

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 19, 2009

AGENDA ITEM
E-3
MARCH 25, 2009

**DESIGN MODIFICATIONS TO IMPROVE MIXING
AT STANDPIPE WATER STORAGE TANK**

ITEM

Discuss proposed modifications to the existing standpipe water storage tank inlet/outlet piping to improve mixing within the tank [PROVIDE POLICY GUIDANCE].

BACKGROUND

The District's 2007 Water and Sewer Master Plan Update recommended that the inlet/outlet piping of the existing standpipe water storage reservoir be modified to increase mixing, reduce thermal stratification, reduce potential for taste and odor problems, and reduce potential for loss of chlorine residual within the tank. The recommended solution was to reroute the tank inlet to discharge at the top of the tank instead of the bottom of the tank.

At the November 12, 2008 Board meeting, the Board approved a contract with Cannon to design the necessary structural and civil modifications to the tank inlet piping. The scope of work included preparation of a topographic survey of the existing site conditions, structural design of the new inlet piping, related support system and attachment to existing tank, preparation of construction documents and preparation of a construction cost estimate.

Cannon is in the process of finalizing the design of the modifications to the tank. Attached is a site plan that indicates the new below grade piping that needs to be installed and an elevation view that indicates the pipe that will be installed along the exterior of the tank. Flow into the tank through the new piping will be controlled by an altitude valve based on the water level in the tank. Flow out of the tank will continue to occur through the existing bottom outlet.

FISCAL IMPACT

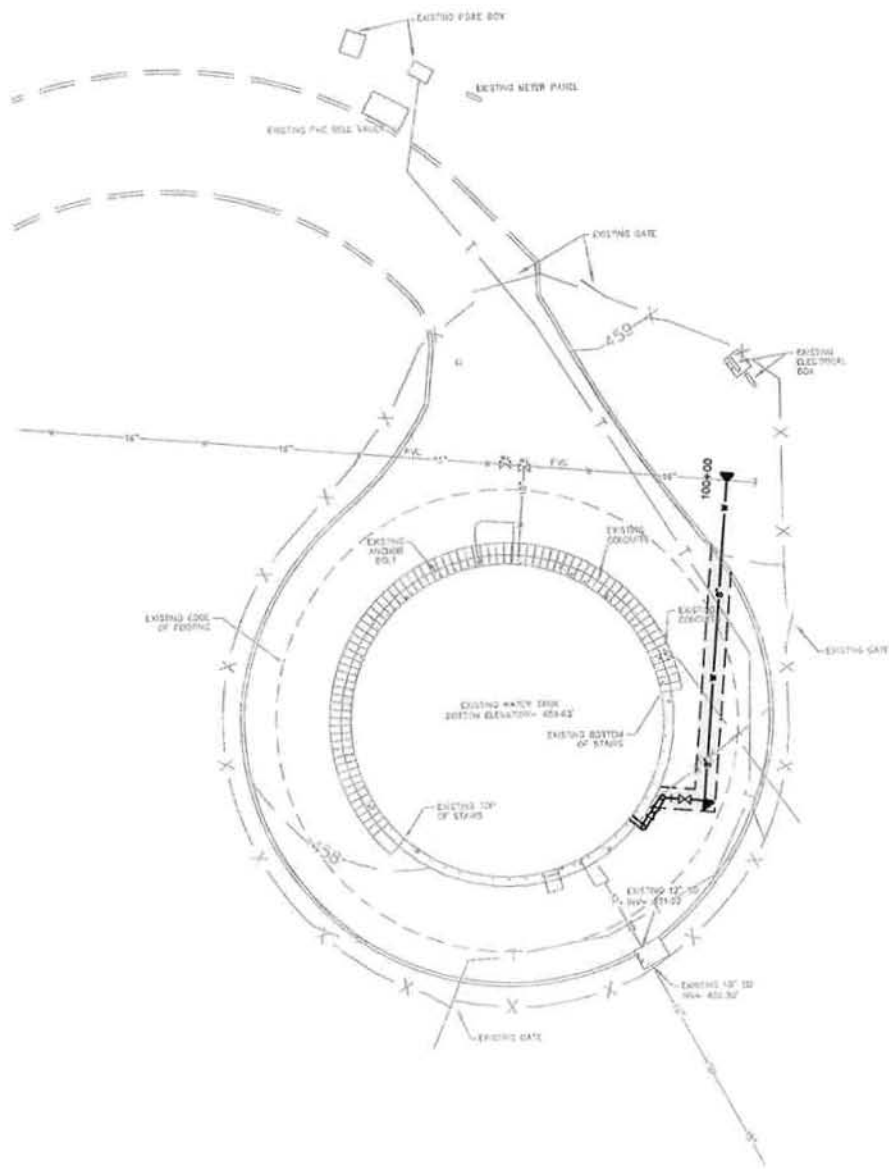
The adopted FY08-09 Budget includes \$150,000 for the standpipe tank modification project (Town Water Capacity Fund 700). To date, the District has spent approximately \$18,000 on the design work performed by Cannon. Since construction of these improvements will not likely occur until the fall of 2009, staff will request a budget appropriation of \$130,000 in the FY 09-10 budget to complete the project.

RECOMMENDATION

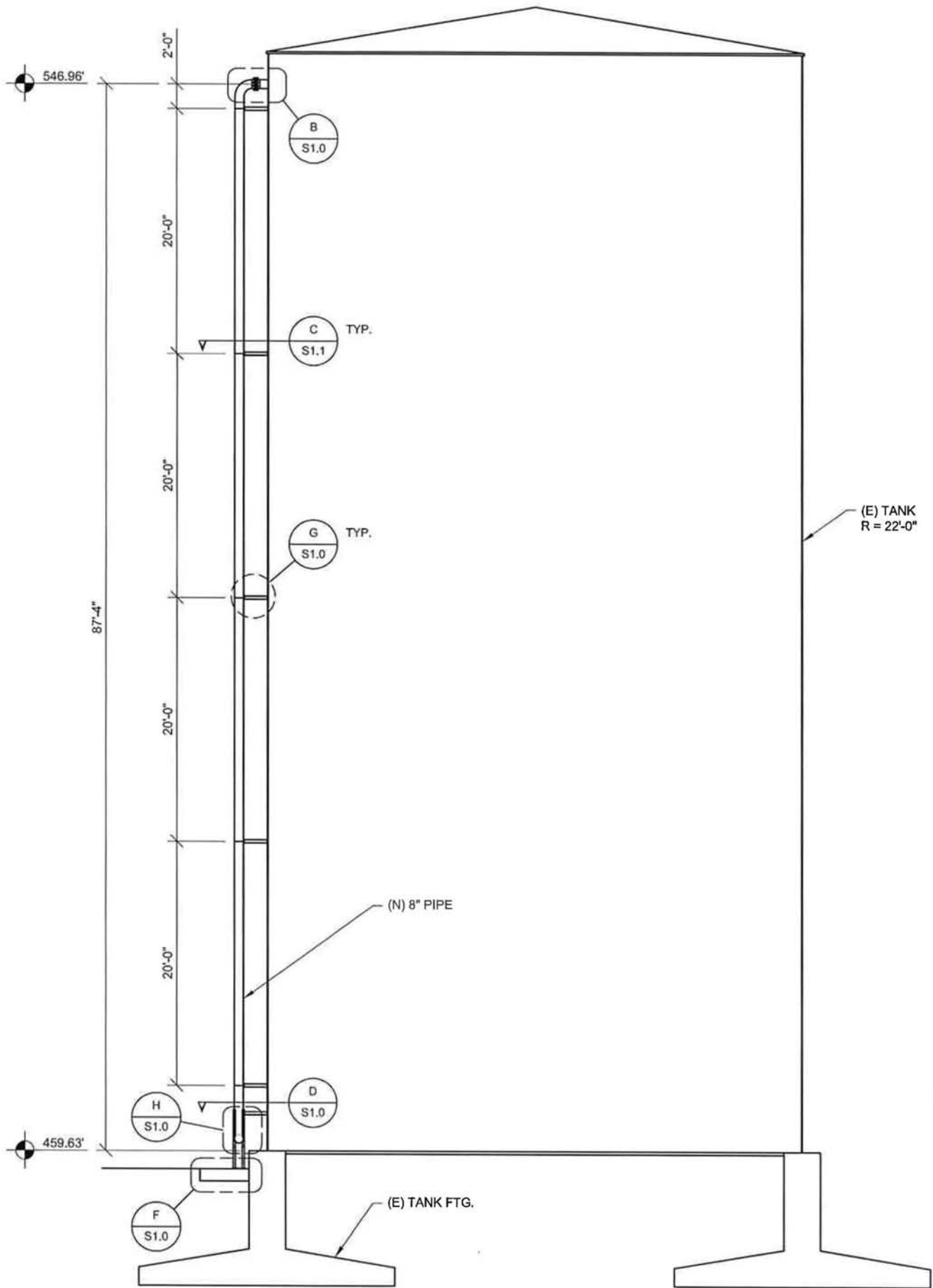
Staff requests your Honorable Board review the proposed design, receive any public comment and provide staff with direction to proceed with implementing the project.

ATTACHMENTS

- Site Plan
- Inlet Pipe To Tank Elevation



SITE MAP



INLET PIPE TO TANK ELEVATION

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TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: March 19, 2009

**AGENDA ITEM
E-4
MARCH 25, 2009**

PREVIEW DRAFT PHASING AMENDMENT TO INTENT-TO-SERVE ORDINANCE

ITEM

Preview draft ordinance adding fee payment phasing provisions to Intent-To-Serve process and set introduction [EDIT DRAFT ORDINANCE AND SET INTRODUCTION].

BACKGROUND

At the January 14, 2009 Board meeting, the Board directed staff to present possible code changes for the Board's consideration in response to the request from George Newman, representative for Nipomo Business Park, LP, developer of Tract 2652, for phasing payment of fees for the project. At the February 25, 2009 Board meeting, the Board reviewed staff's concept of allowing phasing of supplemental water capacity charges for multi-parcel commercial projects and directed staff to present possible code changes for the Board's consideration.

FISCAL IMPACT

Preparation of the shell ordinance would involve approximately \$500 of District Legal Counsel Fees.

RECOMMENDATION

Staff and recommends that the Board edit the draft as appropriate and then set the introduction of an Ordinance including the edited text for the Board's April 8, 2009 Board meeting.

ATTACHMENTS

- Draft Text of Section 3.04.051 modification and new Section 3.04.052

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Section 3.04.051 Payment of Connection Fees and Capacity Charges.

Except as provided in Section 3.04.052, below, the applicant shall pay the water capacity charges (including supplemental water capacity charges), sewer capacity charges, reimbursement charges (if applicable), meter fee and account set-up fee, collectively "Fees for Connection" as follows:

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A. The Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.

B. The Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.

C. The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo and that the District has accepted improvements to be dedicated to the District, if applicable.

Section 3.04.052 Payment of Connection Fees and Capacity Charges for Commercial Development

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The applicant shall pay the water capacity charges (including supplemental water capacity charges), sewer capacity charges, reimbursement charges (if applicable), meter fee and account set-up fee (collectively "Fees for Connection") for commercial projects developed on commercially zoned properties within the District as follows:

A. For commercial projects under a single application developed on a single parcel, the payment provisions of Section 3.04.051 shall apply.

B. For commercial projects under a single application developed on two or more parcels, the following payment provisions shall apply.

(1) The applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will-Serve Letter in amount equal to Fees for Connection minus 50% (fifty percent) of the water capacity charges attributed to supplemental water.

(2) The remaining 50% (fifty percent) of the supplemental water Deposit shall be due and payable on the first of the following to occur:

- a. Sale of any one of the parcels;
- b. Applicant's request to set the first water meter; or

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c. 18 (eighteen) months from the date the Will-Serve Letter is issued.

(3) The Fees for Connection shall be calculated and owing as of the date the District sets the first water meter(s) to serve the project from which the amount of the Deposit shall be deducted.

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(4) The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo and that the District has accepted improvements to be dedicated to the District, if applicable.

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TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 20, 2009

**AGENDA ITEM
E-5
MARCH 25, 2009**

2010-2015 WATER RATE STUDY RFP

ITEM

Review draft RFP to prepare 2010-2015 Water Rate Study, edit draft, and authorize circulation to prospective consultants [EDIT DRAFT AND AUTHORIZE CIRCULATION]

BACKGROUND

NCSD's water rates are set though December 31, 2009, however, the rates starting January 1, 2010 are yet to be determined. The Board's current practice is to retain a rate consultant to prepare a five year financial plan and to use that plan to set rates for three years. Staff expects that the 2010-2015 period will include the construction of the waterline intertie project and proposes to evaluate the revenues required to cover operating and maintenance costs so that a proposition 218 proceeding can be structured. Additionally, staff proposes to use the rate study to evaluate alternate levels of contribution to the water replacement fund, to evaluate alternative rate designs, to explore alternate basis for non-single family customers, and to explore the possibility of using rates to pay for waterline intertie project debt service should the assessment fail. Attached is a request for proposal prepared by staff.

FISCAL IMPACT

Processing of the RFP would involve the use of existing staff funded in this year's budget. Preparation of the study is expected to cost approximately \$25,000 with funding from both the FY08-09 and FY09-10 Budget.

RECOMMENDATION

Staff believes that the rate study is necessary to establish future rates, to explain the implications of the Waterline Intertie Project to the ratepayers and to address unresolved issues. Staff recommends that the Board edit the RFP as appropriate and authorize circulation to prospective consultants.

ATTACHMENTS

- Draft RFP

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Xxxxx Y, 2009

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SUBJECT: REQUEST FOR PROPOSAL FOR 2010-15 NCSD WATER RATE STUDY

Dear Mr. ZZZZZZ;

Nipomo Community Services District ("NCSD") operates a water system with approximately 4,000 customers. NCSD has traditionally adjusted rates annually based on a Comprehensive Financial Plan. The last water system Comprehensive Financial Plan and Rate Study was completed in 2005, which formed the basis for rates in 2006, 2007, 2008, and 2009. NCSD proposes to compile a 2010-2015 Comprehensive Financial Plan and Rate Study to serve as the basis for water rates in 2010, 2011 and 2012 including the funding necessary for operation of the Waterline Intertie Project. NCSD wishes to also evaluate alternatives: (A) Annual contributions to the replacement fund; (B) Rate structures (2 tier, 3 tier and 4 tier structures); (C) basis of charges for Non-Residential customers, and (D) Revenue/rates related to funding the capital component of the Waterline Intertie Project (as a contingency should the assessment proceeding fail).

It should be noted that NCSD has merged the Blacklake Water System and the Town Water System into one unified Water System.

SERVICES REQUESTED

DISTRICT is seeking proposals from qualified firms ("Consultant") to:

- Review background information including the 2005 Rate Study, the FY07-08 Audit, current financial statements for FY08-09, the FY08-09 Budget, the Draft FY09-10 Budget, the Water & Sewer Master Plan, the 2008 Replacement Study, the Waterline Intertie Project 30% Design Report, and staff's projections of 2010-2014 Capital Expenditures, Staffing and local water purveyors for comparison of water rates.
- Meet with Staff to discuss the background information.
- Develop and publish work product #1 -- a listing of Plan assumptions, five year projections of operating expenditures, five year projections of capital investments other than the Waterline Intertie Projects, alternative annual replacement contributions, and alternative yearly total expenditures based on O&M, Capital and Replacement Contributions;

- Develop Work Product #2 – Projections of revenues generated with 2009 rate schedule, total revenues prior to any rate adjustment, and the range of annual shortfalls between projected expenditures and pre-adjustment revenues plus a description of three alternate rate structures, two alternate basis for calculation of non-single family residential water rates and a survey of rates charged by other local water purveyors.
- Meet with Budget and Finance Committee to review work product #1/ #2 and secure Committee Recommendation regarding the level of annual replacement contributions, the three alternate rate structures and the two alternate non-residential rate bases.
- Revise and re-publish Work Products #1 and #2 based on Committee Input.
- Develop and produce an Administrative Draft Comprehensive Water Financial Plan and Rate Structure Analysis projecting new rates by year by rate structure and basis of charge to achieve projected revenue targets.
- Meet with Staff to review Draft.
- Edit Draft and Republish Review Draft for consideration by Committee and Board.
- Participate in up to two Finance and Budget Committee Meetings.
- Participate in up to two Board Meetings to finalize Plan
- Edit Review Draft and Publish Final Draft
- Assist in drafting Proposition 218 Notice
- Participate in up to two Meetings regarding Proposition 218 consideration.

QUOTE REQUIREMENTS

Ten copies of the proposal must be received by DISTRICT in a sealed envelope by **3 p.m. on Tuesday FFFFF GG, 2009**, to be considered. The exterior of the envelope must identify the quote as "Rate Study Services Proposal". Faxes, E-Mails, proposals not enclosed in a sealed/labeled envelope, and proposals received after 3:00 p.m. on Tuesday FFFF GG, 2009, will not be considered and will be returned to the submitter.

The Proposal shall include, as a minimum, the following:

1. Cover Letter/Introduction
 - Present your understanding of the project and the services requested.
 - The Cover Letter shall be signed by an official authorized to bind the firm and shall contain a statement that the proposal is valid for ninety (90) Days.

2. Scope of Services
 - Detail your proposed approach to both phases of the assignment.
 - Describe any proposed scope amendments; exceptions to the attached Task Listings or exceptions to the terms of the attached Agreement.
3. Personnel
 - Identify the Team Leader and provide résumé.
 - Identify any additional team members and provide résumés.
 - Include an Organization chart depicting the name and position of each participant
 - Describe the role of each team member
4. Experience & References
 - Describe your experience in providing similar services for local government entities in California
 - Provide references for projects of similar scope and nature performed over the last four years.
5. Cost Estimate and Schedule
 - Complete and submit the attached Quote Sheet that has been signed by a principal authorized to represent the firm.
 - Submit a listing of fees and charges including travel costs
 - Submit a proposed schedule for all tasks described above

SELECTION PROCESS

NCSD will screen proposals from FFFFFF GG, 2009 to HHHHHH II, 2009. The Board is tentatively scheduled to select a firm at its HHHHHH II, 2009 meeting. NCSD may conduct interviews during the screening process.

PROPOSAL EVALUATION

Proposals will be evaluated on the following:

- Responsiveness to Request for Quote
- Scope Amendments and Exceptions to Task Listing and/or Agreement
- Experience of the team to perform the requested services
- Qualifications of the personnel proposed for the project
- Cost including fees and reimbursables (Not-to-Exceed Expenditure Limit)

Notes:

This is a time-sensitive project.

The selected consultant will be expected to execute a standard agreement (attached).

NCSD reserves the right to reject any and all submittals and/or solicit new submittals at its discretion. NCSD reserves the right to negotiate with lesser ranked firms, if the negotiation with the top ranked firm is unsuccessful. The submitter retains no interest in the proposal once received by NCSD. Proposers are responsible for all costs associated with the proposal.

For more information on the project or this RFP, contact NCSD General Manager Bruce Buel at 805-929-1133 or bbuel@ncsd.ca.gov.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Bruce Buel
General Manager

CC: Lisa Bognuda, Finance Director
2009 Water Rate Study Project File

Enclosures

- Quote Sheet
- Listing of Tasks
- Project Schedule
- Standard Agreement

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NCSD WATER RATE STUDY PROJECT

QUOTE SHEET

Date: _____

NAME OF FIRM: _____

NAME OF PRINCIPAL: _____

NAME OF CM TEAM LEADER: _____

ADDRESS: _____

PHONE: _____ FAX: _____

E-MAIL: _____

NOT-TO-EXCEED EXPENDITURE LIMIT FOR ALL FEES & CHARGES INCLUDING

TRAVEL: _____

Signature of Principal Authorized to Sign for Firm and Date

This quote shall be valid for 90 Days from the date of Signature

TO: BOARD OF DIRECTORS
FROM: BRUCE BUEL *BB*
DATE: MARCH 20, 2009

**AGENDA ITEM
E-6
MARCH 25, 2009**

MISSION STATEMENT AND VISION STATEMENT

ITEM

Review proposed amendments to mission statement and vision statement and set hearing to consider adoption [EDIT & SET HEARING]

BACKGROUND

Attached is the proposed Mission Statement and Vision Statement from the Board's February 27, 2009 Workshop.

FISCAL IMPACT - NONE

RECOMMENDATION

Staff recommends that the Board edit the statements as appropriate and set April 8, 2009 to consider adoption.

ATTACHMENTS

- Proposed Mission Statement
- Proposed Vision Statement

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Vision Statement

The District:

- *has sufficient water supplies to meet current needs and is actively planning for and funding future needs*
- *has investments in our infrastructure to maintain reliable and efficient services,*
- *is practicing environmental stewardship to protect our resources,*
- *has substantially upgraded water and wastewater systems to accommodate new water supplies and meet growth and regulatory requirements*
- *is sustaining a qualified, long-term and productive workforce to assure an effective organization*
- *continues conservative, well managed finances reaching incremental targeted reserve goals*
- *customer service, public outreach and information methods have resulted in a high level of public support*
- *is utilizing proven technologies to enhance the performance of our Mission*
- *has improved relationships with local agencies, regulators and providers*
- *has constructed and is operating at least one neighborhood park*

Mission Statement - The District Mission Statement??

*The Nipomo Community Services District's mission is to
provide its customers with reliable, quality,
and cost-effective services now and in the future.*

