

TO: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER

FROM: PETER SEVCIK *PS*
DISTRICT ENGINEER

DATE: MARCH 3, 2011

**AGENDA ITEM
E-1
MARCH 9, 2011**

AECOM SCOPE AMENDMENT # 4 FOR THE SOUTHLAND WWTF PHASE 1 IMPROVEMENT PROJECT

ITEM

Consider approval of Scope Amendment #4 with AECOM for engineering services in the amount of \$18,239 to develop design for additive bid alternate for increased on-site effluent disposal for the Southland WWTF Phase 1 Improvement Project [RECOMMEND APPROVAL].

BACKGROUND

The Board selected AECOM to provide final engineering design services for Phase 1 of the Southland Wastewater Treatment Facility (WWTF) Improvement Project. The project is based on the January 2009 Southland WWTF Master Plan and August 2010 Southland WWTF Master Plan Amendment #1. The project as currently envisioned involves maintaining the current capacity of 0.9 MGD and includes a influent lift station, influent screening system, grit removal system, Biolac® cell in Pond 1, a clarifier, gravity belt thickener, two concrete lined sludge drying beds, controls & blower building, and a non-potable plant water system. The Phase 1 project does not currently include any additional disposal facilities.

The Southland WWTF Master Plan includes the addition of 3 new infiltration basins that would potentially provide some additional disposal capacity as well as wet weather storage when the District develops off-site disposal capacity. Constructing the additional infiltration basins as part of the Phase 1 project would allow the District to spread out the effluent disposal area and potentially provide some additional disposal capacity before the District developed an off-site disposal option. Since the Phase 1 improvement project involves major earthwork at the plant site that will require extensive environmental monitoring and to take advantage of the current favorable bid climate, staff proposes to have AECOM design the 3 new infiltration basins as part of the Phase 1 design effort and bid the additional infiltration basins as an additive bid alternate.

AECOM has provided the attached Scope Amendment #4 that details all of the required work tasks and their associated costs. As set forth in the attached proposal, AECOM is willing to perform this work on a time-and-materials basis with a not-to-exceed expenditure limit of \$18,239.

There may be future amendments to the design agreement given the nature of the project and the time and materials basis of the design agreement. The design is still at a preliminary level, the EIR has not been completed, and the permitting process through the Regional Water Quality Control Board has yet to be initiated.

FISCAL IMPACT

As of February 28, 2011, AECOM has billed the District for \$468,639 for design services for the project. Execution of the proposed amendment would increase the not-to-exceed expenditure limit from \$1,160,718 to \$1,178,957. With the proposed amendment, the remaining contract amount to be billed will be \$710,318. The FY 10-11 Budget includes \$2,000,000 in Town Sewer

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Capacity Charges Fund (Fund #710) for the project. Thus, sufficient funding is available in the current fiscal year.

STRATEGIC PLAN

Strategic Plan Goal 2.2 – Upgrade and Maintain Collection and Treatment Works
Strategic Plan Goal 2.3 – Select Disposal Solution for Southland Effluent and Implement

RECOMMENDATION

Staff recommends that your Honorable Board authorize the General Manager to execute Amendment #4 to the existing Southland WWTF Phase 1 Improvement Project Final Design Agreement with AECOM in the amount of \$18,239.

ATTACHMENT

AECOM Budget Revision Request Dated March 2, 2011

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2011\110309 SOUTHLAND WWTF AECOM CONTRACT AMENDMENT.doc



AECOM
1194 Pacific Street
Suite 204
San Luis Obispo CA 93401
www.aecom.com

805 542 9840 tel
805 542 9990 fax

March 2, 2010

Mr. Michael LeBrun
Interim General Manager
Nipomo Community Services District
148 S. Wilson Avenue
Nipomo, CA 93444

Dear Mr. LeBrun

Scope Amendment 4 – Design of Additional Infiltration Basins for Bid Alternate

As described in the Hydrogeological Characterization for the Southland Wastewater Treatment Facility (Fugro West, Inc., July 2007), "a perched effluent mound has formed beneath the WWTF that is growing vertically at the rate of approximately one foot per year". Subsequent studies further evaluated the existing disposal capacity, the potential relationship of discharge with nearby Nipomo Creek, the potential for extraction from the mound, and other considerations. Fugro's supplemental groundwater analysis (memorandum dated June 30, 2008), estimated that the existing infiltration basins can percolate an average of 0.57 million gallons per day (MGD) without increasing the size of the perched mound.

Given that the current average day flow to the WWTF is approximately 0.56 MGD, the plant is approaching the apparent capacity beyond which will increase the height of the subsurface mound. The District is investigating additional effluent disposal and reuse opportunities for use in the future as flows to the facility increase. However, investigation, planning, design, and construction could take several years.

This scope amendment proposes design of additional onsite infiltration basins as an alternate bid item with the Phase 1 Facility Improvements contract. The property can accommodate approximately three additional infiltrations basins of a size comparable to the existing. This would allow the District to control where they infiltrate the water within the plant boundaries, but will not increase the total assimilative capacity for the site. Additional survey is needed to determine the exact location of the State Water Pipeline easement that runs through the property and a Preliminary Title Report is recommended to identify recorded property restrictions.

Task Group 1 – Survey and Mapping

AECOM's subconsultant, Garing, Taylor and Associates (GTA), will perform a boundary survey to locate the State Water Pipeline Easement. This work involves locating monuments on Highway 101, and requires a permit from CalTrans. GTA will also acquire a preliminary title report (PTR) to identify recorded property restrictions. Time has been included in the budget to map up to three (3) additional easements or right-of-ways identified through the PTR, assuming up to 4 hours per easement.

Task Group 2 – Construction Documents

AECOM will develop construction documents including plans, specifications, and an opinion of probable construction cost. A set of 60% plan sheets and specifications specific to the infiltration basins will be provided to supplement the existing design, along with the 60% opinion of construction cost to the District for review and comment. For budgeting purposes, it is assumed that 2 civil plan

AECOM

sheets will be provided with 1 cross-section through the basins. Subsequent revisions will be provided with the 95% and final submittals for the Phase 1 improvements.

Schedule

The following table summarizes the schedule for the work proposed herein. This schedule assumes three (3) weeks for review and comment from District staff and peer review team.

Task	Time from NTP
Survey scheduled	1 week
Base map developed	2 weeks
60% submittal	5 weeks

It is estimated that this additional work will delay the final design submittal by approximately 8 weeks. The schedule provided with the March status report assumes that this work is approved at the March 9, 2011 Board of Directors meeting.

Budget

See the attached spreadsheet for a breakdown of fees. AECOM will perform this work on a Time and Materials basis, with a budget not to exceed \$18,239 unless prior authorization is granted in writing by the District.

If you have questions or comments, please contact me to discuss. We look forward to working with you on this critical planning step, and completing the design of this important project.

Sincerely,



Michael K. Nunley, PE
Project Manager

Attachments:

Fee Summary

Project Budget

**Southland WWTF Improvements - Phase 1
Scope Amendment #4 - Infiltration Basins**

DRAFT

Nipomo Community Services District

Task Description	Personnel Hours					Budget					
	Principal	Senior Engineer II	Associate Engineer	Design CADD Operator	Administrative	Total Hours	Labor	Non-Labor Fee	Subconsultants	Total Non-Labor	Total
Task Group 1 - Survey and Mapping											
Boundary survey for SWP easement & PTR			4			4	\$ 500	\$ 40	\$ 7,337	\$ 7,377	\$ 7,877
Subtotal	-	-	4	-	-	4	\$ 500	\$ 40	\$ 7,337	\$ 7,377	\$ 7,877
Task Group 2 - Construction Documents											
60% Plans, Specifications, and Opinion of Cost	4	10	18	24	2	58	\$ 7,314	\$ 585		\$ 585	\$ 7,899
95% Plans, Specifications, and Opinion of Cost	1		6	4		11	\$ 1,370	\$ 110		\$ 110	\$ 1,480
Final Plans, Specifications, and Opinion of Cost	1		4	2		7	\$ 910	\$ 73		\$ 73	\$ 983
Subtotal	6	10	28	30	2	76	\$ 9,594	\$ 768	\$ -	\$ 768	\$ 10,362
Total	6	10	32	30	2	80	\$ 10,094	\$ 808	\$ 7,337	\$ 8,145	\$ 18,239

<u>Personnel Category</u>	<u>\$/HR</u>
Principal	\$200.00
Senior Engineer II	\$160.00
Associate Engineer	\$125.00
Design CADD Operator	\$105.00
Administrative	72



*Civil Engineering
Surveying
Project Development*

March 2, 2011

Ms. Eileen Shields, P.E.
AECOM
1194 Pacific Street, Suite 204
San Luis Obispo, Ca. 93401

Re: Nipomo Southland WWTF - Proposal for Additional Survey Services

Dear Eileen:

Thank you for requesting a proposal from Garing Taylor & Associates for additional surveying services on your project with NCSO. We look forward to working with you.

We understand you want to pinpoint the location of the existing State Water utility easement as it crosses the project site. To do this, we will need to obtain a permit from Cal Trans and survey the centerline of HWY 101. There are three monuments that date to the 1950's and were recorded in the mid 1980's. We will need to find at least two of these monuments to pinpoint the location of the easement. Based on this information, we can offer the following services:

1. Easement Survey

GTA will perform a field survey to recover the location of existing monuments and use this information to determine the precise location of the existing State Water Transmission Easement. We will show this information of the existing AutoCad file for the project.

Fixed Fee: \$ 4,800.00

2. Additional Easement Evaluation

Based on a Preliminary Title Report that will be provided, GTA will plot up to an additional three easements on the base map. Our fee estimate is based on 12 total hours of time at \$110.00/hr.

Estimated Fee: \$ 1,320.00

Exclusions

1. Our fee quotation assumes that at least two of the existing three HWY 101 centerline monuments can be found.
2. Our fee quotation does not include a preliminary title report. A preliminary title report with an engineer's supplement can be obtained for an additional fee of approximately \$ 550.00.

Ms. Eileen Shields, P.E.
March 2, 2011
page 2

TERMS OF SERVICE AND COMPENSATION

You will be billed monthly, with payment being due and payable upon your receipt of our billing invoice.

If this proposal is acceptable and you agree with the terms and conditions, please initiate a purchase order for the work. This proposal shall be valid for 60 days from the date hereof.

Once again, thank you for requesting a proposal from Garing Taylor & Associates.

Sincerely,
Garing Taylor & Associates



Jeffrey J. Emrick, P.E., AIA
CEO

ACCEPTED

I have read the above, and the attached Exhibit A - Standard Provisions of Agreement (10/1/06 revision) incorporated herein by reference, and agree to the terms and conditions set forth in this Proposal.

CLIENT:

_____ for AECOM

_____ Date

C:\jje\pro 11\inp WWTF esm2.es

TO: MICHAEL LEBRUN *MSL*
INTERIM GENERAL MANAGER

FROM: PETER SEVCIK *PVS*
DISTRICT ENGINEER

DATE: MARCH 2, 2011

**AGENDA ITEM
E-2
MARCH 9, 2011**

**FUGRO TASK ORDER TO UPDATE
EFFLUENT DISPOSAL MODEL FOR THE SOUTHLAND WWTF**

ITEM

Consider execution of Task Order with Fugro Consultants Inc. for professional services in the amount of \$16,000 for modeling of the groundwater mound at the Southland Wastewater Treatment Facility [RECOMMEND APPROVAL].

BACKGROUND

In 2008, Fugro performed an evaluation of the District's existing infiltration basins at the Southland WWTF and determined that a mound of effluent was developing beneath the plant site. Further investigation revealed that an aquitard beneath the plant site was limiting the downward migration of effluent. Modeling work performed by Fugro at the time indicated that the District could continue to dispose of effluent at a rate of approximately .57 mgd without causing the effluent mound to increase significantly. The District then began to explore several off-site disposal options but has not yet identified a preferred option.

The Southland WWTF Master Plan includes the addition of 3 new infiltration basins that would potentially provide some additional disposal capacity as well as wet weather storage when the District develops off-site disposal capacity. Constructing the additional infiltration basins as part of the Southland WWTF Phase 1 project would allow the District to spread out the effluent disposal area and potentially provide some capacity before the District developed an off-site disposal option. Updating the groundwater model previously developed for the plant site would allow the District to assess the potential impacts and possible positive benefits of expanding the infiltration basin facilities.

Fugro has provided the attached proposal that details all of the required work tasks and their associated costs. As set forth in the attached proposal, Fugro is willing to perform this work on a time-and-materials basis with a not-to-exceed expenditure limit of \$16,000.

FISCAL IMPACT

The FY 10-11 Budget includes \$2,000,000 in Town Sewer Capacity Charges Fund (Fund #710) for the project. Sufficient funding is available in the current fiscal year.

STRATEGIC PLAN

Strategic Plan Goal 2.2 – Upgrade and Maintain Collection and Treatment Works
Strategic Plan Goal 2.3 – Select Disposal Solution for Southland Effluent and Implement

AGENDA ITEM E-2
March 9, 2011

RECOMMENDATION

Staff recommends that your Honorable Board authorize the General Manager to execute a task order with Fugro Consultants Inc. AECOM in the amount of \$16,000.

ATTACHMENT

Fugro Consultants inc. Proposal Dated February 22, 2011

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February 22, 2011
Project No. 2011.0121

660 Clarion Court, Suite A
San Luis Obispo, California 93401
Tel: (805) 542-0797
Fax: (805) 542-9311

Nipomo Community Services District
PO Box 326
Nipomo, California 93444

Attention: *Mr. Peter V. Sevcik*
District Engineer

**Subject: Proposed Scope of Work and Fee Estimate,
Groundwater Modeling for the Hydrogeologic Assessment of the Potential
Impacts of the Southland Wastewater Treatment Facility Expansion**

Dear Mr. Sevcik:

Fugro is pleased to present this proposed scope of work and fee estimate to provide additional services related to modeling of the groundwater mound beneath the District's Southland wastewater treatment facility. Specifically, this proposal is to evaluate the potential impacts and possible changes to the shape and height of the subsurface effluent mound if the District were to construct three additional percolation ponds west of the existing pond facility. The work outlined in this proposal will build upon previous groundwater modeling efforts documented in letter reports dated February 2008 and June 2008.

The initial modeling effort (January 2008) was part of the evaluation of the "put and take" concept, and consisted of the development of a groundwater flow model that represented the conditions at that time as known by the monitoring well water level data. The results of that modeling effort described the shape and size of the recharge mound beneath the percolation pond facility.

The second modeling task (June 2008) utilized the model to estimate the average discharge volume of the facility that would maintain the current shape and size of the mound. The results of that work indicated that the mound would maintain its (then) shape and size at an average discharge volume of 0.57 MGD, which was slightly lower than the discharge volume at that time of 0.61 MGD.

We understand that the District is now considering expansion of the facility to include three new ponds, to be built in the open field immediately west of the existing ponds. As we have discussed in various conversations and meetings, it would be advantageous to the District to conduct additional modeling at this time to update the model input data base, validate the prior assumptions, and assess the potential impacts and possible positive benefits of expanding the percolation pond facility





The tasks will include the following:

- The existing model was prepared in January 2008, using water level data from the facility's monitoring well network through July 2007. As part of this current effort, we will obtain water level data since July 2007 from the District's monitoring well network, and recent facility discharge volume data to update the model. Because the available water level data in 2007 was somewhat limited, several assumptions had to be utilized in model development. Thus, an update of the model at this time is appropriate because 3½ more years of water level data exists to test the validity of the model assumptions. Updating the water level data base will allow us to update and re-calibrate the model and re-assess the model assumptions. If the original model assumptions prove to be valid (that is, the actual data from the last 3½ years plots along the modeled, projected hydrograph curves), then we will move forward with running new scenarios with reasonable confidence of the predictive scenario results. If the model assumptions require slight adjustments, we will re-calibrate the model before running discharge scenario forecasts.
- The existing groundwater flow model was constructed with 50-foot cells, thus the model configuration portrays a relatively accurate representation of the actual pond layout and configuration. Adding three new ponds and re-configuring the model layout would reasonably portray the new facility expansion.
- During the model update, we will add 2 to 4 hypothetical monitoring wells to the existing model layout and use the model to generate hydrographs for each of the hypothetical wells in order to illustrate the baseline shape of the mound. This will allow for a reasonable projection of how the mound will react if the existing conditions continue into the future (without adding the new ponds). This scenario will act as a baseline condition to allow us to compare the results of the baseline with the new pond layout, to evaluate the impacts that the new pond layout will have on the shape and size of the mound.
- A re-configured model layout will include three new ponds at the locations you designate. We will apply the average facility discharge evenly throughout the new pond layout. The result will presumably be a "flatter" mound that will most likely mitigate the vertical growth of the mound. Using the hypothetical monitoring wells that we build into the model in the baseline update and re-calibration, we will then prepare projected hydrographs to illustrate the impacts of expanding the pond layout. The hydrographs would, in essence, illustrate how much time the District could "buy" by building the new ponds, before the mound height reaches some designated depth below the facility.

We will provide our services on a time and expense basis. Our anticipated fee for the work tasks outlined above is approximately \$16,000. We anticipate being able to complete the work within six weeks after receiving the water level and discharge data.



We appreciate the opportunity to continue working with you on this project. Please do not hesitate to call if you have any questions.

Sincerely,

FUGRO CONSULTANTS, INC.

A handwritten signature in cursive script that reads "Paul A. Sorensen".

Paul A. Sorensen, PG, CHg
Principal Hydrogeologist

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER
DATE: MARCH 4, 2011

**AGENDA ITEM
E-3**

MARCH 9, 2011

REVIEW FY 2011-2012 EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)

ITEM

Review FY 2011-12 Cost of Living Adjustment effective July 1, 2011
[RECOMMEND REVIEW AND APPROVE ADJUSTMENT]

BACKGROUND

The NCSO Personnel Policies & Procedures Manual, Section 3030(4) states the following:

Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the step plan will be adjusted accordingly, thus keeping the plan current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to Section 3030(2) in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved Cost of Living Adjustments.

On December 13, 2006, the Board of Directors approved Resolution 2006-1000 which included:

Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).

Staff computed the average of annual increase for the Consumer Price Index of Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose to be 1.645%.

Pursuant to the Personnel Policies and Procedures Manual, the Board of Directors may consider a Cost of Living Adjustment. The approval of Resolution 2006-1000 provides for consistency in computing the COLA from year to year. The Board of Directors may consider a COLA for the employees up to a maximum of 1.645% for 2010-2011 fiscal year. Last year the COLA computation was a negative (.30%), and the employees were not granted a Cost of Living Adjustment on July 1, 2010.

On March 1, 2011, the Finance and Audit Committee reviewed the proposed Cost of Living Adjustment for District employees effective July 1, 2011.

RECOMMENDATION

The Finance and Audit Committee recommends the Board of Directors approve the 1.645% Cost of Living Adjustment for District Employees effective July 1, 2011.

ATTACHMENTS

- Section 3030(4) from NCSD Personnel Policies and Procedures (Page E-3 a)
- Resolution 2006-1000 (Page E-3 b)
- Excerpt from Bureau of Labor Statistics on how to compute the CPI (Page E-3 c)
- Consumer Price Index information and computation (Page E-3d)

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4. Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the step plan will be adjusted accordingly, thus keeping the plan current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to Section 3030(2) in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved Cost of Living Adjustments.
5. Promotion - Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay, provided, however, the increase may exceed five percent at the discretion of the General Manager, and that such increase shall not exceed the top step of the range allocated to the new classification. Such action shall require the General Manager to establish a new anniversary date in accordance with the following criteria:
 - A. For employees who are promoted to a permanent position and placed at the first step of the salary range, the anniversary date shall be the date following the completion of 12 months of service at such step.
 - B. For employees who are promoted to a permanent position and placed at a step other than the first step, the anniversary date shall be the day following the completion of 12 months of service at such step.
6. Incentive Pay - For Utility Operators who successfully achieve Water or Wastewater Grade certificates over and above those required for the position while employed with the District will be entitled to receive a one time incentive pay of \$500.00 for each certificate obtained.

NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2006-1000

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE MONTHLY SALARY SCHEDULE, PROPOSED SALARY
RANGE PLACEMENT, AND CPI INDEX

WHEREAS, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

WHEREAS, the Nipomo Community Services District contracted with a Koff & Associates, Inc. to perform a professional Salary and Benefits Survey; and

WHEREAS, the Board of Directors accepted and filed the final report titled "Total Compensation Study for the Nipomo Community Services District" on December 13, 2006; and

WHEREAS, Koff & Associates, Inc. recommended a new Monthly Salary Schedule and proposed Salary Range Placement in the report; and

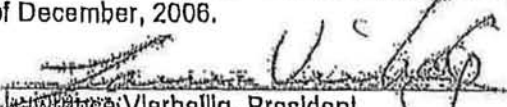
NOW, THEREFORE, the Board of Directors of the Nipomo Community Services District does hereby resolve, declare, determine and order as follows:

1. Adopt the Monthly Salary Schedule (Exhibit "A")
2. Adopt the Proposed Salary Range Placement (Exhibit "B")
3. Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).
4. Authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly approved monthly salary schedule

On the motion of Director Trotter, seconded by Director Harrison, and on the following roll call vote, to wit:

AYES: Director Trotter, Harrison, Eby, Winn and Vierhellig
NOES: None
ABSENT: None


The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Nipomo Community Services District this 13th day of December, 2006.


Lawrence Vierhellig, President
Nipomo Community Services District

ATTEST:


Donna K. Johnson
Secretary to the Board

APPROVED AS TO FORM:


Don K. Seltz
General Counsel

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The CPI and escalation: Some points to consider

The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 87 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income has to be earned from clerical or hourly-wage occupations. The CPI-W represents about 32 percent of the total U.S. population.

There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes for goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLA's). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements.

The 26 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average Index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject to substantially larger sampling errors. Metropolitan area and other sub-components of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS strongly recommends that users adopt the U.S. City Average CPI for use in escalator clauses.

The U.S. City Average CPI's are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in weather patterns, model change-overs, holidays, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually. Also, seasonally adjusted data that have been published earlier are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate.

* EXAMPLE OF COMPUTATION *

Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent time period. This is calculated by first determining the index point change between the two periods and then the percent change. The following example illustrates the computation of percent change:

CPI for current period	136.0
Less CPI for previous period	129.9
Equals Index point change	6.1
Divided by previous period CPI	129.9
Equals	0.047
Result multiplied by 100	0.047 x 100
Equals percent change	4.7

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.


<http://www.bls.gov/cpi/cpi1998d.htm>

E-3c

Data extracted on: February 22, 2011 (5:50:24 PM)

Consumer Price Index - Urban Wage Earners and Clerical Workers

Series Id: CWURA421SA0
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items
 Base Period: 1982-84=100

Download:  .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001	167.3	168.3	169.1	169.6	170.5	171.9	171.3	171.1	171.5	171.0	170.7	169.7	170.2	169.5	170.9
2002	171.5	172.8	173.8	174.8	175.4	174.7	175.0	175.6	176.3	176.5	177.0	176.7	175.0	173.8	176.2
2003	177.8	179.6	181.6	180.9	179.9	179.6	179.6	180.5	181.9	181.2	180.5	180.2	180.3	179.9	180.7
2004	181.7	183.4	184.9	185.2	186.8	187.4	186.8	186.5	187.8	189.8	190.3	188.5	186.6	184.9	188.3
2005	188.5	190.3	192.1	194.2	194.6	193.7	194.6	196.4	199.0	200.0	198.4	196.5	194.9	192.2	197.5
2006	198.3	199.9	200.8	202.9	205.0	204.2	204.5	205.0	205.3	203.5	203.3	202.9	203.0	201.9	204.1
2007	204.498	206.632	208.929	210.195	211.145	209.614	209.444	209.240	209.849	211.259	212.844	212.282	209.661	208.502	210.820
2008	213.825	214.231	216.493	217.914	219.702	222.435	223.245	221.230	220.285	218.726	214.083	211.007	217.765	217.433	218.096
2009	212.454	213.234	213.013	213.405	214.446	216.145	216.128	216.628	217.302	217.474	216.618	216.233	215.257	213.783	216.730
2010	217.290	217.090	218.157	218.475	218.787	218.222	218.367	218.752	218.427	219.339	218.694	219.619	218.435	218.004	218.866
2011	221.540														

Series Id: CWURA422SA0
 Not Seasonally Adjusted
 Area: San Francisco-Oakland-San Jose, CA
 Item: All items
 Base Period: 1982-84=100

Download:  .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2001		183.5		184.9		186.9		186.7		187.5		186.5	185.7	184.5	186.9
2002		186.8		188.8		189.1		189.3		190.0		189.6	188.8	188.0	189.6
2003		193.7		193.6		192.2		192.3		191.9		191.1	192.4	192.9	191.9
2004		194.1		194.7		195.4		195.0		196.4		195.9	195.0	194.4	195.7
2005		197.3		199.3		197.5		199.5		202.6		199.3	199.1	197.9	200.3
2006		202.5		204.9		205.2		206.7		206.2		205.6	204.9	203.7	206.1
2007		208.803		211.189		211.422		211.620		213.133		214.204	211.370	209.986	212.754
2008		214.913		217.913		221.454		221.385		221.192		213.685	218.441	217.487	219.396
2009		216.797		218.587		220.996		221.279		221.708		220.121	219.645	218.182	221.109
2010		222.049		223.821		224.185		224.195		224.352		224.152	223.624	223.012	224.236

<http://data.bls.gov/cgi-bin/surveymost>

2/22/2011

**NIPOMO COMMUNITY SERVICES DISTRICT
 CONSUMER PRICE INDEX ADJUSTMENT
 PROPOSED FOR JULY 1, 2011**

	SF	LA	AVERAGE
CPI for current period	223.624	218.435	
Less CPI for previous period	(219.645)	(215.257)	
Equals index point change	3.979	3.178	
Divide by previous period CPI	219.645	215.257	
Equals	0.0181	0.0148	
Result multiplied by 100	0.0181 x 100	0.0148 x 100	
	<u>1.810</u>	<u>1.480</u>	<u>1.645</u>

E-3 d

TO: BOARD OF DIRECTORS
 FROM: MICHAEL LEBRUN *MSL*
 INTERIM GENERAL MANAGER
 DATE: MARCH 4, 2011

**AGENDA ITEM
 E-4
 MARCH 9, 2011**

**REVIEW THE PROCESS TO IMPLEMENT THE ACCEPTANCE OF
 CREDIT/DEBIT CARDS FOR UTILITY BILL PAYMENTS**

ITEM

Review the process to implement the acceptance of credit/debit cards for utility bill payments
 [Consider information and direct Staff]

BACKGROUND

Currently, the District accepts cash, check or money order for payment of utility bills. Customers routinely request that the District consider accepting credit/debit cards as an additional form of payment.

On March 1, 2011, the Finance and Audit Committee reviewed the process to implement the acceptance of credit/debit cards for utility bill payments.

Phase 1 – Accept credit/debit card over-the-counter and over-the phone

Staff has researched the process and costs associated with accepting credit/debit cards. First Data, a Rabobank business partner, can provide the service and has a local support team.

As a public utility, the District qualifies for the Utility Interchange Reimbursement Fee Program which provides for lower fees per transaction to the District provided the District agrees to pay the per transaction fee and not pass it on to its customers (i.e. convenience fee). In addition, there will be no Interchange Fee charged to the District on qualified transactions. An Interchange Fee is the amount of money the credit card company keeps on each transaction (i.e. processing fee). Qualified transactions must meet qualification criteria such as the District verifying identity of the person using the card and inputting the three-digit code from the back of the card to minimize fraud.

An Interchange Fee will be charged on *Non-qualified* transactions. The fee ranges from 1.65% to 2.90%, in addition to the per transaction charge, depending on the type of card presented for payment. As an example; the use of corporate issued and commercial cards are classified as *non-qualified* transactions. As a participant in the Utility Interchange Reimbursement Fee Program, the District would not be allowed to exclude the acceptance of these types of cards when presented and would assume the cost of the Interchange Fee. Staff does not anticipate many customers would use corporate/commercial credit cards to pay a utility bill.

Cost of Implementation (paid to First Data)

TYPE OF FEE	SET UP FEE	MONTHLY COST	ANNUALIZED COST
Application Fee	\$49.00	\$5.00	\$60.00
FD200 Terminal (leased equipment)	\$0.00	\$25.94	\$311.28
Global Gateway (payments over-the-phone)	\$99.00	\$14.95	\$179.40
PCI Compliance (required by law)	\$0.00	\$9.98	\$119.76
TOTAL	\$148.00	\$55.87	\$670.44

Cost of Accepting a Credit/Debit Card (Interchange Fee paid to credit card company)
(over-the-counter and over-the phone payments)

TYPE OF CARD	MINIMUM CHARGE PER TRANSACTION	MAXIMUM CHARGE PER TRANSACTION
Visa Credit/Debit	\$0.75	\$1.50
MasterCard Credit/Debit	\$0.65	\$1.50

Phase 2 – On-Line bill pay

Phase 2 of the implementation would be to work with the District's utility billing company (Corbin Willits, Inc. aka MOM) to allow customers to view their utility bills on-line and provide for payment of their utility bills on-line via credit/debit card. The fees and for these services are much higher and rules more complex than Phase 1. This integration will be further explored when the District billing system is reviewed and will be brought forward to the Committee and Board at a later date for consideration.

FISCAL IMPACT – PHASE 1

Known Fiscal Impact – Phase 1

The initial set-up fee of \$148.00 plus the annual re-occurring cost of \$670.00.

Unknown Fiscal Impact – Phase 1

Staff cannot predict how many customers will choose to use a credit/debit card as a payment option.

For example (Assume 25% of our customers pay with a credit/debit card per billing cycle)

CUSTOMERS	MINIMUM CHARGE	MAXIMUM CHARGE
4,154 customers x 25% = 1,038	1,038 x \$.065 = \$674.70	1,038 x \$1.50 = \$1,557.00
Annualized (6 bills per year)	\$674.70 x 6 = \$4,048.20	\$1,557.00 x 6 = \$9,342.00
Annual Cost of Implementation	\$670.00	\$670.00
TOTAL ESTIMATED ANNUAL COST	\$4,718.20	\$10,012.00

Note: The 'worst-case' would be if 100% of customers chose to use credit/debit payment. In this case, the maximum estimated annual cost would be \$40,048.

The other unknown fiscal impact is degree of *savings* to the District. Savings may be incurred by:

- More customers pay by the due date and less second notices (pink notices) processed and mailed. On average, the District sends out between 300 – 500 pink notices every month).
- More customers pay before the door hangers are processed and hung on the doors. On average, the District hangs 130-150 door hangers every month.
- Less customer turn offs for non-payment. On average, the District turns off 25-35 customers every month for non-payment.
- Increased customer satisfaction by providing more payment options (pay quicker).

The Finance Committee requested Staff prepare an estimate of the savings to the District.
For example (Assume we process 25% less Second Notices, Door Hangers & Turn off/on):

	Notices	Estimated Cost per Notice	Estimated Savings Per Month	Estimated Annual Savings
Second Notices (Pink) (500 x 25%)	125	\$0.72	\$90.00	\$1,080.00
Third Notices (Door Hanger) (130 x 25%)	33	\$3.55	\$117.15	\$1,405.80
Turn off/lock and turn on (25 x 25%)	6	\$31.65	\$189.90	\$2,278.80
			TOTAL ESTIMATED ANNUAL SAVINGS	\$4,764.60

Templeton CSD, Heritage Ranch CSD, San Miguel CSD and Vandenberg Village CSD currently accept credit cards and do not charge a convenience fee. Cambria CSD and Los Oosos CSD are considering the option. Approximately 4% of Templeton CSD's customers and 12.5% of Vandenberg Village CSD's customers pay with credit/debit cards.

STRATEGIC PLAN

Strategic Plan Item 5.3 – Provide for Excellent Customer Service

RECOMMENDATION

The Finance and Audit Committee recommends to the Board of Directors to implement a one-year credit/debit card pilot program for Phase 1.

ATTACHMENT

None

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER
DATE: MARCH 4, 2011

**AGENDA ITEM
E-5**

MARCH 9, 2011

CONSIDER SUPPORT OF BUS TRANSIT STUDY GRANT REQUEST

ITEM

Review a Draft Letter of Support for County Transit Study Grant Application [Consider information and direct Staff]

BACKGROUND

See attached draft letter.

FISCAL IMPACT – PHASE 1

Staff time was used to process this material.

RECOMMENDATION

Review material, direct staff.

ATTACHMENT

Draft Letter

t:\board matters\board meetings\board letter\2011\110309 transit support.doc

March 1st, 2011

Peter Rodgers
Administration Director
San Luis Obispo Council of Governments
1114 Marsh Street
San Luis Obispo, CA 93401

RE: San Luis Obispo Bus Rapid Transit Study-\$62K Planning Grant Application

Dear Mr. Rodgers,

This letter states the Nipomo Community Services District (CSD)' s support for the Federal Transit Administration Section 5304 planning fund request by the San Luis Obispo Council of Governments (SLOCOG): the "*Regional Bus Rapid Transit (BRT) Applications along the Highway 101 corridor*". In South County, this project will expand upon preliminary concepts developed by the South County Transit Plan BRT-assessment. Nipomo has a small local Dial-a Ride that links with Regional Transit Authority (RTA) buses each hour on weekdays. Yet the transfer is in the Olde Towne area east of Highway 101, with a congested interchange linking it to the west side where population is growing fastest. Another deficiency is the lack of designated park-and-ride lots to access the RTA regional buses.

Key benefits of this planning study in South County cover the following:

- ✓ *Deployment of Express Buses:* BRT will support the implementation of the 2010 RTA Short Range Transit Plan, which includes more express runs at peak periods.
- ✓ *Identification of Park-and-Ride Opportunities:* BRT will integrate the Nipomo community needs for park-and-ride lots for direct access to regional transit.
- ✓ *Enhanced Regional Transit Service:* BRT will streamline the RTA service by reducing bus travel times, thus benefit Nipomo residents using regional buses and increase ridership.
- ✓ *Improved On time Performance:* BRT will increase the on time performance of timed-transfers at the Pismo Outlets' Transit Center, thus improve connectivity between the Five Cities and Nipomo.
- ✓ *More Efficient Service Delivery:* BRT will maximize the use of transit resources by reducing vehicle hours needed to link major activity centers in South County with regional employment centers in Santa Maria and San Luis Obispo.

The Nipomo CSD encourages SLOCOG to apply for this grant. We look forward to participating in this effort, once Caltrans has awarded the new 5304 grant funding.

Sincerely,

Mike Winn
Director

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN ^{MSC}
INTERIM GENERAL MANAGER

AGENDA ITEM E-6

DATE: MARCH 4, 2011

MARCH 9, 2011

REVIEW REQUEST FOR FEE APPEAL REGARDING EDWARDS BARN FIRE CONNECTION FEE [CONSIDER INFORMATION, DIRECT STAFF]

ITEM

Review Request for a Fee Appeal Regarding Edwards Barn Fire Connection Fee [Consider information and provide policy direction to Staff]

BACKGROUND

On January 20, 2011, the District received a fire sprinkler design for Edwards Barn. On January 24, 2011, a Verification of Water Service Request (application) for the sprinkler project at Edwards Barn was received.

District staff reviewed the sprinkler design that states a design flow rate of 343 gallons per minute. The design incorporates a single foot of 1.5" diameter schedule 40 pipe linking the District main to 4" piping that connects to the Barn's fire sprinkler system via a back flow preventer. The District only reviews the water service connection between the District's waterline and the backflow assembly.

Staff rejected the use of 1.5" pipe in the system due to lack of conformance with good design standards (flow velocity in the narrow pipe would be greater than 60 feet per second at design flow. AWWA design standard is 5-8 feet per second.)

Staff used the sprinkler design flow rate (343 gpm) as a basis for assigning fire flow fees. Fire service fees are set per District Ordinance 3.04.140, Public and Private Fire Service, B.3, and are 25% of the District's water capacity charges.

District Code Section 1.04.030 Appeals, B.3. states in part; "A variance (appeal for variance) shall not be granted to waive a district rate or charge that is directly related to district services.

FISCAL IMPACT

Budgeted Staff time was used to prepare these materials. At this time, the Applicant has not been asked to provide the \$900 variance application fee to the District.

RECOMMENDATION

Review material and provide policy direction to staff.

ATTACHMENT

February 24, 2011 Edwards Letter

February 24, 2011

Nipomo Community Services District
148 South Wilson Street
Nipomo, Ca 93444

Subject: Water Service Fee Appeal

Dear NCSD:

We are requesting that you add the Edwards Barn as an agenda item at your next NCSD Board meeting on March 9, 2011.

The subject will be the water service fee for a Fire Sprinkler water hook up at the Edwards Barn. The location is 1095 Pomeroy Road, Nipomo.

Our fire sprinkler engineer corresponded several times with NCSD District Engineer, Peter Sevcik for a design to accommodate a 1 ½ inch water line for our project. The quoted fee was \$13,000.00. Our engineer then submitted his design that included the 1 ½ inch design. Mr. Sevcik reviewed the design and sent us a letter dated February 2, 2011, with a calculated cost of \$39,051.00

We would appreciate the opportunity to explain our design and to justify the previously discussed fee of \$13,000.00. This new water service will only service the fire sprinkler in the barn. Please call 310-2879 (Mavi's cell) if you have any questions.

Sincerely,



David A. Edwards
Mavi Edwards

RECEIVED

FEB 25 2011

NIPOMO COMMUNITY
SERVICES DISTRICT