

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: January 2, 2008

AGENDA ITEM
D-11
JANUARY 9, 2008

**AUTHORIZE EXECUTION OF AMENDMENT TO EXISTING AGREEMENT WITH
BOYLE ENGINEERING TO EVALUATE SOLAR POWER AT SOUTHLAND WWTF**

ITEM

Authorize execution of amendment to existing agreement with Boyle Engineering to evaluate solar power at Southland WWTF [RECOMMEND APPROVAL].

BACKGROUND

Based on the discussion during the December 3, 2007 Southland WWTF Committee meeting, staff requested Boyle Engineering to provide a proposal to evaluate solar power alternatives for the Southland Wastewater Treatment Facility (WWTF). Boyle has submitted the attached proposal for a not to exceed amount of \$19,587 to:

1. Review the current and future power usage at the Southland WWTF
2. Review existing municipal power facilities and identify two technologies for further study
3. Compare two technologies and recommend the most feasible approach for providing solar power at the Southland WWTF
4. Provide draft and final reports summarizing the tasks

RECOMMENDATION

Staff recommends that your Honorable Board authorize execution of an amendment to our existing agreement with Boyle for a not to exceed amount of \$19,587 to evaluate solar power at the Southland WWTF.

ATTACHMENT

- BOYLE PROPOSAL

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\Amend Boyle Southland WWTF Agreement Solar.DOC

RECEIVED

DEC 19 2007

NIPOMO COMMUNITY
SERVICES DISTRICT

BOYLE

Engineering Excellence Since 1942

1194 Pacific Street, Suite 204
San Luis Obispo, CA 93401
TEL: (805)542-9840
FAX: (805)542-9990
www.boyleengineering.com

Employee Owned

Peter Sevcik, PE
District Engineer
NIPOMO COMMUNITY SERVICES DISTRICT
148 S. Wilson
Nipomo, CA 93444

December 14, 2007
19996.41-0000-000

Solar Power Evaluation for Southland WWTF

In the December 3, 2007, meeting with the District Board's Wastewater Committee, Boyle was asked to provide a proposal to evaluate solar power alternatives for the Southland Wastewater Treatment Facility (WWTF). The District received an unsolicited proposal from SPG Solar, Inc., to develop solar power facilities, which encouraged the District to evaluate the proposed technology and compare it with other systems.

Scope of Work

Boyle proposes to perform the following services:

Task 1 –Power Estimates

Boyle will review current power usage at Southland WWTF for the past 2 years and will identify power requirements projected for the planning horizon reflected in the Southland WWTF Master Plan.

Task 2 – Review Existing Municipal Solar Power Facilities

Boyle will contact the Regional Water Quality Control Board (RWQCB) and the Department of Health Services (DHS), among others, in order to identify at least three (3) to five (5) public facilities which currently utilize solar power for pumping or treatment. Based on available information, we will summarize the type of technology used, project cost, date of installation, operation/maintenance requirements or concerns, anticipated "breakeven" date for the capital investment, percentage of time out of service due to maintenance or problems, and power generated through this facility.

From this evaluation we will identify two (2) technologies or systems for further study.

Task 3 – Comparison of Solar Technologies

Boyle will review the two (2) technologies identified in Task 2. We will evaluate the following for each alternative:

Project cost (Initial and Lifecycle);

Operation/maintenance issues;

Useful life/replacement schedule;

Weather-related limitations; and

Breakeven analysis (initial cost vs. power savings).

Based on this comparison, we will recommend the most feasible approach for providing solar power at Southland WWTF.

Task 4 – Draft and Final Report

Boyle will prepare a draft and final report summarizing the tasks presented above. It is assumed that ten (10) bound copies and one camera-ready copy will be provided for both the draft and final reports.

Task 5 – Meetings

Boyle staff will attend a kickoff meeting with District staff, one (1) progress meeting with District staff, and will provide one (1) presentation to the District's Wastewater Committee.

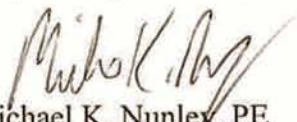
Budget

Boyle's budget is attached. Payment will be requested on a time and materials basis, with a budget not to exceed \$19,587 unless requested in writing. Payment will be based on the attached fee schedule.

Schedule

Boyle will provide a draft report within 60 calendar days of Notice to Proceed. We will provide a final report within 14 calendar days of receiving comments on the draft report from the District.

Boyle Engineering Corporation



Michael K. Nunley, PE
Managing Engineer

Attachments:

Budget

Fee Schedule

Project Budget

Solar Power Evaluation for Southland WWTF

Nipomo Community Services District

Task Description	Personnel Hours				Budget		
	Principal Engineer	Assistant Engineer	Clerical	Total Hours	Labor	Non-Labor Fee	Total
Task 1							
Power Estimates	4	8		12	\$ 1,600	\$ 128	\$ 1,728
Subtotal	4	8	-	12	\$ 1,600	\$ 128	\$ 1,728
				-	\$ -		\$ -
Task 2							
Review Existing Municipal Solar Facilities	8	40		48	\$ 5,720	\$ 458	\$ 6,178
Subtotal	8	40	-	48	\$ 5,720	\$ 458	\$ 6,178
				-	\$ -		\$ -
Task 3							
Evaluate 2 Solar Technologies	8	24		32	\$ 4,040	\$ 323	\$ 4,363
Subtotal	8	24	-	32	\$ 4,040	\$ 323	\$ 4,363
				-	\$ -		\$ -
Task 4							
Draft Report	4	8	4	16	\$ 1,828	\$ 146	\$ 1,974
Final Report	2	2	4	8	\$ 818	\$ 65	\$ 883
Subtotal	6	10	8	24	\$ 2,646	\$ 212	\$ 2,858
				-	\$ -		\$ -
Task Group 5							
Kickoff Meeting	3	3		6	\$ 885	\$ 71	\$ 956
Progress/Review Meeting	3	3		6	\$ 885	\$ 71	\$ 956
Presentation to District WW Committee	8	8		16	\$ 2,360	\$ 189	\$ 2,549
Subtotal	14	14	-	28	\$ 4,130	\$ 330	\$ 4,460
Total	40	96	8	144	\$ 18,136	\$ 1,451	\$ 19,587

Amounts shown are fee.

<u>Personnel Category</u>	<u>\$/HR</u>
Principal Engineer	\$190.00
Assistant Engineer	\$105.00
Clerical	\$57.00

**BOYLE ENGINEERING CORPORATION
(SAN LUIS OBISPO OFFICE)**

**FEE SCHEDULE FOR PROFESSIONAL SERVICES
Effective January 1, 2007**

Engineers, Planners, Architects, Scientists:

Principal	\$190.00 per hour
Senior II	\$155.00 per hour
Senior I	\$140.00 per hour
Associate	\$120.00 per hour
Assistant	\$105.00 per hour
Construction Observer	\$105.00 per hour

Technical Support Staff:

Design/CADD Supervisor	\$110.00 per hour
Senior Designer/Design CADD Operator	\$105.00 per hour
Drafter/CADD Operator	\$95.00 per hour
Clerical/General Office	\$67.00 per hour

General Project Expenses ⁽¹⁾ 8% of Labor

Direct Project Expenses


Other Reproduction (8-1/2 x 11/11x17 Color)	\$1.15/1.50 per page
Plan Sheet Printing – In House Bond / Mylar	\$3.00/7.00 per sheet
Subcontracted Services/Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Auto Mileage for Construction Phase Services	\$0.60 per mile
Travel & Subsistence (other than mileage)	Cost
Miscellaneous Supplies/Services	Cost + 10%

If authorized by the Client, an overtime premium multiplier of 1.5 may be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline which cannot be met during normal hours.

Applicable sale taxes, if any, will be added to these rates. Invoices will be rendered monthly. Payment is due upon presentation.

Fee schedule is subject to change.

⁽¹⁾ Includes mail, telephone, fax, office photo copies, personal computers and mileage (except as noted).

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: JANUARY 4, 2008

AGENDA ITEM
D-12
JAN. 9, 2008

PREPARE NEW EQUITY EQUALIZATION STUDY

ITEM

Retain Tuckfield and Associates to prepare new equity equalization study related to the merger of the Blacklake and Town Water Funds [RECOMMEND ADOPTION].

BACKGROUND

In November, your Honorable Board directed legal counsel to evaluate the appropriateness and legal defensibility of excluding Town Fund 700 Assets from the calculation of the equity interests if the Blacklake Water Fund and the Town Water Fund were merged into a combined water fund. Staff and District Legal Counsel have met with NCSD's Auditor Bob Crosby and Mr. Crosby is expected to release his opinion regarding Generally Accepted Accounting Principals shortly. Staff and District Legal Counsel have also identified a separate Rate Consultant, Clayton Tuckfield of Tuckfield and Associates, who is willing to perform an equity study without reference to the work performed by the Reed Group. Attached is copy of Mr. Tuckfield's proposal.

As set forth in the proposal, Mr. Tuckfield proposes to use both an asset based method and an income based method to compute a range of equity calculations. Mr. Tuckfield is willing to perform the proposed work on a time and materials basis with a not to exceed expenditure limit of \$8,900.

RECOMMENDATION

Staff and Legal Counsel believe that the preparation of a new equity study by an unbiased third party will result in new information regarding the respective interests of the parties. Staff recommends that your Honorable Board authorize the execution of an agreement with Tuckfield and Associates to perform the evaluation set forth in the attached proposal on a time and materials basis with a not-to-exceed expenditure limit of \$8,900.

ATTACHMENTS

- Tuckfield and Associates Proposal

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\BOARD LETTER 2008\BL EQUITY SURCHARGE STUDY.DOC

Tuckfield & Associates

2549 Eastbluff Drive, Suite 450B, Newport Beach, CA 92660

Phone (949) 760-9454 Fax (949) 760-2725

January 2, 2008

Mr. Bruce S. Buel
Project Manager
Nipomo Community Services District
148 S. Wilson Street
Nipomo, CA 93444

Dear Mr. Buel:

Tuckfield & Associates is pleased to submit our proposal to conduct a Water System Equity Study to evaluate the financial impacts of combining the Town Division (Town) Water Fund with the Blacklake Division (Blacklake) Water Fund into one combined water enterprise fund. Tuckfield & Associates is familiar with conducting feasibility, rate, and special project studies in the California central coast area having performed recent financial and rate studies for the Cities of Ventura and Pismo Beach and the Templeton and South San Luis Obispo community service districts.

This proposal has been arranged in sections including Project Understanding, Scope of Work, Recent Experience, Representative Engagements, and Project Cost as well as additional information in the appendices. Each proposal section begins with a section heading.

PROJECT UNDERSTANDING

The NCSD was created in 1965 and included the construction of a water system supplied by groundwater. The water system was designed to pump groundwater to elevated storage tanks and deliver treated water through gravity via a distribution system.

The Blacklake water system was constructed in the 1970's with water originally supplied through a county water service area (CSA). Blacklake's water system is designed to operate hydro-pneumatically through a single booster station. In the 1990's the citizens of Blacklake petitioned the NCSD to annex into the district boundaries. The NCSD annexed Blacklake, however maintained separate enterprise funds for the accounting of the Blacklake water and wastewater systems. Customers within the NCSD boundaries but not in Blacklake are included in the Town Division of the NCSD.

In early 2005, the Blacklake booster station failed and the NCSD redesigned and constructed a new water intertie from the Town system to the Blacklake system until such time that the booster station could be evaluated and restored to operation.

The NCSD Board of Directors is considering a merger of the Town Division and the Blacklake Division whereby the merged system would be operated by use of the Town Division's gravity system. The NCSD Board of Directors is requesting a study to analyze the two (2) existing systems (Town Division and Blacklake Division) to determine whether or not either system should be required to contribute (equitable buy-in) to the other system if a merger is ultimately approved.

Project Objectives

The objective of this study is to determine the dollar amount of the contribution, if any, by the Blacklake water enterprise fund to the combined enterprise fund with the Town Division such that the customers of the Blacklake Division will have equal equity basis as the customers of the Town Division (or vice versa). After making such contribution, the Blacklake water customers will be charged the same water rates and fees as the Town Division water customers

Determine Equitable Contribution

To accomplish this objective, Tuckfield & Associates will estimate the amount of the equitable contribution, if any, by employing water system valuation methods. These methods traditionally include three approaches to valuation including (1) an asset-based approach, (2) an income approach, and (3) a market or recent sale approach.

An asset-based approach may have several ways in which to determine the value of assets. For this study, these include the following.

- Original cost less depreciation (net book value)
- Replacement cost less depreciation

Using the asset-based approach, the amount of equity in the water system can be determined based on the concept that an agency has developed a valuable water utility and has acquired equity in the system. The dollar amount of the equity can then be

established for each division using this approach. From a comparison of the existing Town equity, with the equity of the Town on a combined enterprise fund basis, the dollar amount of the contribution will be the difference between the two.

Using an income-based approach, the value of the Blacklake enterprise is determined by discounting the future annual cash flow of the enterprise at an appropriate discount or capitalization rate to determine its present value. This method projects revenue and expenses and other cash obligations into the future for a number years to normalize the operating income of the enterprise, accounting for known changes to operations, extraordinary items, future capital expenditures, annual replacement, and proper fund balances.

It is likely that the future cash flow of Blacklake may be negative after accounting for the items described above. For equity calculation purposes, the present value of the annual revenue that would be required to place the enterprise in a sound financial condition would form the basis of the amount of the contribution that Blacklake would need to provide to a combined enterprise fund. This idea appeals to the notion that the Town would be required to generate this additional revenue to operate and maintain Blacklake's facilities on an on-going basis to serve the citizens of Blacklake if it were to acquire its assets and customer base.

The market-based approach determines facility value based on recent sales of other similar utilities. This approach is not considered appropriate for this proposal as information regarding recent similar sales, or a homogeneous group of similar utility sales, are not available from which to make comparisons.

SCOPE OF WORK

Based on our understanding of NCSD's needs, Tuckfield & Associates proposes to perform the following tasks for the study as follows.

Asset-Based Approach

Task 1 – Determine Value of Existing Water System Fixed Assets

When reasonably accurate records are available, an approximation of the current value can be stated through the use of trend factors that recognize the changes in construction

cost. For this study, development of the current value is based on replacement cost of facilities from information and records provided by the NCSD. Replacement cost refers to valuing the existing facilities at the cost to replace those facilities with facilities of similar usefulness, not necessarily with the exact equipment that currently exists. The replacement cost of the existing assets is then depreciated recognizing the remaining service life of each asset. Specific subtasks include the following.

- 1.1 Acquire and review fixed asset records of the Town and Blacklake water systems and group the assets in an Excel file by Division and by function, or similar useful life.
- 1.2 Identify the ENR Index number for each asset as of the installation date and for the current or Trend Date selected by the NCSD.
- 1.3 Trend the assets to determine the Replacement Cost (RC) based on the ENR Index number, separately for the Town and for Blacklake.
- 1.4 Depreciate the Replacement Cost less Depreciation (RCLD) of the fixed assets recognizing the remaining useful life of each asset, separately for the Town and for Blacklake.

Task 2 – Determine Adjustments to Existing Water System Fixed Asset Value

Several adjustments to the RCLD value from Task 1 are necessary to determine the equity in the water systems. These adjustments include recognizing construction work in progress (CWIP), the capital improvement program (CIP) of both systems, indebtedness of each water system, water intertie cost to serve Blacklake, and capital contributions or grant funding received to construct facilities. Specific subtasks include the following.

- 2.1 Review information records of the NCSD regarding construction work in progress (CWIP).
- 2.2 Identify any construction work in progress (CWIP) and the appropriate value.

- 2.3 Review design, master planning, and other reports and available information regarding needed replacements, improvements, and expansions of the water systems.
- 2.4 Identify future capital improvements for each of the water systems.
- 2.5 Determine the debt financing requirements for the approved capital improvement projects of Town and Blacklake water systems.
- 2.6 Allocate future CIP between replacement and new development.
- 2.7 Identify outstanding existing debt issues and future debt issues from Task 2 whose debt service is paid from water service rates or debt repayment methods.
- 2.8 Determine the applicability of each debt issue to the two water systems.
- 2.9 Determine the unpaid principal amount remaining for the existing and future debt issues.
- 2.10 Identify contributed capital or grant funding from the fixed asset list acquired in Task 1. Such information may also be available in the annual audits or through discussion with NCSD staff if not identified in the fixed asset list.

Task 3 – Determine Blacklake Equitable Contribution

This task brings together the results of the tasks above to determine the equitable contribution. The existing RCLD value from Task 1 is increased for CWIP and CIP replacement value and is reduced for outstanding debt principal, future principal of CIP financed with debt, and contributed capital and grant funding. The equitable contribution by Blacklake is equal to the loss in equity value of the Town when combined with Blacklake. Specific subtasks include the following.

- 3.1 Prepare a table showing RCLD value of the Town and Blacklake facility value, separately and in total of both systems.

- 3.2 Include the addition of CWIP and CIP value from Tasks 2,2 and 2.6 and identify in the table.
- 3.3 Include the reduction of debt principal and contributed capital/grant finding from Tasks 2.9 and 2.10 and identify in the table.
- 3.4 Determine the equitable contribution of Blacklake by subtracting the Town water system equity on a combined basis with Blacklake from the equity of the Town water system as currently defined.

Income-Based Approach

Task 4 – Cashflow Projections and Equitable Contribution

In this task, water revenue and financial obligations of Blacklake are projected into the future. This task requires the projection of revenues based on the existing rates and fee schedules; an estimation of future revenue requirements; assessment of the ability of the enterprise to meet projected revenue requirements; and the determination of the level of revenue adjustments and additional financing requirements. The following subtasks will be completed:

- 4.1 Estimate Blacklake revenues based on current rates and fee levels while incorporating the projected number of customers and service requirements. Historical growth trends, quantity of service provided, projected new development, and patterns in customer service characteristics will be evaluated.
- 4.2 Review and project revenues from miscellaneous sources such as interest earnings, miscellaneous service fees, or other sources.
- 4.3 Develop annual revenue requirements of Blacklake's water system recognizing historical data, current year's budgets, and anticipated future system service requirements. Revenue requirements will be projected on an annual basis taking into account expected operational changes, development of normal annual replacements, system growth, and inflation.

- 4.4 Develop future cash flow analyses utilizing Town financial planning criteria for a study period of sufficient length necessary to stabilize the operating income. The cashflow will show application of revenue under the existing Town rate schedule (since Blacklake will be under the Town rates) to the projected revenue requirements.
- 4.5 Determine the adjustments in revenue necessary to meet the annual obligations of the water utility system and financial planning criteria.
- 4.6 Determine the present value of the revenue adjustments using a range of discount rates.

Meetings, Reports, and Deliverables

Task 5 – Meetings/Reports/Deliverables

This project component identifies the number of meetings, reports, and presentations that provide an opportunity for NCSD staff and the citizens to review and discuss the relevant project results. Additional meetings may be conducted on a time and materials basis. Specific subtasks include:

- 5.1 Provide an initial request for financial, operational, and other pertinent information needed for the study.
- 5.2 Prepare a draft letter report for review by NCSD consisting of Tasks 1 through 4 listed above within **4 weeks** from the notice to proceed from the NCSD.
- 5.3 Incorporate comments received from NCSD staff on the draft letter report for input into the Final Draft Report.
- 5.4 Present the Final Draft Report at a hearing before the NCSD Board and public.
- 5.5 Incorporate comments received from the NCSD Board and public for input into a Final Report.

5.6 Present the Final Report at a hearing before the NCSD Board and public.

RECENT EXPERIENCE

City of Ventura, California

Tuckfield & Associates recently performed a water and wastewater rate study update for the City of Ventura. Mr. Tuckfield performed the original water and wastewater rate studies for the City in 1990 and has been performing updates for the City every year since that time. The rate study involved development and implementation of water conservation rates using inverted rate blocks and establishing separate rates by class including large industrial users. Tuckfield & Associates also developed computerized financial planning and rate models for the City to analyze present and future utility financial needs.

The City also contacted Tuckfield & Associates to conduct a Water and Wastewater Impact Fee Study. The study included several tasks necessary to bring the water and wastewater fixed assets up to date. Through review of past CIP, analyses indicated that completed projects had not been booked into the fixed asset computer system. Methods were utilized for the breakdown of the CIP into project components such that they could be recorded into fixed assets for proper depreciation and cost allocation purposes for future rate studies. Once the assets were properly recorded, replacement cost less depreciation was determined (including CWIP and CIP) with the impact fees calculated using a modified system buy-in approach.

City of Pismo Beach, California

Tuckfield & Associates finalized a water and wastewater rate study in 2007 to address a 5-year capital improvement plan and increasing operating and capital costs to the City related to water supply from Lake Lopez and the State Water Project. The study included analysis of revenues, projection of water consumption and wastewater contribution, development of revenue and expense projections, and proposed financing of the water and wastewater capital improvement programs. Utility costs were analyzed and projected to develop revenue requirements for each utility, including the City's Water Tax Fund which recovers Lake Lopez and State Water debt service via the property tax bill. A long-range financial plan was developed showing revenue, revenue requirements, capital financing, and debt service coverage for the Lake Lopez and State Water contract debt. The study also included review of detailed discussion of appropriate rate structures for the City's water and wastewater systems.

South San Luis Obispo County Sanitation District

Tuckfield & Associates was engaged by the District to perform a comprehensive wastewater rate study. The scope of work required not only a 5-year financial plan for the treatment facilities, but included estimating the wastewater contribution of each customer classification based on the plant's total influent flow and strength. The study was challenging in that the District provides wastewater treatment service to three municipalities, each having different customer classifications than the District. Gathering billing data and other information involved coordinating the three agencies. The District's rates are charged to the municipality, and these charges are passed through to each agency's customer billing database. The study showed the use of debt financing for certain facilities where reserves were not available and provided the required wastewater rate increases to meet the capital construction requirements, reserve maintenance, and future obligations.

City of Arroyo Grande, California

Mr. Tuckfield completed a Wastewater Impact Fee Study for the City of Arroyo Grande in 2001. Mr. Tuckfield provided direction to the City for compiling the list assets of the water and wastewater utility systems such that the information would be useful for the impact fee study and GASB 34. The asset information was reviewed for appropriateness and impact fees were developed using the system buy-in approach. A fee schedule was developed and compared with impact fees of surrounding cities of similar population. The study report documented all requirements of AB 1600 with the fee schedule implemented by City Council.

References

Ms. Lisa Kern
City of Ventura
336 Sanjon Road
Ventura, California 93002
Phone: (805) 652-4542

Mr. George Edes
Administrative Services Director
City of Pismo Beach
760 Mattie Road
Pismo Beach, California 93499
Phone: (805) 773-7010

Mr. Tom Zehnder
Director of Mechanical Engineering
Wallace Group
4115 Broad Street, Suite B-5
San Luis Obispo, California 93405
Phone: (405) 544-4011

Mr. Don Spagnolo
Public Works Director
City of Arroyo Grande
208 East Branch Street
Arroyo Grande, California 93421
Phone: (805) 473-5440

REPRESENTATIVE ENGAGEMENTS

Water and Wastewater Rate Studies

City of Arroyo Grande, CA	City of Kalamazoo, MI
City of Avondale, AZ	City of Long Beach, CA
City of Brawley, CA	City of Modesto, CA
City of Battle Creek, MI	City of Orange Cove, CA
City of Charleston, SC	City of Peoria, AZ
City of Chesapeake, VA	City of Phoenix, AZ
City of Fayetteville, AR	City of San Buenaventura, CA
City of Firebaugh, AR	City of Santa Barbara, CA
City of Flagstaff, AZ	City of Sioux City, IA
City of Florence, AZ	City of Sioux Falls, SD
City of Fullerton, CA	City of Westmorland, CA
City of Georgetown, TX	Del Rey CSD
City of Grover Beach, CA	DuPage County, IL
City of Guadalupe, CA	Mission Springs Water District, CA
City of Homestead, FL	Town of Cave Creek, AZ
City of Imperial, CA	
City of Imperial Beach, CA	

Impact Fee / Connection Fee Studies

City of Arroyo Grande, CA	City of Grover Beach, CA
City of Goodyear, AZ	City of San Buenaventura, CA
City of Guadalupe, CA	Sunchase-Estrella Development, AZ
City of Pacific City, OR	Town of Cave Creek, AZ
City of Peoria, AZ	Town of Wickenburg, AZ
City of Gresham, OR	

Municipal Bond Feasibility Studies

City of Alexandria, LA	Eugene Water and Electric Board, OR
City of Kansas City, MO	Litchfield Park Service Company, AZ
City of Owensboro, KY	Memphis Light, Gas, and Water, TN
City of Salem, OR	San Dieguito Water District, CA
City of Tacoma, WA	

Other Studies

City of Brownsville, TX - Electric Utility Rate Study
City of Detroit, MI - Organizational Study
City of Oceanside, CA - Capital Facility Review
City of Oceanside, CA - Quarry Market Study
City of Phoenix, AZ - Review of Costs
County of Maui, HI - Pretreatment Program
Imperial Irrigation District, CA - Financial Feasibility Study
Imperial Valley Task Force, CA - Financial Alternatives Study
MWD of Southern California - Review of New Demand Charges
MWD of Southern California - Engineering Department Organization Study
Saudi Consolidated Electric Company - Electric Generating Unit Economic Dispatch Analysis
Southwestern Power, MO - Management Review
Superstition Mountain CFD, AZ - Rate Analysis
Texas A&M University, TX - Power Supply Alternatives Study
United Water Conservation District, CA - Water Supply Pricing Model

PROJECT COST

Tuckfield & Associates will complete the specified project requirements and deliverables in a timely and efficient manner as expressed in our proposed Scope of Work section. We estimate that the tasks presented in this proposal can be successfully accomplished for an amount not to exceed **\$8,900**. The total cost estimate for the study includes all labor costs for individuals directly involved in the study, plus actual direct expenses incurred in the course of the study. Such expenses include such items as travel, lodging, computer time, postage, long distance telephone, reproduction, etc.

I look forward to working with the NCSD on this project. If I can provide you with additional information, please call me at (949) 760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES

Appendix A

Request For Information

REQUEST FOR INFORMATION

Asset-Based Approach

1. Detailed line item inventory in Microsoft Excel file format of water utility assets stated for the Town and Blacklake separately as of the latest fiscal year audit and a listing of current fiscal year additions to date. The inventory should be listed by subgroup for each utility, if available. For example, for the water utility, subgroups would include source of supply, treatment plant, storage, pumping, transmission, distribution, meters and services, buildings/structures, administration, and contributed capital.

Each line item should at least include the description of the asset, installation date, original cost, accumulated depreciation, and applicable depreciation rate or life.

2. Listing of water utility proposed capital improvement program (CIP) projects for the Town and Blacklake water systems for the next five fiscal years that agrees with available master plans.
3. Official Statements for any revenue bonds or other debt issued for the Town and Blacklake water utilities.
4. Debt service schedules on all outstanding debt issues, whose debt service is paid from water utility revenues or other sources related to the water system, stated separately.
5. Recent reports prepared by the utility department or others related to the Town and Blacklake water systems and pertinent to the study such as design reports, master plans, and previous rate study and impact fee reports.
6. Bond ordinances or resolutions authorizing the issuance of any outstanding debt obligations of the Town and Blacklake water utilities.
7. Annual audited financial reports of the Town and Blacklake water systems, stated separately for the last five fiscal years.

Income-Based Approach (information in addition to the above)

8. The following billing information is requested for the Blacklake Division for fiscal year 2006-07:
 - (a) Number of water accounts as of July 1, 2007 by customer classification in the billing system (SFR, MFR, commercial, industrial, etc.). Single Family Residential accounts and Multifamily Residential Accounts should be stated separately.
 - (b) Number of multifamily dwelling units of the water MFR customer accounts stated separately.
 - (c) Annual water sales volume by customer classification for the metered water accounts stated separately.
 - (d) Annual water utility sales revenue by customer classification stated separately.
9. Annual water production delivered into the Blacklake water system by source for the fiscal year 2006-07.
10. Operational and statistical reports related to the Town and Blacklake water system.
11. Any reports describing proposed development (residential, commercial, industrial, etc.) connecting to the Town and Blacklake water systems.
12. Detailed annual line item operating budgets of the Blacklake water system for at least the current fiscal year.
13. Ending Blacklake water utility operating and capital fund balances (shown as separate balances) to the extent such balances are not shown in financial statements provided.
14. Copies of the current rates, charges, and fees and a five-year history of the same for water service for the Town and Blacklake water systems.

Appendix B Resume

**Principal / Project
Manager****Specializing in Water and
Wastewater Financial and
Management Studies****Education**

BS Mechanical Engineering
Kansas State University,
1980
MBA (Finance), University
of Kansas, 1985

Total Years Experience
22**Presentations**

AWWA Annual Conference
and Expo, Toronto, Canada,
1996

ASCE, Phoenix, AZ 1997

AFOA, Phoenix, AZ 1997

Mr. Tuckfield is the Principal of Tuckfield & Associates consulting. He has historically served in various capacities including staff engineer, project engineer, senior analyst, assistant project manager and project manager on work performed for publicly-owned water and wastewater utilities since 1985. Mr. Tuckfield has performed a variety of financial feasibility and economic analyses studies including utility cost of service and rate design studies, valuations of facilities use plans, preparation of alternative financing plans for capital improvement programs, development of pro forma statements of revenue and operating expense, utility cash flow analyses, preparation of engineer's reports for bond official statements, and development of training material for presentation to international interest groups.

Representative Project Experience

Water and Wastewater Rate Studies and Impact Fee Study, City of San Buenaventura, California. Tuckfield & Associates performed a water and wastewater rate study update for the City in May of 2005. We performed the original studies for the City in 1990 and have been performing these studies for the City every year since that time. The study involved development and implementation of water conservation rates using inverted rate blocks. Tuckfield & Associates also developed computerized financial planning and rate models allowing the City to analyze present and future utility financial needs. The City also retained Tuckfield & Associates to perform a Water and Wastewater Impact Fee study that was completed in June of 2003.

Wastewater Rate Study, City of Santa Barbara, California. Performed a wastewater rate study for the City in May of 2002. The study involved developing a revenue plan, allocation of costs, and design of several rate structures that including fixed and variable components. The revenue plan review highlighted a low cash reserve level because the City had included other assets into their beginning fund balance. The study identified necessary rate increases that were adopted by City Council. Justification of the current cost allocations was also determined.

Wastewater Rate Study, South San Luis Obispo CSD, California. Tuckfield & Associates was engaged by the District to perform a comprehensive wastewater rate study. The scope of work required not only a 5 year financial plan for the treatment facilities, but included estimating the wastewater contribution of each customer classification based on the plant's total influent flow and strength. The study was challenging in that the District provides wastewater treatment service to three municipalities, each having different customer classifications than the District. Gathering billing data and other information involved coordinating the three agencies. The District's rates are charged to the municipality, and these charges are passed through to each agency's customer billing database. The study showed the use of debt financing for certain facilities where reserves were not available and provided the required wastewater rate increases to meet the capital construction requirements, reserve maintenance, and future obligations.

Water and Sewer Rate Study, City of Arroyo Grande, California. Completed a water and sewer rate study for the City in December 1998, 2002, and 2005. The study included analysis of customer classes, revenues, projection of water consumption and wastewater contribution, development of revenue and expense projections, and financing of the water and wastewater capital improvement programs. Utility costs were analyzed and projected to develop revenue requirements for the utility. A five-year financial plan was developed showing revenue, revenue requirements, capital financing, and debt service coverage. Recommendations included appropriate operating reserve levels and appropriate rate structures for the City's water and wastewater systems. The City contacted T&A in December of 2000 to conduct a Sewer Impact Fee Study.

Water, Wastewater, and Reclaimed Water Cost of Service and Rate Study, Long Beach Water Department, California. Responsible for cost of service and rates for water, wastewater, and reclaimed water utilities. Work included development of rates to promote water conservation and a computer model to enable the Department to annually review utility rates. Worked

closely with departmental task force to develop alternative rate structure. Presented results to task force to develop alternative rate structures.

Water and Wastewater Rate Study, City of Orange Cove, California. Performed a comprehensive water and wastewater rate study for the City. The study addresses the loan and grant funding received by the City from various sources including the USDA. The USDA requires that all residential connections be metered and the study develops water rates based on estimates of water consumption for residential classes using engineering methods. The volume-based rates will be implemented upon completion of the improvements including installation of water meters. The study also included income and demographic characteristics of the City and other local communities and verified that the rate adjustments were considered affordable by ratepayers.

Wastewater Utility Revenue and Capital Financing Plan, City of Modesto, California. Developed pro forma revenue and revenue requirements, cashflow, and capital financing plan. Provided connection fee levels and recommendations on levels of reserves and appropriate revenue increases.

Impact Fee Study Review, City of Phoenix, Arizona. Project manager for the Impact Fee Study Review for the City of Phoenix. The study included an independent audit of the costs of facilities and review of the development of the impact fee amount. Facilities included in the fee were water and wastewater facilities, streets, bridges, culverts, police, fire, libraries, and equipment repair. The study also included an evaluation of the impact of financing of the facilities over the build out period. A final report was prepared and presented to the City.

Water and Wastewater Rate Study, City of Westmorland, California. Project manager for the Water and Wastewater Rate Study for the City of Westmorland under contract with the North American Development Bank (NADB). The project's objective was to determine the maximum affordable rates that could be implemented

based on affordability criteria. The maximum affordable rates are necessary to determine the maximum grant funding that will be allowed for the City's proposed water and wastewater treatment plants. Demographic, economic, and income information was prepared for the City establishing the median household income, maximum affordable rates, and the debt capacity of each system under the maximum rates. Financial models were delivered to NADB as well as a draft and final report.

Water and Wastewater Rate Study, City of Brawley, California. Contracted again by the North American Development Bank, (NADB), conducted a comprehensive Water and Wastewater Rate Study for the City of Brawley. The project's objective was to develop volume based rate structures for all of the City's customer classifications based on cost of service while accounting for capital improvements to the City's water and wastewater treatment plants and items addressed in the master plans. As part of the grant and loan funding requirements of the NADB, water meters were required to be installed citywide for all customers. Developed a rate schedule whereby rates were developed by customer class for an interim period while water meters were installed, then converting to a volume based rate upon full water meter implementation. Water consumption for the residential class was estimated using engineering methods and experience.

Water and Wastewater Rate Study, Mission Springs Water District, Desert Hot Springs, California. Completed study requirements including forecasting revenue and revenue requirements, cash flow, capital financing plan, cost of service, and rates. Work included development of conservation-based rates and a computer model for use by District staff.

Water and Wastewater Rate Study, City of Imperial, California. Developed pro forma cashflow for the water and wastewater operating, capacity, and rate stabilization funds. Prepared study report included in bond official statement.


Comprehensive Water and Wastewater Rate Studies, City of Flagstaff, Arizona. Managed the projections of each utility's revenue requirements for a five-year period, costs of service analyses, and the design of water and wastewater rates. The design of water rates included consideration of conservation oriented structures to encourage customers to reduce their peak summer period use. A microcomputer rate model was also developed as a part of the studies and delivered to the City for their on-going use to address future rate adjustment needs.

Water and Wastewater Rate Studies Update, City of Peoria, Arizona. Served as project manager on the comprehensive financing and rate study update for the City of Peoria's water, wastewater and sanitation utilities in 1997. The study included development of five-year capital improvement and operations financing plans and design of cost based plant expansion fees and user rates for each utility

Financing and Rate Design Study, City of Avondale, Arizona. Project Manager for comprehensive financing and rate design study for the City in 1993 through 1997. Authored computer models assisting the City to review the impacts on the utility's cash flow from issuing municipal bonds including the timing, amount, interest rate, and term of the bonds.

Wastewater Consulting Services, City and County of Honolulu, Hawaii. Served as Assistant Project Manager in providing various consulting services to the County Council. Studies included review of the 1994 operating and capital budgets, evaluation of treatment technologies and development of a long-range financial plan.

Water Utility Rate Study, City of Phoenix, Arizona. Assisted in developing a comprehensive rate model for the City which included analysis for conservation based rates.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: JANUARY 2, 2008

**AGENDA ITEM
D-13
JAN. 2, 2008**

**AUTHORIZE ENROLLMENT IN CALIFORNIA URBAN
WATER CONSERVATION COUNCIL [RECOMMEND APPROVAL]**

ITEM

Authorize enrollment in California Urban Water Council [RECOMMEND ADOPTION].

BACKGROUND

The California Urban Water Council (CUWCC) was established in 1991 with the goal of increasing efficient water use in California through water partnerships between urban water agencies, public interest organizations and private entities. They are accomplishing this through integrating urban water conservation Best Management Practices (BMPs) into planning and management of California's water resources.

Joining the CUWCC requires payment of annual dues and a commitment to steady progress in implementation of the CUWCC's 14 BMPs. The dues for the NCSO (based on type of organization, charge per connection, and volumetric charge) would be \$2305.27 in 2008.

There are several advantages to joining the CUWCC.

- Access to industry research studies, product-testing results, program guidebooks, BMP analysis spreadsheets, system water-audit software, direct utility avoided cost model, and environmental benefits model.
- Participation in statewide initiatives, including co-funded programs (i.e., the Commercial Pre-Rinse Spray Valve Program and the One-Stop Rebate Program where the District would pay only a small portion of the program costs). These programs are administered for the participants, saving the District expenditure for staff time.
- Free training workshops, including new water conservation technologies, braining for new conservation coordinators, and marketing tips for commercial customers.
- Technical support regarding new products, including cost:benefit analysis and contacts with other member agencies which are using the product.
- Networking with other water purveyors.
- Updates on state and federal water conservation legislation, water-related codes, and standard settings of trade organizations.
- Lending of test equipment, such as the T-5 Flushmeter and leak-detection equipment.
- Publications on implementation of new programs.
- Extensive library of water conservation reference material.
- Representation by CUWCC (representing the interests of water purveyors) in standard setting.
- A "leg-up" in obtaining state-funded grants.

The District is currently in the process of consideration of implementation of a water conservation program and an emergency water shortage plan. Both programs will require a great deal of information and support services. Access to the CUWCC's information and support services would save the District valuable staff time in research and implementation.

RECOMMENDATION

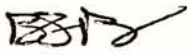
Staff recommends that your Honorable Board authorize the enrollment in California Urban Water Conservation Council.

Attachments: *California Urban Water Conservation Council Best Management Practices for Urban Water Conservation*
California Urban Water Conservation Council Resource Guide (Booklet)

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010908.DOC

**California Urban Water Conservation Council
Best Management Practices for Urban Water Conservation**

CUWCC Best Management Practice (BMP)		Description
1.	Water survey programs for single-family residential and multi-family residential customers	Offer water use surveys to single family residential and multi-family residences. Achieve 20% participation in ten years.
2.	Residential plumbing retrofit	Distribute showerheads, faucet aerators and toilet retrofit devices to residential customers. Achieve 75% retrofit in ten years.
3.	System water audits, leak detection and repair	Perform leak detection on the water distribution system annually; maintain unaccounted for water at less than 10%.
4.	Metering with commodity rates for all new connections and retrofit of existing connections	Meter all connections and bill by volume of use; retrofit all unmetered connections within ten years.
6.	High efficiency washing machine rebate programs	Support legislation to improve efficiency standards for clothes washers; support incentive programs of energy providers.
7.	Public information programs	Have an active program to inform customers about water conservation.
8.	School education programs	Distribute appropriate educational materials and provide classroom presentations for K-high school students.
9.	Conservation programs for all commercial, industrial and institutional accounts	Provide site surveys and incentives for replacement of toilets and other water use fixtures and processes. Achieve 10% participation or 10% savings within ten years.
10.	Wholesale agency assistance program	Provide financial assistance and technical support for cost-effective BMP's.
11.	Conservation pricing	Have in place pricing that recovers the cost of providing water service and sewer service, bill uniformly for each unit of water sold or increases as use increases (inclining blocks).
12.	Conservation coordinator	Have a designated staff position whose duties include oversight of BMP implementation and conservation program management.
13.	Water waste prohibition	Adopt regulations prohibiting "gutter flooding" for all customers and certain wasteful water use systems in new connections. Provide customers with information about efficient water softeners.
14.	Residential ultra-low flow toilet (ULFT) replacement programs	Implement a ULFT replacement program that is at least as effective as requiring replacement of high-flow toilets at resale of property.

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: JANUARY 4, 2008



APPROVE 2008 BOARD MEETING SCHEDULE

ITEM

Approve 2008 Board Meeting Schedule [RECOMMEND ADOPTION].

BACKGROUND

Section 2.1 of the Board By-Laws state in part:

Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month...

Regular Board Meeting Schedule for 2008 (subject to change by Board Action)

January 9, 2008	July 9, 2008
January 23, 2008	July 23, 2008
February 13, 2008	August 13, 2008
February 27, 2008	August 27, 2008
March 12, 2008	September 10, 2008
March 26, 2008	September 24, 2008
April 9, 2008	October 8, 2008
April 23, 2008	October 22, 2008
May 14, 2008	November 12, 2008
May 28, 2008	November 26, 2008
June 11, 2008	December 10, 2008
June 25, 2008	December 24, 2008 (Cancel-Christmas Eve)

Special Meetings will be called subject to Section 2.2 of the Board By-Laws. Section 2.2 of the Board By-Laws state in part:

Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice...

All meetings will be noticed pursuant to the Brown Act.

RECOMMENDATION

Staff recommends that your Honorable Board approve the 2008 Board Meeting Schedule as presented above.

ATTACHMENTS

- None

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: JANUARY 4, 2008

AGENDA ITEM
D-15
JAN. 9, 2008

EXPRESS CONCERN OVER STATE PROPOSAL TO BORROW PROPERTY TAXES

ITEM

Authorize transmittal of letters to State of California expressing concern over the potential for the state to borrow local property taxes [RECOMMEND ADOPTION].

BACKGROUND

Governor Schwarzenegger has called for a special session of the state legislature to deal with the state's fiscal emergency starting on January 10, 2008. Pursuant to Proposition 1A of 2004, the Governor can also declare a severe fiscal hardship and if he does, then the legislature can suspend Proposition 1A's protection of local property taxes by borrowing up to 8% of total property tax revenues. CSDA has asked all of its members to correspond with their respective legislators to urge the legislature not to authorize such a borrowing. Attached is a news release regarding the Special Session and a CSDA Bulletin titled "Is Proposition 1A at risk?".

RECOMMENDATION

Staff recommends that your Honorable Board authorize staff to transmit letters of concern to Governor Schwarzenegger, Senator Maldonado, and Assembly Member Blakeslee.

ATTACHMENTS

- News Release
- CSDA Bulletin

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Bruce Buel

From: Neil McCormick [neilm@csla.net]
Sent: Friday, December 21, 2007 2:36 PM
To: Bruce Buel
Subject: CSDA Legislative Alert: Governor Declares Fiscal Emergency

If this email does not display properly, please view our [online version](#).
To ensure receipt of our email, please add 'CSDA@informz.net' to your address book.



Governor Schwarzenegger announced this morning that he will be issuing proclamations declaring a fiscal emergency in California. The governor also called for a special session of the Legislature to discuss the crisis and announced that the proclamations will be issued concurrently with the release of his proposed 2008-09 state budget. The special session is to convene January 10, 2008 and emergency legislation will be drafted over the holidays to address the current year shortfall. Included below is the full press release from the governor's office, detailing the announcement. [Click here to review the document "Tying Our Own Hands,"](#) which summarizes the policies the governor has pursued in an effort to achieve financial stability for the state. CSDA will continue to monitor developments regarding the budget shortfall and will keep you informed as details become available.

GAAS:976:07
For Immediate Release:
Friday, December 21, 2007

Gov. Schwarzenegger Announces Special Session to Address Fiscal Emergency

Governor Says Reducing Spending is Way to Solve the Problem

Citing a projected current-year budget shortfall of \$3.3 billion, Governor Arnold Schwarzenegger announced today that he will issue proclamations declaring a fiscal emergency and calling a special session of the Legislature to address it on Thursday, January 10, 2008.

The proclamations will be issued concurrently with the release of the Governor's proposed 2008-09 state budget. Emergency legislation is also being drafted over the holidays to address the current year shortfall and will be introduced immediately upon opening of the special session.

"While California's economy remains fundamentally sound and continues to grow, a combination of factors has dramatically changed our budget outlook this fall," Governor Schwarzenegger said. "I have briefed each of the legislative leaders on our projected budget shortfall and I believe that when the Legislature reconvenes in January immediate action is necessary. I will continue my discussions with the leaders in the coming weeks, so that we can narrow as many differences as possible and move quickly in the special session to bring this year's budget back into

balance. In addition, I have also met with dozens of officials in the last three weeks including law enforcement and education leaders, as well as advocates for patients and persons with disabilities, to talk about our budget situation."

Since taking office, Governor Schwarzenegger has actively pursued policies to achieve greater fiscal stability for the state without stealing from local governments and infrastructure funding. He successfully negotiated and campaigned for passage of Propositions 57, 58 and 1A, protecting local funding and transportation dollars for local projects in 2004 and he campaigned unsuccessfully for a spending cap in 2005.

"I firmly believe that the way to solve our chronic budget problem is with fiscal restraint. We will figure out how to get spending in line with revenue," said Governor Schwarzenegger. "We must take action as soon as the Legislature returns to close the current-year shortfall and balance the budget for the coming fiscal year. But it is also essential for us to make long-term fundamental budget reform an absolute priority. Our current situation makes it clear the state's budget system is flawed. However our fiscal adversity actually creates an opportunity - if we rise to the challenge - to implement lasting reform. I believe that we must and I am ready to work with the Legislature to achieve it. In the meantime, Californians should enjoy the holiday season with the confidence that our economy is fundamentally strong."

Among the factors contributing to the current-year shortfall:

- A revised - and lower - current-year revenue forecast, driven in part by the continuing slump in the housing sector and the ongoing effects of the subprime mortgage collapse.
- Increased firefighting costs related to this fall's wildfires in Southern California.
- Legal challenges that have delayed implementation of Indian gaming compacts.
- Lower estimated local property tax revenues, which affect the state's share of K-14 school funding.
- An appellate court decision in a lawsuit over teachers' retirement funding.

Under the provisions of Proposition 58, approved by Californians in March 2004, the Governor has the authority to declare a fiscal emergency if he determines that the state faces substantial revenue shortfalls or expenditure increases. The Governor is then required to call a special session of the Legislature and to propose legislation to address the fiscal emergency. If the Legislature fails to approve and send legislation to the Governor to address the fiscal emergency within 45 days, it would be prohibited from acting on any other bills or adjourning in joint recess until such legislation is passed.

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814

If you prefer not to receive any further email from CSDA, please [unsubscribe here](#).



Is Proposition 1A at Risk?

The short answer is yes. Given the magnitude of the estimated \$14 billion state budget deficit, everything is on the table, including shifting additional property tax revenues from local governments, which is permitted under Proposition 1A, provided specific conditions are met.

Proposition 1A, co-sponsored by CSDA and supported by the governor, every local government organization and scores of legislators, was passed by the voters in 2004 with an unprecedented 84 percent "yes" vote. By passing Proposition 1A, the voters expressed their strong support for protecting local governments' property tax revenues, placing those protections in the state constitution.

In addition to providing constitutional protections for property tax revenues, Proposition 1A also requires the state to fully fund state-mandated programs and suspends any mandate on local governments in any year the Legislature does not fully fund the mandate, including all costs incurred in prior years.

Proposition 1A contains language, commencing in fiscal year 2008-09, that allows a temporary suspension of the property tax protections wherein the state may "borrow" not more than 8 percent of total property tax revenues, currently estimated at approximately \$2 billion, provided the following conditions are met:

1. The governor, and only the governor, must issue a proclamation declaring a "severe fiscal hardship;"
2. The Legislature must then enact an urgency statute suspending Proposition 1A's property tax protections. That statute requires a two-thirds vote in each house of the Legislature; and,
3. The Legislature must enact a statute providing for the full repayment of the "borrowed funds," plus interest within 3 years.

Finally, Proposition 1A prohibits the Legislature from suspending the property tax protections more than twice in any 10-year period and only if any previous borrowed property tax revenues have been repaid.

A frequently asked question is: If Proposition 1A is suspended; will the Legislature use the same formula that was utilized in the recent 2-year property tax shift?

Should Proposition 1A be suspended, the governor and Legislature would be free to propose any formula they so chose. They could, for example, assign a dollar amount of property tax revenues to be "borrowed" from cities, counties and special districts and leave the formula details to each such segment of local government, which was the process followed in part with the recent 2-year shift. Conversely, the governor and Legislature could propose a specific formula for cities, counties and special districts, allowing some modifications during the legislative process. Key for the governor and Legislature will be to obtain the total amount of property tax revenues from local governments as part of a larger state budget solution.

What You Can (and Should) Do

The Legislature returns to Sacramento on January 7 and budget-related issues are certain to be center stage. CSDA encourages each district to contact their legislators and provide specific information relative to what losing additional property tax revenues means to your district and the citizens you serve. In so doing:

1. Given property tax revenues are down and significantly so in certain areas of the state, share the property tax reductions your district will experience next year and how that reality, coupled with an additional property tax shift under Proposition 1A will impact your district's ability to maintain service levels;
2. Limit your comments to the factual impacts of losing additional property tax revenues, as angry and/or "its not our problem" comments are not helpful; and,


3. Share your cost-impact analysis with your local media and constituents/customers, as each may become an ally in our collective effort to block a suspension of Proposition 1A.

Lastly, don't be surprised if some legislators argue back that all local governments supported Proposition 1A, knowing full well that the measure contained a provision allowing the borrowing of property tax revenues under certain conditions, and given the magnitude of the current state budget deficit, everyone, including local governments, must participate in the solution.

CSDA will continue to provide its membership with timely updates as this critical issue moves forward.

California Special Districts Association | 1112 I Street | Suite
200 | Sacramento, CA 95814 | 877.924.CSDA (2732)

A Proud CSDA Alliance Partner

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL 
DATE: JANUARY 4, 2008



ACCEPT RELOCATION OF THREE WATER MAINS AND FILE NOTICE OF COMPLETION

ITEM

Accept Relocation of three water mains and File Notice of Completion [RECOMMEND ADOPTION].

BACKGROUND

In conjunction with a SLO County Public Works Department project, NCSD was required to relocate three water mains. SLO County Public Works Department awarded the contract to Souza Construction, Inc and the District subsequently contracted with Souza Construction to complete the District's portion of the work. The work included the relocation of the following:

1. Relocation of waterline between Bee and Chestnut
2. Relocation of waterline at Mallagh and Haystack Creek
3. Relocation of waterline at Mallagh and Chestnut

Cannon Associates served as the District's construction administrator. Cannon Associates has advised Staff the project is complete and a Notice of Completion may be filed.

RECOMMENDATION

Staff recommends that your Honorable Board accept the project and authorize recordation of the Notice of Completion.

ATTACHMENT

- Notice of Completion

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

NIPOMO COMMUNITY SERVICES DISTRICT
P.O. Box 326
Nipomo, CA 93444

SPACE ABOVE THIS LINE FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is NIPOMO COMMUNITY SERVICES DISTRICT.
3. The full address of the owner is 148 SOUTH WILSON STREET
NIPOMO, CA 93444
4. The nature of the interest or estate of the owner is: In fee.

(If other than fee, strike "In fee; and insert, for example, "purchaser under contract of purchase," or "lessee")

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:
- | | |
|-------|-----------|
| NAMES | ADDRESSES |
|-------|-----------|

6. A work of improvement on the property hereinafter described was completed on 12-15-07. The work done was:

Relocation of waterlines

7. The name of the contractor, if any, for such work of improvement was Souza Construction, Inc.
8. The property on which said work of improvement was completed is in the city of NIPOMO

County of SAN LUIS OBISPO State of California, and is described as follows: _____

BLACKLAKE WASTEWATER TREATMENT PLANT LINER REPLACEMENT

9. The street address of said property is Bee Street, Chestnut Street and Mallagh Street

Dated: _____
Verification for Individual Owner

Signature of owner or corporate officer of owner
named in paragraph 2 or his agent

VERIFICATION

I, the undersigned, say: I am the _____ the declarant of the foregoing I
("President of", "Manager of", "A partner of", "Owner of", etc.)

notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 2007, at _____, California.
(Date of signature) (City where signed)

(Personal signature of the individual who is swearing that the contents of
the notice of completion are true.)