

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

REGULAR BOARD MEETING FEBRUARY 21, 1996 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

STEVEN SMALL, **PRESIDENT**
KATHLEEN FAIRBANKS, **VICE PRESIDENT**
ALEX MENDOZA, **DIRECTOR**
AL SIMON, **DIRECTOR**
ROBERT BLAIR, **DIRECTOR**

STAFF

DOUGLAS JONES, **General Manager**
DONNA JOHNSON, **Secretary to the Board**
JON SEITZ, **General Counsel**

CALL TO ORDER AND FLAG SALUTE

ROLL CALL

APPROVAL OF MINUTES

1. REGULAR MEETING OF FEBRUARY, 7, 1996

PUBLIC COMMENTS PERIOD

2. PUBLIC COMMENTS

Public comments on matters other than scheduled items.
Presentations limited to three (3) minutes.

BOARD ADMINISTRATION

3. TERMINATION OF WATER SERVICE

Terminate water services due to tampering and non-payment. (Discussion/Action)

4. INTENT-TO-SERVE - TRACT 1736 - COLT LANE ESTATES

Review of road access in Tract 1736. Request for and Intent-to-Serve letter (Discussion/Action).

5. PROPOSED ANNEXATION NO. 15 - NEWDOLL

Review information on annexation of 10 acre parcel located at Tefft & Hazel (Discussion/Information)

6. PROPERTY REVERSION - ARMTROUT

Accepting a deed from Armtrout so that a parcel map may be recorded, and property can be reverted to original developer. (Discussion/Action).

7. DISTRICT INVESTMENT POLICY

Establishment of a formal investment policy for the District (Discussion/Action)

8. EARTH DAY - APRIL 27, 1996

Nipomo Native Gardens sponsored EARTH DAY (Discussion/Information)

FINANCIAL REPORT

9. APPROVAL OF WARRANTS

OTHER BUSINESS

10. MANAGER'S REPORT (Discussion/Information)

1. SDRMA REFUND ON INSURANCE
2. GE CAPITAL CORP. FINANCIAL REVIEW - 1978 BONDS
3. PROPOSED INITIATIVE INFORMATION - RIGHT TO VOTE ON TAX ACT

11. DIRECTORS COMMENTS

12. PUBLIC COMMENTS

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
State of Calif. vs. NCSD Case No. CV 078345
2. Existing litigation GC§ 54956.9
NCSD vs. Shell Oil, et. al. Case No. CV 077387

*GC§ refers to Government Code Sections

ADJOURN

C:\W:\AGENDA\A010396

**NIPOMO COMMUNITY SERVICES DISTRICT
MINUTES**

REGULAR BOARD MEETING FEBRUARY 7, 1996 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

STEVEN SMALL, **PRESIDENT**
KATHLEEN FAIRBANKS, **VICE PRESIDENT**
ALEX MENDOZA, **DIRECTOR**
AL SIMON, **DIRECTOR**
ROBERT BLAIR, **DIRECTOR**

STAFF

DOUGLAS JONES, **General Manager**
DONNA JOHNSON, **Secretary to the Board**
JON SEITZ, **General Counsel**

CALL TO ORDER AND FLAG SALUTE

President Steven Small called the February 7, 1996 Regular meeting to order at 7:03 p.m. and led the flag salute.

ROLL CALL

At Roll Call all Board members were present.

APPROVAL OF MINUTES

1. REGULAR MEETING OF JANUARY 17, 1996
Steve Small made a correction to Item 7 of the January 17, 1996 Minutes.

SPECIAL MEETING OF JANUARY 24, 1996

Upon motion of Director Blair and seconded by Director Fairbanks, the Board unanimously approved the Minutes of Jan. 17 with corrections and Jan. 24.

PUBLIC COMMENTS PERIOD

2. PUBLIC COMMENTS
Public comments on matters other than scheduled items.
Presentations limited to three (3) minutes.

President Small opened the meeting up to Public Comments. John Snyder of Koch California presented the Board with a list of questions regarding AB 3030. District Counsel Jon Seitz and President Small responded.

BOARD ADMINISTRATION

3. INTENT-TO-SERVE TRACT 1736
Request for water and sewer service to Tract 1736, a 21 lot subdivision at Colt Lane and Souza St. (Discussion/Action)

A request from Mr. W. Ghormley for Intent-to-Serve letter for a 21 lot subdivision for Tract 1736 was received. There was much discussion concerning the width of the road servicing the tract. Upon motion of Director Fairbanks and seconded by Director Simon, the Board unanimously agreed to continue the item until the next meeting.

4. WELL SITE EXCHANGE FOR WATER SERVICE

Potential District water service in exchange for a well site near Hwy. 1 & Dawn Rd. (Discussion/Action).

Mr. Fred Kulikoff has offered an easement for a well-site in exchange for the District providing water service to his property. Mr. Jones suggested several options. The Board would like further information on the current status of the Woodland Project. Comments were heard from Mr. Kulikoff and Jacqueline Fredericks. No action taken.

5. WATER LINE EXTENSION REIMBURSEMENT

Frontage Rd. & Grande Ave. water line extension reimbursement requested by Skylark Park LLC, Tract 1813 (Discussion/Action)

Don Pruitt from Tract 1813 (Skylark Park) requested that a reimbursement agreement be prepared for the area benefited by the water line which was installed in Frontage Road between Grande Avenue & Division. Upon motion of Director Fairbanks and seconded by Director Blair, the Board unanimously approved the reimbursement agreement and the setting of a Public Hearing for March 20, 1996.

6. DISTRICT INVESTMENT POLICY

Review draft of a formal investment policy for the District (Discussion/Information)

Senate Bill 866 and 564 has been adopted by the State Legislature. These bills require local government entities to adopt a formal investment policy procedure. The Board reviewed the Draft 1996 Investment Policy. Suggestions were noted by District counsel. This item will be brought back to the Board at a future meeting for review and possible adoption.

7. SAFETY MEETING MINUTES

Approval of District's Safety Meeting Minutes (Discussion/Action)

Upon motion of Director Mendoza and seconded by Director Simon, the Board unanimously acknowledged the receipt of the minutes of the January 31, 1996 Safety Meeting. Mr. Frank Hirsh commented from the audience.

FINANCIAL REPORT

8. APPROVAL OF WARRANTS

Upon motion of Director Simon and seconded by Director Blair, the Board unanimously approved the Warrants presented at the February 7, 1996 meeting.

OTHER BUSINESS

9. MANAGER'S REPORT (non action item)

Mr. Jones presented information on the following items:

1. TAX EXCHANGE WORKSHOP HELD ON FEB. 3
2. PB PIPE REPAIR STATUS

Other information presented was concerning the State Water Line, the Water Advisory Committee, and a seminar in Santa Barbara to be facilitated by Scott Slater.

Manager was directed to draft a letter to the County Board of Supervisors concerning the formation of a Planning Commission for the Nipomo Mesa. Gene Kaye and Cees Dobbe asked questions and made comments.

Mr. Bob Newdoll asked the Board to take another look at the Tefft St. & Hazel Lane annexation.

10. DIRECTORS COMMENTS
WATER COMMITTEE REPORT (DIR. BLAIR/SIMON)

Mr. Blair and Mr. Simon gave a report on their sub-committee meeting of January 18, 1996 concerning supplemental water. Conclusion: Look for water wherever possible.

11. PUBLIC COMMENTS

Comments were heard from John Snyder (Koch California), Cees Dobbe (All Seasons Flowers), Jacqueline Fredericks, and Frank Hirsch.

Counsel Jon Seitz mentioned that the manager of Oceano Community Services District, Berkley Brannon, passed away last week.

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSD vs. Shell Oil, et. al. Case No. CV 077387

Closed Session canceled.

The February 7, 1996 meeting was adjourned at 9:50 p.m.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: FEBRUARY 21, 1996

TERMINATION OF WATER SERVICE

On October 18, 1995, the bills for two water services became due and payable. Pursuant to District Code Section 3.03.070-Notice of discontinuance of residential service for nonpayment, District personnel initiated turn off procedures beginning on October 19. On October 19, a delinquency notice was mailed and on October 31, a door hanger was placed on the door of the house. On November 6, District personnel wrote the work orders to turn off and lock these residences for non payment. (Note: neither residence is on the sewer). The following is the work order history on each service.

Account #7076 - 201 Orchard

1. Meter locked on November 6, 1995
2. Meter checked on November 9, 1995
3. Meter checked on December 4, 1995 and found NCSD lock removed and customer placed own lock on meter. NCSD cut customers lock and put another NCSD lock on meter. Corp Stop was damaged and the meter would not turn off all of the way so NCSD plugged the meter.
4. Meter checked January 16, 1996-no tampering noticed
5. Meter checked February 1, 1996-no tampering noticed
6. On February 8, 1996, the attached door hanger was taped to the door noticing property owner of Public Hearing for purpose of ordering Permanent Disconnection. Also, a copy of the notice was mailed first class mail to customer.
7. On February 9, 1996, the attached door hanger was taped to the door a second time. NCSD personnel noted that the first notice that had been taped to the door the previous day had been removed. Also, meter was checked-no tampering noticed.
8. Meter checked February 15, 1996-no tampering noticed.

Account #7032-762 Widow

1. Meter locked on November 6, 1995
2. Meter checked on November 7, 1995 and found NCSD lock had been removed. New lock placed on meter.
3. Meter checked on December 13, 1995 and found lock had been removed. NCSD plugged meter.
4. Meter checked on January 16, 1996-no tampering noticed
5. Meter checked on February 8, 1996-no tampering noticed
6. On February 8, 1996, the attached door hanger was taped to the door noticing property owner of Public Hearing for purpose of ordering Permanent Disconnection. Also, a copy of the notice was mailed first class mail to customer.
7. On February 9, 1996, the attached door hanger was taped to the door a second time. Also, meter was checked-no tampering noticed.
8. Meter checked February 15, 1996-no tampering noticed.

District Code Section 3.03.170-Tampering states “no person, other than an authorized district employee, shall at any time or in any manner, tamper or otherwise interfere with any water meter or meter valve. Section 3.03.170 (D) further states that staff shall prepare and keep records concerning tampering and if there is more than one such tampering violation for the same property within any five year period, the Board shall hold a public hearing to consider permanent disconnection of water service to the property, or such other remedies as the Board deems appropriate. It should be noted that each case, tampering has occurred twice.

Copies of the excerpts of the Code referenced above are attached for your review. Also, copies of the notices taped to the customer’s doors are attached.

The customers have never contacted the District Office to make payment arrangements.

The General Manager will give you a status report of these two accounts as of the time of the meeting regarding payment. Your honorable board shall hold a public hearing to consider permanent disconnection of water service to the properties or consider other such remedies deemed appropriate.

**10 Notice of discontinuance
of residential service for
nonpayment.**

A. At least ten days before any proposed discontinuance of residential water and/or sewer service for nonpayment of a delinquent account respecting such service, the district shall mail a notice, postage pre-paid, to the customer to whom the service is billed of the proposed discontinuance. Such notice shall be given not earlier than thirty days from the date of mailing the district's bill for such service and the ten-day period shall not commence until five days after the mailing of the notice. In addition to the ten-day notice provided for in the preceding sentence, the district shall make a reasonable attempt to contact any adult person residing at the premises of the customer by telephone or personal contact at least forty-eight hours prior to any discontinuance of service, except that, whenever telephone or personal contact cannot be accomplished, the district shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of disconnection of service, at least forty-eight hours prior to disconnection.

B. Every notice of discontinuance of service required by this section shall include all of the following information:

1. The name and address of the customer whose account is delinquent;
2. The amount of the delinquency;
3. The date by which payment or arrangements for payment is required in order to avoid discontinuance;
4. The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges, unless the district's bill for service contains a description of that procedure;
5. The procedure by which the customer may request amortization of the unpaid charges;
6. The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state or federal sources, if applicable;
7. The telephone number and name of a representative of the district who can provide additional information or institute arrangements for payment. (Ord. 95-81 § 1 (part), 1995)

3.03.170 Tampering.

A. No person, other than an authorized district employee, shall at any time or in any manner, operate, or cause to be operated, any valve in or connected to a water main or sewer main, service connection or fire hydrant, or tamper or otherwise interfere with any water meter, meter valve, backflow prevention device, detector check valve, or other part of the district's water or sewer system.

B. In addition to other district rights and charges, a fee of twenty-five dollars will be charged to the customer in all situations where a person has tampered with district services or privately restores water service without district permission. Such fee shall be added to any and all water bills for the property or units affected by the illegal water tampering.

C. If a person's actions result in damage to the district's water or sewer systems, the cost of repair and/or replacement will be charged to the customer.

D. Staff shall prepare and keep complete and accurate records concerning tampering with district's service systems. The manager shall review such records and shall decide whether or not to seek a criminal complaint through the sheriff's office. If there is more than one such tampering violation for the same property within any five-year period, the board shall hold a public hearing to consider permanent disconnection of water service to the property, or such other remedies as the board deems appropriate. (Ord. 95-81 § 1 (part), 1995)

Notice to property owner:

Charles V. Jenzen
201 Orchard Rd.
Nipomo, CA 93444

Account #7076
Service Address 201 Orchard Rd., Nipomo.

On October 20, 1995 your bill became delinquent.

Pursuant to District Code Section 3.03.070 "Notice of discontinuance of residential service for nonpayment" procedure was initiated. Due to lack of payment by the due date, your water meter was locked. District personnel inspected the meter on 12/4/95 and noted that tampering had occurred. Pursuant to Section 3.03.170 tampering with District services is illegal and subject to a \$25.00 charge for each incident where a service is privately restored. In order to restore water service you will need to make payment in full in the amount of \$ 163.75.

Further, pursuant to Section 3.03.170(D) there will be a Public Hearing for the purpose of ordering a PERMANENT DISCONNECTION of water to the affected property. The Public Hearing is set for February 21, 1996, 7:00 p.m. at 261 W. Dana St., Suite 100, Nipomo, CA

If District is in receipt of \$163.75 in the form of cash, money order or cashier's check by the time of the hearing, the intended Board action will be suspended.

2-8-96 3:49 PM

ERNIE TAPED NOTICE
TO DOOR

Lee Douglas

Ernie Jenzen

2-9-96 3:56 PM

Taped Notice to door

1ST notice was removed
ET

Checked Jack *Ernie Jenzen*
OK

Notice to tenant:

Rosa Cueva
762 Widow Lane
Nipomo, CA 93444

Account # 7032
Service Address 762 Widow Lane, Nipomo.

On October 20, 1995 your bill became delinquent.

Pursuant to District Code Section 3.03.070 "Notice of discontinuance of residential service for nonpayment" procedure was initiated. Due to lack of payment by the due date, your water meter was locked. District personnel inspected the meter on 11/7/95 and 12/13/95 and noted that tampering had occurred. Pursuant to Section 3.03.170 tampering with District services is illegal and subject to a \$25.00 charge for each incident where a service is privately restored. In order to restore water service you will need to make payment in full in the amount of \$ 202.15.

Further, pursuant to Section 3.03.170(D) there will be a Public Hearing for the purpose of ordering a PERMANENT DISCONNECTION of water to the affected property. The Public Hearing is set for February 21, 1996, 7:00 p.m. at 261 W. Dana St., Suite 100, Nipomo, CA

If District is in receipt of \$202.15 in the form of cash, money order or cashier's check by the time of the hearing, the intended Board action will be suspended.

3:55 PM 2-8-96

ERNIE TAPED TO DOOR

2-9-96
Taped Notice To door.

Ernie Chapman
3:40 PM

checked Jack OK

Lee Doyle

Ernie Chapman

AGENDA ITEM
FEB 21 1996



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

TRACT 1736
COLT LANE ESTATES
INTENT-TO-SERVE

At the Board Meeting held on Feb. 7, 1996, Your Honorable Board reviewed the Intent-to-Serve for Tract 1736, Colt Lane Estates. Some discussion developed around the on-site road width. The Board's concern was the ingress and egress to the property along with the capability of a fire truck servicing this area during emergencies and the turn around area for a large vehicle such as a fire truck.

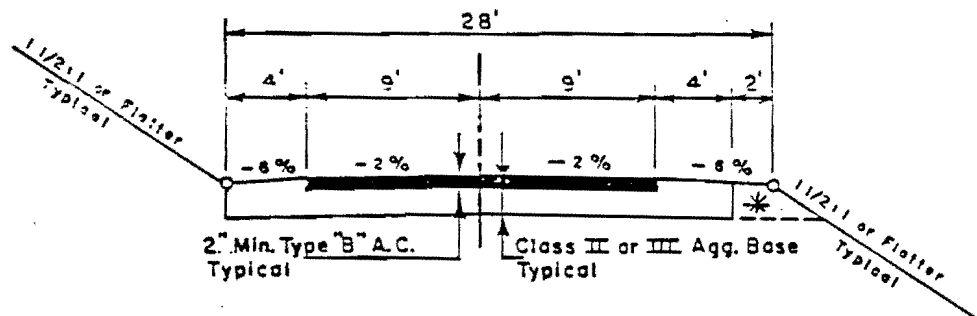
Staff has researched the County standards for roads and streets and those standards are enclosed for the Board's review. A typical section for a rural area in the county, assuming around 250 automobiles daily traffic which would have a minimum of 18 foot paved travel way. These standards are for public roads and not off-site roads such as in this development. Off-site roads are under the jurisdiction of the County Planning Department. It was suggested that the applicant, Bonita Homes, have a representative at the next Board meeting to explain the rationale of the on-site road improvements.

It is hopeful that a representative from Tract 1736 will be present at this meeting.

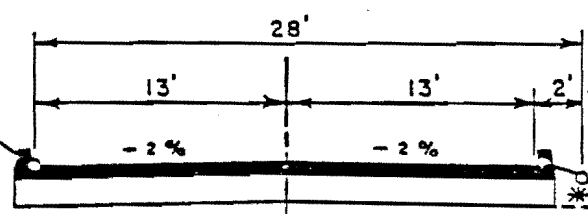
Once Your Honorable Board has reviewed this item, it may proceed with the approval of the Intent-to-Serve letter with the previously mentioned conditions on the Feb. 7, 1996 agenda.

C:\W:\BD\tr1736-2.DOC

Revisions				Approvals	
Description	By	Approved	Date	County Engineer	
					<i>Clinton Miller 6/7/84</i>
				Recommended by Deputy Co. Eng.	



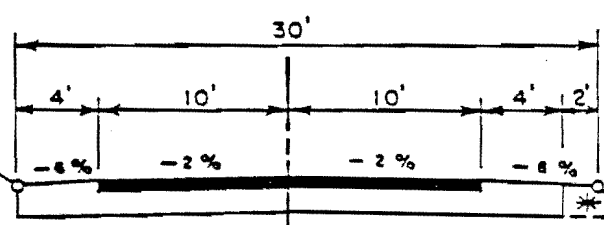
2" Min. Type "B" A.C. Typical Class II or III Agg. Base Typical



Asphalt dike and paved shoulders to be installed where needed to control drainage or erosion

UNDER 250 FUTURE A.D.T.

* NOTE: As an alternate the choker can be eliminated and the agg. base carried to the hinge point



250-400 FUTURE A.D.T.

Specification Ref.
Drawn: <i> </i> Date: <i> </i>

COUNTY OF SAN LUIS OBISPO
ENGINEERING DEPARTMENT

**TYPICAL SECTIONS
RURAL**

Scale
NO SCALE

Drawing No
A-1(a)

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 7, 1996

TRACT 1736
INTENT TO SERVE

The District has received a request from Mr. William J. Ghormley for an Intent-to-Serve for Tract 1736, a 21 lot subdivision at the intersection of Colt Lane and Souza St. Lot sizes in this development range from approximately 3500 sq. ft. to 5000 sq. ft. as shown on the tentative tract map. It is estimated that water use for this tract will use less than 7 acre feet per year. Wastewater of approximately 4000 gallons per day will be generated from this subdivision.

The developer has entered into a Plan Check and Inspection Agreement with the District and has paid the sewer portion but not the water portion (\$835.00). If your Honorable Board wishes to approve an Intent-to-Serve letter for Tract 1736, the following conditions must be complied with before a final Will-Serve letter will be issued:

1. Before the Intent-to-Serve letter is issued, the Plan Check and Inspection water fee must be paid.
2. Improvement plans must be submitted to the District for approval.
3. All appropriate easements and improvements must be dedicated to the District when completed.
4. All appropriate water and sewer fees must be paid.
5. Conduit with a pull string must be installed from the meter box to the house phone receptacle for future meter reading capabilities.

It would be staff's recommendation that this Tract 1736 be approved and an Intent-to-Serve letter with the above conditions be issued.



WILLIAM J. GHORMLEY
CONSULTING CIVIL ENGINEERS, INC.

4567 TELEPHONE ROAD, SUITE 201
VENTURA, CALIFORNIA 93003

(805) 644-1049

January 24, 1996

Mr. Doug Jones
Nipomo Community Services District
P. O. Box 326
Nipomo, CA 93444

Subject: Tract 1736 - Colt Lane - Nipomo

Dear Doug:

Please provide a Water Will-Serve Letter and a Sewer Service Will Serve letter to provide services to the above mentioned site.

Thank you in advance.

Very truly yours,

William J. Ghormley, P. E.

WJG/kg

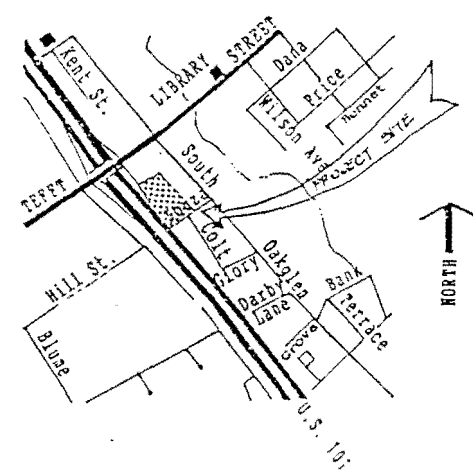
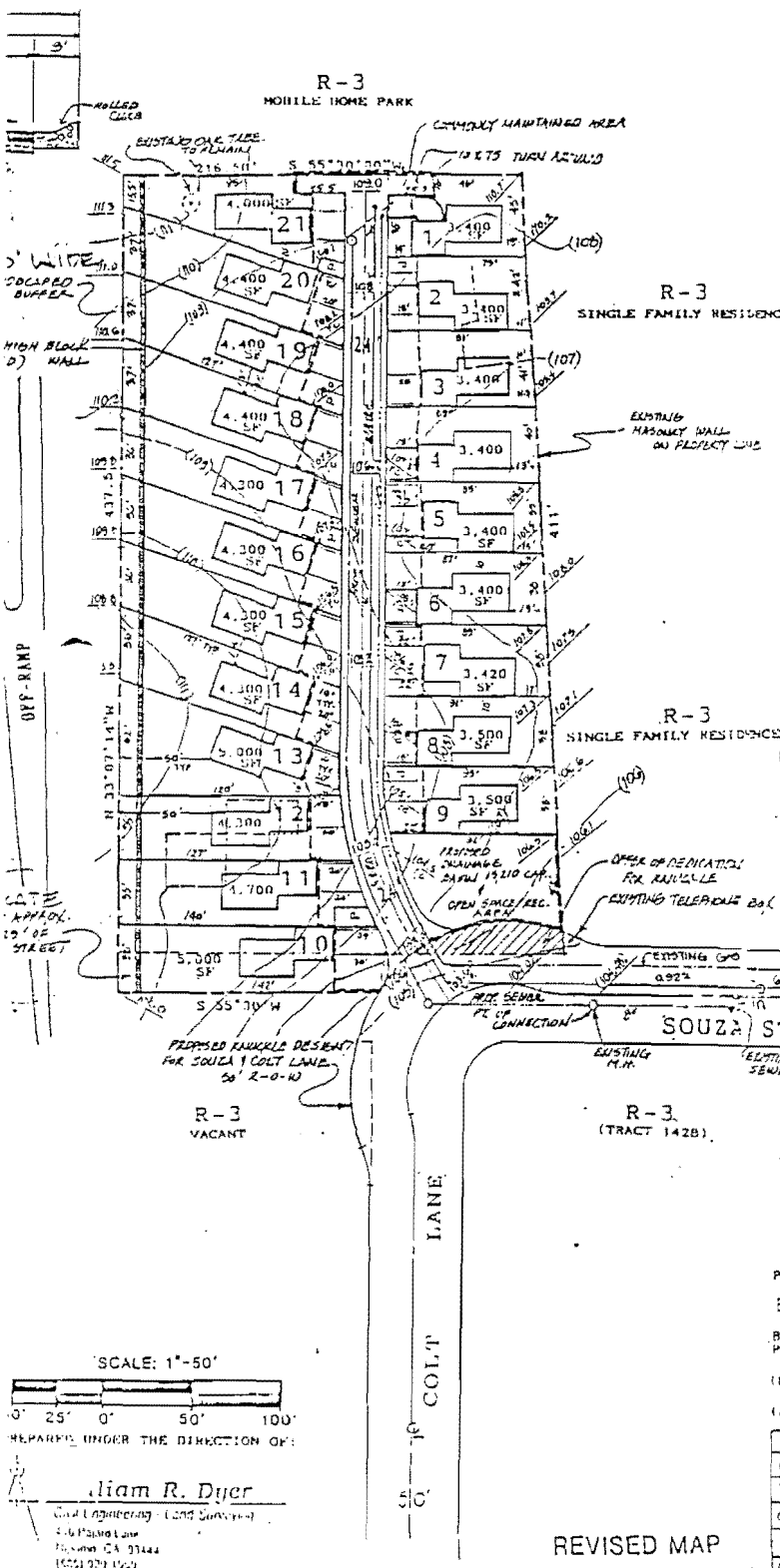
cc. John H. Ghormley

RECEIVED

JAN 25 1996

**NIPOMO COMMUNITY
SERVICES DISTRICT**

REVISED MAP



VICINITY MAP (NOT TO SCALE)

VESTING TENTATIVE TRACT NO. 1736

COUNTY OF SAN LUIS OBISPO

LEGAL DESCRIPTION: THAT PORTION OF LOT 12 OF THE RESUBDIVISION OF THE WESTERLY PART OF LOT 25 OF THE WIPOMO RANCHO IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA.

SURVEYOR'S STATEMENT

This map was prepared by me or under my supervision and, to the best of my knowledge, complies with the lot division ordinance of the County of San Luis Obispo.

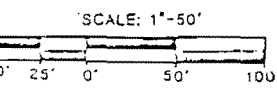
By: *William R. Dyer* Date: *2/12/90*

PREPARED FOR:
BS&K PARTNERS
839 DUGAN DRIVE
PISMO BEACH, CA. 93449
(805) 401-7048
(805) 473-1927



REVISIONS 2/12/90

DATE	NOTES	P.M.	P.O.
6/30/89	Redimensioned Colt Lane		18
7/19/89	Chained setbacks and pads		18
9/14/89	Added lot for Required Portion		18
11/15/90	Revised setbacks - varied setbacks orient		18
2/12/90	Change of setbacks (1-9) to 10' reduced no. of lots 21		JPD

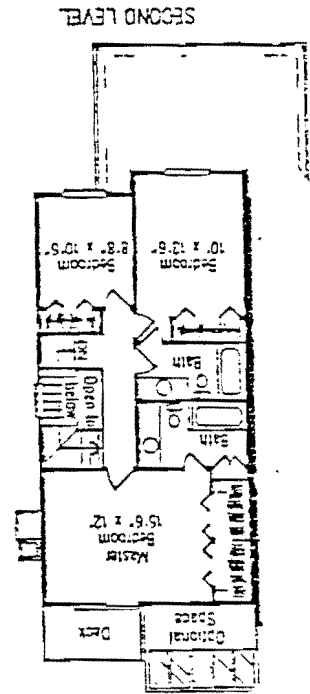
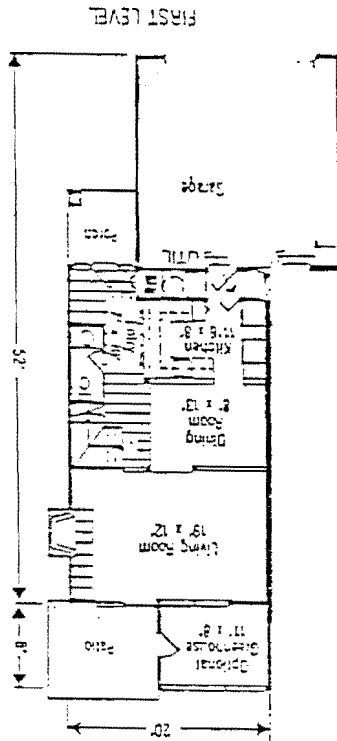


Prepared under the direction of:
William R. Dyer
Civil Engineering - Land Surveyor
216 Pismo Drive
Pismo Beach, CA 93442
(805) 927-1927

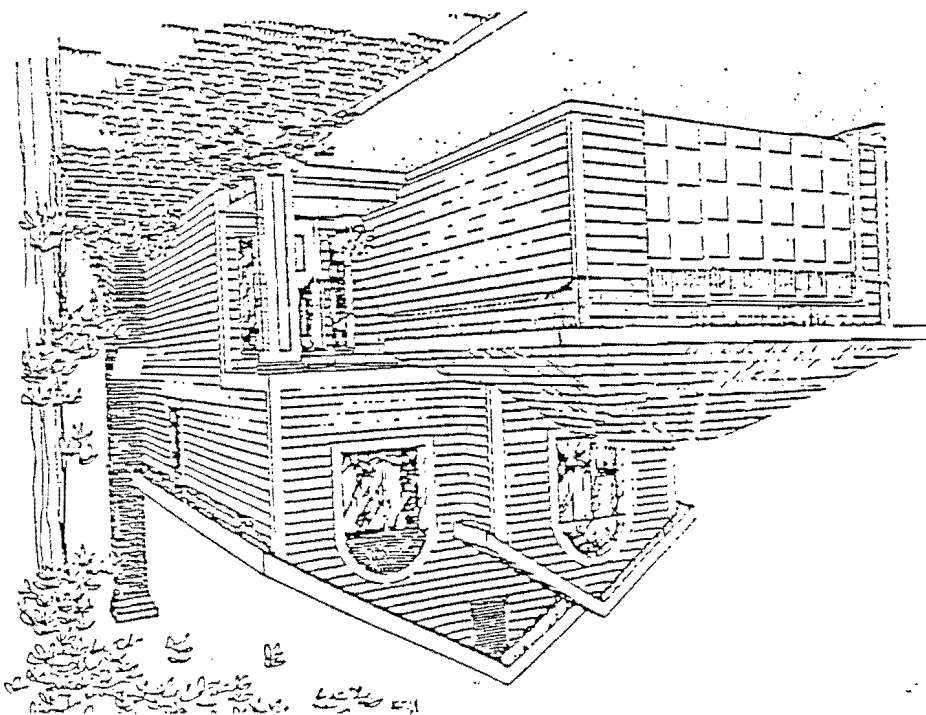
REVISED MAP

D880500D FLOOR PLAN / ELEVATION

- Tiled entry flows by powder room to formal dining room and adjacent living room with tiled fireplace.
- Sliding door from the living room leads to the rear patio and adjacent optional skylit greenhouse.
- Kitchen, with space-conscious design, opens to the dining room and separate utility area.
- Upstairs, master bedroom has a full bath, plenty of closet space and a private deck.
- Two additional bedrooms and a full bath complete the second level.
- Plan has a slab foundation.
- Each du measures 20' x 52'.



TRACT 1736



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

PROPOSED ANNEXATION #15 (NEWDOLL)

Mr. Bob Newdollar has previously requested through LAFCO for the annexation of a 10-acre parcel at the intersection of Tefft St. and Hazel Lane to NCSA for water and sewer services. This annexation was stalled when the County and the District could not agree on a tax exchange. On all previous annexations the District received approximately 7% of the increased property taxes from the development. On this proposed annexation, the County offered a zero tax exchange. The District did not accept that offer, therefore, the proposed annexation did not proceed through LAFCO.

Mr. Newdollar is willing to negotiate a form of a tax exchange for this property with a means of assessing the property for the taxes that the District would have received. Mr. Newdollar was to confer with his legal counsel to see what type of procedure might be developed.

Associated with the Newdollar annexation is the Hastings annexation (No. 12) which had previously been approved by LAFCO. On Dec. 14, 1993 the County Board of Supervisors adopted Resolution No. 93-500 accepting the negotiated property tax exchange of 7.833% on the Hastings annexation. On Jan. 5, 1994 the District Board adopted Resolution 94-497 accepting the negotiated property tax exchange at 7.833%. The Hastings annexation has been stalled due to the applicant's financial condition. It is understood that if the Newdollar annexation went ahead, the Hastings annexation would have a financial base to proceed on their annexation.

Neither the Hastings nor the Newdollar proposed annexations have submitted an annexation report as stated in § VI of the District's Annexation Policy.

Your Honorable Board may wish to direct staff how they wish to proceed with the proposed Newdollar annexation and a possible agreement in lieu of property tax exchange.

Attached is a map showing the location of the 15 acres Hastings annexation No. 12 and the proposed Newdollar 10 acre annexation No. 15.

THE ANNEXATION POLICY
OF THE
NIPOMO COMMUNITY SERVICES DISTRICT

FEBRUARY 2, 1983

I. PURPOSE In order to promote efficient processing of all requests for annexation to the Nipomo Community Services District, this policy documents the present basis upon which this Board of Directors will evaluate such requests and provides notice thereof to the owners of the property which is the subject of such requests.

II. INTENT This Board of Directors intends to review all annexation requests with the aim of supporting the viability of the Nipomo Community Services District in providing essential services. The Nipomo Community Services District must be operated so as to best provide:

low cost water, sewerage and other authorized services for the residents of the Nipomo Community Services District.

efficient governmental services for orderly land use development within the District, conservation of natural and environmental resources, including local water resources; its availability and quality, growth consistent with the General Plan of San Luis Obispo County and the established policies of the Local Agency Formation Commission, including specifically the Commission's adopted spheres of service and influence for Nipomo.

III. GENERAL POLICIES

A. In order to provide for the orderly development of public service facilities, only those properties will be considered for annexation for which the owners are willing to accept all conditions for service required by the Nipomo Community Services District. More specifically, but without limitation, requests for annexation solely for sewerage services to the exclusion of water service will not be considered by this Board of Directors.

Further, the District will not attempt to require the annexation of territory over the objections of the owners of the property to be annexed.

B. In order to evaluate the impacts of a potential annexation upon the Nipomo Community Services District, this Board of Directors will consider only annexation requests which include the submittal of a comprehensive use or development plan for the subject property in sufficient detail to provide a complete picture of the full impact of the annexation in the foreseeable future upon the District's long term water resources, water distribution facilities, sewerage services, financial program and other services required.

If any such use or development plan requires future county approvals (for example, zoning or subdivision), the district's approval of the annexation shall be conditioned upon the owners obtaining such County approvals before the annexation becomes effective.

- C. After review of the use or development plan, this Board of Directors will consider only annexation requests where it can be demonstrated that:

There is a bona fide need for Nipomo Community Services District services at the site of the proposed annexation in the immediate future or in conformance with a phased plan of development approved by San Luis Obispo County.

The proposed annexation will provide identified benefits to: (1) the future residents and property owners within the annexed area; and (2) the residents and property owners of the remainder of the Nipomo Community Services District.

IV. ANNEXATIONS OF DEVELOPED PROPERTIES—SPECIFIC POLICIES

- A. "Developed properties" are lands which are already developed to the maximum land use intensity permitted by the County's General Plan.
- B. In order to be considered for annexation:

The lands must be located within those portions of the sphere of influence zone as approved by both the Local Agency Formation Commission and this District.

The lands must be immediately adjacent to Nipomo Community Services District facilities or the land owners must be willing to extend adequate facilities at no cost to Nipomo Community Services District.

The lands must be capable of service from current excess Nipomo Community Services District capacity without unreasonably reducing the potential for service to lands already inside of Nipomo Community Services District.

The proponents of such annexations must pay all applicable fees.

V. ANNEXATIONS OF UNDEVELOPED PROPERTIES—SPECIFIC POLICIES

- A. "Undeveloped properties" are lands which are not already developed to the maximum land use intensity permitted by the County's General Plan.

- B. In order to be considered for annexation:

The lands must be located within those portions of the sphere of influence zone as approved by both the Local Agency Formation Commission and this District.

The lands must be immediately adjacent to Nipomo Community Services District facilities or the

land owners must be willing to extend adequate facilities at no cost to Nipomo Community Services District.

In addition the land owners shall pay for, or provide on site, facilities approved by the district to satisfy estimated demands for services to the proposed annexation without reducing the ability of the Nipomo Community Services District to service properties already inside of the District. For example,

The Nipomo Community Services District may require that sufficient proven water well capacity to meet project needs be available at the development site or other approved location, and dedicated to the Nipomo Community Services District.

The land owners must pay all applicable fees; provided that the land owners and the District may agree to the exchange of other assets (for example, a proven water well with excess capacity), in lieu of at least a portion of the applicable fees.

ANNEXATION — ASSESSMENT OF FEE.

- A. All property hereafter annexed to the district shall be assessed a fee to be paid by the developer to the district at the time of application for annexation.
- B. The fee shall be five hundred dollars per acre, or, per parcel less than one acre.
- C. If the board fails to adopt an annexation resolution within a reasonable time after payment of the fees, the fee shall be returned to the person or persons paying the same, less an amount necessary in preparing the necessary forms of the district, not to exceed fifty dollars.
- D. All other provisions of this chapter shall be in full force and affect from the time of acceptance of the annexation by the board.

(Ord. 79-35 § 14, 1979; Ord. 78-27 § 18, 1978)

VI. SUBMITTAL OF ANNEXATION REPORT

Prior to consideration by this Board of Directors, the proponents of any annexation request must prepare a comprehensive written report for submission to the District to demonstrate that the annexation would conform to this Annexation Policy.

RESOLUTION NO. 94-519

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT REVIS-ING THE ANNEXATION FEE FOR AN- NEXATION NO. 6 THE SUMMIT STA- TION AREA

WHEREAS, the Board of Directors of the Nipomo Community Services District does hereby resolve as follows, that

WHEREAS, the District annexed the Summit Station area on June 30, 1993 known as Annexation No. 6, and

WHEREAS, the South San Luis Obispo County General Plan, as adopted by the County, limits buildable parcels in the Summit Station area to five acres, and

WHEREAS, additional land use restrictions were placed on the Summit Station Area which inhibits further subdivi- sion of land parcels, therefore, property owners cannot spread the annexation fee over additional buildable sites, and

WHEREAS, because of the above County restrictions demand on District resources will be substantially less than expected to serve the Summit Station an- nexation area, and

WHEREAS, the transmission facilities for District water service are being con- structed by the property owners of the Sum- mit Station area,

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

1. That the aforementioned recitals are true which creates inequities with respect to the present annex- ation fee as would apply to the Summit Station Area,
2. That the Board of Directors makes a determination under (1) above, apply a \$500 per parcel annexation fee based upon buildable parcels, as currently authorized by San Luis Obispo County, for that area in Annex- ation No. 6,
3. That in the event a property own- er in Annexation No. 6 is autho- rized to further subdivide a parcel during the next 10 years, District services will be conditioned on the payment of an additional \$500 for each new or created buildable parcel.

(Res. 94-519, 1995)

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

PROPERTY REVERSION - ARMTROUT

When the Nipomo Community Services District sewer project was developed, a lift station was installed at the intersection of Juniper Road and Lema Drive in the Black Lake Mobile Estates. The area was previously used as on-site disposal field for the mobile home subdivision. When the lift station came into being, this area was no longer used for on-site disposal.

In the original development, the County had a reversionary clause in that when this area was no longer used for a disposal site, it would revert back to the original developer, Mr. Armtrout. Mr. Armtrout filed litigation against the County and the District to have the area revert back to him. In a settlement in which the lawsuit was dropped, the District agreed to return the upper 120 feet northerly of the lift station site to the original developer. The District Board approved the division of the property and recorded the document with the County, whereas the 120 feet northerly of this property was reverted back to Mr. Armtrout. The County Planning Department reviewed the document and indicated to the District that this was an illegal lot-split and therefore had to follow the procedure of the Planning Department of proper division of property. The District has complied with the County wishes and has proceeded to split the property into three parcels. The smaller parcel will be retained by the District and the other two will revert back to the original property owner.

To file the map, the property should be in one ownership. Mr. Armtrout is quitclaiming to the District that portion which the District gave to him in the illegal split to clear up the title. Once this is completed, the District will proceed to record the map. After it is recorded the District will quitclaim the two parcels back to Mr. Armtrout.

All fees with filing the maps and surveying are being paid by the original developer/Mr. Armtrout. It is recommended that Your Honorable Board approve the attached resolution accepting the quitclaim deed from Mr. Armtrout and record it with the County so that the map may be recorded with the County.

RESOLUTION NO. 96-570

A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ACCEPTING THE QUITCLAIM DEED FROM CALVIN H. ARMTROUT

WHEREAS, Mr. Calvin H. Armtrout has offered to grant to the Nipomo Community Services District certain real property described in the attached quitclaim deed more particularly described as follows:

That 120 feet of the northerly portion of real property in the County of San Luis Obispo, State of California, described as Lot 1, in Tract 416, Black Lake Estates, as recorded in Book 8, Page 36 of Maps and is recorded in Book 8, Page 68 of Maps, in the Office of the County Recorder, County of San Luis Obispo, State of California, Assessor's Parcel Number 091-371-019.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. That the Quitclaim Deed executed by Calvin H. Armtrout on February 7, 1996 is hereby accepted for recordation by the District.
2. That the General Manager of the District is authorized to record said quitclaim deed with the County Recorder, County of San Luis Obispo, California.

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this ____ day of ____, 1996, on the following roll call vote:

AYES: Directors _____
 NOES: _____
 ABSENT: _____
 ABSTAIN: _____

 Steven A. Small, President
 Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

 Donna K. Johnson
 Secretary to the Board

 Jon S. Seitz
 District Legal Counsel

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENT TO:

NAME NIPOMO COMMUNITY SERVICES DISTRICT
STREET ADDRESS P.O. Box 326
CITY, STATE & ZIP CODE Nipomo, CA 93444
TITLE ORDER NO. ESCROW NO.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX \$
[] computed on full value of property conveyed, or
[] computed on full value less liens and encumbrances remaining at time of sale.
Signature of Declarant or Agent Determining Tax Firm Name

I, Calvin H. Armtrout, for valuable consideration of One (1) Dollar,
the undersigned grantor(s), for a valuable consideration, receipt of which is hereby acknowledged, do hereby remise,
release and forever quitclaim to Nipomo Community Services District
the following described real property in the City of Nipomo,

County of San Luis Obispo, State of California
DESCRIBED AS: That 120 feet of the northerly portion of real property in the County of San Luis Obispo, State of California, descibed as Lots 1, in Tract 416, Black Lake Estates, recorded in Book 8, Page 36 of Maps as recorded in Book 8, Page 68 of Maps, in the Office of the County Recorder, County of San Luis Obispo, State of California.

Assessor's parcel No. #091-371-019

Executed on February 7th, 1996, at Auburn, California

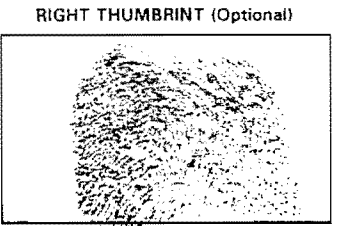
STATE OF CALIFORNIA
COUNTY OF PLACER

Calvin H. Armtrout
Calvin H. Armtrout Date

On 2/7/96 before me, Ginger L. Weber, Notary Public
personally appeared Calvin H. Armtrout
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.
Ginger L. Weber
(SIGNATURE OF NOTARY)



CAPACITY CLAIMED BY SIGNER(S)
[] INDIVIDUAL(S)
[] CORPORATE OFFICER(S)
[] PARTNER(S)
[] ATTORNEY IN FACT
[] TRUSTEE(S)
[] GUARDIAN/CONSERVATOR
[] OTHER
[] LIMITED
[] GENERAL

MAIL TAX STATEMENTS TO: NIPOMO COMMUNITY SERVICES DISTRICT
P.O. Box 326 Nipomo, CA 93444

Before you use this form, fill in all blanks, and make whatever changes are appropriate and necessary to your particular transaction. Consult a lawyer if you doubt the form's fitness for your purpose and use. Wolcotts makes no representation or warranty, express or implied, with respect to the merchantability or fitness of this form for an intended use or purpose.



AGENDA ITEM



FEB 21 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

DISTRICT INVESTMENT POLICY

At the Board meeting held on February 7, 1996, Your Honorable Board reviewed a draft of the proposed District Investment Policy and made comments on it. The policy has been modified based on Board's recommendation and is now presented to you for adoption.

Enclosed Resolution No. 96-\$\$ is presented to Your Honorable Board for consideration to adopting an investment policy for the District.

C:\W:\BD\invtpley.DOC

RESOLUTION NO. 96-\$\$

A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING A DISTRICT INVESTMENT POLICY

WHEREAS, the Board of Directors of the Nipomo Community Services District believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle, and

WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Nipomo Community Services District hereby adopts a District investment policy attached hereto as Exhibit "A".

PASSED AND ADOPTED by the Board of Directors of the Nipomo Community Services District this 21st day of February, 1996, on the following roll call vote:

AYES: Directors _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

Steven A. Small, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
District Legal Counsel

AGENDA ITEM

8

FEB 21 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

EARTH DAY

The Nipomo Native Gardens will be hosting the 2nd annual Nipomo Earth Day on Saturday, April 27, 1996 from 10:00 a.m. to 4:00 p.m. at the Nipomo Regional Park. The attached literature has been received by the District and is presented to the Board for your information.

C:\W:\BD\earthday.DOC

NIPOMO NATIVE GARDEN

Nipomo's Second Annual Earth Day — April 27 —

The Nipomo Native Garden will host Nipomo's second annual Earth Day on Saturday April 27, from 10 a.m. to 4 p.m. at the Nipomo Regional Park. This event is our single fund raiser for the year.

The event will be a celebration of the native features of California's Central Coast, and an opportunity to renew our commitment to conserve limited resources and to care for the planet.

Earth Day is being planned by and for the local community. There will be media announcements to advertise the event. There will be professional entertainment: musicians and singers, etc. Call for details.

Your business or organization can participate by having a booth, display or activity at the event which relates to our Earth Day theme.

For example

- ‡ Does your company use or produce organic products?
- ‡ Does your business or organization help the public conserve natural resources?
- ‡ Does your company have a unique way of recycling common items?
- ‡ Does your company landscape with native plantings?

- The application deadline for businesses/organizations is Friday, April 19, 1996.**
- Send completed applications w/check or money order (if applicable) to Joan Palma, 451 Higos Way, Nipomo CA 93444. Don't wait if we need to order you a table.**
- For more information, call Joan Palma at 929-4337**

- No food booths will be accepted. The Nipomo Native Garden will be providing food for the event.**
- All booths must be set up by 9:30 a.m. and removed by 5 p.m.**
- If your company or organization intends to sell something at Earth Day, there is a \$15 registration fee.**
- All other booths are free.**

About the Nipomo Native Garden

The Nipomo Native Garden, located in the Nipomo Regional Park, is a grass roots community project to create a garden comprised of plants native to the Nipomo Mesa. The design will feature plants in their original communities - oak woodland, grassland, chaparral, coastal sage scrub, riparian marsh and coastal dune scrub. As the garden matures, a docent program will be developed with educational programs provided for the community. Other planned features include paths, benches, a cycle and horse trail, Chumash native structures, an outdoor amphitheater and a play area for children. Annual membership is \$10 for individuals, \$15 for families, \$50 for businesses/groups.

Nipomo Native Garden Booth Application Form

Name of business/Organization/Group _____

Address _____

Phone (day) _____ (evening) _____

Contact Person _____

If you intend to profit from your participation at Earth Day, please enclose a check or money order in the amount of \$15 payable to the Nipomo Native Garden.



Mark Your Calender!!

Earth Day

April 27, 1996

NIPOMO REGIONAL PARK

10:00 a.m. to 4:00 p.m.

Hosted by Nipomo Native Garden

Family Fun * Exhibits * Food * Plant Sale
Great Entertainment!!

Old Time Music with the *Growling Old Geezers* and
Contra Dancing with caller *Eric Hoffman* (the best in the west)

African Music and Dancing by *Aka Komba!*

Stories for the from Around the World
by renowned storyteller *Kirt Henning*; **Bilingual included**

DIDGERIDOO: THE SOUND OF ABORIGINAL AUSTRALIA
BY **CHRIS O'CONNELL**

Celtic Music on Harp, Hammer Dulcimer & Guitar
by *Shelly Davis and Jeff Peters*

SCIENCE PROJECTS, ART, POETRY & SKITS BY LOCAL YOUTH
NATIVE PLANT SALE

WIN! Special Earth Day Prizes:

**Chartered Trip to the Santa Cruz Island
Kayak Lesson/ Picnic Adventure
and many more!**

PROCEEDS BENEFIT NON PROFIT NIPOMO NATIVE GARDEN: FURTHER INFO:929-4337

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: FEBRUARY 21, 1996

MANAGER'S REPORT

1. SDRMA REFUND ON INSURANCE
Special District Risk Management Association, the insurance carrier for the District, informed the District it will receive a \$3,629.00 refund on its insurance policy which will be credited to next year's contribution.
2. GE CAPITAL CORP.
GE Capital has financially reviewed the District's 1978 Revenue Bond and has indicated the District is in compliance with its requirements. These funds were used to construct the Eureka Well and pipeline.
3. PROPOSED INITIATIVE INFORMATION - RIGHT TO VOTE ON TAX ACT
Information enclosed.



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2400 Venture Oaks Way
Suite 460
Sacramento, CA 95833-3291

Board of Directors

(President)
Earl F. Sayre
Trinity County WD#1
P.O. Box 1152
Hayfork, CA 96041
(916) 628-5512

Ken Sonksen
Sanger-Del Rey CD
10575 East Butler
Sanger, CA 93657
(209) 875-7222

Bruce Buel
McKinleyville CSD
P.O. Box 2037
McKinleyville, CA 95521
(707) 839-3251

Rita Velasquez
8820 Elk Grove Blvd.
Elk Grove, CA 95624
(916) 685-7069

Tom Marking
Burney WD
P.O. Drawer 2510
Burney, CA 96013
(916) 335-3582

Joseph C. Martin
Los Alamitos CWD
3092 Inverness Drive
Los Alamitos, CA 90720
(310) 596-6064

Carol E. Bartels
Riverside-Corona RCD
P.O. Box 1213
Riverside, CA 92502
(909) 683-7500

Executive Director/
Risk Manager
James W. Towns

February 6, 1996

DOUGLAS JONES
Nipomo CSD
PO Box 326/261 W. Dana, Ste. 101
Nipomo, CA 93444

Dear Doug,

The Nipomo CSD is a valued SDRMA Member. Your District, as well as other Districts in the pool, have contributed to the program's stability and success.

As you are aware, there are a number of benefits that result from being a member of the "Special District" Risk Management Authority. One of the benefits is, that unlike commercial insurance, SDRMA is a not-for-profit public agency. In addition, our members can control and even reduce the amount they are charged for liability coverage. The risk management and loss prevention efforts of our members are having a positive effect on the pool's loss experience. As a result of these efforts, SDRMA's Board of Directors approved a refund policy for the current year.

We are pleased to enclose the attached check that is redeemable toward your next year's annual contribution.

In approximately one week you will be receiving your Renewal Questionnaire for the upcoming program year. Simply endorse this check and return it with your completed questionnaire. Your bill for 1996-97 will be reduced by the amount of the check.

Thank you! Our/your program works and is successful because of your participation and efforts.

Please give me a call at (800) 537-7790 if you have any questions.

Sincerely,

James W. Towns
Executive Director/Risk Manager

RECEIVED

FEB 08 1996

NIPOMO COMMUNITY
SERVICES DISTRICT
[g:\formletters\refund.wp3]

In California: TOLL FREE NUMBER: (800) 537-7790 Elsewhere: (916) 641-2773
FAX: (916) 641-2776

Special District Risk Management Authority
2400 Venture Oaks Way, Suite 460
Sacramento, CA 95833-3291

1996

Pay to the Order: Nipomo Community Services District

Amount: \$3,629.00


Three Thousand, Six Hundred Twenty-nine and 00/100 *****

Dollars



SDRMA

REDEEMABLE TOWARD 1996-97 RENEWAL CONTRIBUTION


Earl P. Sayre, President

District Representative

(NOT NEGOTIABLE)

February 2, 1996

MS. LISA BOGNUDA, ASSISTANT ADMINISTRATOR
NIPOMO COMMUNITY SERVICE DISTRICT
BOX 326
NIPOMO , CA 93444

RE: CASE NUMBER 04-040-0000002452
1978 REVENUE BOND

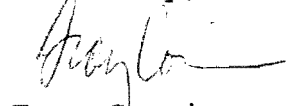
DEAR MS. BOGNUDA:

We have recently completed the annual financial review of your organization for fiscal year 1995. This review focused on the organization's financial condition, its ability to meet debt obligations, and compliance with loan covenants.

The results indicated that debt service obligations and compliance requirements were met. We commend you for a well-run operation and wish you continued success in your operations.

If we can be of any assistance to you throughout the year, please call me personally on our toll free number (800) 456-1443, Ext. 4570.

Sincerely,



Troy Conciencie
Financial Analyst

RECEIVED

FEB 12 1996

NIPOMO COMMUNITY
SERVICES DISTRICT

STRATEGIES

A Publication of Reiter•Lawry•Consultants

Issue 1, Winter 1996

Proposed legislation threatens local government finance

Two California ballot measures that may qualify for the November, 1996 ballot will have major impact on local government if enacted into law, both together and individually.

The purpose of this expanded issue of Strategies is to alert you to the major points of both measures and the affect on local government.

▼ Right to Vote on Taxes Act

The first measure is the Right to Vote on Taxes Act, filed by the Howard Jarvis Taxpayers Association. This initiative contains numerous changes that will impact local government's ability to raise revenue for services and fund public improvements. This new measure is similar to the Protect Proposition 13 initiative that was filed and then withdrawn earlier in 1995 by the same association.

In this second attempt, the Act proposes to add Articles XIII C and XIII D to the California Constitution "to protect Proposition 13 by limiting the methods by which local governments exact revenue from taxpayers without their consent."

Review of the Act

The main points of the Right to Vote on Taxes Act are as follows:

- ▼ Limits authority of local governments to impose taxes and property-related assessments, fees, and charges. The main premise of the measure is that taxes should not be imposed on Californians without their consent and they should be protected from unreasonable tax increases.
- ▼ Requires majority of voters to approve increases in general taxes and reiterates that two-thirds of voters must approve special tax.

- ▼ Assessments, fees, and charges must be submitted to property owners for approval or rejection, after notice and public hearing.
- ▼ Assessments must be approved by the property owners. Property owners no longer will have to submit protests in excess of 50% of those subject to the assessment to stop its imposition.
- ▼ All assessments would be subject to procedures, including a detailed engineer's report, mailed notice and public hearing.
- ▼ All notices must include a ballot for return to the agency indicating support or opposition to the assessment. *(Note this is a major change.)*
- ▼ Property-related fees and charges are limited to the cost of providing the service, and may not be imposed for general governmental services available to the public.
- ▼ With the exception of fees for sewer, water, and refuse collection, fees must be approved by a majority vote of the fee payers.

Revenue definitions

The measure further defines taxes, assessments, and property-related fees and charges.

- ▼ Taxes imposed by any government will be designated either *general* or *special* taxes. *General tax* will mean any tax imposed for general governmental purposes. *Special purpose* districts or agencies, including school districts, will have no power to levy general taxes.
- ▼ *Special tax* means any tax imposed for specific purposes, including taxes imposed for specific purposes which are placed into a general fund.

Assessment means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. Assessment includes special assessment, benefit assessment, maintenance assessment, and special tax assessment. General enhancement of property value does not constitute special benefit. Standby charges are classified as assessments.

- ▼ *Fees or charge* means any levy other than an ad valorem tax, a special tax imposed pursuant to the measure or an assessment imposed by an agency upon a person as an incident of property ownership. Fees for the provision of electrical or gas services are not deemed charges or fees imposed as an incident of property ownership.
- ▼ Under the proposed measure, no fee or charge may be imposed for a service unless that service is either actually used by, or immediately available to the owner of the property in question.
- ▼ Fees or charges based on potential or future use of a service are not permitted.

Potential fiscal impact

The fiscal impact of this Act on state and local governments is estimated by the state Attorney General's Office as follows:

- ▼ Annual local government *revenue losses*, potentially exceeding \$100 million annually, due to restrictions on taxes, assessments and fees.
- ▼ Annual state and local *costs* are potentially tens of millions of dollars needed to pay property assessments and for new procedural and election requirements.

In addition, RLC anticipates the following:

- ▼ Implementation of new assessments will require a minimum of two years of planning and community involvement.
- ▼ The potential loss of another revenue source will have an adverse impact on almost all public agencies. The effect on borrowing capabilities or credit ratings will depend upon each agency's specific circumstances. However, the proposed structure of this initiative will not enhance public finance.
- ▼ The state's aging infrastructure will continue to deteriorate without adequate funding.

▼ Revamping the state constitution

The second potential ballot measure involves major amendments to the California Constitution. If the recommendations of the California Constitution Revision Commission (CCRC) appear on the November, 1996 ballot, voters would decide whether to amend the Constitution in several key areas. Of major importance to special districts is the amendment that would approve the formation of new "charter communities" at the local government level that would be responsible for financing and providing local services. The CCRC has also stated that it will look into whether to recommend amendments that would further restrict state and local borrowing, including prohibiting "lease-payment bond" financing.

The CRC will allow the formation of a charter commission comprised of entities providing services. This commission, in turn, would make

recommendations to reorganize local governments within a particular county, as well as how services would be allocated, and what the proposed structure would be. The resulting reorganization would then be voted upon by the public.

Aspects of charter communities would address the following issues for the respective service and area:

- ▼ Structure of government.

- ▼ Assignment of responsibilities for providing municipal services.
- ▼ Allocation of non-school property tax and other local general purpose revenue.
- ▼ Taxing powers and spending limits — the charter would specify the taxing power of the new entity, including the vote requirement for raising new taxes and approving general obligation bonds for capital improvements.
- ▼ Reducing the number of governmental entities providing services and exercising governmental power.

The CCRC is targeting the present structure of local governments, which it feels are a confusing array of entities, often with overlapping, if not conflicting, duties and responsibilities. The CCRC believes there is a general public policy interest in improving and streamlining local governance and services delivery and increasing local accountability.

Of major importance to special districts is the amendment that would approve the formation of new "charter communities" at the local government level

Rehashing history

The CCRC held hearings on the proposed amendments from October through early December, 1995.

RLC founding partner Glenn Reiter presented testimony November 3, appearing on behalf of the California Special Districts Association (CSDA). Glenn was one of the co-founders of CSDA, formed in 1969 in response to a bill introduced to eliminate special districts. In the last 26 years, several state legislative sessions have advocated the elimination of special districts.

In reviewing the history of efforts to consolidate or eliminate special districts, Glenn testified that the formation of small units of government was the direct result of community need.

“While Governor Reagan was in office, a special task force was organized to restructure California’s local government,” stated Glenn. “The restructuring included the elimination of special districts. After considerable study and analysis, the task force concluded that special districts indeed formed a very important element in California’s structure. Since that time, there have been other such studies, none of which have disproved the viability of governance via special district.”

Glenn cited the City of New York’s 1974 financial trouble. Several articles written at the time projected that New York’s situation would have been diminished if the state had smaller units of government similar to California. California’s special districts provide built-in protection against the financial troubles of one special district plaguing another special district in the community.

“I would urge the Commission to look into the importance of special districts as the providers of special services in California,” Glenn testified. “Rather than looking at the means of eliminating or dissolving local government, encourage local government to be a more active participant in the provision of service, performing to standards that will encourage and restore public trust in public service, and rewarding government units that perform well under a set of standards similar to private industry.”

Proposal to improve, not eliminate

In support of this recommendation, Glenn offered a proposal that encourages a positive approach to the improvement of government services.

“By law, public agencies are subjected to an annual financial audit,” Glenn stated. “While these audits account for the dollars, they do not indicate whether value was received for the dollar spent. A performance standard system should be developed that identifies key elements of service. The annual audit then should include measurements of service excellence and public reporting.”

Glenn concluded his testimony by stating that the position of CSDA does not assume that every single existing unit of government should remain in existence. There are instances where certain units have outlived their usefulness and in all probability

should be dissolved. But, the proposal to eliminate all special districts is “certainly an over reaction and the incorrect approach to solving the current financial problem.”

The number of government agencies is not the issue. The issue is whether Californians have the right amount of government to meet their needs and the right kinds of government services and regulations.

Other testimony

In early December, testimony developed by a task force of representatives of special districts was presented to this Commission. The following text is extracted from this testimony:

“What is crucial to the analysis of special district consolidation is the specific consolidation being considered and the specific environment in which the

consolidation occurs. There are times and places where consolidation proposals have merit and other circumstances where they are inappropriate. Bigger is not always better. Organizations have optimum sizes, where economies of scale and efficiency are maximized and diseconomies are minimized. These optimums should be sought, rather than creating just fewer and larger agencies.

“We believe critics of government confuse the concept of ‘too much government’ with that of ‘too many governments’. The number of government agencies is not the issue. The issue is whether Californians have the right amount of government to meet their needs and the right kinds of government services and regulations. The number is simply that, a number. The multiplicity of special-purpose units of government is not an obstacle to good government.

Reform the system, not the symptoms

“Therefore, if the number of governments is not the problem, techniques designed to merely change the number of governments are unlikely to provide a solution. Reforms should address the underlying causes of ineffective governmental units, and not just the symptoms.

“The CCRC’s proposed amendments, while seeking to achieve laudable goals, fall short in terms of facilitating the ability of local governmental entities to finance capital projects or operations. They would apparently subject most revenue raising and debt issuance, including lien and COPs financing, to a vote of the electorate. Local governments are already finding themselves with increased services to provide and decreased access to capital markets.

“Without endorsing or opposing the CCRC’s proposal ‘charter communities’, the special district association testimony recommended processes and

principles be applied to the local charters themselves and to the procedure developed to create them.

“Since that time, there have been other such studies, none of which have disproved the viability of governance via special district.”

“Any reformed system of governance and finance must encourage efficiency and effectiveness, as well as enable economic growth and opportunity. Special districts should be analyzed and improved, which sometimes includes consolidation, but not abolished as a form of local government.”

Final proposals will be submitted to the Legislature in January for formal consideration for the purpose of placing the amendments on the November ballot.

We hope the summaries of these two pending measures enhances your understanding of their impact and importance. Please call Reiter•Lowry•Consultants for additional information or assistance with meeting the challenges presented by these two potential ballot measures.

Reiter•Lowry•Consultants

11417 West Bernardo Court • San Diego, CA 92127-1639
(619) 675-4400 • Fax (619) 675-9424

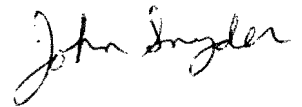
Bulk Rate
U.S. Postage
PAID
Permit #2325
San Diego, CA

**Special
Edition**

*Proposed
legislation
threatens
local
government
finance*

BOARD MEMBER
NIPOMO COMMUNITY SERVICES DISTRICT
PO BOX 326
NIPOMO CA 93444





1996 INVESTMENT POLICY

NIPOMO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

The purpose of this written Investment Policy is to establish the guidelines for the prudent investment of Nipomo Community Services District funds (herein referred to as District's funds). The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the General Manager as the District Finance Officer and Treasurer. The District's Administrative Assistant shall serve as the District's Finance Officer and Treasurer in the absence of the District's General Manager.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

1996 INVESTMENT POLICY

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

1996 INVESTMENT POLICY

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code § 61730)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61737.02)
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

1996 INVESTMENT POLICY

7. REPORTS

A. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment
2. Institution
3. Date of Maturity (if applicable)
4. Amount of deposit or cost of the security
5. Current market value of securities with maturity in excess of twelve months (if applicable)
6. Rate of Interest
7. Statement relating the report to the Statement of Investment Policy
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1, of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

1996 INVESTMENT POLICY

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A, above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.B, above.

C:\WBD\INVESTME.DOC