

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 8, 2007

**AGENDA ITEM
E-4
MARCH 14, 2007**

CONSIDER AUTHORIZING NEGOTIATION WITH CRAIG FAMILY

ITEM

Consider authorizing negotiation of Outside User Agreement with Craig Family for 20 acre subdivision at Willow Road and Via Concha [APPROVE RECOMMENDATION]

BACKGROUND

In June 2006, your Honorable Board approved the attached annexation agreement with the Craig Family regarding their subdivision at Willow Road and Via Concha. Carol Florence, on behalf of the Craig Family, has submitted the attached application to LAFCO and has requested that NCSD approve an Outside User Agreement to serve the property with water until the property can be annexed.

This application is similar to the Holloway Outside User Agreement previously processed by the Board. These two annexations are the only active annexations pending development of supplemental water.

RECOMMENDATION

Staff recommends that your Honorable Board authorize District Legal Counsel and General Manager to negotiate an agreement with the Craig Family for subsequent Board consideration.

ATTACHMENTS –

- CRAIG ANNEXATION AGREEMENT
- CRAIG OUTSIDE USER AGREEMENT

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2007\Craig OUA Initiation.DOC

SAN LUIS OBISPO

Local Agency Formation Commission LAFCO

OUTSIDE USER AGREEMENT APPLICATION FOR CONTRACTUAL AGREEMENT APPROVAL

If you have any questions, please contact us at 805-781-5795 or
visit our website at: www.slolafco.com or
email us at the following addresses:

phood@slolafco.com

dchurch@slolafco.com

dbloyd@slolafco.com

**OUTSIDE USER AGREEMENT
APPLICATION FOR CONTRACTUAL AGREEMENT APPROVAL**

Date: February 20, 2007

Agency: Nipomo Community Services District

Contact Person:	Address:	Telephone & Fax:
C.M. Florence	3427 Miguelito Court	Phone: 805-541-4509
Email: cmf@oasisassoc.com	San Luis Obispo, CA 93401	Fax: 805-546-0525

Property Owner:	Address:	Telephone & Fax:
Kenneth Craig c/o Craig Family Trust	1042 Ash Street	Phone: 805-489-1264
Email: N/A	Arroyo Grande, CA 93420	Fax: 805-489-1264

Property Address:	Parcel Nos.	Parcel Nos.
1616 Willow Road	091-181-031	
Nipomo, CA 93444		

PLEASE COMPLETE ALL RELEVANT PORTIONS:

1. Is the territory within the agency's sphere of influence? If no, a sphere of influence amendment must be requested concurrent with this application.

Yes No

2. Type of service to be provided: Water - Nipomo Community Services District

3. Please describe the reason for the service agreement/contract. Explain why a jurisdictional change is not possible at this time. Indicate if this is an emergency health and safety situation.

Pursuant to Resolution 2005-379, prior to recordation of final map for residential development, the property shall annex to the Nipomo Community Services District for water use.

4. Is the reorganization of the territory anticipated at a future date? If yes, when?

Yes No Possible reorganization date: _____

5. If development is proposed, please provide a description of the project:

A 16-lot subdivision - (14) one acre lots, (1) 1.30 acre lot and
(1) 1.18 acre lot

6. Is the approval ministerial:

____ Yes X No

7. If the project approval is discretionary, please attach all supporting development documentation and resolutions including, but not limited to:

X Tentative Map & Conditions See attached Resolution No. 2007-001 & VITM #2650
____ Subdivision Map or Parcel Map
____ Specific Plan
____ General Plan Amendment
____ Rezoning
____ Other (describe) _____

8. Please provide a detailed description of how services are to be extended to the property:

- a. Distance for connection: 1,410 linear feet
b. Cost of improvements: See attached engineers cost estimate
(Triad/Holmes, February 16, 2007)
c. Financing: Bonding will be provided upon approval of improvement drawings.

ENVIRONMENTAL REVIEW:

Please include a copy of the environmental review conducted for the project. If exempt, please provide a copy of the Notice of Exemption.

X Environmental Review attached ____ Notice of Exemption attached
SCH No. 2004031068 - San Luis Obispo County G990025M: ED00-124

MAPS

Please provide a vicinity map showing the property, district, or city boundary and relevant proposed and existing infrastructure.

AGREEMENT/CONTRACT

Please attach a copy of the proposed agreement or contract.

Refer to attached Nipomo Community Services District executed Craig annexation agreement.

Demand Calculation (for new dwelling units only)

Total project water demand (dwelling units including irrigation), by District standard, is as follows:

Number of Multi-family Units	<u>0</u>	X	0.18	=	<u> </u>
Number of Duplexes/Secondary Units	<u>0</u>	X	0.3	=	<u> </u>
Number of Single Family Units with:					
Parcel less than 4,500 sq. ft.	<u> </u>	X	0.3	=	<u> </u>
Parcel between 4,500 and 10,000 sq. ft.	<u> </u>	X	0.45	=	<u> </u>
Parcel greater than 10,000 sq. ft.	<u>16</u>	X	0.55	=	<u>8.8</u>
Total demand all dwelling units including irrigation				=	<u>8.8</u>

Certification

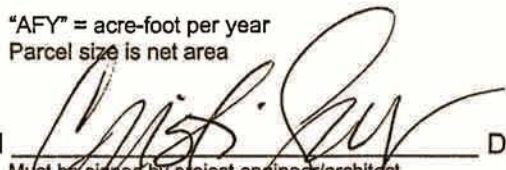
I the undersigned do here by certify:

Project design incorporates low water use landscape and landscape irrigation systems.

The design maximum total water demand, including landscaping does not exceed the following:

- 0.18 AFY per Multi-Family Dwelling Unit;
- 0.3 AFY per Dwelling Unit for duplexes and Secondary Dwellings;
- 0.3 AFY per Single Family Dwelling Unit located on a parcel size of four thousand five hundred (4,500) square feet or less;
- 0.45 AFY per Single Family Dwelling Unit located on a parcel size between four thousand five hundred (4,500) and ten thousand (10,000) square feet.
- 0.55 AFY per Single Family Dwelling Unit located on a parcel size that exceeds ten thousand (10,000) square feet.
- 0.85 AFY for the entire parcel when a secondary home is being added.

Note: "AFY" = acre-foot per year
Parcel size is net area

Signed  Date 2/17/07
Must be signed by project engineer/architect

Title Principal Civil Engineer License Number 57970
TRIAD/HOLMES ASSOCIATES

Project Tract 2650, APN #091-181-031 (e.g. Tract Number, Parcel Map #, APN)



triad/holmes associates
civil engineering
land surveying
mammoth lakes • bishop • redwood city • napo
san luis obispo • pleascantzin

02/16/07 RW/TD

NCSO INTERTIE DESIGN
1616 WILLOW ROAD - TRACT #2650
PRELIMINARY ENGINEER'S QUANTITY AND COST ESTIMATE

INTERTIE UTILITIES

<u>ITEM DESCRIPTION</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>ITEM COST</u>
1. 10" WATER MAIN	1,410	LF	34.00	47,940
2. GATE VALVE	5	EA	1,450.00	7,250
3. AIR RELIEF VALVE	1	EA	2,400.00	2,400
4. BLOWOFF ASSEMBLY	1	EA	2,000.00	2,000

GRAND TOTAL = \$59,590

* ALL COSTS HEREIN OBTAINED FROM SAN LUIS OBISPO COUNTY ENGINEERING DEPARTMENT FOR BONDING ESTIMATE - COUNTY APPROVED UNIT COSTS, DATED 12/20/05



NIPOMO COMMUNITY



SERVICES DISTRICT

BOARD MEMBERS

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

STAFF

EDWARD KREINS, 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

August 24, 2006

C. M. Florence
Oasis Associates
3427 Miguelito Court
San Luis Obispo, CA 93401

SUBJECT: EXECUTED CRAIG ANNEXATION AGREEMENT

Dear Carol,

Attached is a fully executed original annexation agreement for the Craig Family Trust Property on Willow Road (Tract 2650).

If you have any questions, please don't hesitate to call Bruce Buel of my staff.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Edward Kreins
Interim General Manager

cc: NCSD Board
Jon Seitz, District Legal Counsel
Bruce Buel, Projects Administrator
Dennis Law, Andre Morris & Buttery
File -- Craig Annexation

07-06-06

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

APN# 091-181-052
091-181-03

Exhibit "A" - Legal Description of Property
Exhibit "B" - Request for Annexation w/Draft Tentative Development Plan
Exhibit "C" - Hourly Rates for District Staff and Consultants

CRAIG TRACT 2650
ANNEXATION AGREEMENT

THIS AGREEMENT, made this 15th day of July, 2006 by and between the Nipomo Community Services District, (herein referred to as District), and Kenneth M. Craig and Rosemarie Craig, Trustees of the Craig Family Trust, (herein referred to collectively as ("Applicant")), with reference to the following recitals:

RECITALS

A. Applicant represents and warrants that Applicant is the fee title owner of certain real property (herein the "Property" or the "Area of Annexation") located at the corner of Willow Road and Via Concha Road, Nipomo, California, also known as Tract 2650. The subject Property is approximately nineteen (19) acres in area. The Property is more particularly described in Exhibit "A", attached hereto and incorporated herein by reference.

B. The Property is located inside the District's Sphere of Influence as established by the Local Agency Formation Commission ("LAFCo") and is adjacent to the current District service boundary.

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

D. The Annexation will be processed in accordance with this Agreement and LAFCO policies.

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

F. Exhibits "A", "B" and "C" are incorporated into this Agreement by reference.

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

1. Annexation Description:

The Annexation shall consist of the Annexation of approximately nineteen (19) acres of undeveloped property to be developed into sixteen (16) separate parcels. The parties acknowledge that the lots are restricted to single family residential units and that secondary dwelling units are prohibited.

2. Water Service Limitations:

The District's obligation to provide water service to the Area of Annexation and parcels therein is limited to the number of single family residential units identified in Section 1 above.

3. District Services:

A. The District services to be provided to the area of annexation include water, and solid waste.

B. In the event a local, state or federal agency with jurisdiction requests and/or demands that the District form a Maintenance District for the purposes of operating, maintaining or regulating onsite wastewater treatment systems to be constructed as part of the development referenced in paragraph 1, Applicant agrees to participate in and not object to the formation of an assessment district or other financing district so long as the fees, charges and/or costs are based on a professional study or report. This subsection "B" constitutes Applicant's ballot in favor of the formation of an assessment district or other financing district and the imposed assessments, fees and/or charges

4. District Processing Costs:

A. At the time of execution of this Agreement, Applicant shall deposit with the District the sum of six thousand dollars (\$6,000.00) for District costs more particularly described in Recital E above. The Applicant authorizes the District to withdraw from the deposit payment for services pursuant to this Agreement as they are incurred by District.

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

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

5. Supplemental Water Acquisition

Applicant shall dedicate and deliver an amount and quality of supplemental water (not Nipomo Mesa Sub Area water) acceptable to the District. The amount of supplemental water will be based on sixteen (16) single family one(1) acre residential lots and District water demand factors for like development. The Parties estimate that the water demand to be 8.8 AFY calculated at sixteen (16) one acre parcels x .55 AFY

6. Payment of District's Fees and Charges

- A. Annexation Fees: Prior to final LAFCo approval of the proposed Annexation, Applicant shall deposit with District the sum of nine thousand four hundred dollars (\$9, 400) representing the District's Annexation fees of \$500 per acre. (Calculated at 18.8 acres x five hundred dollars (\$500) per acre.)

-
- B. District Connection and Capacity Charges: Prior to District issuing a Will Serve Letter, for District services, Applicant shall pay District, the 100% estimate of District's then established connection charges for District services. At the time individual water meters are installed for residential service, the District's then current connection fees for connection, including supplemental water charges, will be assigned and due and the aforementioned deposit will be credited.

7. Obligations of Applicant:

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

- A. Provide information, petitions, studies and proposals as requested by District for analysis, processing and/or approvals.
- B. At Applicant's sole cost, Applicant shall promptly and diligently apply to and process the Annexation through LAFCo. If the annexation has not been completed within eighteen (18) months from the date of this Agreement, the District shall have the right to terminate this Agreement at any time thereafter, unless such time for completion is extended by written agreement. Such extension must be requested in writing by the Applicant two (2) months prior to the expiration of said period. If the Agreement is terminated the District shall have no

further obligation under this Agreement. Upon termination the District shall refund any deposits made by Applicant which have not been used by the District prior to the date of termination.

- C. Prior to commencing design of infrastructure improvements to be dedicated to the District, Applicant shall enter into a plan check and inspection contract/agreement with the District and at Applicant's sole cost, design, construct and dedicate said improvements to the District. water and other infrastructure improvements. All infrastructure improvements to be constructed in accordance with District specifications and District policies and codes.
- D. Applicant shall, be responsible for determining whether the infrastructure improvements to be constructed pursuant to subparagraph C above, require the payment of prevailing wages and if so, Applicant shall to the extent required by the California Labor Code, pay no less than the applicable prevailing wage rates to workers and professionals as determined by the Director of Industrial Relations of the State of California pursuant to California Labor Code, Part 7, Chapter 1, Article 2. Copies of the wage determination are on file at the District's office or are otherwise available on the Web at www.cslb.ca.gov.
- E. Prior to setting residential water meters, Applicant shall provide evidence, satisfactory to District, that residential units and associated landscaping are designed and constructed to achieve a maximum water demand not to exceed .55 AFY per parcel.
- F. Comply with all conditions placed on the Annexation by LAFCO.

8. Obligations of District:

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

In the event that the Annexation is withdrawn or not approved, then the District will return the unused deposit to Applicant as provided in Section 4B, above and the deposit referenced in Section 5 A and C above and the Applicant will be released from the obligations of this Agreement.

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

9. Dedications and Covenants:

Prior to final LAFCo approval of the Annexation, Applicant shall record, in a form to be approved by District, an agricultural/open space easement for the open space parcel.

Prior to District approval of development plans, the Applicant shall offer for dedication to the District easements required for water and other improvements that will be dedicated to the District.

10. Delivery of Water Service

Subject to Applicant dedicating to the District the agreed amount of supplemental water resources, in a form acceptable to District, and complying with all other terms and conditions of this Agreement, the District will provide water (set residential meters) to the Area of Annexation after LAFCO's final approval and the District's acceptance of infrastructure improvements, upon a finding that the District has adequate resources to deliver water service prior to the actual delivery of the dedicated supplemental water..

11. Customer of the District:

Upon annexation the residents and commercial users within the Area of Annexation shall become "regular customers" of the District with no greater entitlements to water service than any other District resident.

12. Indemnification and Hold Harmless

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

The Applicant recognizes and hereby agrees that the District and its directors, officers, employees and agents shall not be liable for any injury or death to any person or damage to any property arising from the performance of any work required hereunder by the Applicant, its officers, employees, independent contractors or agents. The Applicant shall defend, indemnify and hold the District harmless from any and all claims, causes of actions, demands or charges and from any loss or liability, including all costs, penalties, expenses, attorney's fees, litigation costs, and other fees arising out of or in any way connected with the performance or with the failure to perform under this Agreement by

Applicant, its officers, employees, independent contractors or agents, including, but not limited to, the construction of the Annexation. In addition, if the District, its directors, officers, employees or agents should be sued as a result of such performance, the District may notify the Applicant which then shall have the duty to defend the District, its directors, officers, employees or agents, or, at the District's option, pay for such defense including, but not limited to, payment of all reasonable attorney's fees and expenses incurred by the District, its directors, officers, employees or agents.

13. Term of Agreement and Termination

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

Prior to final LAFCo approval of the Annexation, Applicant may terminate this Agreement with fifteen (15) days written notice to District. Termination shall not relieve Applicant of its responsibility for payment of costs incurred by District to the date of termination as provided in Section 4 of this Agreement.

14. Waiver of Rights

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

15. Entire Agreement

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

16. Notices

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

NIPOMO COMMUNITY SERVICES DISTRICT

Edward Kreins, Interim General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

APPLICANT:

Kenneth M. Craig, Trustee
Rosemarie Craig, Trustee
Craig Family Trust
1042 Ash Street
Arroyo Grande, California 93420

17. Successors and Assigns:

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

18. Headings

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

19. Cooperation

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

20. Interpretation of this Agreement

The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

21. Venue

This Agreement has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be

determined and governed by the laws of the State of California. The duties and obligations of the parties created hereunder are performable in San Luis Obispo County and such County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

22. Agreement to be Recorded:

Applicant and District intend and consent to the recordation of this Annexation Agreement in the office of the County Recorder of the County of San Luis Obispo.

23. Recitals

The recitals A through E of this Agreement are incorporated herein by this reference and made a part hereof.

24. Authority to Execute Agreement :

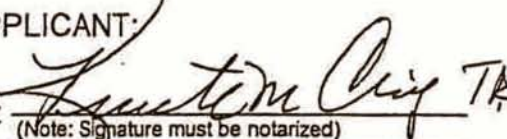
A. Applicant represents and warrants that: (a) this Agreement will constitute legal, valid, and binding obligations of Applicant enforceable in accordance with its terms; and (b) the execution and delivery of this Agreement is within Applicant's power and authority without the joinder or consent of any other party.

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

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

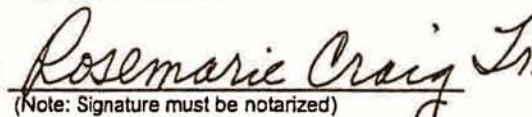
APPLICANT:

By:


(Note: Signature must be notarized)


KENNETH M. CRAIG, TRUSTEE

By:


(Note: Signature must be notarized)

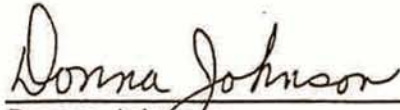
ROSEMARIE CRAIG, TRUSTEE

DISTRICT:

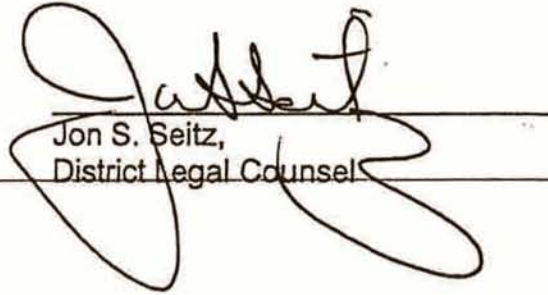
By: 
Lawrence Vierheilg, President
District Board of Directors

Attest:

Approved as to Form:



Donna Johnson
Secretary to the Board



Jon S. Seitz,
District Legal Counsel



STATE OF CALIFORNIA } ss.
COUNTY OF San Luis Obispo

On July 7, 2006, before me, Kelly K. Le May, Notary Public,
personally appeared Kenneth M. Craig and Rosemarie Craig
_____ , personally known to me

(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kelly K. Le May



(This area for official notarial seal)

Title of Document _____
Date of Document _____ No. of Pages _____
Other signatures not acknowledged _____



NIPOMO COMMUNITY SERVICES DISTRICT
148 SOUTH WILSON STREET

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

REQUEST FOR ANNEXATION
INITIAL LAYOUT PLAN

RECEIVED

MAR 10 2006

Property/Project Information and Proposal
(To be completed by Project Proponents/Owners)

NIPOMO COMMUNITY SERVICES DISTRICT

* Application fee received
3/31/06; application complete.

1. Property Owner: KENNETH CRAIG
Address: 1042 ASH ST. ARROYO GRANDE CA 93420
2. Developer: KENNETH CRAIG
3. Engineer: TRIAD/Holmes ASS, 555 CHORLOS ST SAN LUIS 93405

4. Assessor's Parcel Number: 091-181-031
5. Location: 1616 willow rd. Nipomo
 - A. Text/Legal Description: TENTATIVE TRACT
MAP 2650 (MAP ATTACHED)
 - B. Provide Map (attachments: of a scale that all notes can be easily read)
6. General Description of Project: 16 - 1 Acre Lots
ON APPROX. 18.89 ACRES
7. Services Requested from NCS D (types and number of connections):
 - Water: WATER FOR 16 INDIVIDUAL
1" METERS
 - Sewer: _____
 - Other (solid waste, lighting, landscaping, drainage, etc.): _____
8. Current Zoning (Include map if more than one zone applies): RESIDENTIAL RURAL
9. Identify any proposed or pending zone changes on the property to be annexed:
ZONE CHANGED APPROVED TO RECREATION
ALLOWING FOR 16 - 1 Acre Lots

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR ANNEXATION

10. Maximum number of units based on current zoning: 16 - lots
Maximum number of units based on proposed zoning: N/A
Maximum number of units based on greatest potential zoning: N/A
11. Proposed number of Residential units: (Describe phased construction plan if applicable): 16 - CUSTOM HOMES
ON ONE ACRE LOTS
12. If non-residential use, provide information as to number of plumbing fixtures, flows, loading, intended use, etc. (Describe phased construction plan if applicable):

13. Total acreage of proposed project: 18.89
14. Total acreage of proposed annexation: 18.89
15. If total acreage to be annexed differs from the acreage to be developed, explain the difference:

16. Status of water resources available on proposed annexation acreage:
- A. Quantity - pumping log(s) and date(s): 560 GPM
- B. Quality - quality test(s) and date(s): Excellent
- C. To the best of your knowledge, which of the following more accurately describes your situation?
- 1) The parcel overlies a large and reliable supply of water.
- 2) The parcel does not overlie a large and reliable supply of water.
- D. Is there any existing or threatened litigation regarding the property? Y / N
If Yes, attach explanation.
- E. Other information: _____
- F. Water resources currently on the site: PRIVATE well
- G. Water resources to be offered in dedication to NCSD: _____

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR ANNEXATION

17. Description of existing and proposed wastewater disposal system:

~~Existing~~ NONE = proposed 16-
INDIVIDUAL septic tank with leach fields or

18. Reason proponents are requesting annexation:

Project is
IN the sphere of INFLUENCE
OF NCSD and a requirement of
Approval from County

seepage
pits

19. If the annexation involves clustering, submit a description of how the open space parcel to be created will be used for public benefit, including any plans to dedicate and funding method for sustaining that use:

N/A

20. Who do you anticipate will provide the following services, as many as may apply:

Lighting? _____

Drainage? _____

Solid Waste? _____

Landscaping? _____

21. Other comments:

Note:

In its effort to make a competent and informed annexation decision, NCSD may, at its sole discretion, request additional information from the proponent(s) for the annexation and/or revise this checklist as NCSD deems necessary.

NIPOMO COMMUNITY SERVICES DISTRICT
REQUEST FOR ANNEXATION

By signing below, I certify that I am the Owner of said property, or am empowered to act on the Owner's behalf, and that I understand the information provided herein by me or my representatives is true to the best of my knowledge.

Signed: *Ken Craig*

Full Name: Ken Craig

Street Address: 1042 Ash St. A.G.

Mall Address (if different): _____

Home telephone number: 805-489-2263

Work telephone number: 805-489-1264

FAX number: 0

email address: Ken-Craig@Charter.net

**NIPOMO COMMUNITY SERVICES DISTRICT
 PLAN CHECK AND INSPECTION
 DISTRICT EMPLOYEE RATES
 EFFECTIVE JULY 1, 2006**

	<u>General Manager</u>	<u>Projects Manager</u>	<u>Assistant Administrator</u>	<u>Secretary</u>	<u>Billing Clerk</u>
Annual Salary	n/a	\$84,000.00	\$61,344.00	\$43,188.00	\$38,916.00
Annual Hours	n/a	2080	2080	2080	2080
Hourly Rate	\$56.00	\$40.38	\$29.49	\$20.76	\$18.71
Billing Factor X	2	2	2	2	2
Billing Rate	\$112.00	\$80.77	\$58.98	\$41.53	\$37.42

	<u>Utility Supervisor</u>	<u>Utility Field Foreman</u>	<u>Utility Operator</u>	<u>Utility Worker</u>	<u>Maintenance Worker</u>
Annual Salary	\$60,984.00	\$51,792.00	\$44,796.00	\$32,496.00	\$26,664.00
Annual Hours	2080	2080	2080	2080	2080
Hourly Rate	\$29.32	\$24.90	\$21.54	\$15.62	\$12.82
Billing Factor X	2	2	2	2	2
Billing Rate	\$58.64	\$49.80	\$43.07	\$31.25	\$25.64

Notes:

- Outside consulting and legal fees will be billed at direct rate (no discount or mark-up)
- Invoices for all charges will indicate hours, rate and provide a brief description of tasks completed

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 8, 2007

**AGENDA ITEM
E-5
MARCH 14, 2007**

SUPPORT LOS III DESIGNATION FOR NIPOMO MESA WATER SUPPLY

ITEM

Support Level of Severity III designation for Nipomo Mesa Management Area by SLO County Board of Supervisors [ADOPT RESOLUTION].

BACKGROUND

The SLO County Board of Supervisors on January 23, 2007 directed Count Staff to schedule a Board Hearing to consider certifying that water supply for the Nipomo Mesa Management Area (NMMA) is at a Level of Severity III within 120 days with prior review by the WRAC and the Planning Commission. Attached is a draft Resolution that supports this certification.

RECOMMENDATION

Staff believes that certification of LOS III for the NMMA is the valid descriptor of actual conditions and that such a designation underscores the importance of developing supplemental supply. Staff recommends that your Honorable Board consider adopting the attached resolution with or without edits and ordering forwarding the final resolution to the WRAC, the Planning Commission, and the Board of Supervisors.

ATTACHMENTS

- DRAFT RESOLUTION

T:\doc\board matters\board meetings\board letter 2007\RMS Recommend 2

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2007-_____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
SUPPORTING THE CERTIFICATION OF A LEVEL OF SEVERITY III DESIGNATION
FOR THE NIPOMO MESA MANAGEMENT AREA**

WHEREAS, the San Luis Obispo County Board of Supervisors, on January 23, 2007, designated Water Supply for the Nipomo Mesa as a Level of Severity III in the 2006 Annual Resources Summary Report; and

WHEREAS, the adopted 2006 Annual Resources Summary Report correctly observes that the County adopted Planning Area Standards for the Nipomo Mesa Area in May 2006 including water conservation standards that require new development to incorporate specific water conservation features and make provision of supplemental water a condition of general plan amendments; and

WHEREAS, the adopted 2006 Annual Resources Summary Report confirms that at this time the Board of Supervisors believes that a building moratorium is not an appropriate action for the Nipomo Mesa Area; and

WHEREAS, the District has reviewed and has on file a report titled Resource Capacity Study Water Supply Nipomo Mesa Area August 2004, prepared by the San Luis Obispo County Department of Planning and Building. Said report confirms that current water demand presently equals or exceeds the dependable yield of the Groundwater Basin and further concludes that in order to address the projected deficits a combination of conservation and additional supply totaling four thousand two hundred forty-nine (4,249) afy should be in place by the year 2010; and

WHEREAS, the District has reviewed and has on file the County of San Luis Obispo Environmental Impact Report ("EIR") for the Summit Station Land Use Ordinance Amendment ("LUO") where the County concludes that the additional draw of one hundred eleven (111) afy per year from the Groundwater Basin creates a cumulative, significant, unmitigable, unavoidable adverse impact on water resources; and

WHEREAS, District has reviewed and has on file at the District office a report titled "*Nipomo Mesa Groundwater Resource Capacity Study, San Luis Obispo, California*" prepared by S.S. Papadopoulos, Inc. for the San Luis Obispo County Board of Supervisors. That report concluded that: (1) Groundwater pumping in the Nipomo Mesa area is in excess of the dependable yield, (2) DWR's findings for groundwater beneath the Nipomo Mesa Area are consistent with the County's Resource Management System Water Supply

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2007- _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
SUPPORTING THE CERTIFICATION OF A LEVEL OF SEVERITY III DESIGNATION FOR
THE NIPOMO MESA MANAGEMENT AREA

Criterion, Level of Severity III—existing demand equals or exceeds the dependable supply, and (3) Management response to these findings could include increased use of recycled water, increased importation of supplemental water, implementation of additional conservation measures, and appropriate limits on development; and

WHEREAS, resource protection goals of the South County Area Plan, Inland Area, include:

RESOURCE PROTECTION GOALS

Environment

1. *Maintain and protect a living environment that is safe, healthful and pleasant for all residents by conserving non-renewable resources and replenishing renewable resources.*
2. *Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.*

Population

6. *Provide for a sustainable rate of orderly development within the planned capacities of resources and services and the county's and citizens' financial ability to provide them.*

Public Services and Facilities

15. *Provide additional public resources, services and facilities to serve existing communities in sufficient time to avoid overburdening existing resources, services and facilities.*
16. *Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service areas.*
17. *Finance the cost of additional services and facilities from those who benefit by providing for dedications, in-lieu fees or exactions, and*

WHEREAS, the District has reviewed and has on file a report titled "Groundwater in Storage Underneath the Nipomo Mesa Management as of April 2006" by SAIC, which opines that the volume of groundwater in storage underneath the Nipomo Mesa Management Area decreased by 3,000 acre feet from 124,000 acre feet in April 2000 to 121,000 acre feet in April 2006; and

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2007-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
SUPPORTING THE CERTIFICATION OF A LEVEL OF SEVERITY III DESIGNATION FOR
THE NIPOMO MESA MANAGEMENT AREA

WHEREAS, the Local Agency Formation Commission ("LAFCO") adopted Mitigation Measure W-2 from the certified Final Program EIR, regarding annexation within the District's Sphere of Influence as follows:

***Mitigation W-2:** Prior to approval by LAFCO of any annexation, the District shall complete negotiations for a supplemental water source outside the Nipomo Hydrologic Sub-Area and provide documentation that an agreement is in place to deliver such water by January 1, 2009. Documentation shall be consistent with Section 5, Step Two, Documenting Supply, of the SB610 Guidebook dated October 8, 2003. A Registered Professional Engineer specializing in water planning shall review and certify such documentation; and*

WHEREAS, based on the above recitals, NCSD believes that a Level of Severity III designation accurately describes the status of water supplies for the Nipomo Mesa Management Area and that such a designation underscores the importance of developing supplemental water.

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

1. The Nipomo Community Services District Board of Directors expresses its support for adoption by the County of San Luis Obispo of a certification that water supply for the Nipomo Mesa Management Area (NMMA) are at a Level of Severity III (LOS III).
2. The Nipomo Community Services District Board of Directors urges the SLO County Water Resources Advisory Committee and the SLO County Planning Commission to recommend that the Board of Supervisors certify the LOS III designation for water supply for the NMMA.
3. The Nipomo Community Services District Board of Directors urges the SLO County Board of Supervisors to certify that water supply for the NMMA is at a LOS III.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

the foregoing resolution is hereby passed and adopted this ____ day of February, 2007.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2007-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
SUPPORTING THE CERTIFICATION OF A LEVEL OF SEVERITY III DESIGNATION FOR
THE NIPOMO MESA MANAGEMENT AREA

MICHAEL WINN,
President of the Board of Directors

ATTEST:

APPROVED:

DONNA K. JOHNSON
Secretary to the Board

JON S. SEITZ
District Legal Counsel

T:\BOARD MATTERS\RESOLUTIONS\RESOLUTIONS 2007\2007-XXXX RMS RECOMMENDATION.DOC

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 8, 2007

**AGENDA ITEM
F
MARCH 14, 2007**

MANAGER'S REPORT

ITEM

Standing report to your Honorable Board --*Period covered by this report February 23, 2007 through March 7, 2007*

DISTRICT BUSINESS

Administrative

Staff is recruiting for the District Engineer Position on an "open until filled" basis.

Five applicants submitted applications for the Water Conservation Coordinator's job. Staff has scheduled interviews of these individuals for Tuesday March 20, 2007.

Cannon has submitted its Draft Classification Study for District Review. The Finance, Audit and Personnel Committee will review the Draft Study at its March 7, 2006 Meeting and forward a recommendation for the Board to consider at the Board's March 28, 2007 Meeting.

Boyle has submitted the attached evaluation of the Nacimiento Water Supply Project as a supplemental water supply option.

The Chamber has scheduled three Breakfast Meetings in 2007 so NCSD can participate. Attached is a sign up sheet for the March Breakfast.

Safety Program

No injury reports during the period.

Project Activity

Staff will provide an oral update at the Board Meeting.

Conservation Program Activities

Staff has been working with the Conservation Committee on the Emergency Shortage Ordinance.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board.

ATTACHMENTS –

- Nacimiento Evaluation
- Chamber Breakfast Sign Up Sheet

MEMORANDUM

TO: Bruce Buel
General Manager, Nipomo CSD

FROM: Michael K. Nunley, PE
Cesar Romero, PE

SUBJECT: Nipomo CSD Evaluation of Supplemental Water Alternatives -
Draft Constraints Analysis for Nacimiento Water Project
Extension

March 5, 2007

RECEIVED
MAR 8 2007
NIPOMO COMMUNITY
SERVICES DISTRICT

Nacimiento Water Project Extension to NCSD

1.0 Introduction

The NWP is a transmission facility that will convey raw water from Lake Nacimiento to communities in San Luis Obispo County. The San Luis Obispo County Flood Control & Water Conservation District (SLOFCWCD) is managing the design and construction of this facility. The initial contracted participants are the City of El Paso de Robles, Atascadero Mutual Water Company, Templeton Community Services District, Cayucos County Service Area (CSA 10A), and the City of San Luis Obispo.

The NWP consists of 45 miles of transmission pipeline ranging in size from 30 to 12 inches in diameter; storage reservoirs; and booster pump stations. The pipeline ends at the City of San Luis Obispo Water Treatment Plant (SLO WTP) turnout.

This section considers the constraints associated with extending the Nacimiento Water Project (NWP) pipeline from the City of SLO Turnout to the Nipomo Community Services District (NCSD) distribution system. A schematic map of the Project is shown in Figure X-X.

2.0 Previous Studies

The following list summarizes the studies and documents referenced in this evaluation:

- Nacimiento Reservoir: Reliability As a Water Source for San Luis Obispo County (Boyle Engineering, October 2002)
- Nacimiento Water Project: Technical Memorandum (TM) 8 Water Quality Investigations for San Luis Obispo County Flood Control & Water Conservation District (SLOFCWCD) (Black & Veatch, January 2006)
- Supplemental Water Supply Study: Nacimiento Pipeline Extension for City of Arroyo Grande, City of Grover Beach, and Oceano CSD (Wallace Group, January 2006)
- Nacimiento Water Project: Preliminary Design Report (PDR) for SLOFCWCD (Black & Veatch, in Association with Boyle Engineering, July 2006 FINAL)
- AIWRP Water Supply Evaluation: Nacimiento Treatment Evaluation for City of El Paso de Robles (Boyle Engineering, September 2006)

- Agendas from NWP Commission and Board of Supervisors of the SLOCFCWCD

3.0 Supply

The SLOCFCWCD has an annual entitlement of 17,500 acre-feet (AF) within Lake Nacimiento through a 1959 Agreement with Monterey County Water Resources Agency (MCWRA) and is owner of the NWP.

The NWP is designed to convey 15,750 acre-feet per year (AFY) with the remainder of the entitlement set aside for lakeside use. The total delivered entitlement currently under contract is 9,655 AFY. The "Reserved Capacity" (or unsubscribed entitlement) is 6,095 AFY.

Initially the SLOCFCWCD intended to deliver the full Reserved Capacity to the end of the project. In an effort to reduce the construction cost of the NWP, the SLOCFCWCD reduced pipeline size and capacity between Santa Margarita and the City of San Luis Obispo's Turnout. As indicated on the Design Plans for the NWP, the last reach ending at the SLOWTP will be 12-inches in diameter with a current deliverable Reserved Capacity of 2,148 AFY. However, Mr. Hollenbeck indicated the last reach of the NWP could be upgraded to provide up to 3,000 AFY if an interested agency paid for design revisions and were able to sign an agreement with SLO County.

4.0 Quality

The NWP will convey raw surface water. Participants will need to treat the water or utilize aquifer storage and recovery. The City of El Paso de Robles plans to construct a surface water treatment plant for NWP water. As discussed in the Water Source Evaluation for the City of Paso Robles (Boyle 2006), the City will treat the raw water, blend it with groundwater, and pump it directly into their distribution system. The City of San Luis Obispo plans to treat its NWP water at its existing water treatment plant located on Stenner Creek Road. TCSD and AMWC plan to use their NWP deliveries for aquifer recharge via spreading ponds.

Nacimiento Water Project PDR identified the following water quality issues that could potentially affect NWP participants:

- Algae;
- Iron and manganese;
- PH, alkalinity, and hardness (corrosion potential);
- Odor;
- Turbidity and color; and
- Disinfection byproduct formation

In order to utilize this water supply, the NCSD will need to filter and disinfect the raw surface water, or develop an aquifer storage and recovery (ASR) system. In addition, the District must ensure compliance with the drinking water standards for disinfection by products (DBPs), ensure maintenance of a disinfectant residual, and address potential corrosion impacts due to the water.

5.0 Reliability

The current NWP Delivery Entitlement Contracts provide the initial participants with an annual allocation in Acre-feet (AF) of NWP water, including specified maximum instantaneous flow rates in cubic feet per second (cfs) and maximum allocations for any given month of service. Additionally, the maximum period of delivery for any participant is 11 months in order to allow for routine maintenance of the NWP.

It is understood the City of San Luis Obispo's allocation of 3,380 AFY of NWP water will be delivered at a constant rate for 11 months per year. Similarly, it is understood the current deliverable Reserved Capacity at the SLOWTP pipeline terminus could be delivered at a constant rate for the same 11-month duration. However, as discussed previously in this report, only 2148 AFY will be available for the District.

As indicated in the NWP Preliminary Design Report, backup systems for critical project components (e.g. backup pumps, backup communications) are incorporated into the NWP design to enhance system reliability.

6.0 Required Facilities

Two options were evaluated in this Constraints Analysis:

- Participation in a regional project to extend the NWP pipeline to other South County purveyors; and
- Transmission of Nacimiento Water to Nipomo CSD, with no additional partners or South County participants.

6.1 Regional NWP Participation

A NWP extension to the NCSD service area will likely require participation from other agencies to help offset the expected high capital and NWP "buy-in" costs. The Cities of Arroyo Grande and Grover Beach and Oceano Community Services District jointly evaluated the feasibility of extending the NWP from its terminus at the SLOWTP to the Lopez Water Treatment Plant for distribution as supplemental water to South County Purveyors (2006 Supplemental Water Supply Study, Wallace Group). The 2006 study conducted by the purveyors considered two alternative alignments for the pipeline extension. Both alternatives utilized the NWP EIR alignment from the SLOWTP to the SLO Airport area¹ (approximately 9.5 miles). Descriptions of both alternative alignments evaluated by Wallace Group are as follows:

- Alignment A: From SLOWTP to Lopez WTP along Orcutt Road, parallel to the existing State Water Pipeline (17.5 miles total)

¹ This sub-alternative was previously evaluated as part of the December 2003 Final EIR for the NWP

- Alignment B: From SLOWTP to Lopez WTP along Orcutt Road, utilizing the planned Plains Oilfield pipeline from Price Canyon, along Highway 227 (18.1 miles total)

Based on a review of this study, the primary assumptions used in Wallace Group's analysis were as follows:

- NWP reserve capacity available for new participants in southern SLO County is 2,100 AFY
- NWP pipe size at SLOWTP is 20-inches inner diameter (I.D.)
- NWP delivered Hydraulic Grade Line (HGL) at SLOWTP turnout is 1295 feet
- Ground Elevation at SLOWTP is 400 feet; Nominal water surface elevation at Lopez Reservoir is 383 feet
- Raw water conveyed by NWP extension will be treated (filtered and disinfected) at the Lopez WTP and conveyed to South County area water purveyors via the Lopez distribution system

Since NWP design had not been completed at the time of the 2006 Wallace Study, the study addressed a range of hydraulic conditions at SLOWTP. The study concluded a 12-inch diameter pipeline would be sufficient to convey approximately 2300 AFY of water along Alignment A given a minimum calculated HGL of approximately 1260-ft at the SLOWTP. A 16-inch diameter pipeline would be required if the available HGL was reduced to 575-ft at the SLOWTP. A booster station would be required for any further reductions in NWP delivered HGL at the SLOWTP turnout. To accommodate this additional flow, the Lopez WTP would need to be expanded and the Lopez Distribution system may need to be upgraded.

Raw water allotted for NCSD could be treated at the Lopez WTP, or conveyed further south to the NCSD service area for treatment and distribution. As shown on Figure X-X, it may be possible to align the remainder of the pipeline extension from the Lopez WTP to NCSD (approximately 12 miles) parallel to the existing Central Coast Water Authority (CCWA) pipeline and possibly within its easement.

It is anticipated a connection to NCSD's distribution system can be made near the vicinity of Tefft St. and Thompson Rd.; however, the pipeline could be extended to the Quad Tank Site near Foothill Rd. and Tefft St. If treatment is not provided at Lopez Lake, a water treatment facility will be required to filter and disinfect the raw water prior to introduction into the municipal water supply.

6.2 Sole Ownership of Nacimiento WTP Extension from SLO WTP to NCSD Service Area

If this option is pursued, the project alignments and facilities discussed above (except treatment at the Lopez WTP) would still be appropriate. However, the District would bear the full cost for all facilities.

6.3 Project Components:

Based on this constraints analysis, the following facilities will be required to extend the NWP pipeline from the SLO WTP to the NCSD distribution system. It is assumed project alignments and components would be similar for either alternative mentioned above:

- Reach 1 (SLOWTP to Lopez WTP): Extension of approximately 92,400 linear feet (17.5 miles) of pipe (Alignment A as identified in 2006 Wallace Study);
- Reach 2 (Lopez WTP to NCSD);
 - Pipeline extension: 65,000 linear feet (12.3 miles) of pipe;
 - Connection to existing municipal water system w/possible required upgrades
- Booster pump station(s) and Storage facilities at SLO WTP Turnout, Lopez WTP, and/or Nipomo CSD tie-in; and
- Water treatment plant to filter and disinfect raw NWP water

7.0 Implementation Schedule

As of the date this section was written (January 2007), the NWP is nearing 100% design completion and the final bid packages are being prepared for submittal to SLOFCWCD. The plans and specifications will be bid in April 2007 for award sometime later in the year. Additionally, as currently designed, the final reach of the NWP has a deliverable capacity of approximately 2,148 AFY for new South County participants.

As these dates indicate, the project window is rapidly closing for any additional participants. During our January 25, 2007, meeting with Mr. Hollenbeck, he indicated any interested South County participants would need to quickly commit and be able to enter an Agreement with San Luis Obispo County for an entitlement to available NWP water. He also indicated the interested agencies would need to satisfy the CEQA process prior to the County entering an Agreement with them. It is our understanding a Supplemental EIR would need to be initiated and/or Draft completed prior to said Agreement being executed.

With regards to project implementation schedule, the Wallace Study estimated a project timeline of approximately 5 years for Reach 1, from the beginning of agency agreements to completion of construction.

It is estimated approximately five (5) to seven (7) years will be required to fully implement Reach 1 and 2 of this project.

8.0 Constraints

8.1 Institutional

Institutional constraints for the proposed project are identified as follows:

- NCS D must decide if it wants to further pursue the feasibility of extending the NWP.
- To share costs, the NCS D must quickly mobilize and secure sufficient participation from interested South County communities.
- NCS D must determine its minimum acceptable water volume entitlement for negotiating with SLOCFCWCD and tentative South County Participants. NCS D will not be able to secure the full 3,000 AFY from the NWP extension.
- NCS D must notify SLOCFCWCD of its intentions and receive approval from the existing project participants. They would be unlikely to support any actions that would delay their project, so it is unlikely they would allow the District to contribute toward design and construction of a larger capacity pipeline between Cuesta Tunnel and San Luis Obispo.

8.2 Legal

Legal constraints are summarized as follows:

- NCS D and interested South County participants must enter into agreements with SLOCFCWCD to secure NWP deliveries. As a condition for executing this agreement, it is understood environmental review under CEQA must be initiated and/or completed along the pipeline extension corridor by way of a Supplemental EIR.
- As identified in the 2006 Wallace Study, NWP deliveries to South County participants will likely require alteration of the Zone 3 Entitlement Contracts. The existing Lopez Distribution system downstream of the Lopez WTP would probably be utilized for delivery of NWP water. This may delay participation by NCS D's potential project partners.

8.3 Regulatory

As indicated above, environmental review under CEQA must be initiated and/or completed along the pipeline extension corridor by way of a Supplemental EIR prior to SLOCFCWCD entering into an agreement with any additional prospective participants.

The construction of a treatment system, storage tanks, pipelines (including multiple stream crossings), and pumping facilities will require permits from local, state, and federal agencies.

The water would also require filtration and disinfection to meet federal and state surface water treatment regulations.

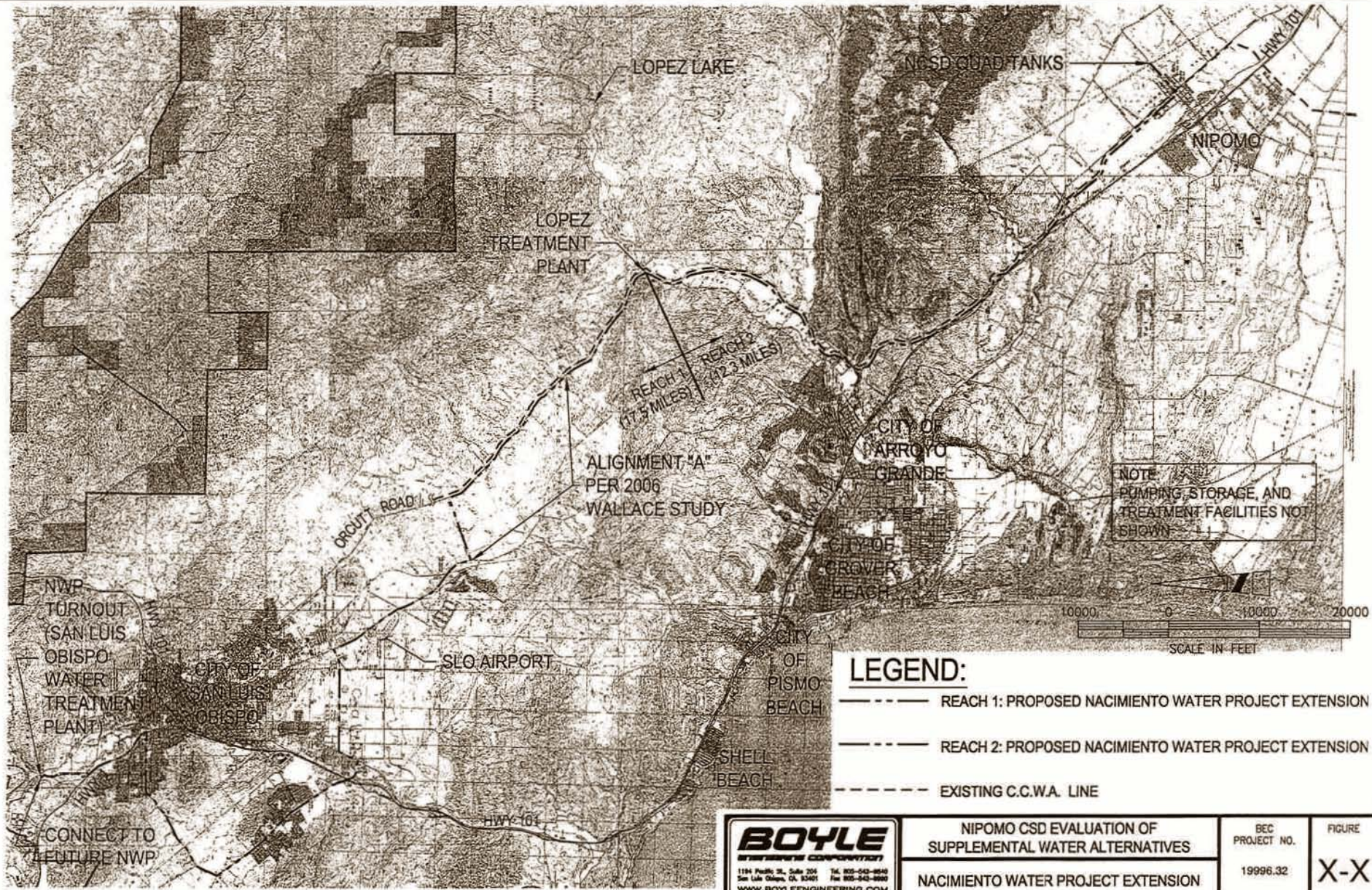
8.4 Cost

From the December 14, 2006, Nacimiento Project Commission Agenda Item V.a (Total Project Cost Update-90% Progress Point), the total capital cost for the City of San Luis Obispo is approximately \$80.4M (\$23,800 per AFY capacity). The estimated annual cost, including annual debt and O&M, is approximately \$6.4M to \$7.1M. This results in an overall cost of approximately \$1900-\$2100 per AF, for delivery of raw water to the SLO City Turnout. This does not include the cost for other facilities for treatment, storage, pumping, and transmission between the SLO Turnout and NCSD distribution system.

8.5 Capacity

In considering the desired water quantity for NCSD of 3,000 AFY, the desired water quantity in the 2006 Supplemental Water Study for 2,300 AFY, and the Reserved Capacity of 2,148 AFY at the NWP terminus, there is currently not enough deliverable capacity at the end of the NWP pipeline to satisfy all needs. However, as described above, Mr. Hollenbeck indicated it might be possible to marginally increase NWP deliverable capacity to new South County participants. It is doubtful the NWP deliverable capacity can be increased to satisfy the total desired water quantity of 5,300 AFY. If the NCSD pursues this alternative water supply, all potential South County participants (including the NCSD) will likely need to compromise and accept smaller water allocations as the available water is proportioned along the various new participants. If NCSD pursues the NWP extension without any additional partners, only 2,148 AFY (of desired 3000 AFY) would be available.

DATE: 10/20/06
 DRAWN BY: J. WILSON
 CHECKED BY: J. WILSON
 PROJECT NO.: 19996.32
 SHEET NO.: 10000



LEGEND:

- REACH 1: PROPOSED NACIMIENTO WATER PROJECT EXTENSION
- REACH 2: PROPOSED NACIMIENTO WATER PROJECT EXTENSION
- EXISTING C.C.W.A. LINE

BOYLE
 ENGINEERING COMPANY
 1184 Pacific St., Suite 204 Tel: 805-543-8840
 San Luis Obispo, CA 93401 Fax: 805-543-8850
 WWW.BOYLEENGINEERING.COM

NIPOMO CSD EVALUATION OF
 SUPPLEMENTAL WATER ALTERNATIVES
 NACIMIENTO WATER PROJECT EXTENSION

BEC
 PROJECT NO.
 19996.32

FIGURE
 X-X



General Membership Meeting

Dear Nipomo Chamber Members:

In order to accommodate those Chamber Members who are unable to attend "lunch" meetings, the Nipomo Chamber of Commerce will be hosting "breakfast" meetings on a quarterly basis. With that said . . . our first **BREAKFAST MEETING** will be this month.

The Nipomo Chamber of Commerce

Presents:

Nipomo Incorporation

Come hear about the history of Incorporation as it relates to Nipomo.

It will be a "fact giving and fact finding" discussion where member feedback is encouraged. If you'd like to attend this informative breakfast meeting, please contact the Nipomo Chamber Office at 929-1583 by 3/20/07 or use the Reservation Form below.

Guest Speakers:

Guy Murray and Mike Eisner,

N.I.C.E. (Nipomo Incorporation Committee for Education)

WHEN:	Tuesday, March 27th 7:30 am – 9:00am
WHERE:	Monarch Dunes Golf Course 1606 Trilogy Parkway, Nipomo For directions, contact: (805) 343-9459 Or visit their website: http://www.monarchdunes.com
COST:	Members: \$15.00 Non-Members: \$18.00

RESERVATION FORM

- Reserve your space with a credit card by faxing this form to the Nipomo Chamber Office at 929-5835.
- Mail/drop off your check (payable to Nipomo Chamber of Commerce) to: 671 W. Tefft St. Ste #8, Nipomo, CA 93444
- Call the Chamber Office at 929-1583 to RSVP.

Name: _____ Business Name: _____

Address: _____ Phone: _____

# of Chamber Member(s) Attending @ \$15:	_____	# of Non-Chamber Member(s) Attending @ \$18:	_____
---	-------	--	-------

Visa/Mastercard #: _____ Expiration Date: _____

Signature for Authorization: _____ Date: _____

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 9, 2007



COMMITTEE REPORT

ITEM

Receive Minutes from the March 7, 2007, Finance, Audit, and Personnel Committee

BACKGROUND

Attached is the set of draft minutes from the March 7, 2007, Finance, Audit, and Personnel Committee. Members of the Committees or Staff can respond to questions and receive comments from the Board regarding the meeting or the draft minutes.

RECOMMENDATION

It is recommended that your Honorable Board edit the draft minutes as appropriate and, adopt the final set of minutes.

ATTACHMENTS

Draft Minutes from March 7, 2007, Finance, Audit, and Personnel Committee

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2007\COMMITTEE REPORTS 070314.DOC



NIPOMO COMMUNITY SERVICES DISTRICT

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

MINUTES OF THE 3/07/07 MEETING OF THE FINANCE, AUDIT AND PERSONNEL COMMITTEE

1. **CALL TO ORDER, ROLL CALL AND FLAG SALUTE**
Chairman Vierheilig called the Special Meeting to order at 9:00 a.m. in the NCSD Board Chambers. Both Chairman Vierheilig and Director Trotter were in attendance along with staff members Bruce Buel, Lisa Bognuda and Dan Migliazzo. There were no members of the public present during the meeting.
2. **CLASSIFICATION STUDY AND ORGANIZATIONAL REVIEW OF THE UTILITY DEPARTMENT**
Staff reviewed the proposed Organizational Structure and reviewed the proposed staffing changes by Koff & Associates. Director Vierheilig had a correction to page 1. Director Trotter would like the existing Organizational Structure presented for comparison purposes. Upon Motion by Director Trotter and seconded by Director Vierheilig, the Committee unanimously recommended the following:
 1. The Board of Directors adopt the Final Report of the Classification Study and Organizational Review of the Utility Department at Nipomo Community Services District on March 28, 2007 as revised.
 2. The Personnel Policies & Procedures Manual be amended to reflect the changes made in the adopted Classification Study on April 11, 2007.
3. **REVIEW MAJOR PROJECTS AND PERSONNEL REQUESTS FOR INCLUSION IN FISCAL YEAR 2007-2008 BUDGET**
Staff reviewed the list of major projects and capital expenditures requested by staff. The list was based on projects from the 2002 Master Plan Update that had not been completed. Staff stated that Cannon and Associates is working on the 2007 Water and Sewer Master Plan Update and will not have a list of recommended projects until the end of May. The Committee recommended that Staff prioritize the list of projects and state the estimated completion date of the projects. The Committee reviewed the fixed asset purchase requests by the Utility and Office Departments and did not have any recommended changes/additions/deletions.
4. **STATUS REPORT ON RECRUITMENTS**
Staff stated that the recruitment has been closed for the Water Conservation/Public Information Specialist. Five applications were received. The applications will be reviewed and qualified candidates will be interviewed on March 20. The District Engineer position has been advertised as "open until filled".
5. **SET NEXT MEETING**
The next meeting of the Finance, Audit and Personnel Committee will be on Wednesday, April 18, 2007, at 9:00 a.m.