

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN ^{MSL}
INTERIM GENERAL MANAGER
DATE: APRIL 8, 2011

**AGENDA ITEM
E-1
APRIL 13, 2011**

**INTRODUCE ORDINANCE REVISING DISTRICT METHODOLOGY FOR
CALCULATING PRIVATE FIRE CAPACITY CHARGE**

ITEM

Introduce, edit, and read by title an ordinance revising District methodology for calculating private fire capacity charge [BY MOTION AUTHORIZE STAFF TO READ PROPOSED ORDINANCE BY TITLE ONLY AND THEN BY SEPARATE MOTION INTRODUCE ORDINANCE AND SET HEARING DATE FOR ADOPTION]

BACKGROUND

On March 9, 2011, your Board considered public testimony regarding the financial hardship placed on commercial development for payment of private fire capacity charges and alternate methodologies of calculating the charge. Your Board directed staff to research the basis for current fee structure and options for private fire service charge modification.

Private fire capacity charges are typically incurred by commercial developments that are required by fire authorities to have sprinkler systems and on-site fire hydrants. The capital and operating costs of the District's water system are significantly impacted by the over-sizing of water system infrastructure required to provide increased fire flow for private commercial fire protection systems.

The District first enacted a capacity charge for private fire service through Ordinance 97-86, adopted on June 4, 1997. Ordinance 97-86 established the private fire service capacity charge at 25% of the water capacity charge. The capacity charge was supported by the April 30, 1996 *Water & Sewer Comprehensive Financial Plan*, which recommended a 50% portioned charge.

The District's December 2002 *Water and Wastewater Rate Study Update* affirmed the 25% capacity charge ratio. On January 8, 2003, your Board adopted Ordinance 2003-95 and reaffirmed private fire capacity charge at 25% of the water capacity charge.

On April 13, 2005, your Board received and filed *Water and Wastewater Rate Study Update* and on April 27, 2005, your Board adopted Ordinance 2005-101. The Ordinance established the capacity charge portion of the District connection charge would include a supplemental water charge.

Staff feels the most equitable way to grant further relief of private fire charge would be to further reduce the ratio of that charge relative to the water capacity charge. Staff recommends that the Board consider revising the private fire capacity charge be set at 12.5% of water capacity charge.

FISCAL IMPACT

Unbudgeted staff time was used to prepare these materials and otherwise respond to testimony.

A downward charge revision will negatively affect the District's ability to collect charges and fund supplemental water efforts. The District has collected private fire charges since 2000. The

supplemental water portion of the charge has significantly offset District expenditures related to the supplemental water project. The recommended change would lower by 50% the amount of future revenue generated by these charges.

RECOMMENDATION

Authorize staff to read proposed Ordinance by title only and, by separate motion, introduce the Ordinance and set hearing date for adoption.

ATTACHMENT

Draft Fire Fee Ordinance

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ORDINANCE NO. 2011-XXXX

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING AND RESTATING SECTION 3.04.140 OF TITLE 3 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ESTABLISH NEW PROCEDURES FOR PROCESSING AND CALCULATING PRIVATE FIRE CAPACITY CHARGES

WHEREAS, The Nipomo Community Services District (District) on March 9, 2011, and on March 23, 2011, received public testimony, as part of the District's scheduled Agenda, requesting the District to reduce it's private fire capacity charges, and;

WHEREAS, the District's private fire capacity charges are currently calculated at twenty-five percent of the regular water capacity charges (Buy-in and Supplemental Water Capacity Charges) as established in Appendix A to Chapter 3.04 of the District's code as recommended in a 2002 Study titled "Water and Waste Water Rate Study Update," and;

WHEREAS, based upon the Staff Reports, this Ordinance, Staff Presentations, including Staff Reports, Staff Presentations and public testimony received on March 9, 2011 and March 23, 2011, the Board of Directors finds:

- A. The public meetings adopting this Ordinance have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act);
- B. The revised method for calculating private fire capacity charges adopted by this Ordinance, establishes a reduction in previously adopted charges, and therefore, the revised methodology will not create charges that exceed the cost attributable to providing the service.

NOW, THEREFORE, BE IT ORDAINED, by the Board of Directors of the Nipomo Community Services District as follows:

Section 1 Authority

This Ordinance is enacted pursuant to Government Code Sections 61100(a), and 61060(a) and (b).

Section 2 Section 3.04.140 of the District Code is Amended and Restated as follows :

3.04.140 - Public and private fire service

A. Public Fire Service

The District may provide fire hydrants and supply water for fire protection use to any other district, public agency or municipality located within the District under such terms and conditions as may be mutually acceptable to the District and the agency.

B. Private Fire Service

- 1. The District may grant applications for private fire service connections for sprinkler service

and/or private fire hydrants, provided the Applicant enters in to a Plan Check and Inspection Agreement that includes the following conditions which shall be the responsibility of the Applicant.

- a) The Applicant submits plans and specifications, prepared by a registered Civil Engineer (wet stamped), for District approval demonstrating that the proposed private fire service connection meets or exceeds District standards and specifications and the fire flow requirements established by Cal Fire and;
- b) As a condition to providing water service (regular water service and private fire protection water service), the Applicant shall submit to the District for District approval an Engineer's certification (wet stamped) that the private fire protection water service was constructed in accordance with District approved plans and specifications and the fire flow requirements established by Cal Fire.

2. Monthly charges for private fire service shall be as follows:

Meter Size	Monthly Charge
3"	\$5.00
4"	6.00
6"	9.00
8"	12.50
10"	15.00

Water used for fire suppression shall be furnished without charge.

3. The capacity charge for private fire service shall be twelve and one-half percent (12.5 %) of the water capacity charges established by Appendix A to this chapter.

Section 3 Recitals and Findings

The Recitals and reference Staff Reports, Staff Presentations and Public Testimony are incorporated herein by reference and constitute further findings in support of amending Section 3.04.140 of the District's Code.

Section 4 Effect of Repeal on Past Actions and Obligations

This Ordinance does not affect prosecutions for Ordinance violations committed prior to the effective date of this Ordinance, does not waive any fee, charge or penalty due and unpaid on the effective date of this Ordinance, and does not affect the validity of any bond or cash deposit posted, filed or deposited pursuant to the requirements of any District Ordinances.

Section 5 CEQA Findings

The Board of Directors of the District finds that the revisions of the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such amendments constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen with certainty that the revisions will not result in either a direct physical change in the environment, nor is there a reasonable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 6 Severance Clause

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 7 Effect of Headings in Ordinance

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

Section 8 Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage it shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in the Santa Maria Times.

Introduced at its regular meeting of the Board of Directors held on _____, 2011, and passed and adopted by the Board of Directors of the Nipomo Community Services District on the _____ day of _____, 2011, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

James Harrison, President
Nipomo Community Services District Board of
Directors

ATTEST:

APPROVED AS TO FORM:

MICHAEL LEBRUN
Interim General Manager and
Secretary to the Board

JON S. SEITZ
District Legal Counsel

TO: MICHAEL LEBRUN *MSL*
INTERIM GENERAL MANAGER

FROM: PETER SEVCIK *PVS*
DISTRICT ENGINEER

DATE: APRIL 7, 2011

AGENDA ITEM
E-2
APRIL 13, 2011

**WATER SYSTEMS CONSULTING, INC. SCOPE AMENDMENT
FOR 2010 URBAN WATER MANAGEMENT PLAN**

ITEM

Consider approval of scope amendment with Water Systems Consulting, Inc. in the amount of \$14,960 for preparation of the District's 2010 Urban Water Management Plan [RECOMMEND APPROVAL].

BACKGROUND

On September 30, 2009, the Board of Directors selected Water Systems Consulting Inc. (WSC) to prepare the 2010 Urban Water Management Plan (UWMP). WSC subsequently prepared several technical work products as well as several administrative draft and public review drafts of the 2010 UWMP.

On January 26, 2011, the Board directed staff to circulate the Draft 2010 UWMP dated January 21, 2011 to the County, interested parties and the public for comment. Notice of the March 23, 2011 Public Hearing to consider comments on the Draft 2010 UWMP was published in the Santa Maria Times and the San Luis Obispo Tribune. The public hearing was conducted on March 23, 2011 and there was no public comment.

Based on the requirements of the recently released California Department of Water Resources (DWR) Final 2010 UWMP Preparation Guidebook, the California Urban Water Conservation Council (CUWCC) 2009-2010 Best Management Practices (BMP) report needs to be developed and the District may potentially need to add a Demand Management Measure (DMM) section to the 2010 UWMP before the 2010 UWMP can be finalized and adopted. Other new requirements include calculation of interim target and target water use using the recently finalized SB7 Target Method 4 and determination of projected water use for lower income single-family and multi-family residential households. Once the new requirements are addressed, the District will need to notice and conduct another public hearing before the 2010 UWMP can be adopted.

Staff worked with WSC to develop the scope of work required to address the new requirements that are outside of the scope of the existing contract as well as update the population projections in the 2010 UWMP since the 2010 Census data is now available. WSC provided the attached proposal in the amount of \$14,960 to address the new requirements and update the population projections. The proposal includes the preparation of a DMM section since the District is anticipated to not be fully compliant with the 2009-2010 CUWCC BMP reporting requirements.

FISCAL IMPACT

The 2010 UWMP Update was included in the FY 09-10 and FY 10-11 Budgets. The FY 10-11 expenditure is within the current budget and sufficient funding for the contract amendment is available.

RECOMMENDATION

Staff recommends that your Honorable Board authorize the General Manager to execute an amendment in the amount of \$14,960 to the existing WSC, Inc. agreement for preparation of the 2010 UWMP.

ATTACHMENTS

- WSC, Inc. proposal dated April 7, 2011



4/7/2011

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

SUBJECT: CONTRACT AMENDMENT - ADDITIONAL SERVICES REQUIRED FOR COMPLIANCE WITH THE FINAL CALIFORNIA DEPARTMENT OF WATER RESOURCES GUIDEBOOK TO ASSIST URBAN WATER SUPPLIERS TO PREPARE A 2010 URBAN WATER MANAGEMENT PLAN

Dear Michael,

This letter is intended to serve as an amendment to our Agreement for Professional Services, executed by NCSO on November 4, 2009, for preparation of the 2010 Urban Water Management Plan (UWMP) Update. Per our phone conversation on March 16, 2011, DWR released the Final version of the 2010 Urban Water Management Plan Guidebook on March 4th, 2011 which contained several revisions from the draft that was previously published. These revisions necessitate changes to the Public Review Draft at least two weeks prior to a Public Hearing to allow the public sufficient time to review and comment on the changes from the previous draft.

The changes to the Guidebook include the following revised requirements for the 2010 UWMPs:

- Show **full compliance** with the CUWCC MOU BMPs, or complete a Demand Management Measures section. It is unlikely that NCSO will be in full compliance with the CUWCC MOU BMPs. Therefore, NCSO will need to complete a Demand Management Measures section, as required by California Water Code Section *10631(f) & 10631(g)*, for inclusion in the 2010 UWMP.
- Determine and show a minimum water use reduction requirement per California Water Code Section *10608.22*, to check if the calculated Senate Bill x 7-7 (SB7) interim target and target water use are low enough to meet the minimum water use reduction. The minimum water use reduction is based on a calculation of 95% of a selected five-year gallons per capita per day average ending no earlier than December 31, 2007 and no later than December 31, 2010.
- Calculate and include the projected water use for lower income single-family and multi-family residential housing, as identified in the of the County of San Luis Obispo's General Plan Housing Element, or the San Luis Obispo Council of Governments' (SLOCOG) Regional Housing Needs Assessment (RHNA) or Regional Housing Needs Plan (RHNP)

Additionally, the we have been notified by the CUWCC that their BMP reporting database will not be available in time to meet the submission deadline to DWR. Therefore, the CUWCC is releasing interactive PDF forms for completing the BMP Reports. These forms will need to be completed and included in the revised public review draft.

PO Box 4255 | San Luis Obispo, CA 93403 | Phone: (619) 807-8398 | Fax: (805) 888-2764 | www.wsc-inc.com

Based on our conversations, the District intends to proceed with the upcoming hearing on April 13th. However, to meet the 2 week public review period requirement described above, the District will be required to host a second public hearing once the revised Public Review Draft is completed. Therefore, we envision the following milestones through project completion:

1. A revised Public Review Draft will be submitted by Tuesday, April 26th for inclusion in the Board packet for the Board meeting on May 11th, 2011, and to allow the required two week public notice. This meeting will serve as the required public hearing per California Water Code Section 10642.
2. The Board Adoption meeting can be scheduled once all comments are received and incorporated in the final Plan.
3. The Final 2010 UWMP must be adopted by July 1st, 2011 and submitted to DWR by July 31st, 2011.

The proposed scope of services, and associated professional services fee for the required changes to the UWMP are summarized below:

1. **Data Collection and Completion of CUWCC BMP Annual Report.** It is not likely that NCS D will be in full compliance with the CUWCC MOU BMPs, however completion of the CUWCC BMP reports provides confirmation of the District's compliance status, and lays a framework for future UWMPs and BMP implementation. WSC will compile all data needed to input into the CUWCC BMP forms, which are scheduled to be available from CUWCC very soon. If additional data is needed, it will be requested from the District. Upon receipt of the requested information, WSC will input the required data into the CUWCC BMP forms. This task is based on the assumption that the District will provide any/all available and relevant information within 3 working days from the date of the request (electronic format preferred).
2. **Demand Management Measures.** If it is confirmed that the District is not in full compliance with the CUWCC MOU BMPs, then a Demand Management Measures section needs to be completed. If additional data is needed, it will be requested from the District. Upon receipt of the requested information, WSC will complete preparation of the Demand Management Measures section. This task is based on the assumption that the District will provide any/all available and relevant information within 3 working days from the date of the request (electronic format preferred).
3. **Determination of Minimum Water Use Reduction Compliance.** WSC will revisit the minimum water use reduction calculation to determine if the District is in compliance, and edit the Plan to include the required information.
4. **Projected Water Use for Lower Income Single-Family and Multi-Family Residential Households.** WSC will research the County's General Plan or SLOCOG's RHNA or RHNP to determine the District's projected number of lower income households and subsequent water demands for those households.

5. **Board Presentation.** WSC will present a Revised Public Review Draft to the Board upon completion. This task will allow two (2) WSC staff to attend one (1), three (3) hour meeting to address Board comments and questions before adoption.
6. **DWR Review Checklist.** DWR recommends that water suppliers insert a completed copy of their checklist in the final 2010 UWMP. Although submission of the checklist is not required by DWR, it does facilitate their review of the Plan. This task would involve filling in DWR's checklist, with the relevant section in the Final 2010 UWMP which addresses each required element as specified in the Water Code.
7. **SB7 Method 4.** Calculation of interim target and target water use with the recently finalized SB7 Target Method 4. Inclusion of this Target Method 4 can only help the District, as it could conceivably raise the District's water use targets. If the calculated water use targets from Method 4 are lower than those previously developed, they will not be required to be met. Target Method 4 uses a calculation of current estimated water savings in three categories: residential indoor; commercial industrial, and institutional; and landscape water use, water loss, and other unaccounted-for water. A target water use is determined by using an Excel calculator created by DWR.
8. **Include 2010 Census Data.** Include recently available 2010 Census data in SB7 calculations and population projections.

The total budget amendment is a not-to-exceed expenditure limit of \$14,960, as shown here:

Task No.	Task Description	Proj. Mgr.	Staff Engr.	Clerical/ Admin	Total Labor Hours	Total Labor	Expenses	Total Cost
1	Completion of CUWCC BMP Report	2	10	1	13	\$1,645	\$300	\$1,945
2	Demand Management Measures	4	30	4	38	\$4,640	\$500	\$5,140
3	Minimum Water Use Reduction		2	2	4	\$390	\$0	\$390
4	Lower Income Water Use	1	4	2	7	\$815	\$100	\$915
5	Board Presentation	3	3	0	6	\$915	\$200	\$1,115
6	DWR Review Checklist	2	6	1	9	\$1,165	\$200	\$1,365
7	SB7 Method 4	4	12	1	17	\$2,255	\$300	\$2,555
8	Include 2010 Census Data	4	6	1	11	\$1,535	\$0	\$1,535
Column Totals		20	73	12	105	\$13,360	\$1,600	\$14,960

If you have any questions, feel free to contact me at (805) 457-8833, ext. 101.

Sincerely,

Water Systems Consulting, Inc.



Jeffery M. Szytel, PE, MBA Principal

Approved and Accepted by:

Nipomo CSD

Approved by: Michael LeBrun, PE

Title: Interim General Manger

Date: _____

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER

**AGENDA ITEM
E-3
APRIL 13, 2011**

DATE: APRIL 8, 2011

**OUTREACH CONSULTANT SCOPE AMENDMENT FOR
SUPPLEMENTAL WATER PROJECT**

ITEM

Consider a schedule and contract revision with Supplemental Water Project outreach consultant team (Tramultola, True North, and Terrain) in the amount of \$165,000 [RECOMMEND ACTIVATE AD-HOC COMMITTEE TO REVIEW PROPOSAL AND SCOPE OF CONTRACT REVISION]

BACKGROUND

On March 23, 2010, your Board approved a contract with True North/Tramultola/Terrain with a not to exceed amount of \$76,000. The contract and scope included polling, a four-month outreach effort and other related work to assist the District with building understanding and support of the District's supplemental water project.

After numerous delays, the consultant conducted a telephone poll in March 2011. Initial results from the polling indicate the community, while very concerned over drinking water reliability and safety, is not aware of the area-wide need for supplemental water, and in turn is not currently highly supportive of a project to address that need.

Success of any major public works project depends on the voters support for the project. The outreach consultant will present and discuss a proposed schedule and scope amendment that is recommended in order to raise community awareness and lead to a successful project.

FISCAL IMPACT

To date, the District has spent \$3.1 million evaluating the need for, designing, and planning a supplemental water project. These costs are paid for by supplemental water charges and Certificates of Participation.

RECOMMENDATION

Staff recommends that the Board consider the information presented and activate an Ad-Hoc committee to review the proposal in detail.

ATTACHMENTS

None

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