

# NIPOMO COMMUNITY SERVICES DISTRICT

WEDNESDAY, MAY 10, 2006

7:00 P. M.

## **SPECIAL MEETING NOTICE** **SUPPLEMENTAL WATER PROJECT COMMITTEE AGENDA**

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### **BOARD of DIRECTORS**

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

### **PRINCIPAL STAFF**

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

**MEETING LOCATION**  
District Board Room  
148 S. Wilson Street  
Nipomo, California

**1. CALL TO ORDER, ROLL CALL AND FLAG SALUTE**

ACTION RECOMMENDED: None

**2. RECEIVE REPORT ON RESEARCH AND ACTION REQUESTED AT 4/19/06 MEETING AND RELATED BOARD ACTIONS**

ACTION RECOMMENDED: Receive and Discuss Staff Report

**3. REVIEW PROJECT FUNDING ISSUES**

**A. DISCUSSION OF FUNDING OPTIONS**

ACTION RECOMMENDED: Recommend Setting Initial Capital Target, Dedicating Reserves, Tracking Grant Opportunities, and Submitting Loan Pre-Application to California "Infrastructure Bank" (CIEDB); Recommend Additional Research; and Recommend Waiting to Resolve Remaining Issues until More Information is Available.

**B. DISCUSSION OF REVENUE SOURCES TO REPAY DEBT SERVICE**

ACTION RECOMMENDED: Recommend Re-Evaluating Existing Capacity Charge and Dedicating Post Construction Capacity Charges; Recommend Additional Research; and Recommend Waiting to Resolve Remaining Issues until More Information is Available

**C. DISCUSSION OF REVENUE SOURCES TO PAY FOR WATER PURCHASES AND OPERATIONS COSTS**

ACTION RECOMMENDED: Recommend Dedicating Capacity Charges; Recommend Additional Research, and Recommend Waiting to Resolve Remaining Issues until More Information is Available

**5. RECEIVE PROJECT UPDATES AND DISCUSS MEETING SCHEDULE**

ACTION RECOMMENDED: Receive Updates and Set Meeting Date/Time

**6. ADJOURN**

*\*\*\* End Special Meeting Notice \*\*\**

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# NIPOMO COMMUNITY SERVICES DISTRICT

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## MEMORANDUM

TO: SUPPLEMENTAL WATER PROJECT COMMITTEE  
FROM: BRUCE BUEL *BB*  
DATE: MAY 2, 2006  
RE: Report on Research (Agenda Item 2 – 5/10/06 Committee Meeting)

The following narrative summarizes the research that staff has conducted in response to the requests submitted by the Committee at its April 19, 2006 Meeting:

1. Capacity Charge Revenue Generation – The attached summary sheet and supporting detail conclude that the approval of new Equivalent Dwelling Units (EDUs) in NCSD's service area averaged 162.7 EDUs per year for the four fiscal years from FY01-02 to FY04-05. However, an average of 51.7 EDUs per year have not been completed. Therefore, the average rate of EDUs per year built equals 111.
2. Annexation Rates – The attached summary sheet concludes that the rate of annexation lots in the four fiscal years from FY01-02 to FY04-05 equates to an average of 79 per year.
3. Negotiations with Water Purveyors – Staff is scheduled to hold its first negotiation session with Woodlands on May 4, 2006 and will report on results at the May 10, 2006 Committee Meeting.
4. Reallocation of Capacity Fees – Legal Counsel has opined that NCSD has no legal ability to transfer any portion of the \$9,901 per EDU Capacity Fee collected to buy Santa Maria Water towards the cost of constructing the pipeline.
5. CIEDB Funding – CIEDB staff has determined that NCSD can pledge property taxes as a revenue source to repay the debt service on a loan, however, they will need more information before they can determine if the existing water rates offer adequate security to qualify. CIEDB will need to see the full FY05-06 Financials before they can render an opinion on the adequacy of existing water revenues.
6. Private Notes – Although State law would allow NCSD to borrow from private sources, it is not clear that the lender could claim tax exemption on the interest

income generated from any such loan. Depending on the actual language of the note, both parties would have remedies in court to address risk.

7. Third Party Contributions - State law would allow an annexing party to pre-pay the portion of the pipeline capacity fee that they would otherwise pay through a negotiated annexation agreement. It is likely that the developer would want to negotiate language that would require repayment of the pre-paid amount with interest in the event that the annexation did not occur or if NCSD failed to build the project.

The Committee should note that the Board is scheduled to transfer all remaining 2003 COP proceeds into the Waterline Intertie Project at its May 10, 2006 Meeting. Staff will provide an update on this matter at the Committee Meeting.

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NCSD CAPACITY FEE REVENUE EQUIVALENT GROWTH

| Fiscal Year | Total<br>Units | Units<br>UnBuilt | Units<br>Built |
|-------------|----------------|------------------|----------------|
| FY01-02     | 144.4          | 0                | 144.4          |
| FY02-03     | 257.8          | 86.7             | 171.1          |
| FY03-04     | 107.7          | 0                | 107.7          |
| FY04-05     | 140.7          | 120              | 20.7           |
| Total       | 650.6          | 206.7            | 443.9          |
| Average     | 162.7          | 51.7             | 111            |

NIPOMO COMMUNITY SERVICES DISTRICT  
WATER CAPACITY FEES COLLECTED -DOES NOT INCLUDE SUPPLEMENTAL WATER FEES  
JULY 1, 2001 TO MARCH 31, 2006

| DATE       | DEVELOPER         | PROJECT #      | DESCRIPTION                                | SFR        | MFR        | MIXED/<br>COMMERCIAL | IRRIGATION | FIRE       | OTHER      | TOTAL      |
|------------|-------------------|----------------|--|------------|------------|----------------------|------------|------------|------------|------------|
| 8/20/2001  | MORGAN            | 214 ORCHARD    | 1 SERVICE                                  | 3,370.00   | 0.00       | 0.00                 | 0.00       |            |            | 3,370.00   |
| 10/24/2001 | GOUIN             | SHELL CAR WASH | 1 1/2 INCH SERVICE                         |            |            | 7,863.34             |            |            |            | 7,863.34   |
| 11/8/2001  | LUCIA MAR UNIFIED | NIPOMO HIGH    |  |            |            |                      |            |            | 251,000.00 | 251,000.00 |
| 11/19/2001 | ARGUIJO           | 092-154-064    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/29/2001 | VALENCIA          | 090-136-007    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/30/2001 | BLAIR             | N FRONTAGE     | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/30/2001 | NEWDOLL           | TRACT 2277     | 4 SERVICES                                 | 13,480.00  |            |                      |            |            |            | 13,480.00  |
| 12/3/2001  | WESTERMAN/BELL    | CO 99-0293     | 3 SERVICES                                 | 6,740.00   |            |                      |            |            |            | 6,740.00   |
| 12/5/2001  | NIPOMO BAY APTS   | 12 UNIT APTS   | 2 4" DOMESTIC/ 2 1.5 IRRIGATION /2 6" FIRE |            | 229,386.67 |                      | 23,696.67  | 112,333.33 |            | 365,416.67 |
| 12/11/2001 | EDWARDS           | TRACT 2409     | 29 SERVICES                                | 97,730.00  |            |                      |            |            |            | 97,730.00  |
| 1/8/2002   | KRICHEVSKY        | TRACT 2370     | 3 SERVICES                                 | 10,110.00  |            |                      |            |            |            | 10,110.00  |
| 4/3/2002   | VALENCIA          | 090-136-007    | 1 SERV                                     | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 4/8/2002   | MEYER ASSETS      |                | 14 SERVICES/1 IRRIGATION/1 6" FIRE         |            |            | 47,180.00            | 11,222.10  | 56,167.00  |            | 114,569.10 |
| 6/10/2002  | FOX               | 090-363-017    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 7/3/2002   | NEWDOLL           | TRACT 2266     | 16 SERVICES                                | 53,920.00  |            |                      |            |            |            | 53,920.00  |
|            |                   |                | FY 6/30/02                                 | 202,200.00 | 229,386.67 | 55,043.34            | 34,918.77  | 168,500.33 | 251,000.00 | 941,049.11 |
| 7/8/2002   | HIGHLAND          | TRACT 2325     | 32 SERVICES                                | 107,840.00 |            |                      |            |            |            | 107,840.00 |
| 7/30/2002  |                   |                | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 8/30/2002  | NEWDOLL           | 092-123-009    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 9/9/2002   | KENGEL            | TRACT 2299     | 15 SERVICES                                | 50,550.00  |            |                      |            |            |            | 50,550.00  |
| 10/22/2002 | LEWIS             | 092-153-029    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/8/2002  | COOL              | TRACT 2282     | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/12/2002 | STOKES            | CO 02-0249     | 4 SERVICES                                 | 13,480.00  |            |                      |            |            |            | 13,480.00  |
| 11/12/2002 | PRUIT             | CO 00-0156     | 10 SERVICES AND 1 IRRIGATION               | 33,700.00  |            |                      | 3,370.00   |            |            | 37,070.00  |
| 11/12/2002 | PRUIT             | CO 00-0155     | 10 SERVICES AND 1 IRRIGATION               | 33,700.00  |            |                      | 3,370.00   |            |            | 37,070.00  |
| 11/13/2002 | NEWDOLL           | TRACT 2261     | 14 SERVICES AND 1 IRRIGATION               | 47,180.00  |            |                      | 3,370.00   |            |            | 50,550.00  |
| 11/14/2002 | FOX               | 090-363-017    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |
| 11/22/2002 | HIGHLAND          | TRACT 2325     | 23 LOTS                                    | 77,510.00  |            |                      |            |            |            | 77,510.00  |
| 12/2/2002  | BRANCH            | CO 02-0246     |  |            |            |                      |            |            |            | 0.00       |
| 1/6/2003   | HAND              |                | 2 SERVICES                                 | 6,740.00   |            |                      |            |            |            | 6,740.00   |
| 1/6/2003   | KING VENTURES     | TRACT 2456     | 42 SERVICES & 1 1/2 IRRIGATION             | 141,540.00 |            |                      | 11,222.10  |            |            | 152,762.10 |
| 1/8/2003   | HILL              |                | 1 SERVICE & 2 1.5 INCH                     |            |            | 25,814.20            |            |            |            | 25,814.20  |
| 1/8/2003   | KING VENTURES     | TRACT 2312     | 66 SERVICES & 1 1/2 IRRIGATION             | 222,420.00 |            |                      | 11,222.10  |            |            | 233,642.10 |
| 1/8/2003   | KING VENTURES     | TRACT 2312     | 2 6 INCH FIRE SERVICES                     |            |            |                      |            | 70,214.00  |            | 70,214.00  |
| 1/31/2003  | NELSON            | CO 02-0320     | 2 SERVICES                                 | 6,740.00   |            |                      |            |            |            | 6,740.00   |
| 2/14/2003  | DAVID             | 091-283-024    | 1 SERVICE                                  | 3,370.00   |            |                      |            |            |            | 3,370.00   |

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JULY 1, 2001 TO MARCH 31, 2006

| DATE                  | DEVELOPER          | PROJECT #              | DESCRIPTION                            | SFR        | MFR       | MIXED/<br>COMMERCIAL | IRRIGATION | FIRE      | OTHER | TOTAL               |
|-----------------------|--------------------|------------------------|--|------------|-----------|----------------------|------------|-----------|-------|---------------------|
| <del>12/21/2003</del> | <del>FOX</del>     | <del>090-121-005</del> | <del>1 SERVICE</del>                   |            |           | <del>3,370.00</del>  |            |           |       | <del>3,370.00</del> |
| 2/25/2003             | KLIMALA            | 1088 EVERGREEN         | 1 SERVICE                              | 3,370.00   |           |                      |            |           |       | 3,370.00            |
| 3/7/2003              | SMITH              | EVERGREEN              | 1 SERVICE                              | 3,370.00   |           |                      |            |           |       | 3,370.00            |
| 3/7/2003              | NIPOMO HOMES       | TRACT 2432             | 8 SERVICES                             | 26,960.00  |           |                      |            |           |       | 26,960.00           |
| 4/2/2003              | WHEELER            | CO 00-345              | 4 SERVICES                             | 14,760.00  |           |                      |            |           |       | 14,760.00           |
| 4/10/2003             | STOKES             | CO 03-0026             | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 5/6/2003              | BRANCH             | CO 02-0246             | 4 INCH FIRE SERVICE                    |            |           |                      |            | 16,850.00 |       | 16,850.00           |
| 5/30/2003             | HIGHLAND           | TRACT 2325             | 3 IRRIGATION                           |            |           |                      | 10,110.00  |           |       | 10,110.00           |
| 6/6/2003              | TRINCON            | TRACT 2212             | 7 SERVICES                             | 25,830.00  |           |                      |            |           |       | 25,830.00           |
| 6/13/2003             | KARCHER ENTERPRISE | CARLS JR               | 1 IRRIGATION                           |            |           |                      | 3,690.00   |           |       | 3,690.00            |
|                       |                    |                        | FY 6/30/03                             | 839,600.00 | 0.00      | 29,184.20            | 46,354.20  | 87,064.00 | 0.00  | 1,002,202.40        |
| 7/10/2003             | ONESCHUCK          | EVERGREEN              | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 7/29/2003             | WEST TEFFT LLC     | CO 97-0134             | 3 SERVICES                             | 11,070.00  |           |                      |            |           |       | 11,070.00           |
| 8/4/2003              | GARIBAY            | 090-383-058            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 10/20/2003            | HERNANDEZ          | TRACT 2375             | 22 SERVICES                            | 81,180.00  |           |                      |            |           |       | 81,180.00           |
| 12/16/2003            | KILPELAINEN        | 120 DAY                | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 2/3/2004              | BODGER             | CO 01-0162             | 3 SERVICES                             | 11,070.00  |           |                      |            |           |       | 11,070.00           |
| 4/20/2004             | DANMARK            | 090-095-011 TO 014     | 3 SERVICES                             | 11,070.00  |           |                      |            |           |       | 11,070.00           |
| 4/22/2004             | TOMLINSON          |                        | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 4/26/2004             | SOTO               | CO 99-0243             | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 5/3/2004              | PAYETTE            | TRACT 2496             | 4 SERVICES                             | 14,760.00  |           |                      |            |           |       | 14,760.00           |
| 5/25/2004             | NEWDOLL            | TRACT 2393             | 7 SERVICES                             | 25,830.00  |           |                      |            |           |       | 25,830.00           |
| 5/25/2005             | NEWDOLL            | TRACT 2398             | 7 SERVICES                             | 25,830.00  |           |                      |            |           |       | 25,830.00           |
| 5/27/2004             | KESTGHAR           | SELF STORAGE           | 3 SERVICES/ 1 IRRIGATION/ 6 INCH FIRE  |            |           | 7,380.00             | 3,690.00   | 38,440.58 |       | 49,510.58           |
| 6/8/2004              | GAR BAR            | 091-053-024            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 6/7/2004              | DANIELS            | 090-093-010            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 6/9/2004              | NEWDOLL            | HONEYGROVE IV          | 7 SERVICES                             | 25,830.00  |           |                      |            |           |       | 25,830.00           |
| 6/15/2004             | VASQUEZ            | 092-311-005            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 6/17/2004             | SOUZA              | 090-093-020            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 6/17/2004             | FLYNN              | CO 02-0021             | 1 3INCH METER/1 IRRIGATION/6 INCH FIRE |            | 43,062.30 | 3,690.00             |            | 38,440.58 |       | 85,192.88           |
| 6/21/2004             | SANSONE            | TRACT 2530             | 23 SERVICES                            | 84,870.00  |           |                      |            |           |       | 84,870.00           |
| 6/22/2004             | PEOPLE SELF HELP   | 092-551-015,016,017    | 3 SERVICES                             | 11,070.00  |           |                      |            |           |       | 11,070.00           |
| 6/29/2004             | YUN                | 092-351-004            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
| 6/30/2004             | HUNT               | 092-331-002            | 1 SERVICE                              | 3,690.00   |           |                      |            |           |       | 3,690.00            |
|                       |                    |                        | FY 6/30/04                             | 343,170.00 | 43,062.30 | 11,070.00            | 3,690.00   | 76,881.16 | 0.00  | 477,873.46          |

NIPOMO COMMUNITY SERVICES DISTRICT  
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 JULY 1, 2001 TO MARCH 31, 2006

| DATE                  | DEVELOPER               | PROJECT #                  | DESCRIPTION                              | SFR                   | MFR                  | MIXED/<br>COMMERCIAL | IRRIGATION           | FIRE              | OTHER             | TOTAL                 |
|-----------------------|-------------------------|----------------------------|--|-----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|-----------------------|
| 7/1/2004              | KELLY                   |                            | 3 SERVICES                               | 11,070.00             |                      |                      |                      |                   |                   | 11,070.00             |
| <del>8/27/2004</del>  | <del>MARIA VISTA</del>  | <del>TRACT 1802-1856</del> | <del>77 SERVICES/ 3 IRRIGATION</del>     | <del>292,677.00</del> |                      |                      | <del>11,403.00</del> |                   |                   | <del>304,080.00</del> |
| 9/1/2004              | MILLER                  | 090-382-013                | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 10/18/2004            | KING VENTURES           | TRACT 2456                 | 1 IRRIGATION                             |                       |                      |                      | 3,801.00             |                   |                   | 3,801.00              |
| 10/18/2004            | KING VENTURES           | TRACT 2456                 | 1 6 INCH FIRE                            |                       |                      |                      |                      | 39,596.92         |                   | 39,596.92             |
| <del>11/17/2004</del> | <del>NEWMAN</del>       | <del>TRACT 2558</del>      | <del>16 SERVICES</del>                   | <del>57,015.00</del>  |                      |                      |                      |                   |                   | <del>57,015.00</del>  |
| <del>11/19/2004</del> | <del>PACIFIC</del>      | <del>TRACT 2516</del>      | <del>8 SERVICES</del>                    | <del>30,408.00</del>  |                      |                      |                      |                   |                   | <del>30,408.00</del>  |
| 12/10/2004            | VASQUEZ                 | 092-311-005                | REFUND 1 SERVICE                         | (3,690.00)            |                      |                      |                      |                   |                   | (3,690.00)            |
| 2/9/2005              | KING VENTURES           | TRACT 2456                 | REFUND FIRE SYSTEM FEE                   |                       |                      |                      |                      | (39,596.92)       |                   | (39,596.92)           |
| 2/17/2005             | NEWDOLL                 | HONEYGROVE                 | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 3/11/2005             | DOLL HOUSE DESIGN       | 092-361-033, 034           | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 4/25/2005             | MCCUNE                  | 092-361-024                | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 4/27/2005             | MINTZ                   | LYN                        | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 4/27/2005             | ROBERTSON               | LYN                        | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 4/28/2005             | HILLARD                 | LYN                        | 2 SERVICES                               | 7,602.00              |                      |                      |                      |                   |                   | 7,602.00              |
| 5/2/2005              | CYR                     | 092-311-015, 016           | 2 SERVICES                               | 7,602.00              |                      |                      |                      |                   |                   | 7,602.00              |
| 5/2/2005              | HEINSOHN                | LYN                        | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 5/3/2005              | NOVAK                   | TRACT 2439                 | 4 SERVICES                               | 15,204.00             |                      |                      |                      |                   |                   | 15,204.00             |
| 5/17/2005             |                         | 764 ASHLAND                | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 6/30/2005             | MIER                    | LYN                        | 2 SERVICES                               | 7,602.00              |                      |                      |                      |                   |                   | 7,602.00              |
| 6/30/2005             | THOMAS                  | LYN                        | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| <del>6/30/2005</del>  | <del>ALLSHOUSE</del>    | <del>TRACT 2619</del>      | <del>18 SERVICES/ 1 IRRIGATION</del>     |                       | <del>45,618.00</del> |                      | <del>2,501.00</del>  |                   |                   | <del>47,519.00</del>  |
| <del>6/30/2005</del>  | <del>NEWDOLL</del>      | <del>TRACT 2514</del>      | <del>6 SERVICES &amp; 1 IRRIGATION</del> |                       | <del>15,006.00</del> |                      | <del>2,501.00</del>  |                   |                   | <del>17,507.00</del>  |
| <del>6/30/2005</del>  | <del>NEWDOLL/COOL</del> | <del>TRACT 2513</del>      | <del>6 SERVICES</del>                    |                       | <del>15,006.00</del> |                      |                      |                   |                   | <del>15,006.00</del>  |
|                       |                         |                            | FY 6/30/05                               | 459,699.00            | 75,030.00            | 0.00                 | 20,206.00            | 0.00              | 0.00              | 554,935.00            |
| 8/4/2005              | DANMARK                 | 090-095-016, ETC           | 3 SERVICES                               | 7,503.00              |                      |                      |                      |                   |                   | 7,503.00              |
| 11/7/2005             | NEWDOLL                 | TRACT 2561                 | 7 SERVICES/ 1 IRRIGATION                 | 17,507.00             |                      |                      | 2,501.00             |                   |                   | 20,008.00             |
| 12/15/2005            | STEARNS                 | LYN                        | 1 SERVICE                                | 3,801.00              |                      |                      |                      |                   |                   | 3,801.00              |
| 1/25/2006             | DENNERLIEN              | 090-381-006                | 1 SERVICE                                | 2,501.00              |                      |                      |                      |                   |                   | 2,501.00              |
| 2/1/2006              | PRUIT                   | CO 04-0581                 | 1 SERVICE/ 1 FIRE SYSTEM/1 IRRIGATION    |                       |                      | 2,501.00             | 2,501.00             | 9,379.75          |                   | 14,381.75             |
| 3/20/2006             |                         | 091-322-046                | 1 SERVICE                                | 2,501.00              |                      |                      |                      |                   |                   | 2,501.00              |
|                       |                         |                            | FY 6/30/06 (THRU 3/31/06)                | 33,813.00             | 0.00                 | 2,501.00             | 5,002.00             | 9,379.75          | 0.00              | 50,695.75             |
| <b>GRAND TOTAL</b>    |                         |                            |  | <b>1,878,482.00</b>   | <b>347,478.97</b>    | <b>97,798.54</b>     | <b>110,170.97</b>    | <b>341,825.24</b> | <b>251,000.00</b> | <b>3,026,755.72</b>   |



**NIPOMO COMMUNITY SERVICES DISTRICT  
ANNEXATION FEES COLLECTED  
JULY 1, 2001 TO MARCH 31, 2006**

|                             |                   |                  |                                 |
|-----------------------------|-------------------|------------------|---------------------------------|
| Summit Station-Blair        | 11/30/2001        | 500.00           |                                 |
| Summit Station-Oak Ranch    | 12/5/2001         | 500.00           |                                 |
| Summit Station-Wilerson     | 1/2/2002          | <u>500.00</u>    |                                 |
|                             | <b>FY 6/30/02</b> |                  | <b>1,500.00</b>                 |
| Knollwood Tract 2325        | 7/8/2002          | 80,000.00        |                                 |
| Summit Station-Rothhammer   | 1/22/2003         | 500.00           |                                 |
| Maria Vista Tract 1802/1856 | 5/6/2003          | 42,000.00        |                                 |
| Summit Station-Esparaza     | 5/15/2003         | <u>500.00</u>    |                                 |
|                             | <b>FY 6/30/03</b> |                  | <b>123,000.00</b>               |
| Summit Station-Chidester    | 9/10/2003         | 500.00           |                                 |
| Summit Station-LaCouague    | 1/8/2004          | 500.00           |                                 |
| Summit Station-GarBar       | 6/8/2004          | <u>500.00</u>    |                                 |
|                             | <b>FY 6/30/04</b> |                  | <b>1,500.00</b>                 |
| Summit Station-Carr         | 9/8/2004          | 500.00           |                                 |
| Lyn Road Annexaiton         | 11/18/2004        | <u>30,965.00</u> |                                 |
|                             | <b>FY 6/30/05</b> |                  | <b>31,465.00</b>                |
| Summit Station-Lamison      | 9/19/2005         | <u>500.00</u>    |                                 |
|                             | <b>FY 6/30/06</b> |                  | <b>500.00</b>                   |
|                             |                   |                  | <b><u><u>157,965.00</u></u></b> |



# NIPOMO COMMUNITY SERVICES DISTRICT

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## MEMORANDUM

TO: SUPPLEMENTAL WATER PROJECT COMMITTEE  
FROM: BRUCE BUEL *BBB*  
DATE: MAY 2, 2006  
RE: Staff Recommendations (Agenda Item 3 – 5/10/06 Committee Meeting)

In regards to Item 3A DISCUSSION OF FUNDING OPTIONS: Staff recommends that the Committee recommend that the Board:

- A. Set the Initial Project capital target at \$10 million with the understanding that the target will be adjusted as more information becomes available.
- B. Dedicate the pipeline portion of already collected Capacity Fees and the pipeline portion of new Capacity Fees, Fees collected as a result of annexations, and any in-lieu Fees passed through by SLO County through December 2007 to the project. (Note: the Board is scheduled to address the 2003 COP Reserves at its 5/10/06 Meeting).
- C. Track pending Proposition 50 Grant Applications and pursue additional grant opportunities as they become available.
- D. Authorize the creation and submission of a Pre-Application to borrow \$2 million from the CIEDB following Board adoption of the FY05-06 Audit and Direct staff to report on the results.
- E. Direct staff to expedite negotiations with the Woodlands, Golden State Water Company and Rural Water Company to determine the feasibility of each purveyor paying their respective share of the pipeline capital cost during construction.
- F. Continue discussions with potential third party contributors to determine their willingness to pre-pay the pipeline portion of Capacity Fees.
- G. Wait to make determinations on the use of Property Tax Reserves and the issuance of COPs until more information is available.

In regards to Item 3B DISCUSSION OF REVENUE SOURCES TO REPAY DEBT SERVICE:

Staff recommends that the Committee recommend that the Board:

- A. Agree to prepare an update to the 2005 Rate Study for the Pipeline portion of the capacity fee once the design team provides a revised capital cost estimate.
- B. Dedicate the pipeline portion of Capacity Fees, Fees collected as a result of annexations, and any in-lieu Fees passed through by SLO County collected after December 2007 to the project debt service.
- C. Wait to make determinations on the use of purveyor contributions, property taxes, and user fees until more information is available.

In regards to Item 3C DISCUSSION OF REVENUE SOURCES TO PAY FOR WATER

PURCHASES AND OPERATIONS COST: Staff recommends that the Committee recommend

that the Board:

- A. Dedicate the water purchase portion of Capacity Fees, Fees collected as a result of annexations, and any in-lieu Fees passed through by SLO County to the costs of purchasing water.
- B. Expedite negotiations with purveyors to detail the respective obligations of each purveyor to pay for the costs of purchasing water and to pay for operations costs.
- C. Wait to make determinations on the use of property taxes and user fees to pay for the costs of purchasing water and to pay for operations costs until more information is available.