

TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: OCTOBER 7, 2010

**AGENDA ITEM  
E-1**

**OCTOBER 13, 2010**

**HILLSIDE TERRACE APARTMENT PROJECT VARIANCE REQUEST**

**ITEM**

Consider Hillside Terrace Apartment Project Variance request submitted by Bill Kengel to waive the requirement for an irrigation meter [RECEIVE REPORT AND PROVIDE DIRECTION TO STAFF].

**BACKGROUND**

A request has been received from Bill Kengel, developer of the Hillside Terrace Apartment Project, located on Blume Street between Hill Street and Flint Street, APN 092-577-002, to waive the District's requirement for an irrigation meter per Code Section 3.04.030 and payment of the irrigation meter fee per District Code Section 3.04.050. Section 3.04.030 provides that except for single-family residences, a separate service connection with backflow protection shall be provided to each parcel for landscape irrigation and a separate landscape meter connection fee shall be paid.

Your Honorable Board approved the issuance of an Intent-To-Serve letter for this project in September 2009, for an initial term of two years. The project involves the construction of 20 apartment units on a 2 acre parcel.

As indicated in the applicant's letter, the parcel will be landscaped with native plants that will require a limited amount of irrigation water during a 2 year establishment period and no irrigation water once the plants are established. The County of San Luis Obispo Planning Department has approved the landscape plan as indicated by the attached letter dated September 14, 2010.

Attached is a copy of District Code Section 1.04.030, Appeals. Based on staff's review of this code section, it is not clear that the District's requirement for an irrigation meter could create practical difficulties or unnecessary hardship per District Code Section 1.04.030.B.1 and it appears that the fee for the irrigation meter is not subject to appeal per District Code Section 1.04.030.B.3. The Board could consider directing staff to develop revised code language to address the landscape irrigation meter requirement when a project applicant proposes to use water efficient landscaping.

If your Honorable Board denies the application, the applicant will need to install an irrigation meter and pay the corresponding fees.

**FISCAL IMPACT**

Development of this staff report did use previously budgeted staff time and legal consulting cost. Should your Honorable Board approve the variance application, the District will not collect the current capacity charge for a 1 inch irrigation meter of \$17,352.

**RECOMMENDATION**

Staff recommends that your Honorable Board either direct staff to develop revised code language to address the landscape irrigation meter requirement when a project applicant proposes to use water efficient landscaping for subsequent Board consideration or deny the request.

**ATTACHMENTS**

- August 5, 2010 Variance Application Letter
- September 14, 2010 County Landscape Plan Approval Letter
- District Code Section 1.04.030
- District Code Section 3.04.030
- District Code Section 3.04.050

RECEIVED  
AUG 09 2010  
NIPOMO COMMUNITY  
SERVICES DISTRICT

WILLIAM G. KENGEL

P.O. Box 267  
Avila Beach, CA 93424  
805.929.6288 ph  
805.929.1047 fax

August 5, 2010

N.S.C.D.  
148 S. Wilson  
P.O. Box 326  
Nipomo, CA 93444  
Att: Don Spagnolo  
General Manager

Don,

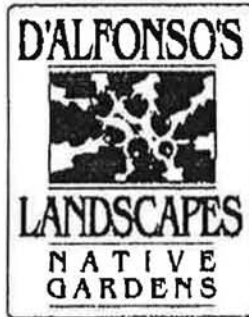
I wish to appeal the necessity of abiding by N.S.C.D. codes 3.04.030 (requirement for an irrigation meter) and 3.04.050 (payment of the irrigation meter fee). The grounds for appeal (with attached back up) are as follows:

- 1) The entire 2-acre, 20-unit Hillside Terrace Project, fronting on Hill St., (APN 092-577-002), will be landscaped with native vegetation indigenous to the local area. After a two-year "start-up" period, it will require no irrigation other than natural rainwater.
- 2) The start-up period will require only about 0.122 ac.ft. the first year and 0.076 ac.ft. the second year. Based on San Luis Obispo Public Works Departments' extensive and detailed apartment water use data, the above amounts are 6.96% and 4.33%, respectively, of the yearly "norm". This small amount of water could be sub-metered off the project's domestic meter or, if necessary, could be trucked in from outside the Nipomo Mesa "sub-basin" area.

Please refer to the included letter from Dante D'Alfonso of D'Alfonso's Native Gardens as back up for the above statements. He is under contract with me for design and installation of the native landscaping. He and the suppliers and associates he deals with are experts in this new approach to irrigation-free landscaping.



William G. Kengel



August 6, 2010

Mr. Don Spagnolo  
General Manager  
NCSD  
509 S. Frontage Rd.  
Nipomo, CA, 93444

RE: Hillside Terrace Project, Nipomo, CA

Dear Mr. Don Spagnolo,

My name is Dante D'Alfonso and I own D'Alfonso's Native Gardens, a landscape design and contracting firm for over twenty five years. We specialize in designing and implementing habitat restoration projects as well as native gardens as an alternative to traditional water consuming landscapes.

As you know water consumption in the landscape forum is changing. This is long overdue. We in the landscape industry and other professions related to the population growth of California have known that much of our state has an arid climate. Our low and unpredictable rainfall has always been a concern of mine as a conservationist and over time I have positioned myself as a designer contractor to do my part in conserving water.

During my transformation from a conventional ornamental landscape contractor, I have had to educate people to the fact that water is a precious commodity and that there are acceptable alternatives to thirsty landscapes using our indigenous plants as major components in the landscape. My relationship with Las Pilitas Nursery, a strictly native plant nursery, and their staff has been very successful in terms of providing esthetically pleasing gardens that are irrigated by nothing but rainwater after a short period of two years. It is just common sense when you think of it. Driving around the undeveloped parts of our county, most of the vegetation you see is not irrigated by human intervention. We select from native vegetation for the particular site. In other words, we look for plants that might have been growing there before human beings came along. Overwatering is literally the enemy of natives; they need to develop a root system that will sustain them under natural conditions. We irrigate depending on how much it rains and when it rains. This means that in the first two years we irrigate approximately once a month the first year (about 40,000 gallons or 0.122 acre ft., total, in case of Bill Kengel's project.) and once every two/three months (about 25,000 gallons or .076 ac. ft.) the second year. Winter rains will provide enough water for our established landscapes after that. A typical irrigation schedule for conventional ornamental landscaping is 3-5 watering cycles per week in the first year and 2-3 times a week after

881 Francis Avenue, San Luis Obispo, CA 93401

Phone: 805/544-6685

Fax: 805/546-9691

that, for the life of the landscape. Based on San Luis Obispo Public Works' very detailed and respected Apartment Water Use Data, the above figures represent 6.96% and 4.33% respectively, of the yearly "norm". You can plainly see the huge reduction in waste of our climate's precious resource just in the first two years. Ultimately, there is no waste at all and at no cost to the beauty of our society's perception of what a landscape should look like.

The landscape we are designing for Bill Kengel's Hillside Terrace project will be a perfect example of a native garden that will be self sufficient in two years. We will begin with a specifically engineered hydro seed mix composed of seeds native to the site without any invasive non native species. This and the native plant pallet to follow will require hand watering 1-2 times per month in the dry part of the first year and watering 6-8 times per year the second year. We don't want watering done in year three unless there is a severe drought, because the naturally occurring trees, shrubs and ground covers of our local area and conditions will not tolerate the water during the dry months. In fact, we prefer our clients don't have irrigation systems and certainly not automatically controlled ones! Over-watering native plant communities can kill them. A temporary start-up water system can simply be made up of trunk lines laid on the surface with hose bibs at 75 ft. intervals. Water is applied in large droplets to strike the plants' canopy in the same manner as rain would.

We are very pleased to be leading the way in this new and responsible kind of change. The long-term effects will be positive and water usage will finally be responsible in the landscape industry. Please feel free to call with any questions. I would like to commend people like Bill Kengel for embracing new approaches to landscaping.

Sincerely



Dante D'Alfonso  
D'Alfonso Native Gardens Landscaping, Inc.  
License #465767  
805-544-6685  
[www.gardenparklandscapes.com](http://www.gardenparklandscapes.com)

cc: Bill Kengel



SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

September 14, 2010

William G. Kengel  
PO Box 267  
Avila Beach, CA 93424

Subject: **DRC2008-00147 – Mesa Dunes Minor Use Permit Landscape Plan**

Dear Mr. Kengel:

Per Condition of Approval #3 of the above-referenced minor use permit for the construction of 20-unit multi-family rental apartment project, a revised landscaping plan shall be submitted at the time of application for construction permits. I have reviewed the landscaping plan you submitted dated August 5, 2010 from D'Alfonso's Landscapes and have determined that it meets the requirements of Condition #3 and the landscape standards of Title 22 (County Land Use Ordinance). Please keep in mind that the landscaping will need to be monitored for a minimum period of 3 years to ensure plantings remain healthy.

If you have any questions concerning the information in this letter, please contact me at (805) 788-2788.

Sincerely,

Brian Pedrotti, AICP  
Inland Planning and Permitting

RECEIVED  
SEP 15 2010  
NIPOMO COMMUNITY  
SERVICES DISTRICT

**1.04.030 - Appeals.**

A. **Applicability.** A property owner affected by a district requirement or regulation to construct water and/or sewer improvements as a condition to receiving district service may appeal to the district board of directors for a variance from the district requirement or regulation as provided herein.

B.

**When Permitted.**

1.

Variations may be granted only when, because of special circumstances applicable to the property including its size, shape, topography, location or surroundings, the strict application of the provisions referenced in subsection A of this section would create practical difficulties or unnecessary hardship.

2.

A variance shall not be granted for a parcel of property which authorizes a use or activity which is not expressly authorized or permissible by the provisions of the San Luis Obispo County Code or the district code.

3.

A variance shall not be granted to waive a district rate or charge that is directly related to district services.

C.

**Application.**

1.

Application for a variance shall be filed in writing with the district general manager by the owner, or his authorized agent, such as the owner's engineer or architect. Applications shall set forth and state fully the name and address of the person to receive notice of the hearing referenced in subsection E of this section, acknowledge receipt of these procedures, the reasons and grounds for the variance and shall contain such information as the general manager or his/her designee shall prescribe.

2.

Every application for a variance shall be accompanied by a drawing or a plot plan, in duplicate, drawn to scale and showing the lot, the proposed location of building or buildings, the location of district water mains and sewer mains, proposed water and sewer laterals to provide district services to the building or buildings, and such other information as may be necessary to provide for the intelligent consideration of the variance request.

D.

**Filing Fee.** Before accepting an application for a variance the general manager shall charge and collect a filing fee. Such fee shall be as established by resolution of the district board of directors.

E.

**Hearing.**

1.

Upon receipt of the application in proper form, the general manager shall place the item on the board of directors agenda for public hearing within a reasonable period of time.

2.

Notice of such hearing shall be given through the U.S. Mail with postage prepaid using the address identified in the application.

3.

The board of directors shall, on the date set, hold a public hearing upon the application for the variance.

F.

**Finding Required for Approval.** The board of directors may grant a variance based on information shown in the application and verified by staff report or upon further information brought forth during the course of the hearing, the board of directors must find that because of special circumstances applicable to the property including size, shape, topography, location or surroundings, the strict application of the provisions referenced in subsection A of this section:

1.

Could create practical difficulties or unnecessary hardship;

2.

That granting of said variance would not tend to defeat the purpose of the particular rule or regulation.

G.

**Grant or Denial.**

1.

From the facts presented with the application at the public hearing the board of directors may grant the requested variance in whole or in part and with or without conditions. If the findings referenced in subsection F of this section cannot be made, such application shall be denied.

2.

Every action or decision of the board of directors authorizing a variance shall be by resolution adopted by a majority of the directors setting forth the written findings of fact required by subsection F of this section.

3.

The general manager shall within ten days of the board of directors' decision, mail a notice of the district's decision to the person designated in the application and any other person who has requested notice.

H.

Conditions.

1.

The board of directors In approving a variance, may set forth in its decision conditions which it deems necessary. The board of directors may also require such security and guarantees as the board may deem necessary to insure that such terms and conditions are being or will be complied with.

2.

Every variance granted by the board of directors shall contain as a condition thereof the following:

The variance allowed is hereby conditioned upon the privileges granted herein being utilized within one hundred eighty (180) days after the effective date hereof, and should the privilege authorized hereby fail to be executed or utilized or where some form of construction work is involved, such construction has not actually commenced within such one hundred eighty (180) days, and is not diligently prosecuted to completion, the authority shall become null and void and any privilege or variance granted hereby shall lapse.

The Board of Directors may in its discretion and upon the written request of the applicant, for good cause, grant a reasonable extension of time in addition to the one hundred eighty (180) days herein provided. Such requests for extension shall be made to the General Manager and within twenty (20) days prior to the expiration of the one hundred eighty (180) day period.

*(Ord. 02-92 § 2, 2002)*



**| 3.04.030 - Landscape irrigation connections.**

Except for connection to a single-family residence, a separate service connection with backflow prevention device shall be provided to each parcel of property for landscape irrigation. A separate landscape connection fee shall be computed pursuant to Section 3.04.050, and paid.

*(Ord. 98-87 § 9, 1998)*

**| 3.04.050 - Connection fees.**

A.  
New connections shall be subject to water connection fee/capacity charges based on the estimated reasonable cost of the district facilities to provide the service. These fees shall consist of the following component parts: capacity charges (including a supplemental water charge), meter fee, account set-up fee, and reimbursement charge, if applicable. These fees are established in Appendix A to this chapter.

B.  
Reimbursement Charges.

1.  
When a new service is connected to a district installed water line, the applicant shall be charged a front footage fee of twenty-one dollars per foot to each parcel fronting the improvements or one-half this amount when district service can be provided on both sides of the water line. Where the frontage has been subdivided, rear and front parcels are to share on a per parcel basis the frontage of the subdivision creating the parcels.

2.  
When a new service is connected to a developer-installed water line pursuant to Title 5, the applicant shall pay a supplemental charge pursuant to that reimbursement agreement.

C.  
The meter fee and account set-up fee shall be established and amended by resolution of the board of directors with reference to this code section.

*(Ord. 2005-101 §§ 5, 6, 2005; Ord. 2003-95 § 7, 2003; Ord. 98-87 § 11, 1998)*

*(Ord. No. 2005-105, § 4, 10-26-2005)*

TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: OCTOBER 7, 2010

## AGENDA ITEM E-2

OCTOBER 13, 2010

### DAVIS OUTSIDE USER REQUEST FOR WATER SERVICE

#### ITEM

Consider Davis Outside User Request for Water Service for APN 091-131-049, 1074 Hetrick Road [PROVIDE DIRECTION TO STAFF].

#### BACKGROUND

The District received a request from Jim and Shelley Davis, dated August 2, 2010, to connect their property at 1074 Hetrick Road, APN 091-131-049, to the District's Water System. As stated in the letter, their well has not been operational for the last year and they have been trucking in water. A copy of the letter is attached. The subject property is located within the District's sphere of influence but outside of the current District boundary as indicated on the attached map.

Staff provided a response, dated August 26, 2010, to initial request that outlined the District's current policies for providing water to properties located outside of the current District boundary and briefly described the process as well as the potential costs of developing an Outside User Agreement. In response to the District's letter, Mr. Davis indicated that he is interested in developing an Outside User Agreement in order to connect to the District's system.

Based on current District policy, the property owner is responsible for all District costs related to processing the request. If the District Board approves an Outside User Agreement, the agreement will subsequently also have to be approved by the Local Agency Formation Commission (LAFCO). The property owner will also be responsible for all LAFCO costs related processing the request.

If the Outside User Agreement is approved by both the District and LAFCO, the property owner will be responsible for the current District connection costs including the \$13,000 Summit Station Assessment District In Lieu Fee, Water Capacity Charge of \$3192, Supplemental Water Capacity Charge of \$14,160, meter fee of \$275 and the District's current account fee of \$10. These costs are based on a 1 inch meter and are subject to change based on Board action. In addition, the property owner will need to have a licensed contractor install a water service in accordance with District standards between the District's water line in Hetrick Road and the western right-of-way line of Hetrick Road.

Attached is a copy of Code Section 3.16 titled "WATER SERVICE OUTSIDE DISTRICT". The District Board does have discretion to make findings in cases of hardship to provide water service via an Outside User Agreement. In addition, it is important to note that the District has not allocated water for any projects in Water Year 2010-2011 in accordance with the District's Water Allocation Policy. The entire allocation of 34.3 AF is available. Should the Board direct staff to prepare an Outside User Agreement, as part of the due diligence process, staff will confirm the existence of hardship conditions.

**FISCAL IMPACT**

The preparation of this staff report involved the use of budgeted staff time. Should the Board authorize the development of an Outside User Agreement, the property owner will be required to sign a reimbursement agreement and provide a deposit to pay for all legal, engineering and administrative costs to confirm the hardship conditions and develop the agreement.

**RECOMMENDATION**

Staff recommends that the Board consider the outside user water service request, accept public comment on the request and provide direction to staff on whether or not to proceed with processing the application, including verification of hardship, authorization to enter into a Reimbursement Agreement and the drafting of an Outside User Agreement for consideration at a future Board meeting.

**ATTACHMENTS**

- Water Service Request Letter dated August 2, 2010
- Location Map for 1074 Hetrick Road
- District Response to Request for Service date August 26, 2010
- Request for Outside User Agreement dated September 9, 2010
- District Code Section 3.16

August 2, 2010

Jim Davis  
1074 Hetrick Road  
Arroyo Grande, CA 93420  
(805) 704-7433 (cell)  
(805) 547-2318 (work)

Don Spagnolo,  
Nipomo Community Services District  
148 South Wilson Street  
Nipomo, CA 93444

Dear Don,

We have been without a water supply for a year. Our well has always been a low volume producer (about 1.25 gpm). Last August (2009) our holding tank went dry. We pulled the pump and set the new one, but the new pump did not pump any water either. We have had the well company out to check this again recently (hoping the last seasons rains would have changed the situation) and they are sure that the well is dry. It's unlikely that we can get water lower since we are already down 400'. Our neighbors have similar wells but are still producing a small amount of water. The last few years we have replaced the pump several times with diminishing water capacity (less than 1gpm). We could try to drill another well, but the prospect of finding water at our location on the Mesa is very remote. We have been buying delivered water, and besides the expense and inconvenience of this we will also have to compensate our neighbor for damage caused by the heavy trucks to our shared driveway.

Please consider adding our property to the service district so that we can get city water. There currently exists a three bedroom two bath single family dwelling (1800 sq.ft.) and a detached unfinished two story garage / barn. I can provide you with our parcel number if that's necessary. As you probably know the water line already runs across our driveway and to homes on the other side of us.

Thanks for your time and consideration in this matter. Please don't hesitate to call me with anything more I can do to assist you in your decision.

Sincerely,



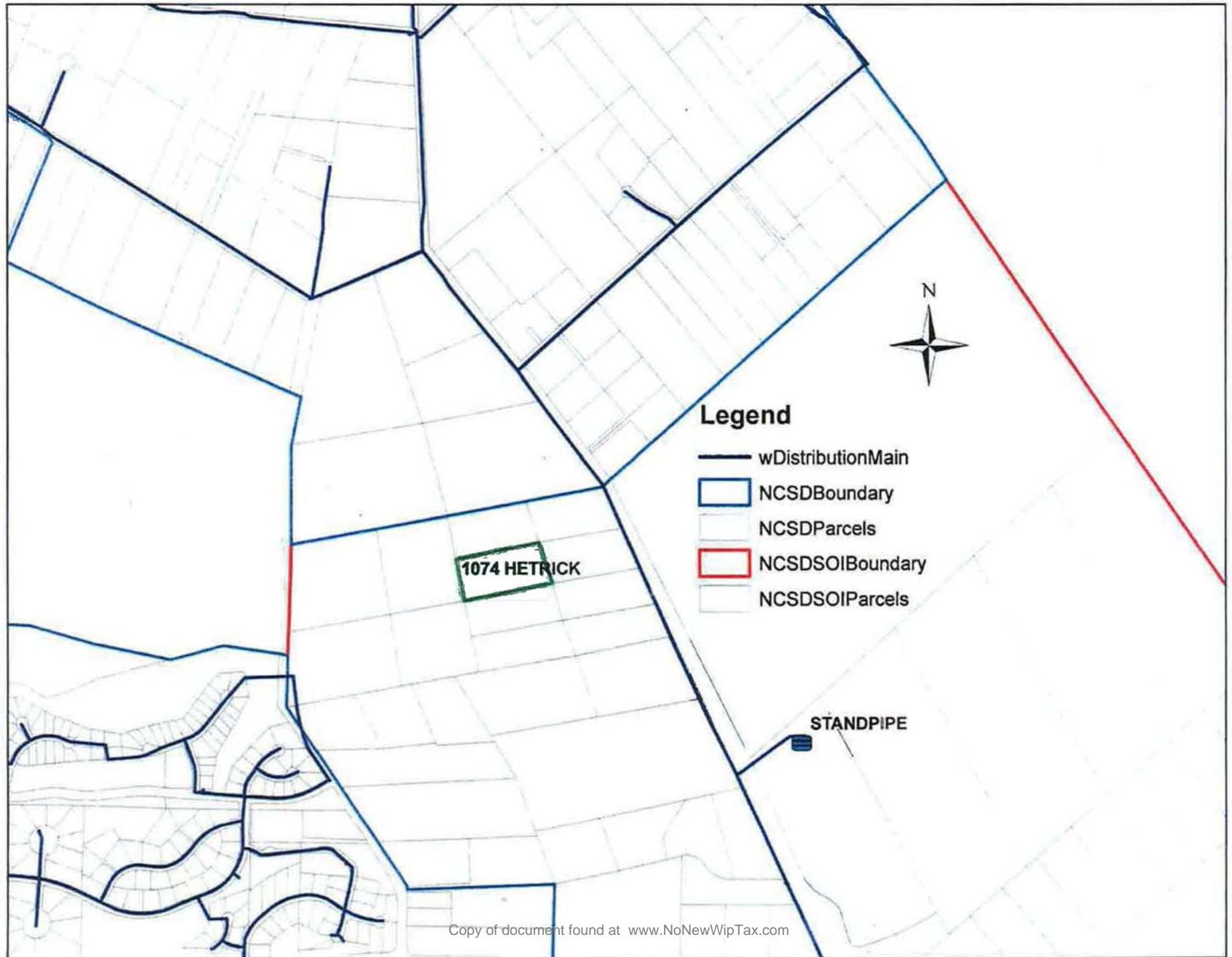
Jim Davis  
Shelley Davis

RECEIVED

AUG - 4 2010

NIPOMO COMMUNITY  
SERVICES DISTRICT

# NCSD WATER SYSTEM



# NIPOMO COMMUNITY

## BOARD MEMBERS

JAMES HARRISON, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
MICHAEL WINN, DIRECTOR  
ED EBY, DIRECTOR  
WILLIAM J. NELSON, DIRECTOR



# SERVICES DISTRICT

## STAFF

DON SPAGNOLO, P.E., GENERAL MANAGER  
LISA BOGNUDA, ASST. GEN. MGR./FINANCE DIR.  
JON SEITZ, GENERAL COUNSEL  
PETER SEVCIK, P.E., DISTRICT ENGINEER

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

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August 26, 2010

Jim and Shelley Davis  
1074 Hetrick Road  
Arroyo Grande, CA 93420

SUBJECT: REQUEST FOR WATER SERVICE - APN 091-131-049  
1074 HETRICK ROAD, ARROYO GRANDE, CA

Dear Mr. and Mrs. Davis:

Thank you for your letter inquiring about water service to your parcel. The parcel is not within the boundaries of the Nipomo Community Services District. Based on the current District policy, water service from the Nipomo Community Services District is not readily available to the parcel.

However, the District Board does have discretion to make findings in cases of hardship to provide water service via an Outside User Agreement. Based on current District policy, you would be responsible for all District costs related to processing your request through the District. If the District Board approved an Outside User Agreement, the agreement would subsequently also have to be approved by the Local Agency Formation Commission (LAFCO). You would also be responsible for all LAFCO costs related processing your request.

If the Outside User Agreement was approved by both the District and LAFCO, you would be responsible for the current District connection costs including the \$13,000 Summit Station Assessment District In Lieu Fee, the current Water Capacity Charge of \$3192, the current Supplemental Water Capacity Charge of \$14,160, the current meter fee of \$275 and the District's current account fee of \$10. These costs are based on a 1 inch meter and are subject to change based on Board action. In addition, you would need to have a licensed contractor install a water service in accordance with District standards between the District's water line in Hetrick Road and the western right-of-way line of Hetrick Road.

If you have any questions or need additional information, please contact Peter Sevcik, District Engineer, at 929-1133.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT

Don Spagnolo, P.E.  
General Manager

September 9, 2010

Jim Davis  
1074 Hetrick Road  
Arroyo Grande, CA 93420  
(805) 704-7433 (cell)  
(805) 547-2318 (work)

RECEIVED  
SEP 13 2010  
NIPOMO COMMUNITY  
SERVICES DISTRICT

Peter Sevcik,  
Nipomo Community Services District  
148 South Wilson Street  
Nipomo, CA 93444

Dear Peter,

We would like to proceed with the Outside User Agreement as necessary in order to receive District water. Thank you for your assistance in this matter.

Sincerely,



Jim Davis

**Nipomo Community Service District Code, California, Code of Ordinances >> Title 3 - WATER SERVICE SYSTEM >> Chapter 3.16 - WATER SERVICE OUTSIDE DISTRICT >>**

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**Chapter 3.16 - WATER SERVICE OUTSIDE DISTRICT**

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**Sections:**

3.16.010 - When allowed.

3.16.020 - Rates/Conditions.

**| 3.16.010 - When allowed.**

It is the general policy of the district that district water service is limited to parcels within the district boundaries. The district board of directors may authorize water service to parcels outside the district boundaries upon a finding that:

A.

There exists an extreme hardship and there is excess capacity within the district system to serve such parcel; or

B.

There is a benefit to the district or the community, such as the applicant providing the district with a water resource.

*(Ord. 98-87 22 (part), 1998; Ord. 16 2, 1973)*

**| 3.16.020 - Rates/Conditions.**

The water usage rates and conditions for district water services outside the district boundaries shall be determined by resolution of the board of directors.

*(Ord. 98-87 22 (part), 1998; Res. 163, 1980)*



TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: OCTOBER 8, 2010

## AGENDA ITEM E-3

OCTOBER 13, 2010

### RECOMMENDATION BY PERSONNEL COMMITTEE TO PREPARE A REQUEST FOR PROPOSAL TO REVIEW EMPLOYEE SALARY AND BENEFITS

#### ITEM

Consider recommendation by Personnel Committee to prepare a Request for Proposal to review employee salary and benefits [APPROVE COMMITTEE RECOMMENDATION]

#### BACKGROUND

On October 4, 2010, the Personnel Committee met and reviewed the District's regular employee and/or retiree benefits. The Personnel Committee agreed the focus of the review should be on medical benefits and retirement contributions for future employees hired by the District.

The NCSD Strategic Plan 2010 Update addresses employee salaries and benefits. Section 4.1 of the plan states as follows:

*Retain long-term employees and attract new employees by providing industry-wide competitive salary benefits. Although the District has a good track record in terms of keeping long-term employees, it is becoming very difficult to recruit new employees especially where certifications are required. To continue to retain existing employees and to be competitive in regards to new recruitments, the district will need to offer competitive salaries and benefits. The concern of the Board of Directors is that employees will be recognized for the level and scope of work described in their job description and that they are paid on a fair and competitive basis that allows the District to recruit and retain a high-quality staff. NCSD will update the Total Compensation Study every five years. (The District most recently conducted this study in 2006).*

The Personnel Committee unanimously agreed to recommend to the Board of Directors that Staff be given direction to prepare a Request for Proposal to update the Salary and Benefits Study a year in advance of the recommended date in the Strategic Plan 2010 Update.

#### FISCAL IMPACT

A budget amendment would be required to complete a study. The amount of the amendment will be determined based on the proposal selected to perform the study.

#### RECOMMENDATION

Staff recommends that Your Honorable Board accept the Personnel Committee's recommendation and direct Staff to meet with the Personnel Committee to develop a Scope of Work and Request for Proposal, and bring it back to the Board of Directors for approval.

#### ATTACHMENTS

None

TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: OCTOBER 15, 2010

## AGENDA ITEM E-4

OCTOBER 20, 2010

### CONSIDER RECOMMENDATION OF THE FINANCE COMMITTEE TO EXPEND SOLID WASTE FUNDS [APPROVE COMMITTEE RECOMMENDATION ]

#### ITEM

Consider recommendation of the finance committee to expend solid waste funds [APPROVE COMMITTEE RECOMMENDATION ]

#### BACKGROUND

NCSD holds a franchise agreement, with South Coast Sanitation (SCC) and Integrated Waste Management Agency (IWMA), for curbside collection of NCSD customers' solid waste and recycling. Over the years, funds have accumulated in the Solid Waste Franchise Fund. The NCSD Board of Directors requested a discussion of options for expending some of the accumulated funds.

This issue was presented and discussed at the 8/20/2010 Solid Waste Franchise Discussion Group, at which time the initial selection process began, and some options for expenditure were eliminated, and request for further information was requested for some options. Refer to the attached *Solid-Waste Franchise Fund Expenditure Options – Updated*, and *2010 – 2011 Expenditures*.

In response to question from both the Board and the Committee, please find attached a *Memorandum* from District Legal Counsel regarding us of solid waste revenues.

#### RECOMMENDATIONS

Staff recommends that your honorable Board accept the Finance Committee's recommendation and direct Staff to implement the proposed expenditures.

#### ATTACHMENTS

- *Solid-Waste Franchise Fund Expenditure Options – Updated.*
- *2010 – 2011 Expenditures. Table*
- *Memo, Jon Seitz, District Counsel*

Solid-Waste Franchise Fund Expenditure Options			\$656,685
Item#	Potential Projects	Estimated Cost	
1	Provide credits on customers' bills	Residential: \$75,148.33/month Commercial: \$26,590.40/month	\$0
2	Solid-waste and recycle bins cleaning service	See attached proposal.	\$0
3	Extra recycle bin(s) to customers: Indoor recycle bin w/ recycling brochure, recycling sticker, a household hazardous waste flyer and a letter from the NCS D inside each one.	\$8/bin = \$32,000 \$0.63/bin delivery = \$2500	\$0
4	Recycling outreach coordinator to work in Nipomo to help businesses and apartments implement or improve their recycling program.	Assuming up to 400 hours at \$35 per hour = \$14,000.	\$0
5	<b>Paying for large objects at Spring/Fall Clean-up events</b>	<b>Pay for the collection of large objects in the Spring/Fall Clean-Up Events.</b> There were 95 "extra charges" (large items to be picked up) in the Spring 2010 clean-up event. The total charges were \$1050, with an average charge of \$11.05 each. Per SCS, this is typical for Fall/Spring Clean-Up Events <b>RECOMMENDED</b> with modification of a total annual budget of \$2500, or \$1250 per each twice-yearly event.	<b>\$2500</b>
6	Extended HH waste collection facility expanded hours	Extending operation 2 hrs on Saturday (9-3): \$35/hr, \$75/day, \$3640/yr (\$35 is the hourly rate for the on-site staff person, 4-hour minimum. In addition might need to change the permit if we open during the week; cost for that is up to \$1000.	\$0
7	Additional advertising of HHW Facility	Direct mail: \$0.75 ea, \$3000 for NCS D customers, \$7500 for Mesa-wide mailing.	\$0
8	NCS D mailing, post cards: Clean-up days, Xmas tree pick-up.	Estimated to be \$1300/ mailing x 3 = \$1980/yr	\$0
9	Trash and Recycle containers at "Miller Park"	Estimated to be \$10,000/yr	\$0
10	<b>Nipomo Creek Day (County-Wide)</b>	Estimated to be \$600/yr <b>RECOMMENDED</b>	<b>\$600</b>

11	Nipomo Creek Clean-Up Day (NCSD separate event)		
12	Nipomo Mesa Chipping Event	2008: \$13,412* – 133,628 CuFt – 121.5 tons – 172 participants 2009: \$12,438*- 179,841 CuFt – 160 tons - 238 participants <b>RECOMMENDED</b> that this option be considered by the Board of Directors once the NCSD percentage of participants is known. ** Committee Recommendation: \$5000 - \$10,000/year	\$6000
13	Grant program at Nipomo High School for community clean-up	Estimated to be \$5000/yr	\$0
14	Installation of trash rack/bar screen at SWWTF.	\$600,320 (\$414,155 available based on 59% customer breakdown of WWT customers). *** <b>RECOMMENDED</b>	\$414,155
15	Installation of trash rack/bar screen at Blacklake WWTF.	\$90,000 (\$91,255 available, based on percentage customer breakdown of WWT customers) *** <b>RECOMMENDED</b>	\$90,000
16	Street sweeping	Exhibit B of Contract: "\$20/curb-mile actually swept;" NCSD Payment: \$1832/mo. <b>RECOMMENDED</b>	\$21,984
17	Reserves		\$48,000
<b>BALANCE AFTER RECOMMENDED EXPENDITURES</b>			<b>\$73,446</b>

\*Fire Safe Council (Invoiced Costs)

\*\*\*Charge for disposal depends on volume.

<b>** 2008 Chipping Event Summary</b>								
	#Participants	% of Total Participants	Cubic Feet	Cubic Yards	Tons	% of Total Ft <sup>3</sup> ,Yd <sup>3</sup> , Tons	Cost	Cost/ Participant
<b>TOTAL</b>	172	100%	133,628.5	4,949.2	121.5	100.0%	\$13,412*	\$78
<b>NCSD</b>	64	37%	44,902.5	1,663.1	40.8	33.6%	\$4,507*	\$70
<b>OTHER</b>	108	63%	86,621.0	3,208.2	78.7	64.8%	\$8,694*	\$80
<b>Estimate for NCSD 2009: (238 attendees) x (NCSD 37%) x (\$70 each)= \$6164</b>								

# 2010 – 2011 Expenditures

Current amount in Franchise Fee Fund:

\$656,865

## One-Time

Paying for pick-up of large objects \$2,500

Installation of trash rack/bar at Southland WWTF \$414,155

Total cost \$600,320

59% of sewer customers connected to Southland.

Installation of trash rack/bar at Blacklake Village WWTF \$90,000

Total Cost \$90,000

13% of sewer customers connected to Blacklake (\$91,255)

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Total \$506,655

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## On-going (\$89,000 est. yearly)

Pay for the collection of large objects \$2,500

Nipomo Creek Clean-Up Day \$600

Nipomo Mesa Chipping Event (\$5k to \$10k) \$10,000

Resume street sweeping throughout the District \$21,984

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Total \$35,216

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			<i>One-Time</i>		<i>On-Going</i>		
<b>2010-2011</b>	656,865	-	506,655	-	35,084	=	115,126

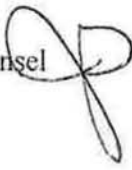
JON S SEITZ  
MICHAEL W SETIZ

SHIPSEY & SEITZ, INC.  
A LAW CORPORATION  
1066 PALM STREET  
POST OFFICE BOX 953  
SAN LUIS OBISPO, CALIFORNIA  
(805) 543-7272 FAX (805) 543-7281  
JON S SEITZ  
District Legal Counsel  
Nipomo Community Services District

JOHN L SEITZ  
(1924-1984)  
GERALD W SHIPSEY  
(RETIRED)

## MEMORANDUM

To: NCS D Board of Directors  
From: Jon S. Seitz, District Legal Counsel  
Date: September 13, 2010  
Subject: Use of Solid Waste Revenues



### ISSUE

Can the District use solid waste revenues to abate solid waste discharged into the sewer collection systems?

### SHORT ANSWER

The discharge of solid waste into the District's collection system is a violation of the District's Solid Waste Regulations and Sewer Regulations and constitutes a nuisance. The District Board has the discretion to use either solid waste or sewer revenues, or a combination of the same, to abate the nuisance. The District should only use solid waste revenues collected within the sewer zones (Town division/Blacklake division) in the abatement effort.

### ANALYSIS

Residents and commercial business within the Town Sewer Zone and Blacklake Sewer Zone discharge "solid waste and rubbish" (within the meaning of § 7.01.010 of the District Code) into the sewer collection systems. The solid waste generally consists of rags, plastics and personal care products. The discharge of solid waste, if unabated, adversely impacts wastewater treatment processes at the District's Southland and Blacklake Wastewater Treatment Plants as described below:

- Materials such as rags and other solid waste refuse can clog pumps resulting in influent pump station malfunctions or in the worst case, overflows. All overflows must be reported to the State and Regional Water Quality Control Boards and the District can be fined for these overflows.
- In addition, rags and other solid waste refuse can also clog aerators to the point that the motor overheats and stops running resulting in lower oxygen levels

in the treatment ponds. Lower oxygen levels lead to lower treatment efficiencies and can impact the ability to meet permit discharge water quality limits. The District can be fined for exceeding the permit water quality limits.

- Materials such as plastic and other refuse from personal care products can end up in the biosolids so the biosolids need to be disposed of at a landfill instead of being beneficially reused, for example, in compost.
- All of the operational issues noted above increase the District's operating costs, maintenance costs and equipment replacement costs. Operating and maintenance costs are increased due to emergency equipment repairs, overtime response to equipment failures and landfill disposal of biosolids. Equipment replacement costs are increased due to premature failure of equipment.

Pursuant to District Code §§ 7.04.010 and 7.04.030 the owner(s)/occupant(s) of property are responsible for the safe and sanitary storage of solid waste. Solid waste is to be disposed of by separating the solid waste by garbage, recyclables and green waste and disposed of through weekly curbside collection and not by use of the District's sewer collection system. See additionally District Code §§ 4.08.130 (D) and (E) which prohibit the discharge of solid waste into the District's sewer collection system.

The adverse impacts of solid waste at the treatment plants, including the potential to trigger violations of the District's Waste Discharge Permit, constitute a public nuisance within the meaning of California Civil Code which provides:

**§ 3480. Public nuisance** A public nuisance is one which affects at the same time an entire community or neighborhood, or any considerable number of persons, although the extent of the annoyance or damage inflicted upon an individual may be unequal.

Further, Section 7.28.030 provides in relevant part that "violation of District solid waste regulations shall be deemed a public nuisance and may be abated as such",...

The discharge of solid waste into the District's sewer collection system constitutes a violation of Title 7 (Solid Waste Regulations) and Title 4 (Sewer Regulations). Therefore, the District has the discretion to use either sewer system revenues or solid waste revenues or a combination of the same to abate (remove, store and dispose of) the solid waste discharged into the District's sewer collection systems.

To the extent the District elects to use the solid waste revenues in the abatement, then the solid waste revenues generated within the specific sewer zones should be used in the abatement process.

END OF MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: DON SPAGNOLO  
GENERAL MANAGER



DATE: OCTOBER 7, 2010

## AGENDA ITEM E-5

OCTOBER 13, 2010

### FORTH QUARTER REVIEW OF STRATEGIC PLAN

#### ITEM

Consider quarterly review of the Strategic Plan [RECEIVE REPORT AND PROVIDE DIRECTION TO STAFF]

#### BACKGROUND

The Strategic Plan is a top-level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational course of action.

The Strategic Plan was approved by the Board on April 14, 2010. The Board also approved quarterly reviews to assess the progress on each of the strategic elements. This will be the second quarterly review of the plan since it was approved. The plan includes seven strategic elements. Each element has numerous strategic goals with estimated completion dates. A table of the strategic elements and goals is attached. The plan also identifies actions, activities, and planning efforts that are currently underway and which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

Based on the estimated completion dates the District is meeting the timelines for addressing each goal. The major projects include the Waterline Intertie Project and the Southland Wastewater Treatment Facility Upgrade. The attach spreadsheet provides the status for each of the Strategic Plan elements.

#### FISCAL IMPACT

There is no fiscal impact.

#### RECOMMENDATION

Staff recommends the Board receive the report of the quarterly review of the strategic plan and provide direction to staff.

#### ATTACHMENT

Table 1 – The Strategic Plan “At A Glance”

t:\board matters\board meetings\board letter\2010\101013 forth quarter review of strategic plan (3).doc



STRATEGIC ELEMENTS	STRATEGIC GOALS	Estimated Completion Date (FY)	4 <sup>th</sup> Quarter Status
<b>1.0 WATER</b>	1.1 Protect, Enhance and Assess available Water Supplies	On-going	Working with the NMMA to continue studying the groundwater basin.
	1.2 Secure New supplies	FY11-15	The supplemental water project is underway with completion scheduled for the end of 2012
	1.3 Upgrade and maintain available storage and distribution works	FY10-15	Two of the four storage reservoirs at the Quad site have been recoated inside.
	1.4 Consistently reduce average demand per customer	On-going	Conservation material to be included in utility bills
	1.5 Comply with State and Fed. regulations	On-going	Performed water sampling and prepared quality report
<b>2.0 WASTEWATER</b>	2.1 Efficiently operate collection, treatment and disposal works	FY10-13	Completed sludge removal from process or treatment ponds to drying basins.
	2.2 Improve treatment works	FY12-13 On-going	Recently completed master plan amendment for Southland WWTF.
	2.3 Select disposal solution for Southland	FY12-13	Completed report for offsite disposal
	2.4 Provide for Disposal of Biosolids	FY12-13	
	2.5 Comply with State and Federal regulations and mandates	On-going	Completed all reporting requirements.
<b>3.0 PARTNERSHIP/REGULATORY RELATIONS</b>	3.1 Strengthen ties with neighboring agencies and technical groups	On-going	Conducted first meeting of the NCMA/NMMA sub-committee.
	3.2 Strengthen ties with County of SLO, APCD, County Environmental Health and WRAC	On-going	Attend meetings with County for the IRWM grant program.
	3.3 Work closely with RWQCB and State DPH	On-going	
	3.4 Develop deliberate legislative agenda	On-going	Conducting search for State lobbyist
	3.5 Participate in LAFCO, IWMA, CSDA, CSDA Chapter, AWWA and CWEF	On-going	Attend local CSDA chapter meetings.
<b>4.0 PERSONNEL/ORGANIZATION</b>	4.1 Retain and attract new employees	On-going	In the process of selecting a Preventive Maintenance Supervisor.
	4.2 Provide appropriate training and education for employees	On-going	Recent training for maintenance staff in traffic control
	4.3 Continue commitment to a safe workplace environment	On-going	Safety meetings are conducted regularly.
	4.4 Develop and maintain efficient disaster response capability	On-going	Developing a Disaster Response Plan for Board consideration at the end of October.

<b>5.0 ADMINISTRATIVE MANAGEMEN</b>	5.1 Maintain clear and functional policies and procedures	On-going	In the process of updating the Policy Manual.
	5.2 Complete conversion to electronic records	FY 11-12	
	5.3 Provide excellent customer service	On-going	
<b>6.0 FINANCES</b>			
	6.1 Operate all enterprise funds to be financially sound	On-going	Annual audit will be presented to the Finance Committee and then to the Board for consideration.
	6.2 Achieve targeted operating and non-operating reserves	On-going	Rate Study recently completed.
	6.3 Ensure that decisions consider short and long term fiscal impacts	On-going	
	6.4 Minimize commitment of discretionary resources to long-term projects	Ongoing	
	6.5 Protect reserves with sound investment policy and investments	On-going	Board to consider Third Quarter Investment Policy at the end of October.
	6.6 Review Other Post-Employment Benefits (OPEB)	FY 11-12	Board to consider recommendation by Personnel Committee to prepare RFP to review benefits.
<b>7.0 OTHER SERVICES</b>			
	7.A.1 Solid Waste - Promote recycling	On-going	
	7.A.2 Solid Waste - Provide additional solid waste services	On-going	Board to consider additional services from solid waste funds
	7.A.3 Solid Waste - Communicate with customers	On-going	Communication with customers through mailers and District newsletter.
	7.B.1 Street Lighting - Monitor maintenance of facilities	On-going	
	7.B.2 Street Lighting - Communicate with customers	On-going	
	7.C.1 Drainage - Monitor maintenance of facilities	On-going	
	7.C.2 Drainage - Communicate with customers	On-going	
	7.D.1 Parks - Develop Miller Park	FY13-14	Board to consider Committee recommendation to move forward with acquisition of the Park property during environmental remediation efforts .
	7.D.2 Parks - Communicate with constituents	On-going	
	7.D.3 Parks - Plan for parks and open space	On-going	
	7.E.1 Street Landscaping - Monitor landscape maintenance	On-going	Met with landscape contractor On September 2, 2010 to review Irrigation system.