

TO: BOARD OF DIRECTORS  
FROM: BRUCE BUEL *BBB*  
DATE: SEPT. 4, 2009

**AGENDA ITEM**  
**E-4**  
**SEPT. 9, 2009**

DRAFT ALLOCATION PROGRAM AMENDMENTS

**ITEM**

Review and edit draft amendments to allocation program and draft edits to Intent-To-Serve Process Guidelines and set date for introduction [REVIEW AND SET HEARING]

**BACKGROUND**

Your Honorable Board, in August, authorized staff to present potential revisions to the allocation ordinance to reflect the recent assessment research and to provide more time for developers to complete projects following the issuance of the Intent-To-Serve Letter. Attached is a red-lined version of the text of the Allocation Ordinance illustrating staff's proposed changes along with the text of a clean ordinance incorporating those changes. Also enclosed is a copy of the assessment research.

It should be noted that staff is not only recommending changes in the consumption per use groupings but we are also recommending that the total allocation for the year be reduced to deduct the assumed commercial consumption that accompanies residential growth.

**FISCAL IMPACT**

Development of this draft did use previously budgeted staff time and legal consulting cost.

**RECOMMENDATION**

Staff recommends that the Board review the proposed amendments and order any edits or additional research. If the Board has minor edits to the proposed amendments then the Introduction Hearing could be set for Sept. 30, 2009. If there are major edits and or research needed, then this information should be reviewed before an Introduction Hearing is set.

**ATTACHMENTS**

- Red-Lined Text
- Clean Text
- Assessment Research

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**NIPOMO COMMUNITY SERVICES  
DISTRICT, CALIFORNIA**

**Codified through  
Ordinance No. 2009-112, passed April 22, 2009.  
(Supplement No. 4)**

Chapter 3.05 WATER SERVICE LIMITATIONS

Sections:

3.05.010 Purpose.

3.05.020 Definitions.

3.05.030 Limitations on water use.

3.05.035 Nonresidential/commercial/  
industrial limitations on water use.

3.05.040 Water allocation per allocation year.

3.05.050 Water demand certifications required.

3.05.060 Reduction in total allocation by residential categories.

3.05.070 Application for intent-to-serve letters, will-serve letters  
and termination.

3.05.080 Exempt projects.

3.05.090 Mixed use projects.

3.05.100 Limitation on secondary units.

3.05.110 Limitations on allocations.

3.05.120 Waiting list.

3.05.130 Transfer of allocations.

3.05.140 Implementing procedures.

3.05.150 Annexations.

3.05.160 Annual review.

3.05.170 Reevaluation.

3.05.010 Purpose.

The purposes of this chapter include the following:

- A. To promote public health and safety and to avoid water shortage emergencies by establishing a maximum annual water allocation for residential water service within the district boundaries.
- B. To promote conservation by establishing goals for the maximum beneficial use of water by residential category.
- C. To allocate water service by categories to avoid a particular category from being excluded from participation and receiving water service.
- D. To establish a maximum allocation for any one project during an allocation year, so as to allow greater opportunity for all projects in a category to participate and to receive water service.
- E. To avoid speculation by requiring applicants to diligently process their projects consistent with the rules and regulations of the County of San Luis Obispo.
- F. To grant a priority for the provision of available resources to proposed housing developments which help meet the County of San Luis Obispo's share of regional housing need for lower income households as identified in the housing element adopted by the San Luis Obispo County Board of Supervisors.
- G. To provide flexibility by allowing the board to consider redistributing allocations at the end of the second quarter and in the middle of the fourth quarter of each allocation year.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.020 Definitions.

- A. "AFY" means acre feet per year.
- B. "Allocation year" means October 1st through September 30th of each calendar year.
- C. "Lower income housing" means lower income housing as identified in the housing element of the San Luis Obispo County General Plan, as amended from time to time.

D. "Multifamily dwelling unit" means a building or portion thereof designed and used as a residence for three or more families living independently of each other under a common roof, including apartment houses, apartment hotels and flats, but not including automobile courts, or boardinghouses.

E. "Two-family dwelling unit (duplex)" means a building with a common roof containing not more than two kitchens, designed and/or used to house not more than two families living independently of each other.

F. "Single-family dwelling unit" means a building designed for or used to house not more than one family.

G. "Secondary dwelling units" means an attached or detached secondary residential dwelling unit on the same parcel as an existing single-family (primary) dwelling. A secondary unit provides for complete independent living facilities for one or more persons.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.030 Limitations on water use.

Total demand certifications, including landscaping, are established to achieve a 15% reduction in observed demand for the following uses:

A. 0.28 AFY per multi-family dwelling unit, duplex unit and secondary unit;

B. 0.4 AFY per single family dwelling unit located on a parcel of twelve thousand seven hundred sixty eight square feet or less; C. 0.68 AFY per single-family dwelling unit located on a parcel size between twelve thousand seven hundred sixty nine and twenty-five thousand five hundred thirty six square feet; D. 0.82 AFY per single-family dwelling unit located on a parcel size of twenty-five thousand five hundred thirty six square feet or greater;

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.035 Nonresidential/commercial/industrial limitations on water use.

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Total water demand for nonresidential/commercial projects will be established on a case-by-case basis by the district board of directors with consideration of the applicant's request and best management practices for project low water use.  
(Ord. No. 2008-110, § 1, 12-10-2008)

3.05.040 Water allocation per allocation year. A. 34.3 acre feet is the initial reservation for residential projects. The initial reservation is reduced by 5% or to 32.5 AFY to account for commercial growth in water demand resulting from residential development. The 32.5 AFY (total per allocation year) is allocated to projects, as follows:

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1. Category 1: A total of 20.8 AFY, including landscaping, is reserved for:

- a. For single-family dwelling units; and
- b. Two-family dwelling units (duplexes).

2. Category 2: A total of 6.5 AFY, including landscaping, is reserved for multifamily dwelling units.

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3. Category 3: A total of 3.2 AFY is reserved for secondary dwelling units and local agency maintained landscaping projects.

B. During the end of the second quarter and in the middle of the fourth quarter of each allocation year the unused allotments for categories referenced in Section A, above, may be re-allocated by the board of directors to other categories referenced in Section A, above.

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C. Notwithstanding subparagraph B, above, the district shall reserve 2.00 AFY for proposed housing developments which help meet the County of San Luis Obispo's share of regional housing needs for lower income housing as identified in the housing element adopted by the San Luis Obispo County Board of Supervisor's. Said reservation shall be applied only to Category 1 and Category 2 projects referenced in Subparagraph A, above.

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Further, said reservation may only be re-allocated during the fourth quarter of each allocation year.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.050 Water demand certifications required.

A. Will-Serve Letters: All applications for will-serve Letters for residential projects referenced in Section 3.05.040 require an engineer's or architect's certification that:

1. Low-water use landscape and irrigation systems will be installed to irrigate landscaping; and
2. The maximum total water demand, including landscaping does not:
  - a. Exceed the limitations established in Section 3.05.030, above;
  - b. For family dwelling units with secondary dwelling units-- Exceed a total water demand of 0.8 AFY, combined, for both the secondary and the primary dwelling unit.

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B. Intent-to-Serve Letters: All applications for intent-to-serve letters require a registered engineer's or architect's certification that:

1. Low-water use landscape irrigation systems will be installed to irrigate landscaping; and
2. The design maximum total water demand, including landscaping, does not exceed the limitations on water use established in Section 3.05.030, above.
3. For nonresidential/commercial/industrial projects, intent-to-serve applications shall include the following: an irrigation plan, a plant material layout plan, a plant material list (if not included in the plant material layout plan), and a hardscape plan shall be submitted if there are any water features (such as fountains and swimming pools) included in the project design.

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C. Will-serve letters will not be issued to nonresidential/commercial/industrial projects until general manager verifies that the landscape irrigation and plant material

layout plans and/or hardscape plan comply with the total project water demand established by Section 3.05.035.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007; Ord. No. 2008-110, §§ 2--5, 12-10-2008)

3.05.060


(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.060 Reduction in total allocation by residential categories.

The total allocation, per allocation year, for each residential category designated in Section 3.05.040 shall be reduced (or accounted for) by the observed actual use by category and assigned the following demands for calculating project allocations by category:

- A. 0.33 AFY per multi-family dwelling unit, duplex unit and secondary unit;
- B. 0.48 AFY per single family dwelling unit located on a parcel of twelve thousand seven hundred sixty eight square feet or less;
- C. 0.80 AFY per single-family dwelling unit located on a parcel size between twelve thousand seven hundred sixty nine and twenty-five thousand five hundred thirty six square feet;
- D. 0.96 AFY per single-family dwelling unit located on a parcel size of twenty-five thousand five hundred thirty six square feet or greater;

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3.05.070 Application for Intent-To-Serve Letters, Will-Serve Letters and Termination. The following procedures, are in addition to other district rules and regulations relating to Intent-To-Serve Letters and Will-Serve Letters, and shall apply to all applications for Intent-To-Serve Letters and Will-Serve Letters approved by the District:

A. Applications: Application for Intent-To-Serve Letters shall be made on the District's form. In order to be considered for an Intent-To-Serve Letter the application shall contain a verification that applicant has submitted the proposed project for initial review to the County Planning and Building Department.

B. Termination: Intent-To-Serve Letters shall automatically terminate as follows:

1. Failure of the applicant to provide District with written verification, within two hundred forty calendar days from the date the Intent-To-Serve Letter is issued, that the County has deemed the project application to be complete.

2. The failure of the applicant to receive both the acceptance of the project improvements and a final Will-Serve Letter within three years from the date the Intent-To-Serve Letter is issued.

3. An applicant shall be entitled to a one year extension of the three year limitation upon the following conditions:

(a). Applicant makes written application for the extension prior to the expiration of the Intent-To-Serve Letter.

(b). Proof of reasonable due diligence in processing the project.

(c). Applicant agrees to revisions of the conditions contained in the Intent-To-Serve

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The following procedures, are in addition to other district rules and regulations relating to intent-to-serve letters and will-serve letters, and shall apply to all applications for intent-to-serve letters and will-serve letters approved by the district:¶

A. Application shall be made on district's application for intent-to-serve letter or will-serve letter form. In order to be considered for an intent-to-serve letter or will-serve letter applications shall contain a verification that applicant has submitted the proposed project for initial review to the county planning and building department.¶

B. Intent-to-serve letters shall automatically terminate on the first to occur.¶

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**Deleted:** 2. Two years. However, applicant shall be entitled to a one-year extension upon proof of reasonable due diligence in processing the project.¶ (Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

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Letter consistent with then existing District policies.

C. Extensions: All Intent-To-Serve Letters that have not expired on or before the second reading of the ordinance adopting this section shall be extended for an additional twelve-months.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.080 Exempt projects.

The following projects are exempt from the requirements of Section 3.05.040 and 3.05.060:

A. Commercial projects that submit and implement a landscape plan consistent with best management practices, including that low use landscape irrigation systems will be installed.

B. Projects with existing intent-to-serve letters that have not expired.

C. Projects with existing will-serve letters.

D. Remodels, and changes of use (i.e. commercial to residential) where the resulting water demand does not exceed the requirements of Section 3.05.030, above.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.090 Mixed use projects.

Projects that include both commercial and dwelling units (mixed use) will only be approved if the dwelling units associated with the project meet the dwelling unit standard set forth in Section 3.05.030 (A), above.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.100 Limitation on secondary units.

In addition to the other requirements contained in this chapter, applications for water service to secondary units will only be accepted that include an engineer's or architect's certification that the total water demand for the secondary unit and the primary dwelling unit will not exceed 0.8 AFY. Applications for secondary

units will be allocated will-serve letters under Section 3.05.040 (A)(3), above.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.110 Limitations on allocations.

- A. Only one request for an intent-to-serve letter will be considered for anyone project or parcel. The district will not allocate more than twenty percent of the allocations referenced in Section 3.05.040 (A)(1)(2) or (3) to a project during any one allocation year.
- B. A maximum of fifty percent of the annual water allocation for each successive allocation year may be reserved for projects requiring phasing of water commitments.
- C. Water not allocated during a water year shall not be transferred to the succeeding water year.
- D. Commencing with allocation year 2009/2010, the District may, during the 4th quarter adjust the 20% limitation referenced subparagraph A upon a finding that there is an unused allocation in a designated category. The priorities for distributing the adjusted allotment are as follows:

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- 1. Projects on the waiting list,
- 2. Projects with existing phased Intent-To-Serve letters,
- 3. New Projects.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.120 Waiting list.

- A. The general manager shall maintain a waiting list for the issuance of intent-to-serve letters.
- B. Only applicants who have submitted a completed intent-to-serve/will-serve application shall be placed on the waiting list and/or considered for approval.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.130 Transfer of allocations.

Allocations provided in the district's intent-to-serve letter shall run with the land and cannot be transferred to other parcels.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.140 Implementing procedures.

The general manager is hereby authorized to develop and implement procedures for allocating intent-to-serve letters and will-serve letters consistent with this Chapter and its purposes and intent.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.150 Annexations.

Water demand for annexations shall be charged against the total allocation referenced in Section 3.05.040 at the date the district approves the annexation agreement.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.160 Annual review.

A. During the fourth quarter of each allocation year, the district board of directors shall hold a public hearing to:

1. Evaluate the water allocation formulas contained in this Chapter; and

2. To evaluate the water allotment for ensuing year.

B. The board of directors reserves the right, at any time, to evaluate, amend or modify this Chapter.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.170 Reevaluation.

The district board of directors will reevaluate Chapter 3.05 concurrently with any final agreement that obligates the parties for the delivery of supplemental water.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

Reduction in total allocation by residential categories.

The total allocation, per allocation year, for each residential category designated in Section 3.05.040 shall be reduced (or accounted for) by the observed actual use by category plus a multiplier of 1.05 to account for commercial growth in water demand resulting from residential development as follows:

TABLE INSET:

Reduction in total allocation by residential categories.

**NIPOMO COMMUNITY SERVICES  
DISTRICT, CALIFORNIA**

**Codified through  
Ordinance No. 2009-112, passed April 22, 2009.  
(Supplement No. 4)**

Chapter 3.05 WATER SERVICE LIMITATIONS

Sections:

3.05.010 Purpose.

3.05.020 Definitions.

3.05.030 Limitations on water use.

3.05.035 Nonresidential/commercial/  
industrial limitations on water use.

3.05.040 Water allocation per allocation year.

3.05.050 Water demand certifications required.

3.05.060 Reduction in total allocation by residential categories.

3.05.070 Application for intent-to-serve letters, will-serve letters  
and termination.

3.05.080 Exempt projects.

3.05.090 Mixed use projects.

3.05.100 Limitation on secondary units.

3.05.110 Limitations on allocations.

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3.05.150 Annexations.

3.05.160 Annual review.

3.05.170 Reevaluation.

### 3.05.010 Purpose.

The purposes of this chapter include the following:

- A. To promote public health and safety and to avoid water shortage emergencies by establishing a maximum annual water allocation for residential water service within the district boundaries.
- B. To promote conservation by establishing goals for the maximum beneficial use of water by residential category.
- C. To allocate water service by categories to avoid a particular category from being excluded from participation and receiving water service.
- D. To establish a maximum allocation for any one project during an allocation year, so as to allow greater opportunity for all projects in a category to participate and to receive water service.
- E. To avoid speculation by requiring applicants to diligently process their projects consistent with the rules and regulations of the County of San Luis Obispo.
- F. To grant a priority for the provision of available resources to proposed housing developments which help meet the County of San Luis Obispo's share of regional housing need for lower income households as identified in the housing element adopted by the San Luis Obispo County Board of Supervisors.
- G. To provide flexibility by allowing the board to consider redistributing allocations at the end of the second quarter and in the middle of the fourth quarter of each allocation year.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.020 Definitions.

- A. "AFY" means acre feet per year.
- B. "Allocation year" means October 1st through September 30th of each calendar year.
- C. "Lower income housing" means lower income housing as identified in the housing element of the San Luis Obispo County General Plan, as amended from time to time.



D. "Multifamily dwelling unit" means a building or portion thereof designed and used as a residence for three or more families living independently of each other under a common roof, including apartment houses, apartment hotels and flats, but not including automobile courts, or boardinghouses.

E. "Two-family dwelling unit (duplex)" means a building with a common roof containing not more than two kitchens, designed and/or used to house not more than two families living independently of each other.

F. "Single-family dwelling unit" means a building designed for or used to house not more than one family.

G. "Secondary dwelling units" means an attached or detached secondary residential dwelling unit on the same parcel as an existing single-family (primary) dwelling. A secondary unit provides for complete independent living facilities for one or more persons.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.030 Limitations on water use.

Total demand certifications, including landscaping, are established, to achieve a 15% reduction in observed demand for the following uses:

A. 0.28 AFY per multi-family dwelling unit, duplex unit and secondary unit;

B. 0.4 AFY per single family dwelling unit located on a parcel of twelve thousand seven hundred sixty eight square feet or less;

C. 0.68 AFY per single-family dwelling unit located on a parcel size between twelve thousand seven hundred sixty nine and twenty-five thousand five hundred thirty six square feet;

D. 0.82 AFY per single-family dwelling unit located on a parcel size of twenty-five thousand five hundred thirty six square feet or greater;

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.035 Nonresidential/commercial/industrial limitations on water use.

Total water demand for nonresidential/commercial projects will be established on a case-by-case basis by the district board of directors with consideration of the applicant's request and best management practices for project low water use.

(Ord. No. 2008-110, § 1, 12-10-2008)

3.05.040 Water allocation per allocation year.

A. 34.3 acre feet is the initial reservation for residential projects. The initial reservation is reduced by 5% or to 32.5 AFY to account for commercial growth in water demand resulting from residential development. The 32.5 AFY (total per allocation year) is allocated to projects as follows:

1. Category 1: A total of 20.8 AFY, including landscaping, is reserved for:
  - a. For single-family dwelling units; and
  - b. Two-family dwelling units (duplexes).
2. Category 2: A total of 6.5 AFY, including landscaping, is reserved for multifamily dwelling units.
3. Category 3: A total of 3.2 AFY is reserved for secondary dwelling units and local agency maintained landscaping projects.

B. During the end of the second quarter and in the middle of the fourth quarter of each allocation year the unused allotments for categories referenced in Section A, above, may be re-allocated by the board of directors to other categories referenced in Section A, above.

C. Notwithstanding subparagraph B, above, the district shall reserve 2.00 AFY for proposed housing developments which help meet the County of San Luis Obispo's share of regional housing needs for lower income housing as identified in the housing element adopted by the San Luis Obispo County Board of Supervisor's. Said reservation shall be applied only to Category 1

and Category 2 projects referenced in Subparagraph A, above. Further, said reservation may only be re-allocated during the fourth quarter of each allocation year.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

### 3.05.050 Water demand certifications required.

A. Will-Serve Letters: All applications for will-serve Letters for residential projects referenced in Section 3.05.040 require an engineer's or architect's certification that:

1. Low-water use landscape and irrigation systems will be installed to irrigate landscaping; and
2. The maximum total water demand, including landscaping does not:
  - a. Exceed the limitations established in Section 3.05.030, above;
  - b. For family dwelling units with secondary dwelling units--Exceed a total water demand of 0.8 AFY, combined, for both the secondary and the primary dwelling unit.

B. Intent-to-Serve Letters: All applications for intent-to-serve letters require a registered engineer's or architect's certification that:

1. Low-water use landscape irrigation systems will be installed to irrigate landscaping; and
2. The design maximum total water demand, including landscaping, does not exceed the limitations on water use established in Section 3.05.030, above.
3. For nonresidential/commercial/industrial projects, intent-to-serve applications shall include the following: an irrigation plan, a plant material layout plan, a plant material list (if not included in the plant material layout plan), and a hardscape plan shall be submitted if there are any water features (such as fountains and swimming pools) included in the project design.

C. Will-serve letters will not be issued to nonresidential/commercial/industrial projects until general manager verifies that the landscape irrigation and plant material layout plans and/or hardscape plan comply with the total project water demand established by Section 3.05.035. (Ord. No. 2007-106, § 2(Exh. A), 6-13-2007; Ord. No. 2008- 110, §§ 2--5, 12-10-2008)

3.05.060 Reduction in total allocation by residential categories. The total allocation, per allocation year, for each residential category designated in Section 3.05.040 shall be reduced (or accounted for) by the observed actual use by category and assigned the following demands for calculating project allocations by category:

- A. 0.33 AFY per multi-family dwelling unit, duplex unit and secondary unit;
- B. 0.48 AFY per single family dwelling unit located on a parcel of twelve thousand seven hundred sixty eight square feet or less;
- C. 0.80 AFY per single-family dwelling unit located on a parcel size between twelve thousand seven hundred sixty nine and twenty-five thousand five hundred thirty six square feet;
- D. 0.96 AFY per single-family dwelling unit located on a parcel size of twenty-five thousand five hundred thirty six square feet or greater;

3.05.070 Application for Intent-To-Serve Letters, Will-Serve Letters and Termination. The following procedures, are in addition to other district rules and regulations relating to Intent-To-Serve Letters and Will-Serve Letters, and shall apply to all applications for Intent-To-Serve Letters and Will-Serve Letters approved by the District:

- A. Applications: Application for Intent-To-Serve Letters shall be made on the District's form. In order to be considered for an Intent-To-Serve Letter the application shall contain a verification

that applicant has submitted the proposed project for initial review to the County Planning and Building Department.

B. Termination: Intent-To-Serve Letters shall automatically terminate as follows:

1. Failure of the applicant to provide District with written verification, within two hundred forty calendar days from the date the Intent-To-Serve Letter is issued, that the County has deemed the project application to be complete.

2. The failure of the applicant to receive both the acceptance of the project improvements and a final Will-Serve Letter within three years from the date the Intent-To-Serve Letter is issued.

3. An applicant shall be entitled to a one year extension of the three year limitation upon the following conditions:

- (a). Applicant makes written application for the extension prior to the expiration of the Intent-To-Serve Letter.

- (b). Proof of reasonable due diligence in processing the project.

- (c). Applicant agrees to revisions of the conditions contained in the Intent-To-Serve Letter consistent with then existing District policies.

C. Extensions: All Intent-To-Serve Letters that have not expired on or before the second reading of the ordinance adopting this section shall be extended for an additional twelve-months.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.080 Exempt projects.

The following projects are exempt from the requirements of Section 3.05.040 and 3.05.060:

- A. Commercial projects that submit and implement a landscape plan consistent with best management practices, including that low use landscape irrigation systems will be installed.
- B. Projects with existing intent-to-serve letters that have not expired.
- C. Projects with existing will-serve letters.
- D. Remodels, and changes of use (i.e. commercial to residential) where the resulting water demand does not exceed the requirements of Section 3.05.030, above.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.090 Mixed use projects.

Projects that include both commercial and dwelling units (mixed use) will only be approved if the dwelling units associated with the project meet the dwelling unit standard set forth in Section 3.05.030 (A), above.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.100 Limitation on secondary units.

In addition to the other requirements contained in this chapter, applications for water service to secondary units will only be accepted that include an engineer's or architect's certification that the total water demand for the secondary unit and the primary dwelling unit will not exceed 0.8 AFY. Applications for secondary units will be allocated will-serve letters under Section 3.05.040 (A)(3), above.  
(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.110 Limitations on allocations.

A. Only one request for an intent-to-serve letter will be considered for anyone project or parcel. The district will not allocate more than twenty percent of the allocations referenced in Section 3.05.040 (A)(1)(2) or (3) to a project during any one allocation year.



B. A maximum of fifty percent of the annual water allocation for each successive allocation year may be reserved for projects requiring phasing of water commitments.

C. Water not allocated during a water year shall not be transferred to the succeeding water year.

D. Commencing with allocation year 2009/2010, the District may, during the 4th quarter adjust the 20% limitation referenced subparagraph A upon a finding that there is an unused allocation in a designated category. The priorities for distributing the adjusted allotment are as follows:

1. Projects on the waiting list,
2. Projects with existing phased Intent-To-Serve letters,
3. New Projects.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.120 Waiting list.

A. The general manager shall maintain a waiting list for the issuance of intent-to-serve letters.

B. Only applicants who have submitted a completed intent-to-serve/will-serve application shall be placed on the waiting list and/or considered for approval.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.130 Transfer of allocations.

Allocations provided in the district's intent-to-serve letter shall run with the land and cannot be transferred to other parcels.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

#### 3.05.140 Implementing procedures.

The general manager is hereby authorized to develop and implement procedures for allocating intent-to-serve letters and will-serve letters consistent with this Chapter and its purposes and intent.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.150 Annexations.

Water demand for annexations shall be charged against the total allocation referenced in Section 3.05.040 at the date the district approves the annexation agreement.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.160 Annual review.

A. During the fourth quarter of each allocation year, the district board of directors shall hold a public hearing to:

1. Evaluate the water allocation formulas contained in this Chapter; and
2. To evaluate the water allotment for ensuing year.

B. The board of directors reserves the right, at any time, to evaluate, amend or modify this Chapter.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

3.05.170 Reevaluation.

The district board of directors will reevaluate Chapter 3.05 concurrently with any final agreement that obligates the parties for the delivery of supplemental water.

(Ord. No. 2007-106, § 2(Exh. A), 6-13-2007)

## MEMORANDUM

Date: April 15, 2009  
To: Bruce Buel  
From: Kari Wagner, P.E.  
Subject: DRAFT NCSD Assessment District Research

The Nipomo Community Services District (District) is currently in the process of designing an inter-tie water main between the City of Santa Maria and the District to bring a supplemental water supply for existing and future water demands. This project is estimated to cost the District \$21 million dollars. Wallace Group prepared a Preliminary Assessment Report discussing the formation of the assessment District in November 2008. The Board authorized staff to proceed with the formation of an Assessment District as the method of payment for the project.

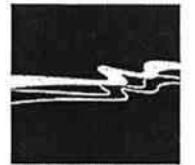
As Wallace Group prepared the Preliminary Assessment Report, the database that was used to estimate the benefit units was determined to be unreliable. The information received was from the County's Assessor's database, which has errors in the information that is inputted. At the time of the Preliminary Assessment Report, Wallace Group made some assumptions in order to provide preliminary estimates on a per unit basis for the assessment district.

Following the completion of the Preliminary Assessment Report, Wallace Group discussed the database with District staff and it was recommended to review the entire database to confirm two things: 1) The accuracy of the information inputted. 2) Determine the development potential for each parcel. It was recommended to complete this task prior to the preparation of the engineer's report to allow adequate time for the research.

The District authorized Wallace Group to proceed with the review of the database on January 28, 2009. Wallace Group has been diligently working on reviewing over 5,000 parcels for the past 6 weeks and analyzing the data against water consumption. The following are the assumptions that were made, the references that were used, and various other information that was used to assist us with developing the database. Finally, an analysis was completed on the existing development against water consumption to determine a correlation between water use and parcel size.

### DATABASE ANALYSIS

Below describes the means and methods Wallace Group took to determine the existing uses and the development potential for every parcel within the District.



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### Reference Sources

1. SLO County Land Use Ordinance Title 22
2. South County Planning Area Standards Chapter 22.112
3. Black Lake Specific Plan
4. County Tax Assessor's database
5. County GIS parcel aerial database and Tidemark permit tracking system
6. Google Earth aerial information

### Notes on the Data Evaluation

1. Assessor's land use descriptions were not necessarily reliable. If the descriptions were backed by other information, we accepted it.
2. Assessor's parcels are not necessarily legal parcels – some legal lots contain several Assessor's parcels with different tax bases due to use.
3. Land Uses listed as "allowed" include those allowed with a conditional use permit.
4. Secondary units in a SF zone are on the same meter and subordinate to the primary residence, while in MF zoning, multiple detached units are each on their own meter and are each considered a "primary" unit.
5. Although nearly all RSF lots over 6,000 sf in size are potentially allowed a secondary unit, in reality the configuration of existing development may preclude the ability to construct one without demolition.
6. Although most RSF lots over 12,000 sf in size are potentially allowed by ordinance to subdivide, the configuration of the parcel shape, regardless of existing development, may preclude that ability due to frontage requirements. Where these lots are already developed, many could only be subdivided with demolition of the existing unit.
7. Parcels with incorrect or retired Assessor's numbers were placed on a separate tab along with split-zoned parcels to be analyzed individually.

### Assumptions & Thresholds

1. All parcels within District boundary are, or will be, served by community water and wastewater (Sec. 22.22.080).
2. Residential Single-Family lots of less than 6,000 sf do not have Secondary Dwelling Unit capability (Sec. 22.10.130.B.2).
3. All RSF lots over 6,000 sf in size have potential for adding a Secondary Dwelling unit, unless on septic systems. If parcel is on a septic system, all RSF lots under two acres do not have Secondary Dwelling Unit capability.
4. Black Lake parcels do not have Secondary Unit potential, regardless of size, because REC zoning does not permit them (22.06.030 Table 2-2). We



assume that any attempt to increase density would require a Specific Plan Amendment.

5. Residential Multi-Family lots do not have potential for Secondary Dwelling units, regardless of parcel size (22.10.130).
6. Residential Multi-Family lots may have two (or more) units if over 6,000 sf; where if less than 6,000 sf only one unit is allowed (22.10.110.C).
7. Specific density standards for RMF and certain RSF lots were evaluated per South County Area Plan Section 22.112.080.
8. Minimum lot size for an existing, legally created lot to establish a SF residence is 1,750 sf (22.10.110.C).
9. Minimum newly created lot size in AG zoning is 20 acres (22.22.040).
10. Minimum newly created lot size in RR zone is 5 acres (22.22.050).
11. Minimum newly created lot size in RS is 1 acre (22.22.060).
12. Minimum newly created lot size in RSF is 6,000 sf (22.22.070), except where density is dictated by the Area Plan standards
13. Development potential for parcels with split zoning will be evaluated per Section 22.02.020.D, and/or in consult with County staff
14. If parcel is on septic, the minimum lot size is 1 acre.

#### **Verification Method**

##### Assessor's Information Accepted (AI)

1. Parcels described as "vacant", with no assessed improvement value, and no address, were accepted as vacant.
2. Parcels in RSF, RS, and RR zones, assessed for improvement value, less than 6,000 square feet in size, and not described by the Assessor as having more than one unit, were assumed to have one residential unit as a maximum.
3. Parcels in RSF, RS, and RR zones, assessed for improvement value, more than 6,000 sf in size but less than twice minimum lot size, and not described as having more than one unit, were assumed to have one residential unit, with potential for a secondary unit, and no potential for further subdivision, unless the parcel is on a septic system. If parcel is on a septic system, parcels under 2 acres do not have the potential for a secondary unit. In addition, parcels on septic systems can not be subdivided to less than 1 acre.
4. Residential parcels in single-family zoning described as "Duplex", "SFR w/2<sup>nd</sup> Living", "SFR w/Sec" etc. were assumed to have legally permitted secondary dwelling units, and were evaluated for further development potential on that basis.



5. We assumed that parcels in zones other than OS that are designated as open space by the assessor (and assessed as such) have a deed restriction limiting any development.

#### Online Data Verification (OD)

1. Where the Assessor Land Use description was unclear (ie, "Government", Residual Land Segment", Misc Imps"), we reviewed the parcel online using County GIS aerial, permit tracking system, and/or Google Earth to verify use and development status.
2. All CR and CS parcels were checked online against aeriels and the County's permit tracking system.
3. Because residential MF density on CR-zoned lots is determined by Conditional Use Permit, the density is discretionary. Secondary units are not allowed on CR-zoned lots.
4. Well parcels located within residential lots, smaller than 1,500 sf in size, are assumed to have no development potential. Most are probably not separate legal lots and were created to assess a well site that may or may not still contain a functioning well.

#### Field Check (FC):

Field checking was used to verify construction or demolition on parcels where the data suggested that a building permit was in effect, but the aerial did not show it (or vice versa). In some cases, the field review did not clarify the uses on site because it was not possible to tell the use of some structures from the public right-of-way.

#### **County Land Uses**

- AG (Agriculture); 3 parcels
- CR (Commercial Retail); 126 parcels
- CS (Commercial Services); 26 parcels
- OP (Office Professional); 34 parcels
- OS (Open Space); 2 parcels
- PF (Public Facilities); 9 parcels
- REC (Recreation); 605 parcels
- RL (Rural Lands); 2 parcels
- RMF (Residential Multi-Family); 526 parcels
- RR (Residential Rural); 277 parcels
- RS (Residential Suburban); 835 parcels



RSF (Residential Single-Family); 2044 parcels

There are also parcels in several land use categories with split zoning that are grouped separately. These were addressed individually per County requirements.



## ENGINEERING ANALYSIS

Wallace Group requested the water use records from the District for the past two years to assist in the benefit unit analysis. This information was linked to the database and sorted based on existing development. The analysis was completed on developed parcels since vacant parcels do not have water use.

There were some anomalies and assumptions in the data that required the data to be either set aside and not used or slightly altered. These anomalies or assumptions that were made are as follows:

- Not all records were provided to Wallace Group. Since water records are tied to an account number, the account number changes if residents change. Therefore, if the account number changed within the past two years, this information was not provided to Wallace Group
- Some records were provided to Wallace Group that still did not contain two full years of data. Any records that did not have two full years of water data were not included in the analysis.
- Some water records were altered slightly to adjust water usage that did not appear to be correct. Example, typical bi-monthly water usage of 120 units. One of the month's readings was 1,137 units. This is most likely a data entry error and was altered to a typical bi-monthly reading.

Once all the viable parcels were either altered or non-viable parcels were removed from the selection, Wallace Group separated the database according to the following categories:

- Residential Single Family (RSF) – All parcels that had one RSF home, regardless of lot size or zoning.
- Residential Single Family – 2 (RSF-2) – All parcels that have two RSF units on a parcel, regardless of lot size or zoning. These second units are either granny units or two RSF houses. These parcels were identified to have permitted second units. Those parcels that may have a granny unit or second dwelling unit on the parcel that is not permitted is not accounted for.
- Residential Single Family >2 (RSF>2) – All parcels that have more than two RSF units on the same parcel. This includes triplex units. This does not include identified residential multi-family parcels such as apartments or condominiums.
- Residential Multi-Family (RMF) – All identified residential multi-family parcels such as apartments and condominiums. These are individual units that typically do not have any land attributed to the parcel. They typically have a central common area for several units, which has its own parcel number.
- Commercial (Com) – All non-residential parcels providing services to the community. This includes office and professional, retail services, industrial, etc.



- Other – There are other parcels, such as public facilities, schools, parks, churches, open space, etc. These parcels will ultimately need to be assessed on a case by case basis and therefore, were not analyzed at this time. Once a method of assessment is identified, these parcels will be re-evaluated to determine their proper assessment.

### Water Use Analysis Results

Over 2,700 RSF parcels were evaluated ranging in size from 0.10 acres to 18.20 acres. When the water usage for all viable parcels is plotted against parcel size, the amount of water used by any one parcel of the same size was vastly different. For example: A parcel of 0.10 acres used between 23 gpd on the low end and 1,080 gpd on the high end. The delta between high and low got even greater for larger parcels. For the 1.00 acre parcels, on the low end, parcels used only 25 gpd. On the other hand, there were parcels that used up to almost 3,800 gpd. Exhibit 1 depicts the water usage for all viable RSF parcels against the parcel size. For clarity, Exhibit 1 only shows parcels up to 10 acres. There are few parcels greater than 10 acres and these parcels all used less water than any 10 acre parcels. This analysis does not provide any concrete method for assessment, except that it can be determined that the larger parcels have the "potential" for significantly more water use.

The next step in the analysis used the law of averages to determine how much water RSF parcels of the same size were using. The parcel sizes were rounded to the nearest 0.10 of an acre and grouped together. The water use was averaged for both 2007 and 2008 and plotted on Exhibit 2. The parcels were graphed for every 0.10 acre up to 1.0 acre. Parcels between 1.10 and 2.00 acres were grouped together and parcels greater than 2.00 acres were grouped together. This grouping method gave a large enough sample size that reduces the impacts from those few parcels that used small or large quantities of water and skewed the results.

This analysis provided interesting results. The average water use consistently increased as parcel size increased excluding those parcels greater than 1.0 acre. Parcels greater than 1.0 acre used approximately the same amount of water or less water than 1.0 acre parcels. The average consumption for 2007 and 2008 were similar for each grouping, except 0.70 acres. There was a difference of 110 gpm between 2007 water consumption and 2008 water consumption for 0.7 acre parcels.

Although the water usage continuously goes up, there are three obvious breaks in the water consumption.

- Group 1: Includes parcel sizes of 0.10, 0.20, and 0.30 acres. These parcels used between 370 and 480 gpd.
- Group 2: Includes parcel size of 0.40, 0.50, and 0.60 acres. These parcels used between 680 and 740 gpd.
- Group 3: Includes parcel sizes 0.7 acres and greater. These parcels used between 760 and 950 gpd.

Once this was established, Wallace Group then broke down the other remaining categories to see how their water usage compared to the RSF. Their water usage was again broken into the same 0.10 acre parcel groupings. The law of averages is more skewed for this analysis since the quantity of the parcels was not nearly as



high as they are for RSF. In some instances, there were only one or two parcels that fell into certain groupings. Exhibit 3 provides the analysis of the various categories versus parcel size for 2007 and 2008. Exhibit 4 provides the same information as Exhibit 3, except years 2007 and 2008 are averaged to simplify the exhibit.

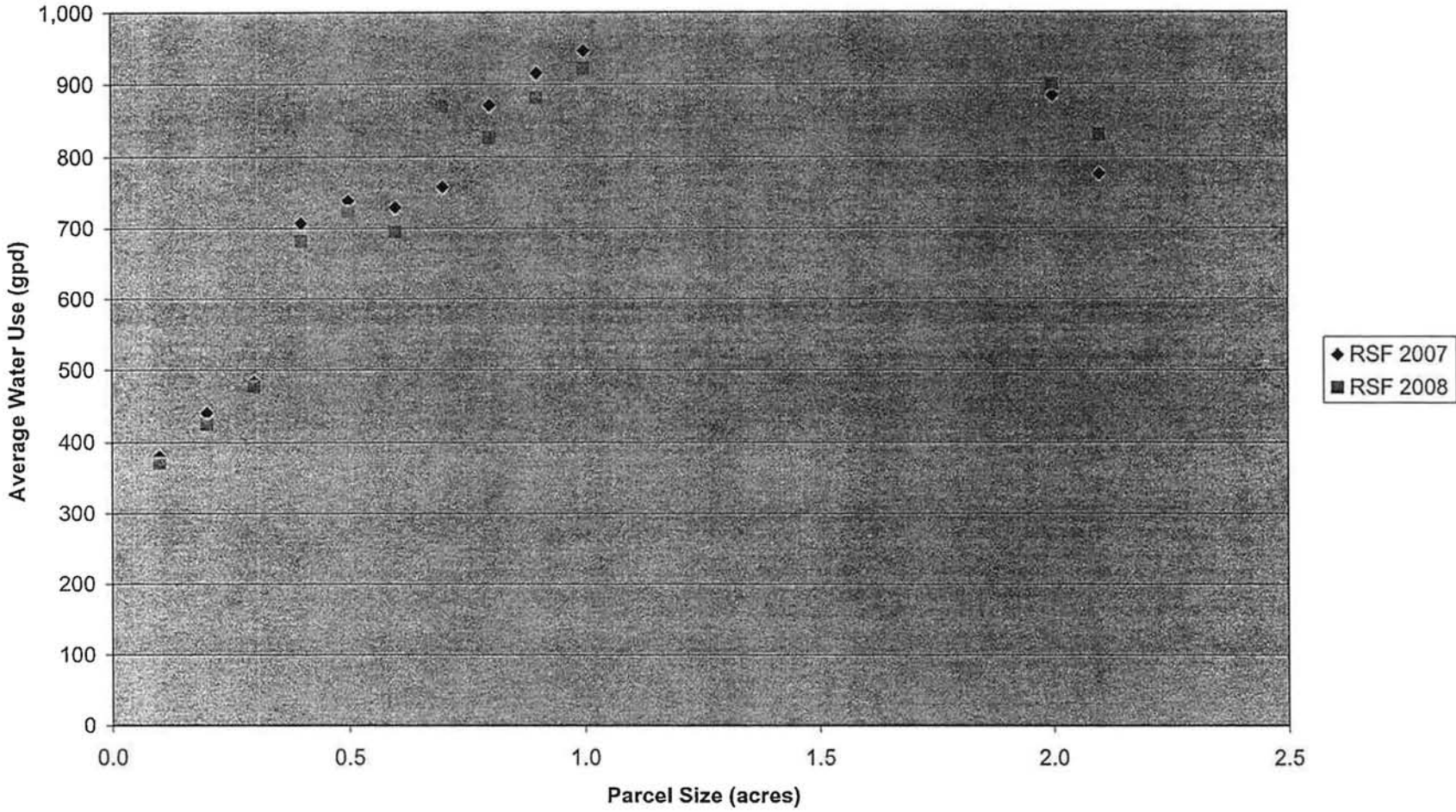
The following is an analysis for each category:

- **RSF-2:** There were only 32 parcels analyzed for this category. If parcel size was not considered, parcels with two RSF units used between 135 and 3,600 gpd. Again, this range is too great to extract any useful information from it. The largest groupings were for 0.20, 1.00, 1.10 to 2.00, and greater than 2.00 acre parcels. These groupings had five or more parcels that provided a better average water consumption. For parcels 0.2 and 1.10 to 2.00 acres, the water consumption for RSF and RSF-2 were identical. For parcels greater than 2.00 acres, the water consumption for RSF-2 was higher than RSF parcels. For 1.00 acre parcels, the water consumption for RSF-2 was significantly higher than the RSF parcels.
- **RSF>2:** There are only 14 parcels that are RSF with more than 2 parcels on the lot. Their water consumption ranged between 443 and 2,101 gpd. On the smaller lots (under 0.50 acre), the water use was higher than the RSF parcels. For parcels between 0.50 and 1.00 acres, the water use was the same or less than the RSF parcels. For parcels between 1.10 and 2.00 acres, the water consumption was higher. For parcels greater than 2.00 acres, the water consumption was approximately the same as RSF.
- **RMF:** The RMF lots are parcels that really don't have any land attributed to the parcel. Therefore, these parcels were compared to parcels with 0.10 acres. There were 206 RMF parcels analyzed. The RMF parcels used approximately 200 gpd. This is 170 gpd less than 0.10 acre RSF parcels.
- **Commercial:** There were 47 commercial parcels analyzed. Again, the water consumption was vastly different, 18 gpd versus 8,600 gpd. There was one anomaly with commercial that was dependent on use of the parcel. There are several fairly large commercial parcels that had storage uses and therefore, used little water as compared to other parcels of the same size. These uses should be considered as a separate condition than typical commercial uses since parcels with storage units will most likely not convert their use. For the most part, parcels 0.90 acre and below use approximately the same quantity of water as their corresponding RSF parcel size. Parcels 1.00 acre and parcels greater than 2.0 acres used significantly more water than their corresponding RSF parcels. Parcels between 1.10 and 2.00 acres used about the same as RSF parcels. However, if the parcels with storage units are taken out of the average, then the water consumption for commercial parcels becomes significantly higher than RSF parcels.

### **Basis of Assessment**

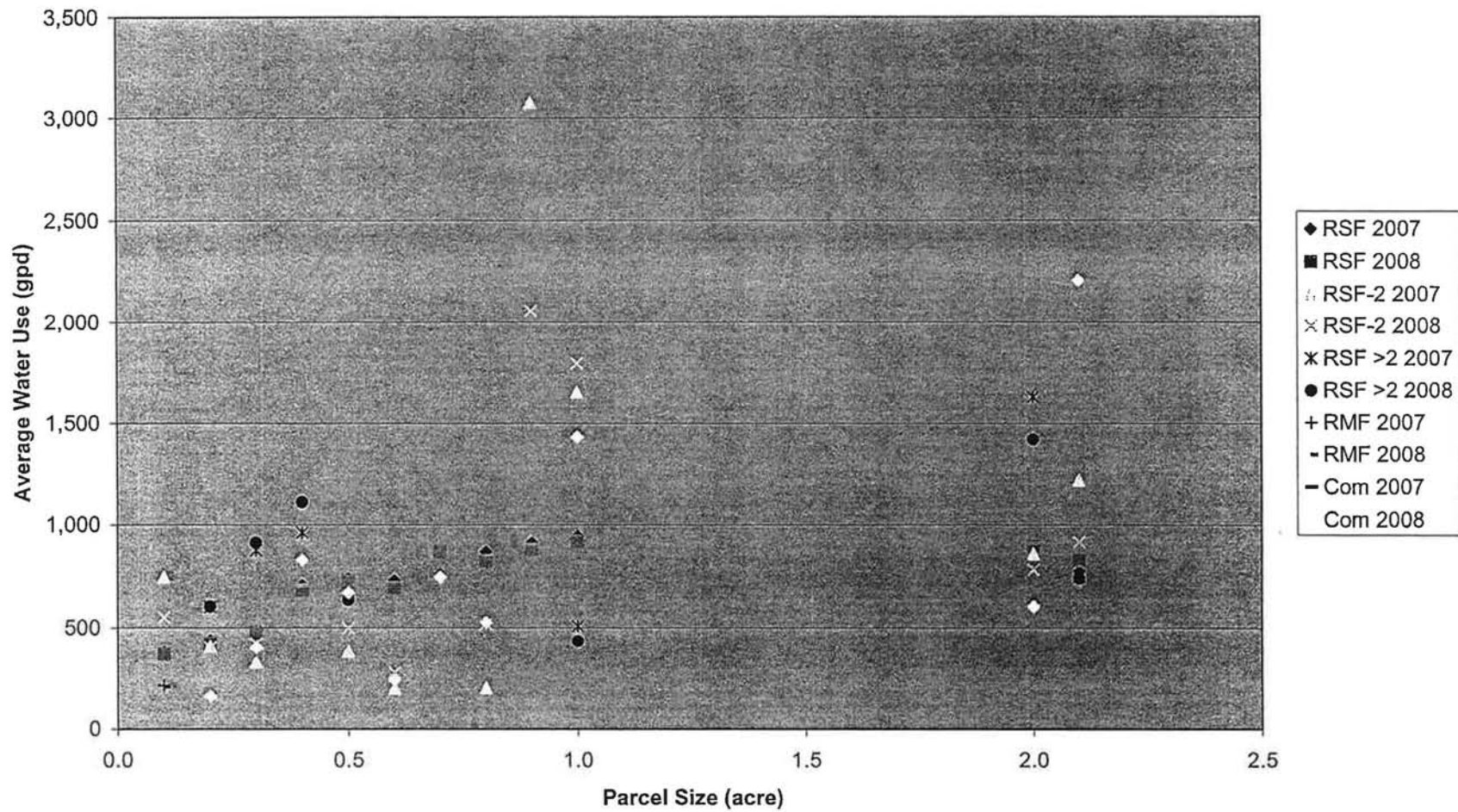
The data that is extracted from this analysis can be manipulated in many ways than were analyzed for this report at this time. Since the number of parcels in each category is not the same, the potential for discrepancies is higher. Again, not all parcels were included in the analysis and therefore, the entire District is not represented. With this knowledge, Table 1 provides a summary of recommendations for proceeding with the basis of assessment.

**Exhibit 2**  
**Average Water Use vs Parcel Size**  
**Residential Single Family Only**





**Exhibit 3**  
**Average Water Use vs Parcel Size**  
**2007 and 2008**



**Exhibit 4**  
**Average Water Use vs Parcel Size**  
**Average of 2007 and 2008**

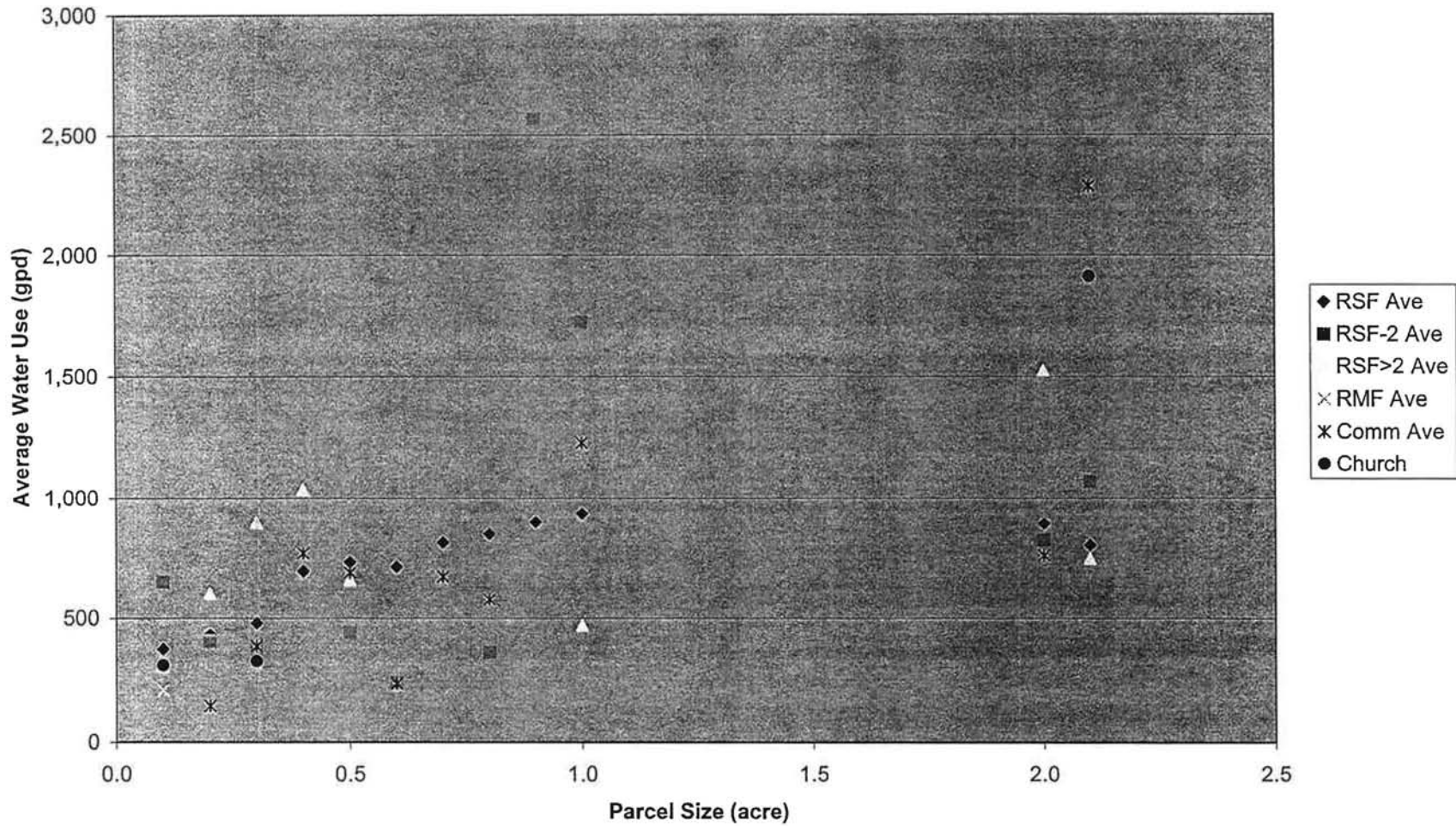
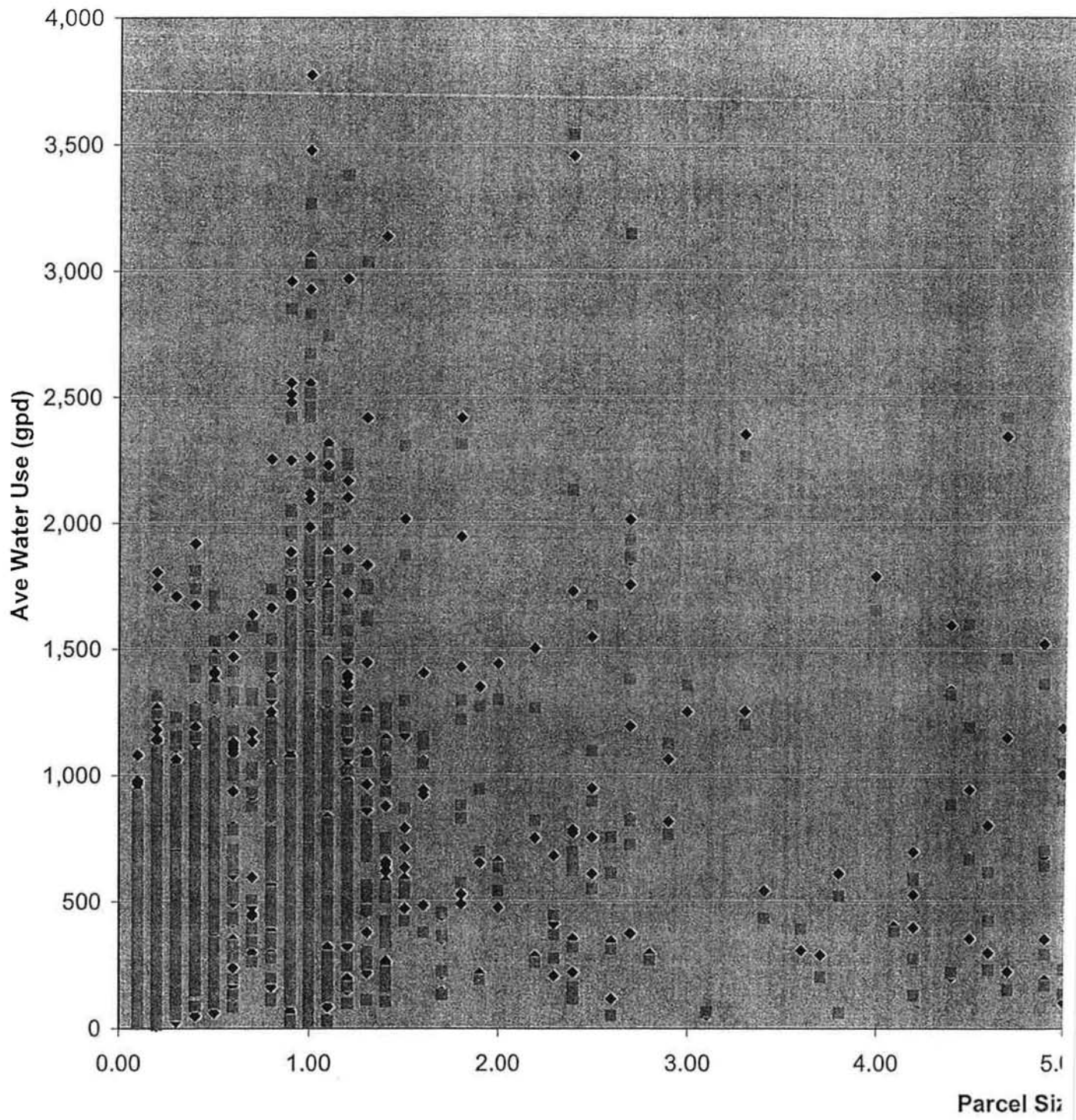




Table 1. Basis of Assessment

Group	Zoning	Description	Parcel Sizes Included	Recommendations
1	RSF	All residential parcels with one unit	0.10, 0.20, 0.30	Basis of Assessment, 1.0 Equivalent Benefit Unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 & Greater	2.00 benefit units
2	RSF-2	Second Unit	<1.0	0.00 benefit units
			1.0 & Greater	0.30 benefit unit for second unit
3	RSF>2	Greater than two units	All Parcel Sizes	0.30 benefit unit for each additional unit beyond two units
4	RMF	Multi-family units w/ no land (i.e. condos, apartments, mobile homes)	<0.1	0.70 benefit units per unit
5	Com	Commercial Services, Office Professional, Commercial Retail	0.10, 0.20, 0.30	1.0 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 1.99	3.00 benefit units
			2.00 & Greater	6.00 benefit units
Special Cases				
6	Mini Storage	Storage units with physical storage structures	All Parcel Sizes	0.50 benefit units
7	School	School	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	3.00 benefit units
			2.01 & Greater	3.00 benefit units plus 1.0 benefit unit for every acre above 2.0 acres
8	Church	Church	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	2.00 benefit units
			2.01 & Greater	2.00 benefit units plus 1.0 benefit unit for every acre above 2.0 acres
9	Recreational	Parks, Fields, etc	All Parcel Sizes	1.00 benefit units per acre
10	Government	Government (i.e. Fire Station, Police, etc)	0.10, 0.20, 0.30	1.00 benefit unit
			0.40, 0.50, 0.60	1.60 benefit units
			0.70 to 2.00	3.00 benefit units
			2.01 & Greater	3.00 benefit units plus 1.0 benefit unit for every acre above 2.0 acres
11	PF w/ No Irrig.	Public Facilities with no irrigation (i.e. wells, tanks, lift stations)	All Parcel Sizes	0.00 benefit units
12	PF w/ Irrig.	Public Facilities with irrigation	All Parcel Sizes	1.00 benefit units per acre
13	OS w/ No Irrig. Potential	Open Space w/ no potential for irrigation (i.e. medians, parking lots, etc)	All Parcel Sizes	0.00 benefit units
14	OS w/ Irrig.	Open Space w/ existing or potential for irrigation	All Parcel Sizes	1.00 benefit units per acre
15	WWTP	Wastewater Treatment Plant		1.00 benefit unit

Exhibit  
Residential S



1  
le Family

