

TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *ML*  
INTERIM GENERAL MANAGER  
DATE: MAY 5, 2011



### CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, the item will be removed from the Consent Agenda and will be considered separately.

**Questions or clarification may be made by the Board members  
without removal from the Consent Agenda.**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) BOARD MEETING MINUTES OF APRIL 27, 2011 [RECOMMEND APPROVAL]
- D-3) QUARTERLY FINANCIALS (3<sup>RD</sup> QUARTER 2010/2011 FISCAL YEAR) [REVIEW AND ACCEPT REPORT]
- D-4) APPROVAL OF THE ENGINEER'S LEVY REPORT AND DECLARATION OF INTENTION TO LEVY ANNUAL ASSESSMENTS FOR STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2011-2012 [RECOMMEND APPROVAL]
- D-5) RECEIVE AND FILE REPORTS PRESENTED UNDER ITEM C. ABOVE [RECOMMEND RECEIVE REPORTS]

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL LEBRUN *ML*  
 INTERIM GENERAL MANAGER  
 DATE: MAY 6, 2011

**AGENDA ITEM  
 D-1  
 MAY 11, 2011**

**TOTAL COMPUTER CHECKS  
 \$128,155.66**

**HAND WRITTEN CHECKS**

04-25-11	20258	MICHAEL WINN	AD HOC MEETING	\$75.00
04-25-11	20259	ED EBY	AD HOC MEETING	\$75.00
04-27-11	20260	KATHLEEN YOSHIMARU	ACCOUNT REFUND	\$112.59
04-29-11	20261	MICHAEL WINN	AD HOC MEETING	\$75.00
04-29-11	20262	ED EBY	AD HOC MEETING	\$75.00
05-05-11	20263	MICHAEL WINN	AD HOC MEETING	\$75.00
05-05-11	20264	ED EBY	AD HOC MEETING	\$75.00

VOIDS - NONE

**COMPUTER GENERATED CHECKS**

19371	04/29/11	EMP01	EMPLOYMENT DEVELOP DEPT	1433.03	.00	1433.03	B10425	STATE INCOME TAX
19372	04/29/11	MID01	RABOBANK-PAYROLL TAX DEPO	3979.15	.00	3979.15	B10425	FEDERAL INCOME TAX
				584.00	.00	584.00	1B10425	FICA
				975.42	.00	975.42	2B10425	MEDICARE (FICA)
			Check Total.....:	5538.57	.00	5538.57		
19373	04/29/11	MID02	RABOBANK-DIRECT DEPOSIT	26663.98	.00	26663.98	B10425	NET PAY
19374	04/29/11	PER01	PERS RETIREMENT	6756.93	.00	6756.93	B10425	PERS PAYROLL REMITTANCE
19375	04/29/11	STA01	ING-PERS 457 DEFERRED COM	825.00	.00	825.00	B10425	457 DEFERRED COMP
019376	05/11/11	ABA01	ABALONE COAST BACTERIOLOG	175.00	.00	175.00	11-2298	LAB TEST-WATER SAMPLES
				162.00	.00	162.00	11-2299	LAB TEST-BL WWTP
				147.00	.00	147.00	11-2340	LAB TEST-SOUTHLAND WWTP
				192.00	.00	192.00	11-2341	LAB TEST-SOUTHLAND WWTP
				105.00	.00	105.00	11-2342	LAB TEST-SOUTHLAND WWTP
				136.00	.00	136.00	11-2343	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2345	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2383	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2394	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2429	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2459	LAB TEST-BL WWTP
				175.00	.00	175.00	11-2460	LAB TEST-WATER SAMPLES
				136.00	.00	136.00	11-2483	LAB TEST-BL WWTP
				192.00	.00	192.00	11-2484	LAB TEST-SOUTHLAND WWTP
				20.00	.00	20.00	11-2487	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2513	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2541	LAB TEST-BL WWTP
				20.00	.00	20.00	11-2582	LAB TEST-BL WWTP
			Check Total.....:	1600.00	.00	1600.00		
019377	05/11/11	ADV01	ADVANTAGE ANSWERING PLUS	174.16	.00	174.16	4252011	ANSWERING SERVICE
019378	05/11/11	AEC01	AECOM USA INC	1856.25	.00	1856.25	37072906	FRONTAGE RD SEWER
019379	05/11/11	ALX01	ALEXANDER'S CONTRACT SERV	3257.16	.00	3257.16	MAY 2011	METER READING-MAY
019380	05/11/11	AME03	AMERI PRIDE	122.57	.00	122.57	354032	UNIFORMS
019381	05/11/11	ATT02	AT&T	156.27	.00	156.27	2308415	TELEPHONE
				28.53	.00	28.53	2308666	TELEPHONE
				130.19	.00	130.19	2308736	TELEPHONE
			Check Total.....:	314.99	.00	314.99		
019382	05/11/11	AVC01	AVCO FIRE EXTINGUISHER C.	578.56	.00	578.56	3732	FIRE EXTINGUISHER ANNUAL
019383	05/11/11	BEN02	BENTLEY SYSTEMS, INC.	1749.30	.00	1749.30	47383638	WATER/SEWER GEMS SUBSCRIP
019384	05/11/11	BRE02	BRENNTAG PACIFIC INC.	578.95	.00	578.95	BPI090726	SODIUM HYPOCHLORITE
				706.41	.00	706.41	BPI090727	SODIUM HYPOCHLORITE
				5523.47	.00	5523.47	BPI091841	COPPER SULFATE CRYSTALS
			Check Total.....:	6808.83	.00	6808.83		
019385	05/11/11	CLE06	CNSSLO INC	175.00	.00	175.00	12548	ADOBE ACROBAT STANDARD-TI
				910.29	.00	910.29	12549	COMPUTER SUPPORT
				1080.00	.00	1080.00	12550	ADDITIONAL HARD DRIVE-VM
			Check Total.....:	2165.29	.00	2165.29		
019386	05/11/11	COR01	CORBIN WILLITS SYSTEMS	750.83	.00	750.83	B104151	MONTHLY SUPPORT

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 FROM: MICHAEL LEBRUN *MSL*  
 INTERIM GENERAL MANAGER

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019387	05/11/11	CUS01	CUSTOM PRINTING	651.31	.00	651.31	112760	FLYER-CONSUMER CONFIDENCE
019388	05/11/11	CWE01	CWEA	132.00	.00	132.00	B10505	MEMBERSHIP RENEWEL-MOTLEY
019389	05/11/11	EBY01	EBY, ED	100.00	.00	100.00	5112011	BOARD MEETING 5-11-11
019390	05/11/11	FAR02	FAR WEST EXPRESS	23.00	.00	23.00	APR 2011	DELIVERY
019391	05/11/11	FER01	FERGUSON ENTERPRISES INC	97.43	.00	97.43	7121764	OPERATING SUPPLIES
019392	05/11/11	FGL01	FGL ENVIRONMENTAL	480.00	.00	480.00	180785A	LAB TEST-8 WELLS
019393	05/11/11	GAD01	GADDIS, DAN A.	100.00	.00	100.00	5112011	BOARD MEETING 5-11-11
019394	05/11/11	GIL01	GLM, INC.	960.00	.00	960.00	APR 2011	LANDSCAPE SERVICE-APRIL
019395	05/11/11	GOV01	GOVERNMENT FINANCE OFFICE	160.00	.00	160.00	0125001	ANNUAL SUBSCRIPTION
019396	05/11/11	GWA01	GWA INC	85.00	.00	85.00	MAY 2011A	SHOP/LAB MONITORING
				53.00	.00	53.00	MAY 2011B	OFFICE MONITORING
				85.00	.00	85.00	MAY 2011C	UTILITY OFFICE MONITORING
			Check Total.....:	223.00	.00	223.00		
019397	05/11/11	HAC01	HACH COMPANY	245.73	.00	245.73	7203021	LAB SUPPLIES
				59.93	.00	59.93	7203819	LAB SUPPLIES
			Check Total.....:	305.66	.00	305.66		
019398	05/11/11	HAR02	HARRISON, JAMES	100.00	.00	100.00	5112011	BOARD MEETING 5-11-11
019399	05/11/11	KOE01	KOEHLER PLUMBING, INC	75.00	.00	75.00	5164	BACK FLOW TEST
019400	05/11/11	LAN02	LANDMARK LANDSCAPE CO INC	214.00	.00	214.00	52156	LANDSCAPE MAINT DISTRICT
019401	05/11/11	MIN02	MINER'S ACE HARDWARE	342.62	.00	342.62	APR 2011	OPERATING SUPPLIES
019402	05/11/11	MNS01	MNS ENGINEERS INC	3150.00	.00	3150.00	60819	SOUTHLAND WWTF UPGRADE
019403	05/11/11	MUL01	MULLAHEY FORD	42.39	.00	42.39	50988	09 FORD TRUCK-MAINT/REPAI
				371.92	.00	371.92	51004	09 FORD TRUCK-MAINT/REPAI
			Check Total.....:	414.31	.00	414.31		
019404	05/11/11	NOB02	NOBLE SAW INC	63.62	.00	63.62	110687	OPERATING SUPPLIES
019405	05/11/11	NUT01	NU TECH PEST MGMT	265.00	.00	265.00	84310	PEST CONTROL
				49.00	.00	49.00	84311	RODENT CONTROL
			Check Total.....:	314.00	.00	314.00		
019406	05/11/11	ONE01	1-800-CONFERENCE	85.72	.00	85.72	738521	TELECONFRENCE
019407	05/11/11	PRE01	PRECISION JANITORIAL	650.00	.00	650.00	211	JANITORIAL-APRIL
019408	05/11/11	QUI04	QUINN POWER SYSTEMS	1945.84	.00	1945.84	4890	GENERATOR MAINT-TEFFT L/S
				303.20	.00	303.20	4891	GENERATOR MAINT-MARIA VIS
				1847.81	.00	1847.81	4892	GENERATOR MAINT-BL BOOSTE
				1392.76	.00	1392.76	4900	BATTERY CHARGERS FOR GENE
			Check Total.....:	5489.61	.00	5489.61		
019409	05/11/11	RIC01	RICHARDS, WATSON, GERSHON	1115.00	.00	1115.00	177090	WATER RIGHTS ADJUDICATION
019410	05/11/11	SOU01	SOUTH COUNTY SANITARY	169.12	.00	169.12	3300533	OLDE TOWN TRASH SERVICE
019411	05/11/11	STA03	STATEWIDE SAFETY & SIGNS	177.10	.00	177.10	1137	MARKING PAINT
019412	05/11/11	STA07	SRF ACCOUNTING OFFICE	42180.25	.00	42180.25	B10505	SRF LOAN
019413	05/11/11	TEL01	TELEDYNE	527.88	.00	527.88	956607	OPERATING SUPPLIES
019414	05/11/11	THE01	THE GAS COMPANY	15.46	.00	15.46	APR2011A	SHOP OFFICE HEAT
				53.64	.00	53.64	APR 2011B	OFFICE HEAT
			Check Total.....:	69.10	.00	69.10		
019415	05/11/11	THE05	THE CAPRICORN GROUP	300.76	.00	300.76	6167	OPERATING SUPPLIES
019416	05/11/11	TUC01	TUCKFIELD & ASSOCIATES	2700.00	.00	2700.00	295	RATE STUDY PROGRESS BILLI

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019417	05/11/11	UND01	UNDERGROUND SERVICE ALERT	151.50	.00	151.50	11040034	UNDERGROUND SERVICE ALERT
019418	05/11/11	USB01	US BANK TRUST	140.75	.00	140.75	042211A	MEETING SUPPLIES
				30.00	.00	30.00	042211B	TRAVEL
				214.70	.00	214.70	042211C	OFFICE SUPPLIES
				32.54	.00	32.54	042211D	OPERATING SUPPLIES
				1113.95	.00	1113.95	042211E	EDUCATION/TRAINING
			Check Total.....:	1531.94	.00	1531.94		
019419	05/11/11	VER01	VERIZON	76.28	.00	76.28	B10505	TELEPHONE
019420	05/11/11	VIE01	VIERHEILIG, LARRY	100.00	.00	100.00	5112011	BOARD MEETING 5-11-11
019421	05/11/11	WEA03	LUTHER M. WEAVER IV	1500.00	.00	1500.00	11-001	SOUTHLAND WWTP UPGRADE
019422	05/11/11	WIN01	WINN, MICHAEL	100.00	.00	100.00	5112011	BOARD MEETING 5-11-11
019423	05/11/11	WOO01	DOUGLAS WOOD & ASSOCIATES	2730.00	.00	2730.00	WWTP#18	SOUTHLAND WWTP UPGRADE

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

D2

## MINUTES

APRIL 27, 2011, AT 9:00 A.M.

BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

JAMES HARRISON, PRESIDENT  
LARRY VIERHEILIG, VICE PRESIDENT  
MICHAEL WINN, DIRECTOR  
ED EBY, DIRECTOR  
DAN A. GADDIS, DIRECTOR

### PRINCIPAL STAFF

MICHAEL LEBRUN, INTERIM GENERAL MANAGER  
LISA BOGNUDA, ASSISTANT GENERAL MANAGER  
MERRIE WALLRAVIN, SECRETARY/CLERK  
JON SEITZ, GENERAL COUNSEL  
PETER SEVCIK, DISTRICT ENGINEER

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

00:00:00

#### A. CALL TO ORDER AND FLAG SALUTE

President Harrison called the Regular Meeting of April 27, 2011, to order at 9:00 a.m. and led the flag salute.

00:00:44

#### B. ROLL CALL

At Roll Call all Board members were present.

00:00:54

#### C. PRESENTATIONS AND PUBLIC COMMENT

##### C-1) SHERIFF COMMANDER KEN CONWAY

Update re: South County Law Enforcement Activities

Sheriff Commander Ken Conway gave an update of law enforcement activities in South County. Mr. Conway answered questions from the Board. The Board thanked Mr. Conway for his report.

##### C-2) CAL FIRE BATTALION CHIEF BILL FISHER

Update re: South County Cal Fire Activities

Battalion Chief Bill Fisher was unable to attend the meeting.

##### C-3) NCSD SUPERINTENDENT TINA GRIETENS

Update re: Summary of Utility Division Activities

Tina Grietens, NCSD Utility Superintendent, reviewed the report as presented in the Board packet. Ms. Grietens answered questions from the Board. The Board thanked Ms. Grietens for the report.

##### C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST

Receive Announcements from Directors Items of District & Community Interest

#### Director Gaddis

- ◇ Director Gaddis commented on the chipping event, fire inspections, and a proposed new planned development Ordinance that was discussed at the SCAC meeting on April 25, 2011.

#### Director Vierheilig

- ◇ Director Vierheilig commented on receiving information from County Planner James Caruso on extremely low cost housing.

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

C-4) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST  
Receive Announcements from Directors Items of District & Community Interest (cont.)

Director Eby

- ◇ Dana Adobe received a \$3 million dollar grant to build an education center. They received the only award in this county.
- ◇ LAFCO approved the annexation of the Orcutt Road area into the City of San Luis Obispo.
- ◇ NMMA TG will meet on May 6, 2011, at NCSD at 1:00 p.m. Director Gaddis will attend.
- ◇ NMMA TG will meet on May 19, 2011, at NCSD at 10:00 a.m. Director Harrison will attend at 10:30 a.m.

Director Winn

- ◇ The Ad-Hoc Committee met on April 18<sup>th</sup> and April 25<sup>th</sup>.
- ◇ April 26, 2011 – SLO County Board of Supervisors met and discussed the Master Water Plan. They commended NCSD staff for all information sent in.
- ◇ The Land Use Element is being updated. NCSD should look into the update.
- ◇ SLO County Board of Supervisors is looking into reactivating the Oak Glen specific plan.
- ◇ CSDA Legislative Days will be May 3<sup>rd</sup> and May 4<sup>th</sup> in Sacramento.
- ◇ May 4, 2011 – WRAC will meet in SLO at 1:30 p.m.

Director Harrison

- ◇ CSDA Legislative Days will be May 3<sup>rd</sup> and May 4<sup>th</sup> in Sacramento.
- ◇ April 22, 2011 – met with President of Blacklake Management Association, Bill Morrow, and District Interim General Manager, Michael LeBrun.
- ◇ April 22, 2011 – met with the District Interim General Manager and representatives of the Dana Adobe.

C-3) PUBLIC COMMENT ON ITEMS NOT ON AGENDA

There was no public comment.

00:48:59

D. CONSENT AGENDA

- D-1) APPROVE WARRANTS
- D-2) BOARD MEETING MINUTES OF APRIL 13, 2011
- D-3) QUARTERLY INVESTMENT POLICY

Michael LeBrun, Interim General Manager, answered questions from the Board. The Board directed staff to bring answers to a few questions concerning the Districts investment policy forward to the May 11, 2011 agenda. There was no public comment.

Upon the motion of Director Winn and seconded by Director Eby, the Board unanimously approved the consent agenda.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Winn, Eby, Vierheilig, Gaddis, and Harrison	None	None

E. ADMINISTRATIVE ITEMS

Nipomo Community Services District  
REGULAR MEETING  
MINUTES

00:56:06

E-1) SUPPLEMENTAL WATER PROJECT OUTREACH PROGRAM REVIEW EDIT REVISED SCOPE OF WORK

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, and Mr. LeBrun answered questions from the Board. There was no public comment.

Upon the motion of Director Eby and seconded by Director Winn, the Board unanimously approved to fund the contract extension in the amount of \$74,879 for an effort anticipated to be completed by the end of September. This effort should include the following:

- A direct mailer.
- A verbal information package to be presented at various stakeholder groups, and the community in general.
- A published information package to be presented at various stakeholder groups, and the community in general.
- A follow-up telephone survey to measure the effectiveness of the information transfer effort.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Vierheilig, Winn, Eby, Gaddis, and Harrison	None	None

01:26:01

E-2) CONDUCT HEARING TO ADOPT AN ORDINANCE REVISING DISTRICT METHODOLOGY FOR CALCULATING PRIVATE FIRE CAPACITY CHARGE

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Peter Sevcik, District Engineer, and Mr. LeBrun answered questions from the Board. There was no public comment.

Upon the motion of Director Eby and seconded by Director Vierheilig, the Board unanimously adopted Ordinance 2011-116.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Eby, Vierheilig, Winn, Gaddis, and Harrison	None	None

ORDINANCE NO. 2010-116  
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

*The Board took a break from 10:40 to 10:55 a.m.*

**Nipomo Community Services District  
REGULAR MEETING  
MINUTES**

**01:38:56** E-3) CONSIDER SCHEDULE FOR WATER RATE STUDY AND IMPLEMENTATION

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Jon Seitz, District Legal Counsel, and Mr. LeBrun answered questions from the Board. There was no public comment.

Upon the motion of Director Winn and seconded by Director Vierheilig, the Board approved a schedule to adopt a five-year rate study, not to include operations and maintenance for supplemental water, but will implement the 4-tier rate structure the Board previously adopted.

Vote 3-2. (Director Gaddis abstained, pursuant to section 2.9 of the NCSD's by-laws; an abstained vote is counted as a no vote.)

YES VOTES	NO VOTES	ABSENT
Directors Winn, Vierheilig, and Harrison	Directors Eby and Gaddis	None

**01:54:29** F. MANAGER'S REPORT

Michael LeBrun, Interim General Manager, reviewed the report as presented in the Board packet. Mr. LeBrun answered questions from the Board. There was no public comment.

**02:10:15** G. COMMITTEE REPORT

The report was as presented. There was no public comment.

**02:10:45** H. DIRECTOR'S REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Vierheilig

- ◇ Questioned staff on the standards for review and evaluation on the landscape plans.
- ◇ Requested staff to look into replacing the SCADA system with a more reliable system.

Director Eby

- ◇ Requested staff to revisit Solid Waste Franchise Fee. How we can use them, and what the ramifications would be.
- ◇ Requested staff to revisit rationale and continued need for conservation and public information specialist position.

Director Winn

- ◇ Questioned staff on the progress of the meter at the Woodlands intertie.
- ◇ Confused on why the District has no Solar Policy.
- ◇ Requested staff to track an Assembly Bill introduced by Katcho Achadjian that will allow low-income sewer rates.
- ◇ Commented on being cautious when talking about District business.

**02:16:06** I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).

2. PUBLIC EMPLOYEE EVALUATION (GOVERNMENT CODE §54957)

Title: District Interim General Manager Performance Evaluation

Copy of document found at [www.NoNewWipTax.com](http://www.NoNewWipTax.com)

**SUBJECT TO BOARD APPROVAL**



Nipomo Community Services District  
REGULAR MEETING  
MINUTES

CLOSED SESSION ANNOUNCEMENTS (continued)

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

- Property: Water Storage Tank Site Located at Corner of Dana Foothill Road and East Tefft Street.
- Agency Negotiator: Lillian Jewell and Jon Seitz
- Negotiating Parties: Dana Family Trust
- Under negotiations: Terms and Conditions

4. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: ANTICIPATED LIABILITY CLAIM PURSUANT TO GC SECTION 54956.95; CHRIS FOSSE CLAIM AGAINST DISTRICT.

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

K. ADJOURN TO CLOSED SESSION

President Harrison adjourned to Closed Session at 11:45 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

The Board came back into Open Session at 1:15 p.m.

Jon Seitz, District Legal Counsel, announced that the Board discussed item one listed above for closed session, but took no reportable action.

The Board discussed item two listed above for closed session; the Board by unanimous decision releases the following statement:

“The Board has high expectations of its management staff. Mr. LeBrun either meets or exceeds those expectations.” The Board directed Legal Counsel to place on the next agenda, contract negotiations, as a separate item, for the full-time position of Mr. LeBrun, as the General Manager.

The Board discussed item three listed above for closed session; the Board by unanimous decision authorized staff to seek an appraisal in an amount not to exceed \$5000, for the acquisition for the Dana Family Trust Property, at the corner of Dana Foothill Road and East Tefft Street.

The Board discussed item four listed above for closed session; the Board gave specific instructions related to the settlement. Other than what was announced, the Board took no reportable action.

ADJOURN

President Harrison adjourned the meeting at 1:22 p.m.

TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *MSL*  
INTERIM GENERAL MANAGER  
DATE: MAY 6, 2011

**AGENDA ITEM**  
**D-3**  
**MAY 11, 2011**

**ACCEPT QUARTERLY FINANCIAL REPORT**

**ITEM**

ACCEPT QUARTERLY FINANCIAL REPORT [RECOMMEND APPROVAL]

**BACKGROUND**

The District's fiscal year is now 75% complete. The consolidated operating revenues are at 75.99% of the budget, operating expenditures are at 58.39% of the budget, and general and administrative expenditures are at 60.75% of the budget.

Attached are the following, which provide an overview of the first nine months of the fiscal year:

Page 1	Summary of Approved Budget Amendments
Page 2	Summary of Revenues, Expenses and Cash Balances by Fund
Page 3	Consolidated Balance Sheet
Page 4-5	Consolidated Income Statement
Page 6-7	Graphs for Consolidated Revenues and Expenses
Page 8-10	Graphs for major funds (Water, Town Sewer, and Blacklake Sewer)

Detailed information by fund is available in the office.

**RECOMMENDATION**

It is recommended that your Honorable Board accept and direct Staff to file the quarterly financial report for the third quarter of fiscal year 2010-2011.

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF APPROVED BUDGET AMENDMENTS  
FISCAL YEAR ENDING JUNE 30, 2011

FIRST QUARTER ENDING SEPTEMBER 30, 2010

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
7/28/10	Sludge Dredging	Fund #710	\$100,000	\$55,640	\$155,640

SECOND QUARTER ENDING DECEMBER 31, 2010

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
	None				

THIRD QUARTER ENDING MARCH 31, 2011

DATE	DESCRIPTION	FUNDS	APPROVED BUDGET	APPROVED AMENDMENT	AMENDED BUDGET
2/9/11	Sludge Dredging (2 <sup>ND</sup> Amendment)	Fund #710	155,640	22,800	\$178,440

NIPOMO COMMUNITY SERVICES DISTRICT  
SUMMARY OF REVENUES AND EXPENSES BY FUND  
NINE MONTHS ENDING MARCH 31, 2011

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	YTD SUPRLUS/ (DEFICIT)
Administration	110	288,565	(288,565)	0	0
Water	125	2,399,653	(1,699,840)	(525,000)	174,813
Town Sewer	130	1,355,616	(751,370)	(287,625)	316,621
Blacklake Sewer	150	274,426	(185,554)	(15,000)	73,872
Blacklake Street Lighting	200	13,395	(14,853)	0	(1,458)
Street Landscape Maintenance	250	6,576	(3,675)	0	2,901
Solid Waste	300	62,822	(528,951)	0	(466,129)
Drainage Maintenance	400	9,130	0	0	9,130
Supplemental Water Capacity Fees	500	8,104	0	0	8,104
Property Taxes	600	346,847	(105,568)	0	241,279
Water Capacity Fees	700	13,641	0	0	13,641
Town Sewer Capacity Fees	710	14,353	(524,686)	0	(510,333)
Funded Replacement-Water	805	17,365	0	525,000	542,365
Funded Replacement-Town Sewer	810	429,626	0	287,625	717,251
Funded Replacement-BL Sewer	830	90,036	0	15,000	105,036
Town Sewer Sinking Fund	880	737,830	0	0	737,830
<b>TOTAL</b>		<b>6,067,985</b>	<b>(4,103,062)</b>	<b>0</b>	<b>1,964,923</b>

CASH BALANCE OF EACH FUND  
AS OF MARCH 31, 2011

FUND	FUND #	CASH BALANCE 3/31/2011
Administration	110	(49,620)
Water	125	2,114,429
Town Sewer	130	679,710
Blacklake Sewer	150	271,082
Blacklake Street Lighting	200	33,507
Street Landscape Maintenance	250	19,377
Solid Waste	300	202,172
Drainage Maintenance	400	14,135
Supplemental Water (Incl COP)	500	2,151,023
Property Taxes	600	1,777,126
Water Capacity Fees	700	3,470,907
Town Sewer Capacity Fees	710	3,120,525
Funded Replacement-Water	805	3,778,508
Funded Replacement-Town Sewer	810	4,450,038
Funded Replacement-BL Sewer	830	58,046
Sinking Fund-Town Sewer	880	1,608,610
Funds held by Trustee		249,026
<b>TOTAL</b>		<b>23,948,601</b>

NIPOMO COMMUNITY SERVICES DISTRICT  
BALANCE SHEET - CONSOLIDATED  
AS OF MARCH 31, 2011

ASSETS  
-----

Cash and Cash Equivalents	23,948,601.27
Accounts Receivable - Utility Billing	208,025.75
Unbilled Accounts Receivable	725,000.00
Property, Plant & Equipment	47,431,330.06
Accumulated Depreciation	(14,131,426.72)
Prepaid Expenses	24,439.97
Accrued Interest Receivable	27,694.32
Receivable - Other	2,936.67
Notes Receivable - BL Sewer - Current	18,250.50
Notes Receivable - BL Water Merger - Current	19,940.58
Reservation Fee	37,500.00
Loan Fees - SRF Loan	256,834.00
Accumulated Amortization - SRF Loan Fees	(190,771.25)
Revenue COP's Bond Discount	178,100.60
Accumulated Amortization - Bond Discount	(42,298.56)
Notes Receivable - BL Sewer - Long Term	167,274.51
Notes Receivable - BL Water Merger - Long Term	183,569.84
<b>Total Assets</b>	<b>58,865,001.54</b>

LIABILITIES  
-----

Accounts Payable	329,516.01
Other Payables	2,281.55
Refunds Payable	186.13
Construction Meter Deposits	5,000.00
Compensated Absences Payable	61,788.00
Accrued Interest Payable	2,469.43
Deposits	56,096.15
P/R Tax and Workers Comp Payable	(3,834.62)
Retention Payable	7,999.50
Deposit - NMWCA	4,500.00
Deposit - Maintenance Guarantee	3,657.55
Deposit - Pomeroy Rd Water Line	24,170.00
Deferred Revenue	6,300.00
Notes Payable - Property Tax Fund - Current	18,250.50
Notes Payable - BL Water Merger - Current	19,940.58
Notes Payable - Municipal Finance - Current	18,668.29
Revenue Bonds - Current Portion	10,000.00
SRF Loan #110 - Current Portion	34,868.35
SRF Loan #120 - Current Portion	42,180.25
Revenue COP's - Current Portion	90,000.00
Notes Payable - Municipal Finance - Long Term	146,565.20
Notes Payable - Property Tax Fund - Long Term	167,274.51
Notes Payable - BL Water Merger - Long Term	183,569.84
Revenue Bonds Payable - Long Term Portion	76,000.00
SRF Loan #110 Payable - Long Term Portion	278,946.80
SRF Loan #120 Payable - Long Term Portion	344,753.90
Revenue COP's - Long Term Portion	3,330,000.00
<b>Total Liabilities</b>	<b>5,261,147.92</b>

FUND EQUITY  
-----

Contributed Capital - Assets	11,507,296.78
Contributed Capital - Capacity Fees (CY)	86,583.00
Contributed Capital - Supplemental Water Fees (CY)	120,358.00
Contributed Capital - Capacity Fees (PY)	17,489,970.62
Contributed Capital - Supplemental Water Fees (PY)	3,010,172.75
Contributed Capital - Right of Way	70,100.00
Contributed Capital - Assessment Districts	1,222,721.00
Contributed Capital - Grants	2,581,967.66
Retained Earnings - Reserved (Debt Service)	15,600.00
Retained Earnings - Reserved (Emergencies)	50,000.00
Retained Earnings - Reserved (Sewer Grant)	345,000.00
Retained Earnings - Reserved (Funded Replacement)	8,634,540.32
Retained Earnings - Unreserved	6,504,619.85
CURRENT EARNINGS	1,964,923.64
<b>Total Fund Equity</b>	<b>53,603,853.62</b>
<b>Total Liabilities and Fund Equity</b>	<b>58,865,001.54</b>

NIPOMO COMMUNITY SERVICES DISTRICT  
INCOME STATEMENT - CONSOLIDATED  
FOR THE PERIOD ENDING MARCH 31, 2011

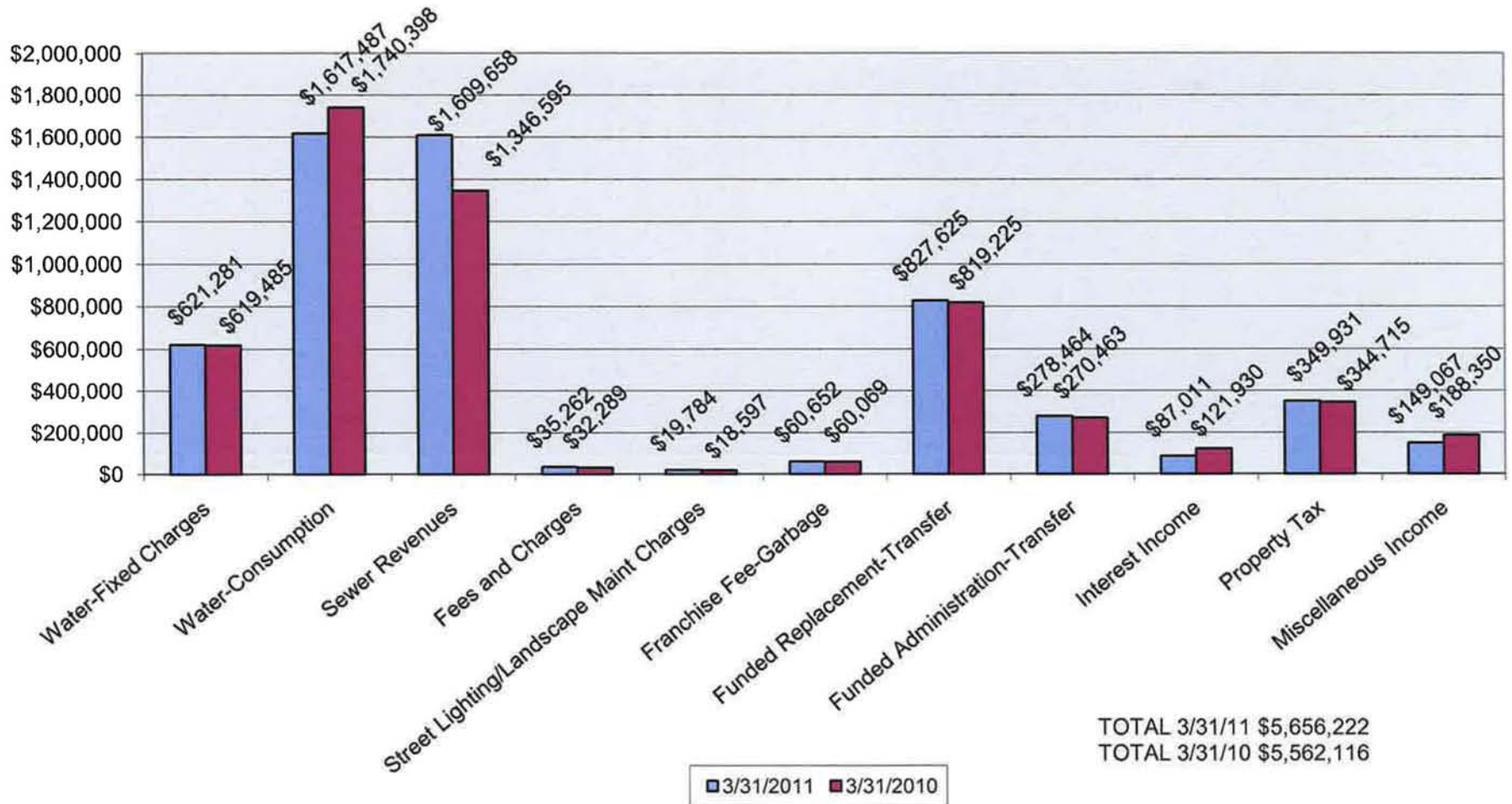
	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
<b>REVENUES</b>			
Water - Fixed Charge	621,280.62	803,000.00	77.37 %
Water - Usage	1,600,971.72	2,150,000.00	74.46 %
Construction Water	12,727.47	0	.00 %
Fire System Fee	3,787.50	0	.00 %
Sewer Charges	1,609,657.61	2,124,000.00	75.78 %
Fees and Penalties	32,502.04	43,150.00	75.32 %
Meters	2,460.00	0	.00 %
Plan Check & Inspection Fees	300.00	0	.00 %
Franchise Fees	60,652.28	89,250.00	67.96 %
Miscellaneous Income	115,975.87	33,400.00	347.23 %
Street Lighting Charges	13,270.00	18,836.00	70.45 %
Landscape Maintenance Dist Charges	6,513.54	8,450.00	77.08 %
Operating Transfers In - Funded Administration	278,463.88	450,880.00	61.76 %
Operating Transfers In - Funded Replacement	827,624.88	1,103,500.00	75.00 %
<b>Total Revenues</b>	<b>5,186,187.41</b>	<b>6,824,466.00</b>	<b>75.99 %</b>
<b>OPERATIONS AND MAINTENANCE</b>			
Wages and Benefits	483,345.47	879,265.00	54.97 %
Electricity	405,752.36	761,620.00	53.27 %
Chemicals	25,227.81	34,000.00	74.20 %
Lab Tests	41,541.20	81,900.00	50.72 %
Operating Supplies	68,204.92	150,000.00	45.47 %
Outside Services	30,528.82	43,020.00	70.96 %
Permits and Operating Fees	17,753.40	30,225.00	58.74 %
Repairs and Maintenance	214,945.48	429,000.00	50.10 %
Engineering	39,477.27	100,000.00	39.48 %
Fuel	19,031.00	45,000.00	42.29 %
Paging Service	7,020.98	10,500.00	66.87 %
Meters - New Installation	0	5,000.00	.00 %
Meters - Replacement Program	38,358.65	48,000.00	79.91 %
Safety Program	10,930.00	10,000.00	109.30 %
Uniforms	5,959.02	11,000.00	54.17 %
Landscape Maintenance & Water	3,595.79	8,080.00	44.50 %
Clean Up	0	1,500.00	.00 %
Conservation Program	24,133.46	125,000.00	19.31 %
Street Sweeping/Trash Collection	1,522.08	2,100.00	72.48 %
Operating Transfers Out - Funded Replacement	827,624.88	1,103,500.00	75.00 %
<b>Subtotal - O &amp; M</b>	<b>2,264,952.59</b>	<b>3,878,710.00</b>	<b>58.39 %</b>
<b>GENERAL AND ADMINISTRATIVE</b>			
Wages and Benefits	509,831.03	743,272.00	68.59 %
Utilities	10,912.43	15,500.00	70.40 %
Audit	8,000.00	8,000.00	100.00 %
Bank Charges and Fees	3,073.68	4,050.00	75.89 %
Computer Expense	36,572.38	62,000.00	58.99 %

NIPOMO COMMUNITY SERVICES DISTRICT  
 INCOME STATEMENT - CONSOLIDATED  
 FOR THE PERIOD ENDING MARCH 31, 2011

	YTD ACTUAL	ANNUAL BUDGET	% OF BUDGET
Director Fees	14,400.00	25,220.00	57.10 %
Dues and Subscriptions	11,158.39	16,000.00	69.74 %
Education and Training	3,689.57	25,500.00	14.47 %
Elections	354.63	5,500.00	6.45 %
Insurance - Liability	58,953.08	75,000.00	78.60 %
LAFCO Funding	20,029.42	25,000.00	80.12 %
Landscape and Janitorial	8,897.46	14,000.00	63.55 %
Legal - General Counsel	86,535.57	165,000.00	52.45 %
Legal - Water Counsel	13,312.31	75,000.00	17.75 %
Professional Services	119,272.36	177,000.00	67.39 %
Miscellaneous	4,121.00	7,500.00	54.95 %
Newsletters & Mailers	162.38	13,000.00	1.25 %
Office Supplies	7,543.42	20,000.00	37.72 %
Outside Service	7,261.23	13,505.00	53.77 %
Postage	10,672.34	29,920.00	35.67 %
Public Notices	2,863.26	15,700.00	18.24 %
Repairs and Maintenance	9,353.49	22,000.00	42.52 %
Property Taxes	1,024.96	1,087.00	94.29 %
Telephone	7,930.86	10,180.00	77.91 %
Travel and Mileage	2,141.71	18,500.00	11.58 %
Bond Administration	1,750.00	0	.00 %
Operating Transfer Out - Funded Administration	278,463.88	450,881.00	61.76 %
<b>Subtotal - G &amp; A</b>	<b>1,238,280.84</b>	<b>2,038,315.00</b>	<b>60.75 %</b>
<b>NON OPERATING INCOME</b>			
Interest Income	87,011.46	186,780.00	46.58 %
Property Tax Revenues	349,930.56	508,140.00	68.86 %
BL Sewer Surcharge	16,336.26	24,480.00	66.73 %
BL Water Surcharge	16,755.22	25,779.00	65.00 %
<b>Subtotal - Non Operating Income</b>	<b>470,033.50</b>	<b>745,179.00</b>	<b>63.08 %</b>
<b>NON OPERATING EXPENSES</b>			
Interest Expense	110,813.84	184,016.00	60.22 %
Other Post Employment Benefits (OPEB)	77,250.00	103,000.00	75.00 %
<b>Subtotal - Non Operating Expenses</b>	<b>188,063.84</b>	<b>287,016.00</b>	<b>65.52 %</b>
<b>Net Surplus/(Deficit)</b>	<b>1,964,923.64</b>	<b>1,365,604.00</b>	<b>143.89 %</b>

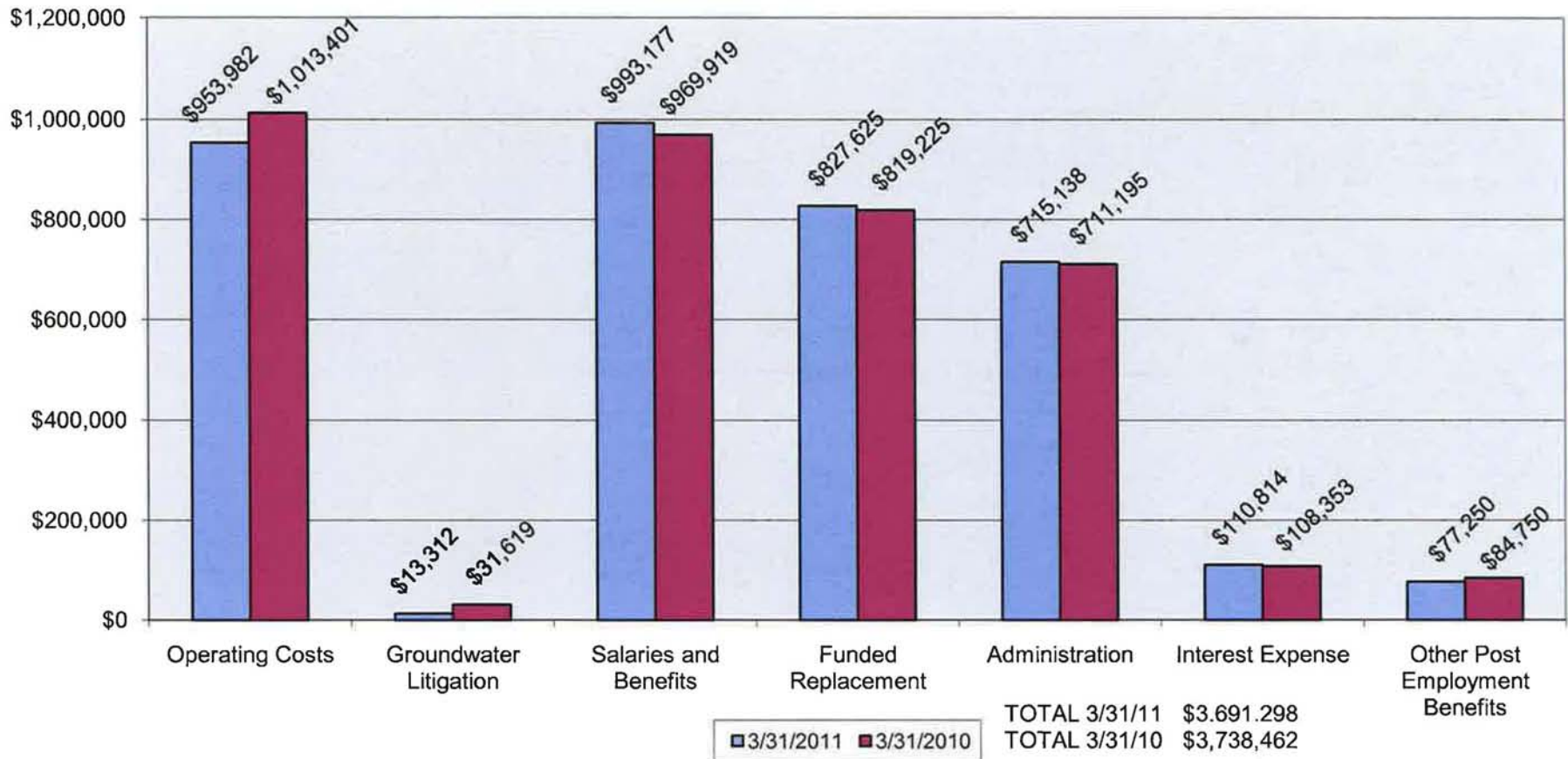
UNAUDITED

**NIPOMO COMMUNITY SERVICES DISTRICT  
COMBINED REVENUES FOR ALL FUNDS  
NINE MONTHS ENDED  
MARCH 31, 2011 AND MARCH 31, 2010**

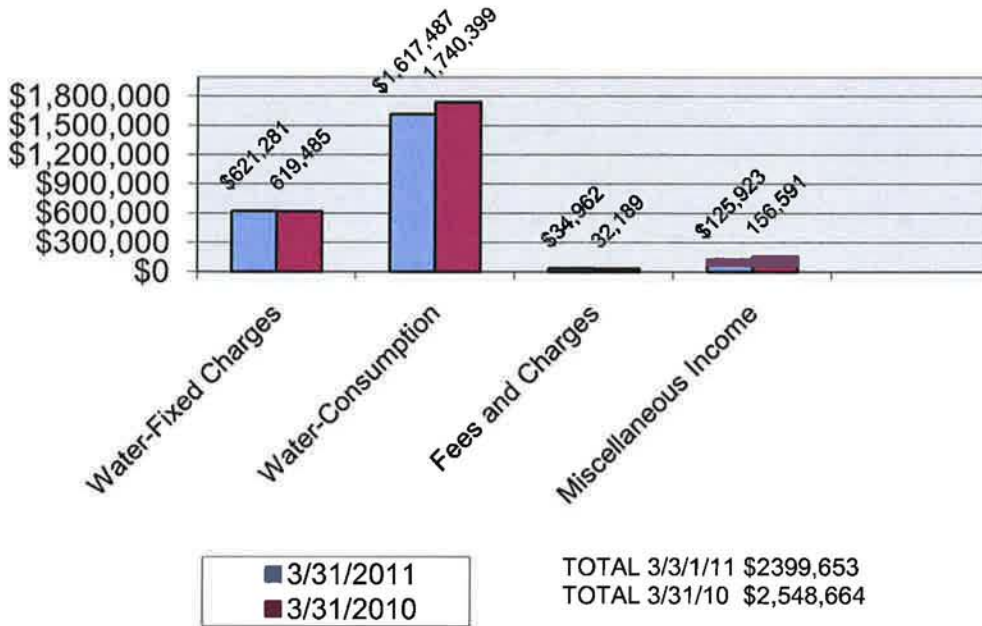




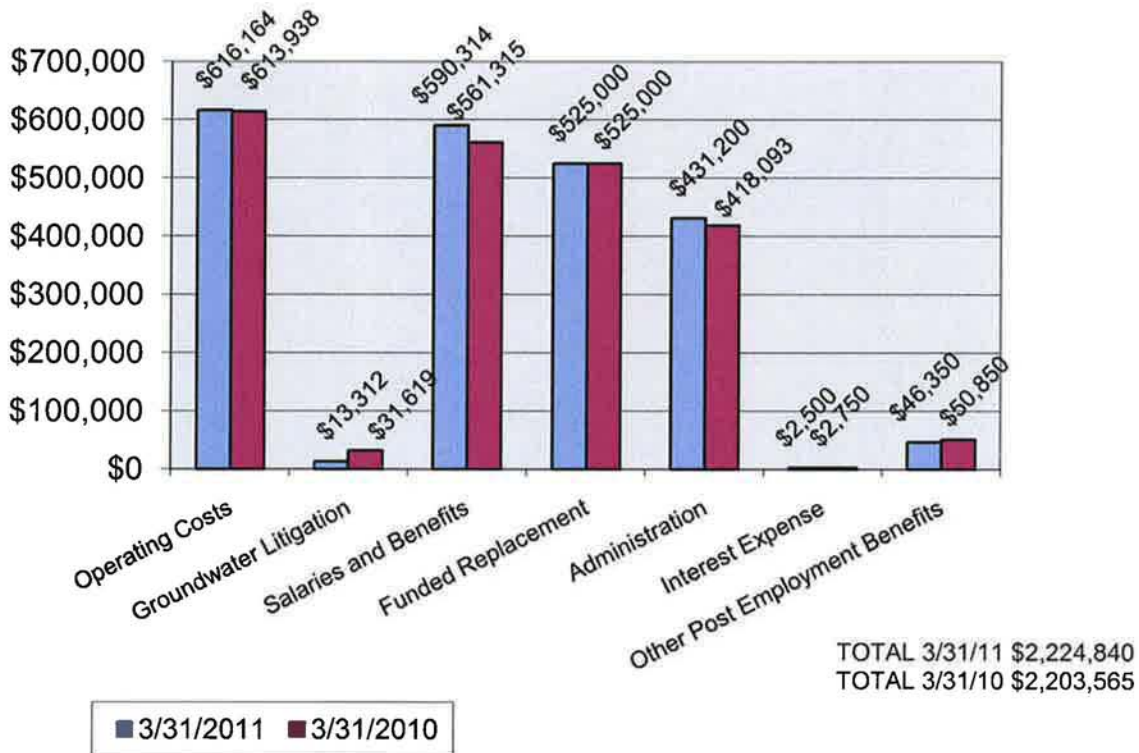
**NIPOMO COMMUNITY SERVICES DISTRICT  
 COMBINED EXPENDITURES FOR ALL FUNDS  
 NINE MONTHS ENDED  
 MARCH 31, 2011 AND MARCH 31, 2010**



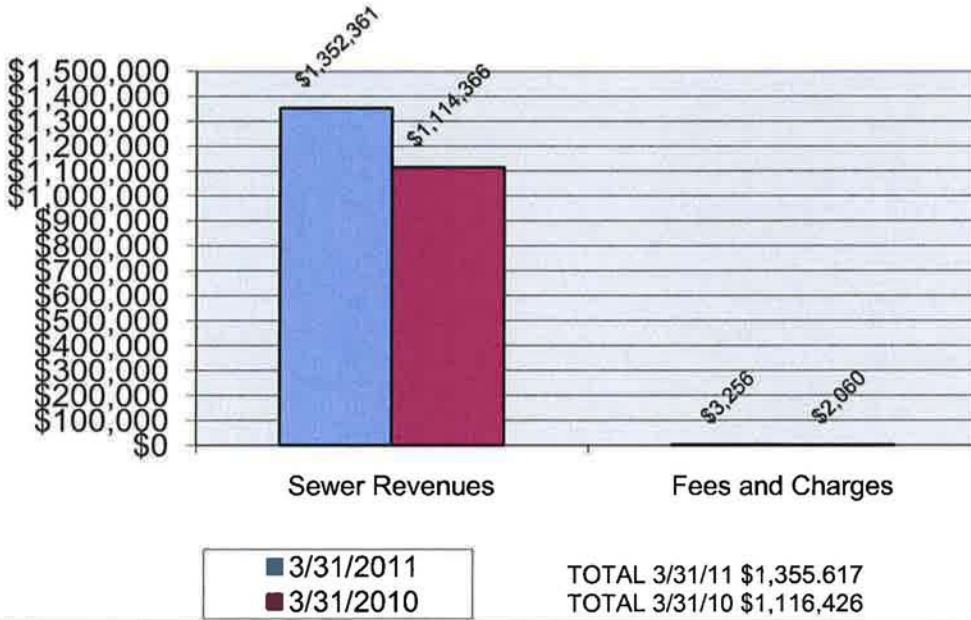
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
REVENUES-MARCH 31 2011 AND MARCH 31, 2010**



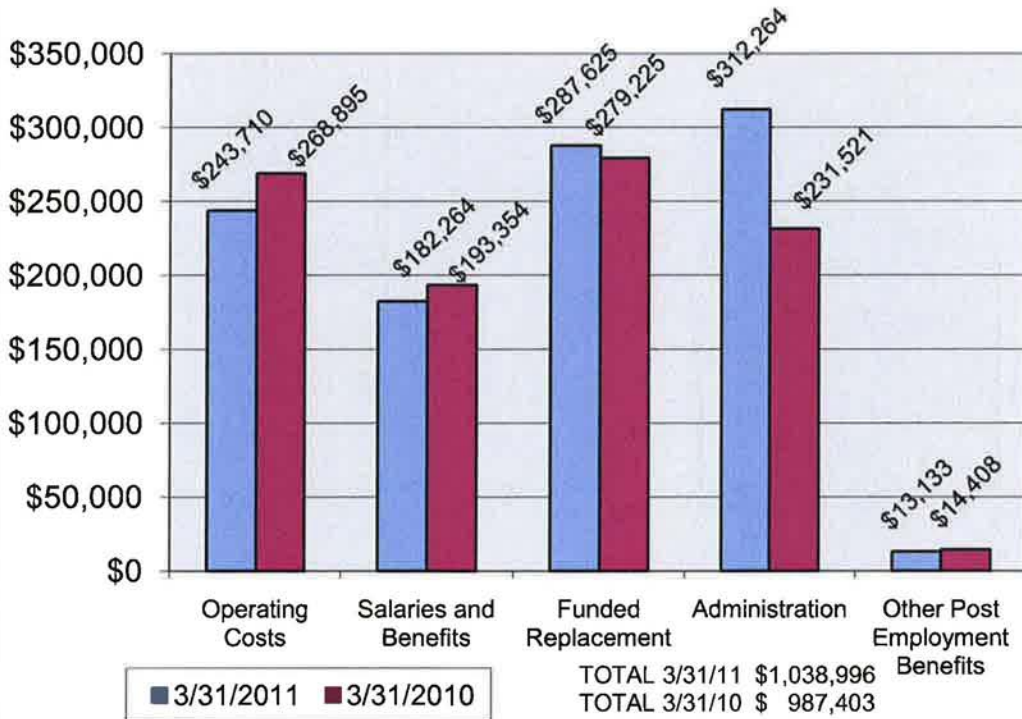
**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER FUND #125  
EXPENDITURES-MARCH 31, 2011 AND MARCH 31, 2010**



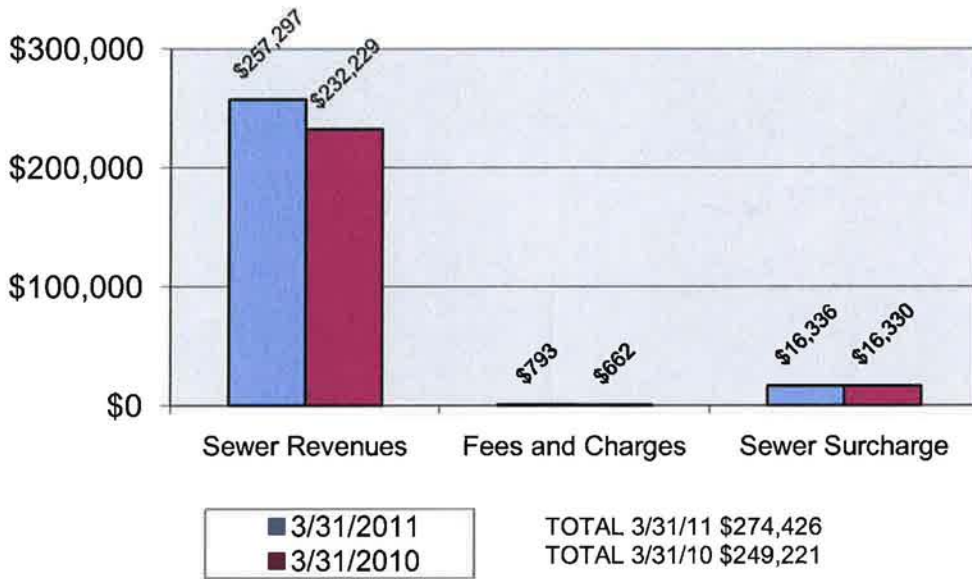
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
REVENUES-MARCH 31, 2011 AND MARCH 31, 2010**



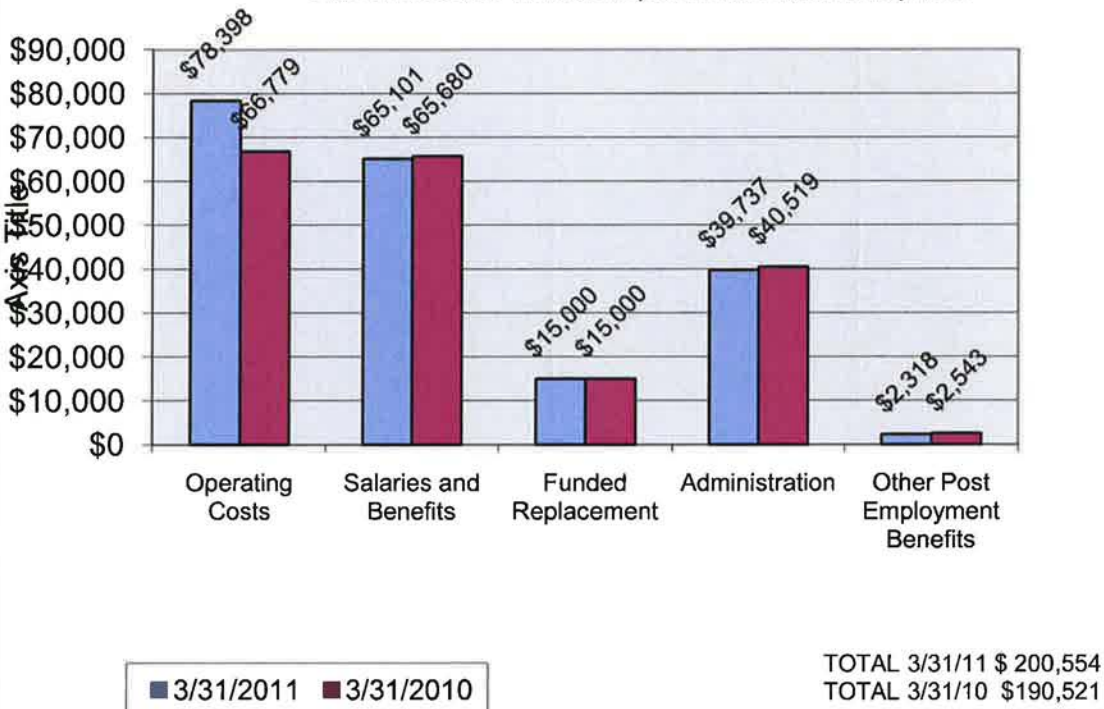
**NIPOMO COMMUNITY SERVICES DISTRICT  
TOWN SEWER FUND #130  
EXPENDITURES-MARCH 31, 2011 AND MARCH 31, 2010**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
REVENUES-MARCH 31, 2011 AND MARCH 31, 2010**



**NIPOMO COMMUNITY SERVICES DISTRICT  
BLACKLAKE SEWER FUND #150  
EXPENDITURES-MARCH 31, 2011 AND MARCH 31, 2010**



TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN *MSL*  
DATE: MAY 6, 2011

**AGENDA ITEM  
D-4  
MAY 11, 2011**

**APPROVAL OF THE ENGINEER'S LEVY REPORT AND DECLARATION OF INTENTION TO LEVY ANNUAL ASSESSMENTS FOR STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2011-2012**

**ITEM**

Approval of resolutions granting approval of the engineer's levy report and declaration of intention to levy annual assessments for the Street Landscape Maintenance District No. 1 for Fiscal Year 2011-2012. [RECOMMEND APPROVE RESOLUTIONS]

**BACKGROUND**

On April 13, 2011, the Board of Directors adopted Resolution 2011-XXXX entitled:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS FOR THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2011-2012 PURSUANT TO THE PROVISIONS OF PART 2 OF THE DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

Peter Sevcik, District Engineer, was directed to prepare the annual levy report (attached). Pursuant to Proposition 218 and the Petition Requesting Formation of the Street Landscape Maintenance District, the annual levy may be increased by a percentage equal to the Consumer Price Index (CPI). While the CPI defines the maximum rate for the District may increase the levy each year, the actual amount to be assessed is based on the annual budget and may be less than the maximum rate. Property owners within the assessment district must approve any proposed assessment that exceeds the adjusted maximum rate based on the CPI.

It is recommended that the assessment remain the same at \$303.57 for fiscal year 2011-2012. The computed Maximum Assessment Allowable is \$408.85, however, the budgeted expenditures for fiscal year 2011-2012 do not warrant assessing the full Maximum Assessment Allowable.

Since inception, the annual assessments have been as follows:

Fiscal Year 2003-2004(first year of assessment)	\$345.00
Fiscal Year 2004-2005 (CPI increase)	\$346.96
Fiscal Year 2005-2006 (CPI increase)	\$354.94
Fiscal Year 2006-2007 (CPI increase)	\$365.34
Fiscal Year 2007-2008 (no increase proposed)	\$365.34
Fiscal Year 2008-2009 (CPI increase)	\$387.74
Fiscal Year 2009-2010	\$301.78
Fiscal Year 2010-2011	\$303.57

**RECOMMENDATION**

Staff recommends approval of two resolutions-one approving the Engineer's Report and one declaring intention to levy annual assessments.

**ATTACHMENTS**

Engineer's Annual Levy Report  
Resolutions (2)

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2011-xxxx**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
GRANTING APPROVAL OF THE ANNUAL ENGINEER'S LEVY REPORT FOR THE STREET  
LANDSCAPE AND MAINTENANCE DISTRICT NO. 1  
FOR FISCAL YEAR 2011-2012**

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("NCSD") has, by Resolution, ordered the preparation of an Engineer's Annual Levy Report by Peter Sevcik, District Engineer (hereinafter referred to as "Report") for the Nipomo Community Services District Street Landscape Maintenance District No. 1 (hereinafter referred to as "Street Landscape Maintenance District No. 1") pursuant to the provisions of the Landscaping and Lighting Act of 1972, Part 2 of Division of the Streets and Highways Code of California, beginning with Section 22500 (hereinafter referred to as the "Act"); and

**WHEREAS**, the District and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

**WHEREAS**, the NCSD has now been presented with the Report as required by Section 22566 of said Act; and

**WHEREAS**, the NCSD has carefully examined and reviewed the Report as presented and is satisfied with the budget items and documents as set forth therein and is satisfied that the proposed assessments have been spread in accordance with the Petition for Street Landscape Maintenance District No. 1 and with benefits received from the improvements, operation, maintenance, and services to be performed within Street Landscape Maintenance District No. 1 as set forth in said Report.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT, NIPOMO, CALIFORNIA FOR THE LANDSCAPE MAINTENANCE DISTRICT NO. 1 AS FOLLOWS:**

SECTION 1: That the above recitals are all true and correct and incorporated herein by reference.

SECTION 2: That the presented Report consists of the following:

- a. A Description of the Improvements
- b. The Annual Budget (Costs and Expenses of Services, Operation, and Maintenance)
- c. The Method of Apportionment that details the method of calculating each parcel's proportional special benefits and annual assessment.
- d. The District Roll containing the proposed assessment for each parcel within the District for fiscal year 2011-2012.

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2011-xxxx

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
GRANTING APPROVAL OF THE ANNUAL ENGINEER'S  
LEVY REPORT FOR THE STREET LANDSCAPE AND  
MAINTENANCE DISTRICT NO. 1  
FOR FISCAL YEAR 2011-2012

PAGE TWO

SECTION 3: The Report is hereby approved and ordered to be filed in the Nipomo Community Services District Offices as a permanent record and to remain open to public inspection.

SECTION 4: That the NCSD General Manager shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of the Engineer's Annual Levy Report.

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services this 11th day of May, 2011, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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JAMES HARRISON, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

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MICHAEL LEBRUN, Secretary  
to the Board of Directors  
Nipomo Community Services District

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JON S. SEITZ, District Legal Counsel  
Nipomo Community Services District

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NIPOMO COMMUNITY SERVICES DISTRICT  
ENGINEER'S ANNUAL LEVY REPORT  
STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1  
FISCAL YEAR 2011-2012

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Introduction

Nipomo Community Services District ("NCS D") annually levies and collects special assessments to maintain improvements within Street Landscape Maintenance District No. 1 ("District"). The District was formed and annual assessments are established pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code (the "1972 Act").

This Engineer's Annual Report ("Report") describes the District and the proposed assessments for the fiscal year 2011-2012. The assessments are based on the historical and estimated future costs to maintain the improvements that provide a direct and special benefit to properties within the District.

For the purposes of this Report, the word "parcel" refers to an individual property assigned its own Assessor Parcel Number by the San Luis Obispo County Assessor's Office. The San Luis Obispo County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify properties assessed for special district benefit assessments on the tax roll.

Effect of Proposition 218

In November 1996, California voters approved Proposition 218 that established specific requirements for the on going imposition of taxes, assessments and fees. The provisions of the Proposition are now contained in the California Constitutional Articles XIIC and XIID.

All assessments described in this Report and approved by the Board of Directors are prepared in accordance with the 1972 Act and are in compliance with the provisions of the California Constitution Article XIID.

The assessments adopted include the District's annual inflationary adjustment to the maximum assessment rate. This annual inflationary adjustment to the maximum assessment rate is provided in this Report.

Description of the District and Services

The District (formed on April 9, 2003) provides and ensures the continued maintenance, servicing, administration and operation of landscaping located within the public rights-of-way and dedicated landscape easements in Tract 2409, a 28 lot subdivision commonly known as Vista Verde Estates, located off of West Tefft across from Dana Elementary School.



NIPOMO COMMUNITY SERVICES DISTRICT  
ENGINEER'S ANNUAL LEVY REPORT  
STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1  
FISCAL YEAR 2011-2012

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Improvements within the District include the maintenance and operation and the furnishing of services and materials for landscaping which include trees, shrubs, grasses and other ornamental vegetation, and appurtenant facilities, including irrigation systems.

Method of Apportionment

General

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements which include the construction, maintenance and servicing of landscaping and appurtenant facilities. The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

*"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."*

The formula used for calculating assessments of the District therefore reflect the composition of the parcels, and the improvements and services provided, to fairly apportion the costs based on the benefits to each parcel.

Benefit Analysis

The associated costs and assessments have been carefully reviewed, identified and allocated based on special benefit pursuant to the provisions of the California Constitution and 1972 Act. The improvements associated with the District have been identified as necessary, required and/or desired for the orderly development of the properties within the District to their full potential, consistent with the proposed development plans. As such, these improvements would be necessary and required of individual property owners for the development of such properties, and the ongoing operation, servicing and maintenance of these improvements would be the financial obligation of those properties. Therefore, the improvements and the annual costs of ensuring the maintenance and operation of the improvements are of direct and special benefit to the properties.

The method of apportionment (method of assessment) is based on the premise that each assessed parcel within the District receives special benefit from the improvements provided by the District. The desirability of properties is enhanced by the presence of local improvements in close proximity to those properties.

The special benefits associated with landscaped improvements are specifically:

NIPOMO COMMUNITY SERVICES DISTRICT  
ENGINEER'S ANNUAL LEVY REPORT  
STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1  
FISCAL YEAR 2011-2012

- 
- Enhanced desirability of properties through association with the improvements.
  - Improved aesthetic appeal of properties providing a positive representation of the area.
  - Enhanced adaptation of the urban environment within the natural environment from adequate green space and landscaping.
  - Environmental enhancement through improved erosion resistance, dust and debris control.
  - Increased sense of pride in ownership of property within the District resulting in well-maintained improvements associated with the properties.
  - Reduced criminal activity and property-related crimes (especially vandalism) against properties in the District through well-maintained surroundings.

Based on the preceding special benefits, it has been determined that the improvements provided through the District and for which parcels are assessed, contribute to aesthetic value and desirability of those properties. It has further been determined that these improvements, either individually or collectively are provided for the special benefit and enhancement of properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

Assessment Methodology

The maximum annual assessment that may be levied each fiscal year includes an annual inflationary adjustment to the maximum assessment rate based on the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers in San Francisco/San Jose for February 28 of the current year over the previous year's index on the same date. Although the maximum rate for the District may increase each year, the actual amount to be assessed is based on the annual budget and may be less than the maximum rate. The property owners must approve any proposed assessment that exceeds the adjusted maximum rate before it can be imposed.

The maximum assessment that may be levied in a fiscal year is increased annually by the following formula

$$\left. \begin{array}{l}
 \text{(Prior Year's Annual Maximum Assessment x CPI)} \\
 \text{Plus} \\
 \text{Prior Year's Annual Maximum Assessment}
 \end{array} \right\} = \text{Current Year's Annual Maximum Assessment}$$

NIPOMO COMMUNITY SERVICES DISTRICT  
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FISCAL YEAR 2011-2012

=====

The percentage change used is the annual change for the preceding 12 months. The annual inflation factor applied for the fiscal year 2011-2012 is based on the percentage change from February 2011 to February 2010 and has been identified as 2.06% (annual percentage change currently available).

MAXIMUM ALLOWABLE ASSESSMENT PER PARCEL (APPLYING INFLATIONARY ADJUSTMENT)	
2010-2011 Maximum Assessment	(A) \$400.60
X CPI (2.06%)	(B) \$8.25
	-----
Maximum Assessment Allowable 2011-2012	(A) + (B) \$408.85 =====
Proposed 2011-2012 Annual Assessment	\$303.57 =====

Fiscal Year 2011-2012 District Budget

DESCRIPTION	2011-2012 BUDGET
Beginning Estimated Fund Balance (July 1, 2011)	\$18,500
<b>Proposed Assessment Levy</b>	<b>\$8,500</b>
<b>Estimated Expenditures</b>	
Contract Landscape Maintenance (1)	(\$3,350)
Plant attrition and normal loss	(\$1,000)
Water	(\$3,150)
Electricity	(\$150)
Reserve (2)	(\$0)
Administration	(\$850)
<b>Total Estimated Expenditures</b>	<b>(\$8,500)</b>
Estimated Ending Fund Balance (June 30, 2012)	\$18,500

(1) Maintenance contract to be re-bid. Cost is anticipated to increase.

(2) Reserve is for anticipated increases in water rates, landscaping repair/replacement and irrigation system repair/replacement. No additional reserve is budgeted in Fiscal Year 2011-2012.

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Lot Number	Assessor Parcel Number	Annual Assessment
1	092-512-001	\$303.57
2	092-512-002	\$303.57
3	092-512-003	\$303.57
4	092-512-004	\$303.57
5	092-512-005	\$303.57
6	092-512-006	\$303.57
7	092-512-007	\$303.57
8	092-512-008	\$303.57
9	092-512-009	\$303.57
10	092-512-010	\$303.57
11	092-512-011	\$303.57
12	092-512-012	\$303.57
13	092-512-013	\$303.57
14	092-512-014	\$303.57
15	092-512-015	\$303.57
16	092-512-016	\$303.57
17	092-512-017	\$303.57
18	092-512-018	\$303.57
19	092-512-019	\$303.57
20	092-512-020	\$303.57
21	092-512-021	\$303.57
22	092-512-022	\$303.57
23	092-512-023	\$303.57
24	092-512-024	\$303.57
25	092-512-025	\$303.57
26	092-512-026	\$303.57
27	092-512-027	\$303.57
28	092-512-028	\$303.57
	TOTAL	\$8,499.96



*Peter V. Sevcik*  
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 PETER V. SEVCIK  
 DISTRICT ENGINEER

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2011-xxxx**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO  
LEVY ANNUAL ASSESSMENTS FOR THE STREET LANDSCAPE AND  
MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2011-2012**

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("NCSD") has, by previous Petition and Resolutions, formed the Nipomo Community Services District Street Landscape Maintenance District No. 1 (hereinafter referred to as "Street Landscape Maintenance District No. 1") and initiated proceedings for Fiscal Year 2006/07 pursuant to the provisions of the Landscaping and Lighting Act of 1972, Streets and Highways Code of California, beginning with Section 22500 (hereinafter referred to as "Act") that provides for the levy and collection of assessments by the County of San Luis Obispo for the Nipomo Community Services District to pay for the maintenance and services of all improvements and facilities related thereto; and

**WHEREAS**, the Street Landscape Maintenance District No. 1 and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

**WHEREAS**, the NCSD has appointed Peter Sevcik, District Engineer, for the purpose of assisting with the Annual Levy of the District and to prepare and file a Report in accordance with the Act, and that said Report has been prepared, filed, and presented to the Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT, FOR THE STREET LANDSCAPE AND MAINTENANCE DISTRICT NO. 1 PURSUANT TO CHAPTER 3, SECTION 22624 OF THE ACT AS FOLLOWS:**

**SECTION 1** Intention: The NCSD hereby declares that it intends to seek the Annual Levy of the District pursuant to the Act, over and including the land within the Street Landscape Maintenance District No. 1 boundary, and to levy and collect assessments on all such land to pay the costs of the following: the operation, maintenance, and servicing of landscaping and all appurtenant facilities and operations related thereto.

**SECTION 2** Description of Improvements and Any Substantial Changes Proposed: The improvements within the Street Landscape Maintenance District No. 1 include: the maintenance and operation of and the furnishing of services and materials for landscaping which includes trees, shrubs, grass, and other ornamental vegetation, and appurtenant facilities, including irrigation systems within the Street Landscape Maintenance District No. 1. The Engineer's Annual Levy Report describes all new improvements or substantial changes in existing improvements.

**SECTION 3** Boundaries and Designation: The boundaries of the Street Landscape Maintenance District No. 1 are described as the boundaries previously defined in the formation documents of the original Street Landscape Maintenance District No. 1.

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2011-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
DECLARING ITS INTENTION TO LEVY ANNUAL ASSESSMENTS FOR THE STREET LANDSCAPE AND  
MAINTENANCE DISTRICT NO. 1 FOR FISCAL YEAR 2011-2012

SECTION 4 Increase in Assessments: The assessment is proposed to be \$1.79 more than the previous year.

SECTION 5 Engineers Report: The Report is on file with the Secretary of NCSD Board of Directors and contains a full and detailed description of the improvements, the boundaries of Street Landscape Maintenance District No. 1, and the proposed assessments upon assessable lots and parcels of land within Street Landscape Maintenance District No. 1.

SECTION 6 Notice: Pursuant to Section 22626 of the 1972 Act and 6061 of the Government Code, the NCSD shall give notice of the time and place of the Public Hearing to all property owners within Street Landscape Maintenance District No. 1 by causing the publishing of this Resolution once in the Santa Maria Times not less than ten (10) days before the date of the public hearing and by posting a copy of this Resolution on the official bulletin board customarily used by the NCSD for the posting of notices.

SECTION 7 Time of Public Hearing: Notice is hereby given that a public hearing will be held by the Board of Directors of the Nipomo Community Services District on June 8, 2011, at 9:00 a.m. in the Regular Meeting Room located within the District Offices located at 148 South Wilson Street, Nipomo. California 93444.

SECTION 8 Incorporation of Recitals: The above Recitals are true and correct and incorporated herein by reference.

SECTION 9 Other Actions: The Board of Directors and such employees of the NCSD as are appropriate are authorized and directed to execute such other documents and take such further action as shall be consistent with the intent and purpose of this Resolution.

**PASSED AND ADOPTED** by the Board of Directors of the Nipomo Community Services District this 11<sup>th</sup> day of May 2011.

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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James Harrison, President  
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

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Michael LeBrun, Secretary to the  
Board of Directors  
Nipomo Community Services District

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Jon S. Seitz, District Legal Counsel  
Nipomo Community Services District