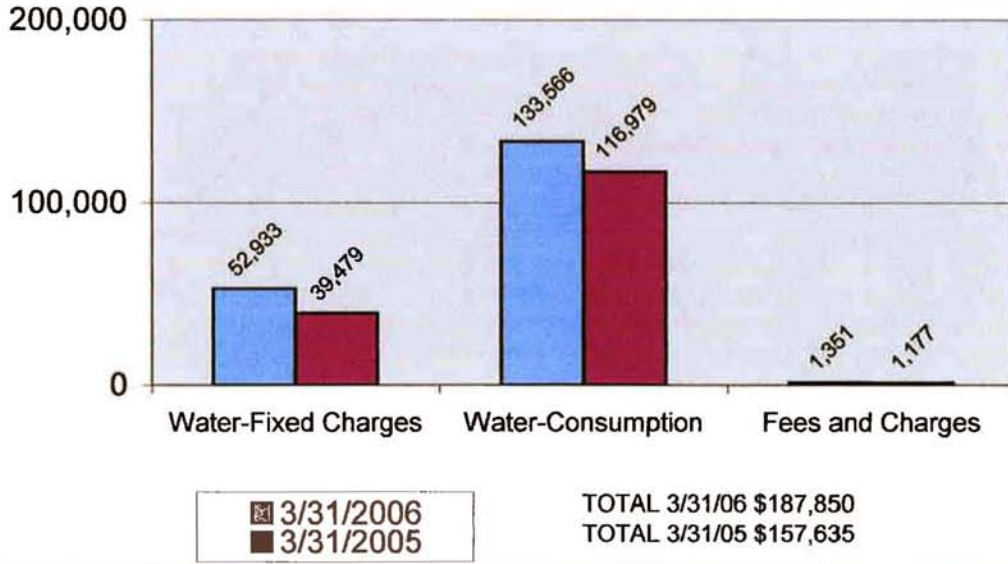
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
REVENUES-MARCH 31, 2006 AND MARCH 31, 2005**



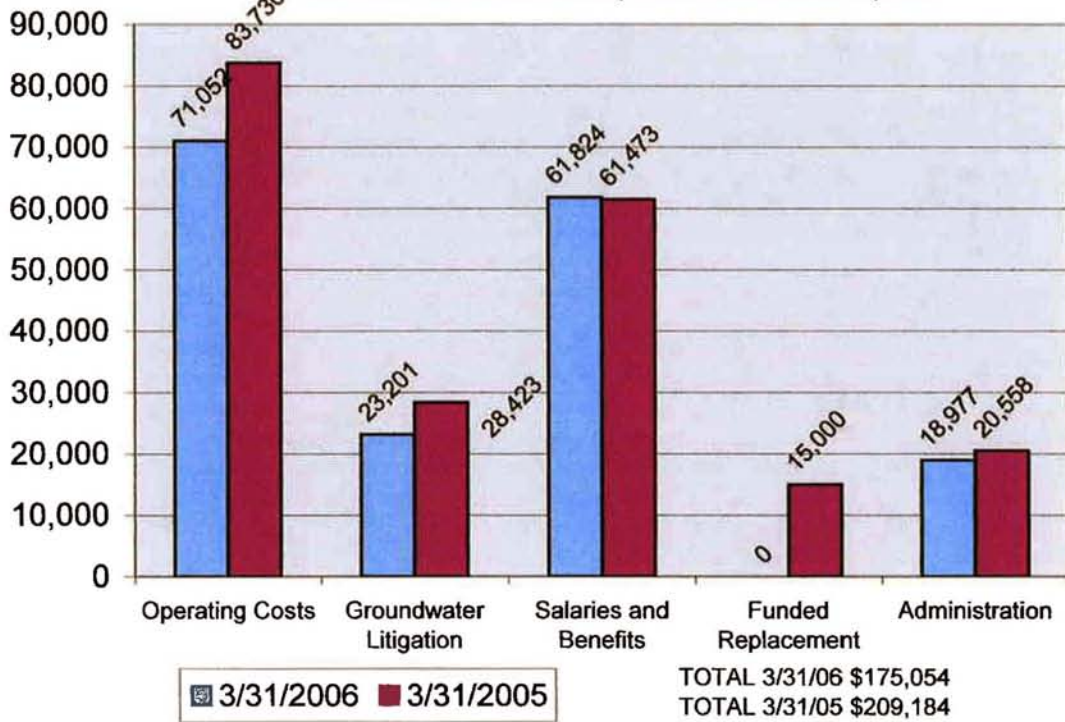
**NIPOMO COMMUNITY SERVICES DISTRICT
TOWN SEWER FUND #130
EXPENDITURES-MARCH 31, 2006 AND MARCH 31, 2005**



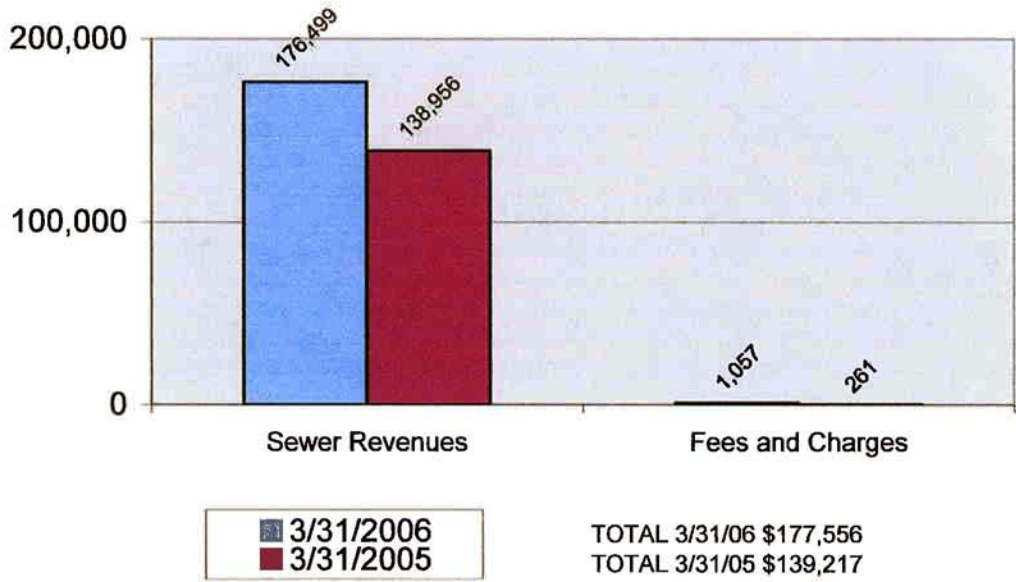
**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE WATER FUND #140
REVENUES-MARCH 31, 2006 AND MARCH 31, 2005**



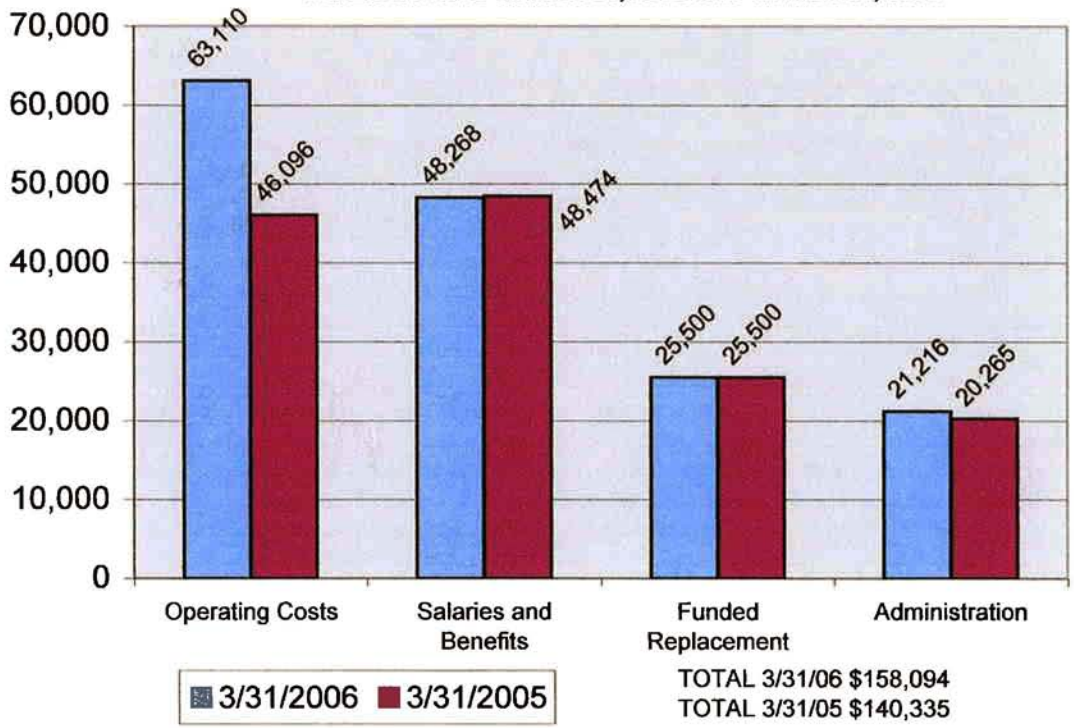
**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE WATER FUND #140
EXPENDITURES-MARCH 31, 2006 AND MARCH 31, 2005**



**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
REVENUES-MARCH 31, 2006 AND MARCH 31, 2005**



**NIPOMO COMMUNITY SERVICES DISTRICT
BLACKLAKE SEWER FUND #150
EXPENDITURES-MARCH 31, 2006 AND MARCH 31, 2005**



TO: BOARD OF DIRECTORS
FROM: MICHAEL LeBRUN *MLC*
DATE: APRIL 21, 2006

**AGENDA ITEM
F
APRIL 26, 2006**

MANAGER'S REPORT

ITEM

Standing report to your Honorable Board
Period covered by this report April 7, 2006 through April 21, 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 as 20.78 inches. 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.

On April 13 and 14, District staff received cardiopulmonary resuscitation and first-aid training. The training was conducted by the American Red-Cross.

Administrative Other

Staff met with the finance sub-committee to review the draft budget for fiscal 2006/2007. ***Staff desires to schedule a study session with the full Board during the week of May 1, 2006 – please bring your calendars to the Board Meeting.***

Staff is scheduled to participate in an American Water Works Association sponsored *webcast* training event titled "Fluoride and Fluoridation in Drinking Water" scheduled for May 3, 2006, from 10-11:30 a.m. (announcement attached). Directors are welcome to attend this training session. Staff feels the information on fluoridation is timely for the District in that the City of Santa Maria fluoridates their water supply. ***Please RSVP if you plan to attend so staff can make needed accommodations.***

In an effort to avoid miscommunication, staff is in regular contact with the various County building divisions which inspect new development and issue occupancy permits. An open exchange of information and concerns of each agency has occurred.

Project Activity

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

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENT

- Fluoride and Fluoridation in Drinking Water Announcement
- Memorandum from District Projects Assistant



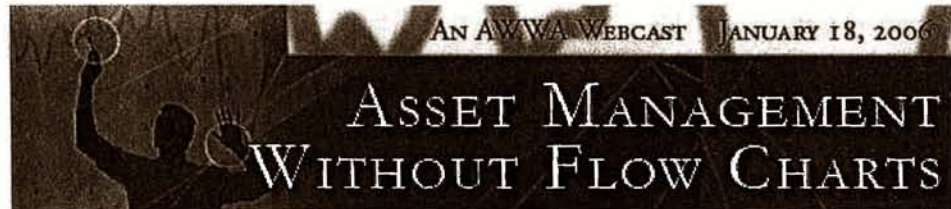
American Water Works Association
1881-2006
125th Anniversary
125 Years of Safe Water

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Webcasts

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Fluoride and Fluoridation in Drinking Water, scheduled for May 3, 2006 at 1:00 pm EDT

[Register Now](#) Click here for Registration Options for "Fluoride and Fluoridation in Drinking Water, scheduled for May 3, 2006 at 1:00 pm EDT"

Times: 1-2:30 pm EDT, 12-1:30 pm CDT, 11am - 12:30 pm MDT, 10-11:30 am PDT

Although controversial, most utilities fluoridate water supplies due to recommendations from the Centers for Disease Control and Prevention (CDC) and the American Dental Association (ADA). A new report has been released from the National Academy of Science (NAS) that will help answer many of the health effect questions.

Webcast presenters will discuss the following:

- Technical details in the NAS report
- A review of the benefits and optimum levels of fluoridation
- Treatment techniques when the natural fluoride levels are too high

The NAS report "Fluoride in Drinking Water: A Scientific Review of EPA's Standards" examines whether the limit the EPA has placed on the amount of fluoride allowed in drinking water is adequate to protect against adverse health effects associated with excess exposure to the chemical. The report does not examine the risks associated with adding fluoride to drinking water for dental health purposes.

This webcast will review the NAS report, offer input by the Center of Disease Control (CDC), and review fluoridation from the perspective of a utility that fluoridates their water supply.

The webcast speakers include:

***John Doull**, Professor Emeritus of Pharmacology and Toxicology in the Department of Pharmacology, Toxicology and Therapeutics at the University of Kansas Medical School

***Kip K. Duchon**, P.E. MSEN, National Fluoridation Engineer for the Centers for Disease Control and Prevention

***David W. Heumann**, M.S., P.E., M.B.A, Los Angeles Department of Water and Power, Chair, AWWA Fluoride Standards Committee

Webcast Agenda:

Introduction - Jack Hoffbuhr, Executive Director, AWWA - 10 minutes

NAS Report - John Doull - 20 minutes

CDC Input - Kip Duchon - 20 minutes

Utility Practices - David Heumann - 20 minutes

Question and Answer - all speakers - 10 minutes

Closing Comments - Jack Hoffbuhr - 5 minutes



NIPOMO COMMUNITY SERVICES DISTRICT

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Web site address www.nipomocsd.com

MEMORANDUM

TO: MICHAEL LEBRUN, GENERAL MANAGER
FROM: BRUCE BUEL, PROJECTS ASSISTANT
DATE: APRIL 19, 2006
RE: PROJECTS UPDATE – 4/5/06 to 4/19/06

Following is a narrative describing the status and progress on projects that office and field staff has worked on from 4/5/06 through 4/19/06:

NCSD Water Intertie Project –

- This project is in environmental review with the Draft EIR expected to be circulated in May 2006.
- The Board, on April 12, 2006, adopted a reimbursement resolution, adopted a set of Project Objectives, received a presentation on funding options and referred funding options to the Supplemental Water Project Standing Committee for development of recommendations. The Board is scheduled to select an appraisal firm to prepare rough appraisals of the potential pipeline routing easements and the potential fee title purchases of real property for locating facilities at its April 26, 2006, Board Meeting.
- Staff held four 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 opened proposals from two firms to provide Rough Appraisal Services RFP and evaluated both proposals;

- Staff noticed a meeting of the Supplemental Water Project Standing Committee and provided staff support for the Committee Meeting.
- Staff provided a tour of the potential routings and facility locations for the Intertie project for Directors Vierheilig and Wirsing.
- Staff has researched information on Directional Drill technology, the names of firms that perform Directional Drilling, and the locations where Directional Drilling has been used.
- Staff researched permit, land acquisition and funding issues related to the project.
- Staff discussed the possibility of funding the project with Proposition 82 Funds with Dave Rolph of DWR and concluded that Proposition 82 only applied to projects that provided water supply for new growth. District Staff also met with the California Infrastructure and Economic Development Bank to secure more information on the program's process and requirements.
- 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 on April 12, 2006 selected Boyle Engineering to prepare the Feasibility Study on the Upgrade Project.
- Staff has prepared a draft agreement and forwarded this agreement to Boyle for execution and notified the other two proposers of the Board's action. Staff also conducted a kick off meeting with Boyle and provided materials to Boyle for their review.
- Staff has set a meeting with RWQCB staff and Boyle to review the scope of work and to discuss NCSD's proposal for complying with the NOV.

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 to the Board at its April 26, 2006, Board Meeting.
- The consultant (Boyle) has developed a draft set of the plans.
- 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 has mailed out a Request for Statement of Qualifications for CEQA review of small projects to prospective firms to determine the availability and expertise of local firms to perform these services on small projects like Hetrick.
- 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 June. 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.

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. The "show and tell" of the system that the City of Santa Maria is using (one of the two finalists) originally scheduled on April 17, 2006 has been postponed to sometime in May.

Fairways Street Light Painting –

- The Board on April 12, 2006 awarded this work to Harry Jeffries Custom Painting and authorized staff to execute a contract with Jeffries.
- Staff has advised Jeffries of the award and is preparing the draft Contract. Once the contract is executed staff will arrange for notice to the affected residents 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 Sweeping –

- 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 mailed out the RFQ to five qualified firms with a due date of May 11, 2006.
- Staff expects to present the Quotes to the Board at the Board's May 24, 2006 Meeting 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 is proposing that the Board provide funding for the Mallagh Culvert and the Burton Culvert in the District's FY06-07 Budget.
- Staff has advised Supervisor Achadjian of NCSD's willingness to cooperate with the County in implementing these upgrades.

SSO Overflows General Waste Discharge Requirements –

- Staff researched the G-WDRs proposed by the SWRCB and discussed their potential impact on NCSD internally and with SWRCB staff.
- The Board is scheduled to review this proposal at its April 26, 2006 Board Meeting.

FY06-07 Projects Preparation -

- The Ad Hoc Budget Committee has proposed that the Board fund a valve exercising program and revisions to the water and sewer master plans in FY06-07. Staff has initiated research on these programs as well as the upgrades to the Gardenia Lift Station and the Hazel Lift Station proposed in the old Sewer Master Plan.

t:\documents\staff folders\bruce\memos\0604195projectupdate.doc

TABLE OF CONTENTS

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/MWP/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

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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

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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

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TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
DATE: April 21, 2006



COMMITTEE REPORTS

ITEM

Receive Minutes from April 19, 2006 Supplemental Water Project Committee Meeting (adopt draft minutes).

BACKGROUND

Attached is a set of draft minutes from the April 19, 2006 Supplemental Water Project Committee Meeting. Chairman Eby, Director Winn and/or staff can respond to questions and/or receive comments from the Board regarding the meeting and/or the draft minutes.

RECOMMENDATION

It is recommended that your Honorable Board edit the draft minutes and appropriate and then adopt a final set of minutes and direct staff to file.

ATTACHMENTS

1. Draft Minutes

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2006\Committee Report 04-26-06.doc



NIPOMO COMMUNITY SERVICES DISTRICT

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MINUTES OF THE 4/19/06 MEETING OF THE SUPPLEMENTAL WATER PROJECT COMMITTEE

1. CALL TO ORDER AND FLAG SALUTE

Chairman Eby called the meeting to order at 7pm in the NCSO Board Chambers.

2. ROLL CALL

Chairman Eby and Director Winn were both present along with General Manager Michael LeBrun and Projects Assistant Bruce Buel and four members of the public.

3. PUBLIC COMMENT FOR PROJECT RELATED ITEMS NOT ON AGENDA

Homer Fox inquired as to the possibility that NCSO was proposing to levy charges against vacant properties for solid waste services. General Manager LeBrun responded that NCSO was not considering any such charges.

4. REVIEW PROJECT FUNDING ISSUES

A. DISCUSS COMMITTEE GOALS FOR GENERATING RECOMMENDATION

Chairman Eby provided any overview of the referral from the Board to the Committee and the process he expected the committee to follow to generate recommendations. Chairman Eby then described his perspective on the history of water usage on the Mesa and the equity issues involved with who should pay to resolve the problem. Committee discussion followed on each topic, but no recommendations were developed.

B. DISCUSSION OF FUNDING OPTIONS

Chairman Eby presented a series of graphics depicting the options for funding the projected capital cost of the waterline intertie; proposed that the Committee recommend a capital target of \$10 million; and requested that the Committee consider who pays for each option and when. Director Winn agreed that \$10 million was a good initial planning estimate that could be refined as more information becomes available. Director Winn requested that staff research historic rates of capacity charge revenue generation and annexation revenue generation and report back to the Committee. Director Winn further requested that staff initiate negotiations with the water purveyors to solidify information on capital contributions from each purveyor. The Committee then discussed the

possibility of using a portion of the Capacity Charge that was apportioned to repaying the City of Santa Maria for the cost of water and requested that staff coordinate with District Legal Counsel to determine the feasibility of such a transfer. The Committee then discussed the use of Private Notes as a funding source and directed staff to report back with feedback on the potential magnitude and risks of such contributions. The Committee agreed, by consensus to recommend that the Board consolidate the remaining 2003 COP proceeds to the Waterline Intertie Project.

Klara Bergman inquired as to the percentage of the project's cost that the Committee expected to recoup from private parties and urged the District to clarify its position on the use of third party contributions. Committee discussion followed with a request to staff to meet with likely third party contributors and to bring back more information.

Greg Nester supported the idea of allocating the Santa Maria portion of initial capacity charges to the project's capital cost and also suggested that NCS D negotiate "set-aside letters" with property owners to memorialize the respective rights of the District and the property owner where the property owner contributes funding towards the project's capital cost. Greg Nester expressed his opinion that the current customers were liable for paying for a portion of the project cost. Committee discussion followed on risk of accepting early contributions and the downside to NCS D if the land owner's project fails to materialize.

Homer Fox requested that the Committee clarify its next steps. Chairman Eby forwarded this request to Agenda Item 5.

C. DISCUSSION OF REVENUE SOURCES TO REPAY DEBT SERVICE

Chairman Eby presented a graphic illustrating the potential sources of revenue to pay for debt service and requested staff feedback on the variables for the magnitude range for these costs. Staff responded that the largest variable in determining the cost of annual debt service was the total cost of the project and the amount of reserves/contributions that would be pledged to lower the amount to be borrowed. The Committee agreed to revisit the revenue source issues once more was known about the funding options to pay the project's capital cost.

5. DETERMINE PROCESS FOR FORMULATING RECOMMENDATIONS TO BOARD

The Committee agreed to meet again at 7pm on Wednesday May 10, 2006 and directed staff to provide creative notice to encourage community participation. The Committee expressed its hope that the May 10, 2006 Committee Meeting could be used to both provide information to the community and to formulate recommendations to forward to the Board for the Board's May 24, 2006 Meeting.

6. ADJOURNMENT

Chairman Eby thanked the public for participating and adjourned the meeting at 9pm.

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