

NIPOMO COMMUNITY SERVICES DISTRICT
AGENDA

REGULAR BOARD MEETING MAY 1, 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 APRIL 17, 1996

PUBLIC COMMENTS PERIOD

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

BOARD ADMINISTRATION

3. CYPRESS RIDGE GOLF COURSE PROJECT - ENVIRONMENTAL IMPACT REPORT
Review District's comments on the EIR to be sent to the County (Discussion/Action)
4. DISTRICT ANNEXATION POLICY
Review existing policy with proposed changes in water supply requirements. (Discussion/Action).
5. PROPOSED ANNEXATION NO. 15 - NEWDOLL
Request to annex 7½ ac at the intersection of Tefft St. & Hazel Lane. (Discussion/Action).
6. WATER & SEWER RATE STUDY AND FINANCIAL PLAN
Review water, sewer & impact fee increases and adjustments.
Set a time and place for a Public Hearing for adoption of the proposed fees. (Discussion/Action).
7. COUNTY LAND EXCHANGE FOR WATER TO THE REGIONAL PARK
Withdraw the District's offer to exchange land for water. (Discussion/Action).
8. PROPOSED 1996-97 FY NCSD BUDGET
Receive & set a date and time to have a Study Session on the proposed budget. (Discussion/Action).

FINANCIAL REPORT

9. APPROVAL OF WARRANTS
10. THIRD QUARTER FINANCIAL REPORT
11. INVESTMENT POLICY QUARTERLY REPORT

OTHER BUSINESS

12. MANAGER'S REPORT
 1. SLO-CSDA CHAPTER MEETING
 2. CSDA INFORMATION ON THE "RIGHT TO VOTE ACT"
 3. NEW OFFICE BUILDING TENTATIVE LAYOUT
 4. STATE REVOLVING FUND LOAN
 5. EMERGENCY TURNOUT LETTER
13. DIRECTORS COMMENTS
14. PUBLIC COMMENTS
15. ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT
MINUTES

REGULAR BOARD MEETING APRIL 17, 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

Director Small called the April 17, 1996 Regular Meeting of the Nipomo Community Services District to order at 7:10 p.m. and led the flag salute.

ROLL CALL

At Roll Call the following Board members were present:
Directors Blair, Mendoza, Fairbanks and Small.
Director Simon had planned to be away on this date.

APPROVAL OF MINUTES

1. REGULAR MEETING OF APRIL 3, 1996
Upon motion of Director Mendoza and seconded by Director Blair, the Board unanimously approved the Minutes of the April 3, 1996 Regular Meeting. Vote 4-0.

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 to Public Comment.
There were none.

4. WATER RESOURCES ADVISORY COMMITTEE RESOLUTION
REQUESTING THE COUNTY NOT TO SELL COUNTY'S UN-
ALLOCATED PORTION OF STATE WATER

Requesting direction from the Board regarding this resolution. (Discussion/Action).

San Luis Obispo County has about 20,000 acre feet of unallocated State Water it is trying to sell. The City of Morro Bay has proposed a resolution for adoption by WRAC recommending to the County Board of Supervisors that they not pursue the sale of the County's unallocated portion and reserve that amount for urban use. John Snyder commented from the audience. Director Fairbanks moved to direct the representative to the County Water Advisory Committee (either Doug or Bob) to support the resolution from Morro Bay. Director Blair seconded the motion. All Board members were in favor. Vote 4-0.

5. WELL PUMP HOUSES

Review bids to construct three pump houses. (Discussion/Action).

Plans for the pump house for the Via Concha, Eureka and Bevington wells were prepared and bids were requested. Only one bid came in at \$31,922.00. Manager Jones recommended that the bid be rejected as it was higher than budgeted. Upon motion of Director Mendoza and seconded by Director Blair, the Board unanimously agreed to reject the bid and to investigate advertising for the bid again.

Vote 4-0.

6. REVIEW BLACK LAKE WASTEWATER FACILITY EXPANSION
IN COMPLIANCE WITH CEQA.

Consideration of adopting a resolution of compliance. (Discussion/Action).

The process of developing Tract 1912 at Black Lake includes the expansion of the existing sewer plant. Deputy District Legal Counsel, Mike Seitz, explained that a resolution would be in order to determine that no additional environmental assessment is necessary. Upon motion of Director Blair and seconded by Director Fairbanks, the Board unanimously approved Resolution No. 96-574. Vote 4-0.

RESOLUTION NO. 96-574
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
REGARDING ENVIRONMENTAL DETERMINATION FOR THE
BLACK LAKE SEWER PLANT EXPANSION PROJECT

ES
APRIL 17, 1996
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6. BOARD STUDY SESSION APRIL 27
7. DISTRICT LEGAL COUNSEL REPORT ON WATER CONFERENCES

Mr. Jones also reported that a chlorine cylinder at the Bevington Well-Site had malfunctioned and 30-40 lbs of chlorine gas escaped.

Mr. Seitz gave a report on some of the things discussed at the water conferences he had recently attended.

Mr. Ed Sauer commented that he thought that Twitchell Dam was for flood control not a reservoir.

Mr. Dobbe also commented.

11. DIRECTORS COMMENTS

12. PUBLIC COMMENTS

Mr. Dobbe commented about the draft of the proposed Groundwater Management Agency Plan.

Gene Kaye reminded the Board that water is being taken from the fire hydrants in the Summit Station area. It was suggested that it be referenced in the Will-Serve letters.

13. ADJOURN TO STUDY SESSION ON APRIL 27, 1996 AT 8:00 A.M.
REVIEW RATE STUDY AND FINANCIAL PLAN

At 9:40 p.m. Director Small adjourned the meeting to a Study Session to be held Saturday, April 27, 1996 at 8:00 a.m.

AGENDA ITEM
MAY 1 1996



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 1, 1996

CYPRESS RIDGE TRACT MAP
EIR LETTER

Enclosed is a letter, put together by Board members and staff in response to the Environmental Impact Report prepared for the Cypress Ridge Tract Map Development Plan. This letter will be sent to Ms. Mooney, Environmental Specialist at the County Planning and Building Department with the attached staff report of the previous meeting and the exhibits of the Cypress Ridge groundwater elevations and the map showing the water level elevations from the Laurence, Fisk, and McFarland report.

If Your Honorable Board wishes to make comment concerning the letter, they may be incorporated into the letter which will be sent to the County prior to May 9, 1996.

C:\W:\BD\CYPRESS2.DOC

DRAFT

NIPOMO COMMUNITY SERVICES DISTRICT
POST OFFICE BOX 326 NIPOMO, CA 93444
(805) 929-1133 FAX (805) 929-1932

April 26, 1996

Melissa J. Mooney
Environmental Specialist
Department of Planning and Building
San Luis Obispo County Government Center
San Luis Obispo, CA 93408

RE: Draft Environmental Impact Report (EIR)
Cypress Ridge Tract Map and Development Plan
(ED-95-038; Tract 1933, D890413)

Dear Ms. Mooney:

The Nipomo Community Service District ("DISTRICT") conducted a public hearing on the above-referenced draft EIR on April 17, 1996, and on May 1, 1996 approved this letter. Appended to this letter are the following referenced documents:

1. The staff report.
2. Cypress Ridge Project demonstrated groundwater elevations.
3. A map of water levels, fall of 1992

COMMENTS

At the public hearing, the following issues were raised by the public and the DISTRICT's board members:

1. The Nipomo groundwater basin is the only supply of water to support residential, agricultural and industrial development on the Nipomo Mesa.
2. Pumping depressions are becoming common on the Mesa with several being below sea level. (Please see Exhibit "A"). Since sea water is heavier than fresh water, Nipomo groundwater levels should be maintained at or above 2½ feet to prevent sea water intrusion into the basin.
3. In addition to the Cypress Ridge Project, there is currently under review the Woodlands Project (an approximately 950 acre golf course and compatible commercial residential development, which is estimated to use about 1000 + AFY). Both of these projects will be dependent on the Nipomo Mesa groundwater basin for their water supply and should be evaluated together.

DRAFT

Melissa J. Mooney

Draft EIR: Cypress Ridge Tract Map

April 26, 1996

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4. There is presently underway a significant hydrological study of the basin by the State Department of Water Resources. A draft of their report should be completed by the end of this year.
5. The proposed EIR's conclusion that the underlying groundwater table is part and parcel of the Santa Maria groundwater basin and not a "sub-basin" (see page V-23 of the draft EIR) is contrary to the County's Annual Resource Summary Report and the numerous groundwater studies referenced in that Report.
6. The San Luis Obispo County Annual Resource Summary Report has historically designated the basin as in a severity 2 category with future development on the Mesa being carefully monitored.
7. The following hydrological studies have concluded that the Nipomo Mesa sub-area is in an overdraft condition:
 - a. DWR "Groundwater in the Arroyo Grande Area." June 1979 —
 - b. JMM, "Groundwater availability for the Proposed Black Lake Golf Course Development Project" June 1982
 - c. Laurence, Fisk & McFarland, Inc. 1987 Report.
 - d. Laurence, Fisk & McFarland, "Engineering Consideration of Groundwater yields on the Nipomo Mesa Sub-Area", Oct. 1993.
 - e. Santa Barbara County Water Agency, Santa Maria Valley Water Resources Report, April 1994
 - * f. DWR Bulletin 160-93, Oct. 1994
8. That water conservation and management are essential to insure that the residents of the Mesa will have a quality water resource into the future.
- * 9. Nitrate levels in the groundwater basin are increasing. (RWQCB "Assessment of Nitrate Contamination in Groundwater Basins of the Central Coast," Draft Dec. 1995) The nitrogen use for the proposed project is estimated to be about 23,000 pounds/year. (See proposed EIR, page V-52).

Melissa J. Mooney

Draft EIR: Cypress Ridge Tract Map

April 26, 1996

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10. The DISTRICT is currently developing retrofit programs to ensure development impacts on the water basin are mitigated.
11. The LAFCO Commission has recently enacted the "sustainable water supply" rule as part of its review process for annexations. The "sustainable water" rule should be applied to development projects that are in the unincorporated area.
12. The site of the proposed project is on fallow land that does not have a pumping record associated with it since 1985, thereby putting at issue the nature and extent of legal entitlement to basin water.
- *13. Water runs uphill towards money.
14. That the Santa Maria Valley portion of the Santa Maria Basin is in a state of overdraft and that groundwater from this basin is moving into the westerly portion of the Nipomo Sub-Area.
15. That this project over a period of time will lower the groundwater levels, therefore, impacting the NCSD main water supply wells.

CONCLUSIONS

Proposed additional studies in mitigation measures:

1. That this project will have a significant impact on existing Nipomo Mesa water users.
2. That the Woodlands Project, anticipated major agricultural and residential projects and the Cypress Ridge Project should be reviewed concurrently to determine the impacts to both the quantity and quality of the water supply on the Nipomo Mesa.
3. The introduction of additional nitrates into groundwater basin be mitigated to eliminate long term impacts.

Melissa J. Mooney

Draft EIR: Cypress Ridge Tract Map

April 26, 1996

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4. A retrofit program be instituted to mitigate project's impact on Nipomo Mesa water basin or a supplemental water supply be acquired.
5. There are water right issues that are not in the CEQA requirements.

Thank you for addressing the DISTRICT's concerns. The DISTRICT would appreciate being continually informed of the project's progress through the review process.

Very truly yours,

STEVEN A . SMALL, President
Nipomo Community Service District
Board of Directors

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AGENDA ITEM

4

MAY 1 1996

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 1, 1996

ANNEXATION POLICY

Your Honorable Board has reviewed the District's Annexation Policy at their meetings on March 20 & April 3, 1996 with respect to modification related to water supply.

Attached for the Board's review is a revision of the District's Annexation Policy. The changes are in Sections IV (B) and V (B) which deletes existing paragraph B and adds new paragraphs B & C below:

B. In order to be considered for annexation:

- (1) 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; and
- (2) 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; and
- (3) The proponents of such annexations must pay all applicable fees.

C. The District will not consider the annexation of land that is not capable of providing a water supply and related facilities, approved by the District, to meet the estimated demand for service to the proposed annexation. The District will consider the following in approving a water supply:

- (1) A well (s) with a historical 5 year pumping record; or
- (2) A reduction of District water usage by retrofitting on a 2:1 basis; or
- (3) A supplemental water supply.

This policy has previously been established by a Resolution. Upon Your Honorable Board's review of the policy, the attached Resolution has been prepared for the Board's consideration.

The calculations for water saved with the Retrofit Program are attached.

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. 96 - 576

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE EXISTING ANNEXATION POLICY**

WHEREAS, the Nipomo Community Services District receives most of its water from the Groundwater basin underlying the Nipomo Mesa, and

WHEREAS, District acknowledges a number of reliable engineering reports indicating that the Nipomo Mesa ground water area is in state of overdraft, and

WHEREAS, the District wishes to maintain a water supply for its existing users and potential use within its boundaries, and

WHEREAS, the District wishes to modify its annexation ordinance recognizing the potential limited water supply from the Nipomo Mesa groundwater basin.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the Nipomo Community Services District: as follows:

Sections IV (B) and V (B) of its present annexation policy is repealed in its entirety and replaced with the following:

- B. In order to be considered for annexation:
- (1) 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; and
 - (2) 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; and
 - (3) the proponents of such annexations must pay all applicable fees.

RESOLUTION NO. 96-576

PAGE TWO

C. The District will not consider the annexation of land that is not capable of providing a water supply and related facilities, approved by the District, to meet the estimated demand for service to the proposed annexation. The District will consider the following in approving a water supply:

- (1) A well (s) with a historical 5 year pumping record; or
- (2) A reduction of District water usage by retrofitting on a 2:1 basis; or
- (3) A supplemental water supply.

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: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Steven Small
President of the Board
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon Seitz
District Legal Counsel

RETROFIT PROGRAM-CALCULATIONS FOR WATER SAVED

It is estimated that on an annual basis that Nipomo Community Services District population averaged 8,000+ people. Based upon the above figured there are therefore 8,000/2650 residential units = 3.01 people/unit on an average each day. For our purposes we assume 3.0 people per unit.

TOILETS (Residential)

Industry figures estimate that the number of toilet flushes per day per person is 5. All new construction since 1987 has required water saving toilets which use 3.5 gallons per flush. Since 1991, all new construction in San Luis Obispo County has required water saving toilets which use 1.6 gallons per flush. It is further estimated pre 1991 that 71% of the toilets within the District are of the older type and 29% are of the 3.5 gallon capacity. Prior to 1978 toilet flush volumes were not regulated, but ranged from 5 to 7 gallons per flush. We therefore estimate that the average savings of replacing older toilets with new water conservation toilets are as follows:

Old toilet uses on average 71% (6 gallons/flush) + 29% (3.5 gallons/flush) = 5.27 gallons/flush

Therefore, the amount saved per flush would be:

5.27 gallons Average old toilet within District
1.60 gallons New water conservation toilet
3.67 gallons Average saved per flush

The average saved per residential unit so retrofitted would therefore be:

	3.0	persons per residential unit
x	3.67	gallons/flush
x	5	flush per day per person
x	<u>30</u>	<u>days per month</u>
	1651.50	gallons/month saved per retrofitted residential unit

SHOWERHEADS (Residential)

Industry figures utilizing a savings of 2.5 gallons per minute for the replacement of an old showerhead with a new one, the average savings per residential unit so retrofitted would be:

	3.0	persons per residential unit
x	2.5	gallons/minute
x	0.5	showers per day per person
x	10	minutes per shower
x	<u>30</u>	<u>days per month</u>
	1125	gallons/month saved per retrofitted unit

RETROFIT SAVINGS

Therefore, a total of 1651 gallons per month for toilet retrofit and 1125 gallons per month from shower head retrofit provides a total of 2776 gallons saved per month per residential unit. This amount of water saved (2676 gal/mo or 0.1AFY) will provide the basis of retrofit units needed in subsequent annexations. This does not take into account the savings obtained from the retrofit of faucet aerators.

WATER USAGE FOR NEW CONSTRUCTION

A single family residence has an average water use rate of 0.40 AFY/unit = 10,714 gallons per month (Boyle Master Plan). Dividing this by the 2776 gallons per month saved per residential retrofit, the number of units required is approximately 4 units. Using an offset factor for annexations of 2:1 in order to provide for the potential annexation and a benefit to existing users 8 units will need to be retrofitted for each new residential unit.

An offset factor of 2:1 is used because the District needs to be assured that the water savings generated is a permanent savings.

Retrofit requirements for other proposed uses such as commercial uses will be calculated by converting the anticipated water usage to equivalent single family residences and then dividing the projected usage by the retrofit unit savings and multiplying by the offset factor to calculate the number of retrofit units required.

MAY 1 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 1, 1996 (APRIL 3, 1996)

ANNEXATION NO. 15, NEWDOLL

Staff has prepared the following items with respect to the proposed Newdoll Annexation No. 15.

1. A time frame of the applicant's annexation request.
2. A statement of findings and supporting documents with respect to the District's annexation policy and LAFCO's policy.
3. Resolution No. 96-577 A resolution conditionally approving the proposed annexation, which includes retrofitting at a rate of 2:1 to meet the District's water requirement needs.

After reviewing the attached material and based on the above, the Board may conditionally approve the proposed annexation by considering adopting the attached Resolution No. 96-577.

An agreement on the tax exchange will have to be worked out with the County or the applicant.

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NIPOMO COMMUNITY SERVICES DISTRICT

NEWDOLL ANNEXATION #15 TIMELINE

- 1/20/95 Newdoll submits application to LAFCO
- 4/28/95 NCSD receives notice from LAFCO that a Property Tax Exchange negotiation is a prerequisite to the hearing by LAFCO
- 5/17/95 NCSD Agenda-Information item telling Board that the County intends to negotiate a zero tax exchange
- 5/24/95 NCSD receives request from LAFCO to provide LAFCO staff with a Plan for Providing Services to the area proposed to be annexed
- 7/5/95 NCSD Agenda-No action was taken on property tax negotiation
- 7/11/95 SLO Board of Supervisors approve commencement of negotiations for the exchange of property taxes
- 10/5/95 NCSD letter to Paul Hood requesting confirmation from SLO Board of Supervisors of a zero property tax exchange
- 10/26/95 Letter from Robert Hendrix (County CAO) stating the time limit on negotiation of a tax exchange has expired
- 2/20/96 Newdoll submits Request for Annexation form to NCSD
- 2/21/96 NCSD Agenda-Board reviews information and requests additional information from Newdoll
- 2/22/96 Letter from LAFCO to Engineering Development Associates (EDA) stating the time has expired on Annexation #15 and the application has been officially terminated
- 3/20/96 NCSD Agenda-Board reviews Newdoll's application. Board directs staff to come back at next meeting with findings and a resolution

RESOLUTION NO. 96-577

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
THE ANNEXATION OF APPROXIMATELY 7 1/2 ACRES
LOCATED AT THE INTERSECTION OF HAZEL LANE
AND TEFFT STREET, NIPOMO, CALIFORNIA**

WHEREAS, ROBERT NEWDOLL ("Applicant"), is the owner of certain real property located at the intersection of Hazel Lane and Tefft Street, Nipomo, California, Assessor's Parcel Number 092-123-031, 030, and 005;

WHEREAS, Applicant desires to annex Applicant's property to the NIPOMO COMMUNITY SERVICES DISTRICT ("**DISTRICT**");

WHEREAS, Applicant commenced annexation proceedings through the LOCAL AGENCIES FORMATION COMMISSION ("LAFCO Commission") on January 20, 1995.

The LAFCO Commission proceedings were terminated on or about February, 1996;

WHEREAS, the Applicant is contemplating processing a new Application/Petition (with the LAFCO Commission) for annexation of Applicant's property to the **DISTRICT**;

WHEREAS, the Applicant, prior to submitting said Application to LAFCO is requesting the **DISTRICT**'s conditional approval of the proposed annexation;

WHEREAS, this item was properly placed on the agenda for **DISTRICT** consideration pursuant to the Ralph M. Brown Act; and

WHEREAS, based upon the facts and analysis presented by the Applicant, the Staff Report, public testimony received, the Board of Directors of the **DISTRICT** finds:

- A. That the above recitals are true and correct.
- B. That the proposed annexation is consistent with both **DISTRICT** and LAFCO annexation policies. Said policies and supporting material are attached hereto as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED AS FOLLOWS:

That the Board of Directors of the **DISTRICT** does approve the annexation of the Applicant's property, subject to the following conditions:

1. The Applicant diligently processes the application for annexation through the LAFCO process.
2. The Applicant receives all required approvals and clearances from the LAFCO Commission and the County of San Luis Obispo, including but not limited to compliance with the California Environmental Quality Act and the Cortese Knox Local Government Reorganization Act.
3. The issue of the property tax exchange is resolved between the **DISTRICT** and the County of San Luis Obispo or by other acceptable proposals of the Applicant.
4. The Applicant enters into an agreement with the **DISTRICT** to:
 - (a) Supply infrastructure to and within the proposed area of annexation at no cost to the **DISTRICT**.
 - (b) Pay all **DISTRICT** fees and costs associated with the annexation, including but not limited to the **DISTRICT** annexation fees.
 - (c) Provide retrofitting at the rate of 2:1 to meet the proposed development and District's water requirement needs.
5. The Applicant complies with all additional conditions that may be imposed by the **DISTRICT** through the date of annexation.

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:
 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

C:\W\RES\96-577

EXHIBIT "A"

PROPOSED ANNEXATION NO. 15 - NEWDOLL STATEMENT OF FINDINGS AND SUPPORTING DOCUMENTATION

A. CONSISTENCY WITH DISTRICT POLICIES

1. DISTRICT GENERAL POLICIES.

It is the intent of the **DISTRICT's** annexation policy to review all requests for annexation on the basis of adequacy of resources, consistency with the General Plan of San Luis Obispo County, and the policies of the Local Agency Formation Commission and consistency with the **DISTRICT's** philosophy to provide services at the lowest cost to its residents.

- 1.1 The owners are willing to accept all conditions for service required by the **DISTRICT**. (Section III(A))

Yes. See Condition 5 to Resolution.

- 1.2 Requests for annexation solely for sewage services to the exclusion of water services will not be considered. (Section III(A))

Not applicable. Applicant requesting both water and sewer service.

- 1.3 The proponent of the annexation must submit a comprehensive development plan in sufficient detail to disclose the full impact of the annexation on the **DISTRICT's** long term water resources, water distribution facilities, sewage services, financial programs. (Section III(B))

The **DISTRICT** has a present pumping capacity of approximately 2380 gpm or 3800 ac/ft per year. Projections of the **DISTRICT's** water needs to the year 2010, based on the South County General Plan and an average consumption rate of one-half acre foot per year per account would be approximately 2600 ac/ft per year. This number corresponds with the Boyle Engineering Master Plan, indicating that the population would be approx. 15,000 by the year 2010 and that the **DISTRICT** water needs would be 2582 ac/ft per year. The Boyle Report also indicates that the **DISTRICT** will need additional storage and well production to meet peaking capacity during the summer months. These future improvements will be "capital expenditure" items. The **DISTRICT** is proceeding with a rate study and financial

EXHIBIT "A"

plan to meet these capital needs for future water and sewer improvements.

The **DISTRICT** is presently completing the design to expand the wastewater treatment facility and plans to construct the expansion next fiscal year. Upon completion of this expansion, the sewer capacity will be more than adequate to meet the proposed annexation and future flows of the **DISTRICT**.

The projected water use for the proposed Annexation No. 15 is approx. 10 ac/ft per year. A condition of this annexation, since there is no water source supplied with it, is that the applicant enter into the District's retrofit program to develop a water source for this development. The needed equivalent of retrofitting the developers proposed development on a 2:1 basis is 144 units.

Sewer flows are estimated to be 0.007 MGD
(See Attachments No. 1.)

- 1.4 The **DISTRICT's** approval of the annexation will be condition upon the proponent obtaining all county approvals before the annexation becomes effective.
(Section III(B))

See Condition 2 to proposed Resolution.

- 1.5 The proponent must demonstrate a need for **DISTRICT** services. (Section III(C)).

To develop the property in conformance with the County's zoning water and sewer services are needed.

- 1.6 The proposed annexation will provide benefit to the current residents within the **DISTRICT**.
(Section III(C))

As discussed in paragraph 1.3, the District's primary water supply is from the Nipomo Groundwater Basin. Areas developed on the Mesa, whether within the District or outside the District boundary, will be using this water source for such development. It may be in the District's best interest to extend the District boundaries so that

EXHIBIT "A"

the District would have some control over water consumption, conservation, contaminants, etc. associated with the groundwater basin. The District by expanding its area would enlarge its user base, therefore, take advantage of the "economy of scale" with respect to all users in the District.

A disadvantage of extending the District boundaries would be that if some extraction limitation were imposed on the District water supply, then the existing users would have to share a limited water supply with new areas coming within the jurisdiction of the District.

2. SPECIFIC POLICIES RE UNDEVELOPED PROPERTY.

The property that is the subject of this annexation is not developed to the maximum land use intensity permitted by the County's General Plan and is therefore subject to the following additional requirements:

2.1 The land must be located within **DISTRICT'S** Sphere of Influence. (Section V(B))

Yes. The subject property is within the **DISTRICT'S** sphere of influence and urban service area. (Attachment 2)

2.2 The land must be immediately adjacent to the **DISTRICT'S** Facilities, or the proponent is willing to extend adequate facilities at no cost to the **DISTRICT**. (Section V(B))

The subject property is non-contiguous and is located approximately 1500 feet from the **DISTRICT'S** property. See map, Attachment 3. The applicant proposes to provide water and sewer service to the property as follows:

1. Extension of water lines to the property.
2. Extension of sewer lines and lift station as needed to serve the property.

The conditional approval of the annexation provides that the Applicant is willing to enter into an agreement with the **DISTRICT** to extend and supply adequate facilities to service the proposed annexation at no cost to the **DISTRICT**. See Condition 4(a) to proposed Resolution.

2.3 The proponent will pay for, or provide on site, facilities approved by the **DISTRICT** to satisfy estimated demand for services to the proposed annexation without reducing the ability of the **DISTRICT** to service

EXHIBIT "A"

properties already inside the **DISTRICT** (i.e., the **DISTRICT** may require that sufficient proven water well capacity be available at the development site or other approved location, and dedicated to the **DISTRICT**. (Section V(B))

See Condition 4 & 5 of proposed Resolution and Sec. 1.3.

2.4 The proponent pay all applicable fees. (Section V(B))

See Resolution Condition 4(b).

3. ANNEXATION FEES.

Annexation fees are set a \$500 per acre, or per parcel less than one acre and must be paid at the time of application for annexation.

See Attachment 4.

B. CONSISTENCY WITH LAFCO POLICIES.

1. Non-contiguous annexations are discouraged.

This is a non-contiguous annexation. However, as noted in Section 2.1, above, the property is within the **DISTRICT'S** sphere of influence and within the Urban Service Line.

2. Development of vacant land within the **DISTRICT** boundaries is favored over development in fringe areas.

See Section 1.3

3. The Commission discourages annexations of long-term agricultural and open space areas.

Non applicable. The land proposed for annexation is zoned residential, 10,000 sq/ft lots.

4. The **DISTRICT** will be required to demonstrate that it has the capacity to serve the vacant or underutilized parcels within its boundaries.

EXHIBIT "A"

See Section 1.3.

5. The **DISTRICT** will be required to demonstrate the availability of an adequate, reliable and sustainable supply of water. Further, in cases where a proposed annexation will be served by on-site water source, the proponent will be required to demonstrate its adequacy.

See Section 1.3.

6. The proposed annexation represents a logical and reasonable expansion of the **DISTRICT** boundaries.

Yes. The property is within the **DISTRICT** Sphere of Influence and within the Urban Service Line.

Attachment 4

The Applicant _____ is willing _____ is not willing to deposit annexation fees prior to delivery of the attached Resolution and agrees that the **DISTRICT** will charge against the annexation fees for administrative time and costs, including legal fees, for processing this conditional Resolution and the conditions stated in the Resolution. The **DISTRICT** agrees to reimburse Applicant for the balance of said deposit if Applicant's application is terminated prior to the actual date of annexation.

(Signature of Applicant)

Applicant to mark the appropriate box and initial

TO: BOARD OF DIRECTORS

AGENDA ITEM

6

FROM: DOUG JONES

MAY 1 1996

DATE: MAY 1, 1996

WATER AND SEWER RATE STUDY AND FINANCIAL PLAN

The District has hired Mr. Perry Louck, CPA to do a water and sewer rate study and develop a comprehensive financial plan for the District. Mr. Louck is recommending to Your Honorable Board that all the District water and sewer monthly fees and connection fees be adjusted to meet the financial needs of the District. He also is recommending that these fees be adjusted on an annual basis over the next five years.

The following are the proposed water rates and monthly meter capacity charges to the year 2001.

TIERED FIVE-YEAR SCHEDULE						
QUANTITY	1996 (OLD)	1997 (NEW)	1998	1999	2000	2001
0 - 10 HCF	.75	.97	1.00	1.07	1.16	1.28
10 - 40 HCF	1.15	^{29%} 1.30	^{3%} 1.34	^{6%} 1.42	^{4%} 1.54	^{11%} 1.71
40+ HCF	1.15	^{52%} 1.75	^{3%} 1.81	^{6%} 1.92	^{8%} 2.08	^{10%} 2.31

MONTHLY CAPACITY CHARGE BY METER SIZE						
Meter Size	95/96	96/97	97/98	98/99	99/00	00/01
5/8 & 3/4" *	6.50	6.50	6.50	6.50	6.50	6.50
1 Inch *	6.50	6.50	6.50	6.50	6.50	6.50
1-1/2 Inch	30.00	30.00	30.00	30.00	30.00	30.00
2 INCH	42.00	42.00	42.00	42.00	42.00	42.00
3 INCH *	60.00	62.00	62.00	62.00	62.00	62.00

The water rate schedule has gone from a two-tier rate to a three tier rate. The third tier, which will involve those accounts that use over 4000 cubic feet per month, will have a higher per cu/ft rate to encourage conservation. The monthly capacity charge will remain the same over the next five years except for the 3" meter which has been increased by \$2.00 per month.

The following are the proposed monthly sewer rates for the Nipomo and the Black Lake wastewater facilities:

NIPOMO WASTEWATER RATE RECOMMENDATIONS

FIVE-YEAR RATE SCHEDULE MONTHLY RATE						
	1996 (OLD)	1997 (NEW)	1998	1999	2000	2001
PER DUE	16.00	16.75	17.55	18.50	19.61	22.46
% CHANGE		4.69%	4.80%	5.38%	6.01%	6.68%

BLACK LAKE WASTEWATER RATE RECOMMENDATIONS

FIVE-YEAR RATE SCHEDULE MONTHLY RATE						
	1996 (OLD)	1997 (NEW)	1998	1999	2000	2001
PER DUE	16.00	29.25	29.25	29.25	29.25	29.25
% CHANGE		82.81%	0%	0%	0%	0%

The Nipomo sewer rate increases are spread over a five year period and will increase \$0.75/mo the first year. The proposed Black Lake sewer rates are imposed in the first year, primarily because of the need to raise rates to cover cost of operating the plant. It should be noted that these rates at the Black Lake facility are comparable to other small facilities.

The following are the proposed water and sewer capacity fees over the next five years:

FIVE YEAR SUMMARY OF WATER CAPACITY FEE

95/96	96/97	97/98	98/99	99/00	00/01
\$2,055	2,789	2,928	3,075	3,229	3,390

FIVE YEAR SUMMARY OF WASTEWATER CAPACITY FEE

95/96	96/97	97/98	98/99	99/00	00/01
\$3,500	2,086	2,190	2,300	2,415	2,535

It is proposed in the first year that the water capacity fee be increased from \$2,055 to \$2,789, while the wastewater capacity fee be reduced from \$3,500 down to \$2,086.

After the Board has reviewed the proposed rates and fees and made any adjustments desired, it would be in order that your Honorable Board receive and accept the Water and Sewer Comprehensive Financial Plan as prepared by Perry R. Louck, CPA dated March 8, 1996.

In implementing the proposed rates and fees, it would be staff's recommendation that the monthly sewer rate and the water and wastewater capacity fees take effect July 1, 1996 and the water rate fee be effective January 1, 1997. It is recommended that if your Honorable Board wishes to adopt these fees, that an ordinance be prepared for introduction at the next regular board meeting to be held on May 15, 1996, and that the regular board meeting on June 5, 1996 be moved to May 29 to have the second reading and adoption of the ordinance. This would make the fees be effective for July 1, 1996.

If your Honorable Board wishes to proceed in this manner, you may so direct staff.

C:\W:\BD\newrates

MAY 1 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 1, 1996

TRADING COUNTY LAND FOR WATER

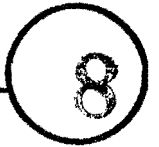
At the Board meeting held on January 24, 1996, Your Honorable Board approved a Memorandum of Understanding between the District and the County of San Luis Obispo for the District to acquire a one-acre parcel next to the existing NCSD lot in Nipomo in exchange for water use at the Nipomo Regional Park. The estimated value of the parcel would be \$85,000 and the District would supply to the park, at the regular rate, water in the amount of the \$85,000. The District Manager met with County General Services staff on April 15, 1996 to discuss this matter. The County felt that the property was worth approx. \$6.00 per sq. ft., bringing the price up to around \$200,000.00±. The County staff felt that they had to dispose of the property at fair market value, anything less would be "gifting of public funds." The County staff also wanted the water, to be delivered to the park, be delivered at the current District rates and that future water rate increases would not be involved.

Staff feels that the price asked by the County is unrealistic and freezing the water rates is unreasonable and may be a gifting of public funds. Staff recommends that the Memorandum of Understanding for trading the property for the water be withdrawn and that the District proceed with building the new office building on its present site.

A motion would be in order to direct staff to send a letter to the County withdrawing the Memorandum of Understanding and to proceed with the building.

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AGENDA ITEM
MAY 1 1996



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 1, 1996

PROPOSED NIPOMO COMMUNITY SERVICES DISTRICT
1996-97 FY BUDGET

The budget will be delivered to your Honorable Board at the Board Meeting.

C:\W:\BD\budget.DOC

TO: BOARD OF DIRECTORS
FROM: LISA BOGNUDA
DATE: MAY 1, 1996

THIRD QUARTER FINANCIAL REPORT
NINE MONTHS ENDED MARCH 31, 1996

Attached is the Balance Sheet as of March 31, 1996 and the Income Statement for the nine months ended March 31, 1996 for each Fund. Also, attached is the summary of the income, expenses and depreciation for each Fund.

The fiscal year is 75% complete with three months remaining. Actual revenues are exceeding budgeted revenues and actual expenses, in most cases, are at or below 75%. This is consistent with the financial reports presented to the Board for the first and second quarters. The consulting was budgeted in the previous fiscal year, however, the master plan consulting carried over into this fiscal year. The engineering services related to the Coastal Aqueduct Right of Way.

The District is required to maintain the Improvement Fund of the Assessment District for a period of two years. Staff is currently working with Carl Kadie, the Assessment District Financial Consultant, to disburse of the Improvement Fund. The disbursement will be in the form of calling bonds and refunds to the properties which paid cash during the 30 day cash payment period. The calling of bonds will reduce the life of the bond issue and benefit all property owners in an equitable manner. Staff will be presenting the information to the Board in the near future.

board/5196

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
NINE MONTHS ENDING MARCH 31, 1996

FUND	FUND #	YTD REVENUES	YTD EXPENSES	SUBTOTAL	YTD DEPREC	YTD NET INC/ (NET LOSS)
Administration	110	92,438	(76,396)	16,042	(10,431)	5,611
Water	120	625,429	(596,898)	28,531	(215,325)	(186,794)
Sewer	130	307,271	(174,091)	133,180	(129,905)	3,275
Blacklake Water	140	108,096	(87,473)	20,623	(52,362)	(31,739)
Blacklake Sewer	150	48,733	(72,917)	(24,184)	(11,530)	(35,714)
Blacklake Streetlighting	160	10,479	(8,301)	2,178	0	2,178
Drainage Maintenance	170	6,988	0	6,988	0	6,988
Sewer Maint Dist (Folkert Oaks)	180	10,615	(350)	10,265	0	10,265
Montecito Verde II	190	4,483	(474)	4,009	0	4,009
Fire Hydrant/Emergency	210	96,409	(11,866)	84,543	0	84,543
Funded Depreciation-Water	800	57,352	0	57,352	0	57,352
Funded Depreciation-Sewer	801	23,904	0	23,904	0	23,904
Funded Depreciation-BL Water	802	9,280	0	9,280	0	9,280
Funded Depreciation-BL Sewer	803	4,466	0	4,466	0	4,466
Assessment District 93-1	820	119,117	(93,319)	25,798	0	25,798
TOTAL		1,525,060	(1,122,085)	402,975	(419,553)	(16,578)

FUND	FUND #	CASH BALANCE 3/31/96
Administration	110	8,761
Water	120	213,706
Water Capacity Fees	120	561,577
Sewer	130	208,448
Sewer Capacity Fees	130	1,414,753
Blacklake Water	140	317,966
Blacklake Water Capacity Fees	140	8,220
Blacklake Sewer	150	40,905
Blacklake Streetlighting	160	43,012
Drainage Maintenance	170	84,091
Sewer Maint Dist (Folkert Oaks)	180	111,722
Montecito Verde II	190	29,476
Fire Hydrant/Emergency	210	218,361
Funded Depreciation-Water	800	56,685
Funded Depreciation-Sewer	801	23,640
Funded Depreciation-BL Water	802	9,166
Funded Depreciation-BL Sewer	803	4,414
A/D-Improvement Fund	820	281,847
A/D-Redemption Fund	820	110,515
A/D-Reserve Fund	820	122,520
A/D-In Lieu Fund	820	24,763
TOTAL		3,894,548

fundactg/bdqtrly

Combined

Period Ending: 03/31/96
FISCAL YR 96

BALANCE SHEET
NIPOMO COMMUNITY SERVICES DIST

	Current Balance	Year's Beg. Bal.	Change
ASSETS			
CURRENT ASSETS			
Cash on Hand	350	350	0
1040 Cash-Checking	15,342	62,309	-46,967
1045 Cash-Savings	67,221	14,267	52,954
1080 Cash in L.A.I.F.	3,794,836	3,150,118	644,718
1081 Cash-Fiscal Agent	14,842	19,460	-4,619
1085 Cash-A.D. Improvement Fund 93-1	1,957	5,293	-3,336
Due To/From Cash Pool	0	0	0
1210 Accounts Receivable-Water/Sewer	35,264	98,493	-63,229
1220 Unbilled Water Sales Receivable	65,000	65,000	0
1221 Unbilled Sewer Sales Receivable	16,000	16,000	0
1260 Prepaid Insurance	11,013	2,430	8,582
1270 Prepaid Rent	1,931	1,879	52
TOTAL CURRENT ASSETS	4,023,756	3,435,600	588,156
FIXED ASSETS			
Property, Plant and Equipment	17,706,503	17,609,438	97,065
1590 Accumulated Depreciation	3,847,972	3,460,939	387,033
NET FIXED ASSETS	13,858,531	14,148,499	-289,968
OTHER ASSETS			
1800 Accrued Interest Receivable	52,409	47,097	5,313
1830 Due From SLO County	0	0	0
1832 Bond Discount	33,656	33,656	0
1833 Deposit-W/C Insurance	5,747	5,747	0
1835 Notes Receivable-M.V. I	111,604	0	111,604
TOTAL OTHER ASSETS	203,417	86,500	116,917
TOTAL ASSETS	18,085,704	17,670,599	415,105
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES			
2100 Accounts Payable	46,561	85,240	-38,679
2101 Compensated Absences Payable	24,719	24,719	0
2105 A/P-Uncashed Check (Brand)	30,810	30,810	0
2110 Customer Deposits	13,960	36,663	-22,703
2115 Construction Meter Deposits	2,918	2,000	918
2118 Maintenance Guarantee Deposit	5,000	5,000	0
2119 In Lieu Fee Deposits	23,016	23,016	0

Period Ending: 03/31/96
 FISCAL YR 96

Combined
 BALANCE SHEET
 NIPOMO COMMUNITY SERVICES DIST

	Current Balance	Year's Beg. Bal.	Change
2130 Accrued Interest	8,980	26,057	-17,077
Payroll Taxes Payable	-10	0	-10
2160 Deferred Revenues	6,300	6,300	0
2170 Bonds Payable-Current Portion	40,000	37,938	2,062
TOTAL CURRENT LIABILITIES	202,254	277,743	-75,490
LONG TERM LIABILITIES, LESS CURRENT PORT			
2220 Water Revenue Bonds Payable-1978	207,000	207,000	0
2225 A.D. 93-1 Bond Payable	1,675,000	1,720,000	-45,000
TOTAL LONG TERM LIABILITIES	1,882,000	1,927,000	-45,000
TOTAL LIABILITIES	2,084,254	2,204,743	-120,490
FUND EQUITY			
3100 Contributed Capital-Assets	4,027,136	4,255,286	-228,150
3101 Contributed Capital-System Fees	5,786,821	5,234,649	552,172
3102 Contributed Capital-Assess Dist	1,708,265	1,733,816	-25,551
3103 Contributed Capital-Right of Way	31,600	31,600	0
3110 Capital Grants-Federal and State	3,596,051	3,610,455	-14,404
3120 R/E-Reserved (Sewer)	120,000	120,000	0
3121 R/E-Reserved (Debt Service)	15,600	15,600	0
3122 R/E-Reserved (Emergencies)	50,000	50,000	0
3130 R/E-Unreserved	682,555	382,487	300,068
NET INCOME/LOSS	-16,578	31,963	-48,541
TOTAL FUND EQUITY	16,001,450	15,465,856	535,594
TOTAL LIABILITIES AND FUND EQUITY	18,085,704	17,670,599	415,105

UNAUDITED REPORT

Ending: 03/31/96
 FISCAL YR 96

Combined
 INCOME STATEMENT
 NIPOMO COMMUNITY SERVICES DIST

Page 1
 Report Date: 04/25/96
 (Consolidated) 100 - 820

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
REVENUES						
Water Sales	782,000	33,726	48,191	642,519	82	579,385
Sewer Revenues	382,400	26,416	24,909	276,241	72	277,345
Fees and Penalties	22,700	2,255	2,780	22,268	98	22,422
4220 Meter Fees	15,500	840	840	7,110	46	22,440
4240 Water Connection Fees	1,900	0	760	4,270	225	1,900
4250 Plan, Check and Inspection Fees	2,700	15,026	1,181	12,094	448	18,858
4265 Sewer Lift Station	7,500	0	0	7,500	100	0
Miscellaneous Income	1,500	422	1,125	6,826	455	2,560
4291 Application Fees	0	0	0	-178	0	800
4292 Administrative Fee	4,500	0	0	30,203	671	0
4295 Streetlighting Income	14,000	0	672	8,771	63	0
4310 Annexation Fees	0	500	500	4,500	0	29,000
4320 Backflow Test	0	0	0	562	0	1,469
4800 Oper Trans In-Admin	93,898	0	0	55,861	59	0
4810 Oper Trans In-Funded Deprec	115,500	0	7,179	92,933	80	0
4850 Transfers from Reserves	585,868	0	0	0	0	0
TOTAL REVENUES	2,029,966	79,155	88,137	1,171,479	57	956,180

EXPENSES						
5010 Accounting	2,675	0	0	2,675	100	1,950
5020 Advertising	100	0	0	0	0	0
5030 Bank Charges	50	0	0	0	0	-4
5040 Bond Administration	1,500	0	0	0	0	0
5060 Chemicals	7,200	594	581	5,474	76	3,892
5070 Computer Expense	5,500	569	289	3,609	66	4,723
5080 Consulting	5,000	2,953	0	24,031	481	13,590
5090 Director Fees	18,000	1,000	1,000	9,042	50	9,050
5100 Dues and Subscriptions	3,100	261	38	2,348	76	1,387
5110 Education and Training	3,000	444	509	1,992	66	1,926
5112 Engineering	6,000	0	0	7,858	131	0
5120 Equipment Rental	500	189	0	0	0	1,748
5123 Fire Alarm (Maint Bldg)	450	35	35	315	70	315
5125 Fuel	9,000	579	438	5,076	56	4,995
5130 Insurance-Liability	35,000	2,374	2,755	24,314	69	22,375
5140 Insurance-Medical/Dental	51,000	0	3,550	33,840	66	38,957
5150 Insurance-Workman's Compensation	13,200	3,019	2,520	8,217	62	10,299
5160 Lab Tests and Supplies	21,350	1,045	8,566	18,223	85	13,246
5170 Legal	36,000	10,380	1,541	23,999	67	24,275
5171 Legal-Litigation	180,000	8,965	5,618	56,262	31	13,146
5172 Legal-Water Counsel	20,000	0	927	1,484	7	0
5190 Maps and Blueprints	500	0	0	0	0	0
5200 Miscellaneous	2,000	93	-0	269	13	269
5210 Newsletter	1,200	679	0	818	68	679
5220 Office Supplies	3,500	237	159	2,088	60	2,371
5230 Outside Services	44,500	2,368	1,184	20,073	45	24,259
5235 Outside Service-PB Repairs	0	0	11,227	68,287	0	0

3

Combined
INCOME STATEMENT

NIPOMO COMMUNITY SERVICES DIST

Report Date: 04/25/96
(Consolidated) 100 - 820

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
5240 Operating Supplies	43,500	4,501	6,749	28,508	66	24,348
5250 Paging Expense	1,800	359	91	938	52	1,502
5260 Paying Agent Fees	0	0	0	1,096	0	0
5280 Permits and Operating Fees	9,400	0	0	5,264	56	5,197
5290 Postage	9,000	1,010	1,080	6,504	72	4,981
5300 Printing	1,000	345	128	1,374	137	418
5310 Public and Legal Notices	3,000	0	107	1,610	54	646
5320 Rent	26,000	0	2,137	19,130	74	18,690
5330 Repairs & Maintenance-Vehicles	5,000	228	186	2,983	60	2,929
5340 Repairs & Maintenance-Building	500	0	0	0	0	0
5345 Repairs & Maintenance-Office	0	32	35	268	0	306
5350 Repairs & Maintenance-Water	5,000	0	-2,020	1,126	23	2,769
5360 Repairs & Maintenance-Sewer	5,000	0	0	50	1	775
5365 Repairs & Maintenance-Misc.	200	0	0	252	126	30
5370 Retirement Benefits	44,000	0	0	8,992	20	3,432
5380 Small Tools and Supplies	4,000	502	0	83	2	1,710
5400 Taxes-Payroll	12,500	3,693	3,349	9,212	74	10,242
5410 Telephone	7,500	295	492	3,060	41	4,090
5420 Travel and Mileage	9,500	1,151	573	3,409	36	6,194
5430 Underground Notification	500	0	117	568	114	284
5440 Uniforms	2,400	156	0	1,500	62	1,394
5450 Utilities-Electricity	275,000	21,991	10,998	200,332	73	184,037
5455 Utilities-Electricity(StLight)	11,500	2,453	811	7,339	64	7,370
5460 Utilities-Gas	800	157	135	482	60	436
5465 Utilities-Trash Collection	600	48	53	470	78	428
5470 Fees-Office and Management	165,000	12,917	13,624	120,630	73	115,443
5480 Wages-O.T.-Office and Management	1,500	68	119	1,654	110	995
5500 Wages-Maintenance	165,000	12,396	11,091	108,996	66	113,670
5510 Wages-O.T.-Maintenance	29,000	2,267	1,405	20,231	70	22,004
TOTAL EXPENSES	1,308,525	104,530	92,195	876,351	66	732,106
EXCESS REV. OVER EXP.	721,441	-25,345	-4,058	295,128	40	224,074
OTHER INCOME AND EXPENSES						
Interest Income	80,000	46,500	53,111	159,040	198	125,754
6175 Tax Revenues	135,000	6,590	6,366	96,370	71	89,363
6190 A/D 93-1 Assessment Receipts	142,000	12,853	6,829	95,671	67	91,521
6191 Gain/Loss on Sale of Assets	0	0	0	2,500	0	0
6400 Depreciation (Non Cash)	0	-43,216	-46,617	-419,553	0	-388,944
6500 Interest Expense	-118,757	0	-8,979	-96,640	81	-70,264
6550 Bond Premium	0	0	-300	-300	0	0
6800 Contingency-Budgeted	-7,000	0	0	0	0	0
6901 Oper Trans Out-Admin	-93,898	0	0	-55,861	59	0
6950 Oper Trans Out-Funded Deprec	-115,500	0	-7,179	-92,933	80	0
8000 Debt Service-Principal Portion	-40,000	0	0	-32,938	82	0
8100 Sewer Grant Replacement	-15,000	0	0	0	0	0
9 Budgeted Cap Outlay-Well Covers	-20,000	0	0	0	0	0
9001 Budgeted Cap Outlay-Water Pump	-1,300	0	0	-1,283	99	0

Combined

Period ending: 03/31/96
FISCAL YR 96

INCOME STATEMENT NIPOMO COMMUNITY SERVICES DIST

Page 3
Report Date: 04/25/96
(Consolidated) 100 - 820

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
9002 Budgeted Cap Outlay-Jackhammer	-1,000	0	0	-958	96	0
9003 Budgeted Cap Outlay-Shore Jack	-800	0	0	0	0	0
9004 Budgeted Cap Outlay-Water Meters	-20,000	0	0	-9,028	45	0
9005 Budgeted Cap Outlay-Switches L/S	-2,500	0	0	-1,290	52	0
9006 Budgeted Cap Outlay-Vehicle	-14,000	0	0	-14,438	103	0
9007 Budgeted Cap Outlay-Rate Study	-12,000	0	0	-9,600	80	0
9008 Budgeted Cap Outlay-Overpass	-87,500	0	0	-43,917	50	0
9009 Budgeted Cap Outlay-Twin Tank	-70,000	0	0	0	0	0
9010 Budgeted Cap Outlay-Design Bldg	-56,000	0	-517	-1,602	3	0
9011 Budgeted Cap Outlay-MV II Sewers	-10,000	0	0	0	0	0
9012 Budgeted Cap Outlay-Sewer Exp	-50,000	0	0	-48,814	98	0
9013 Budgeted Cap Outlay-Sthd Sewer	-20,000	0	0	0	0	0
9014 Budgeted Cap Outlay-BL Well #3	-60,000	0	0	0	0	0
9015 Budgeted Cap Outlay-SCADA System	-11,500	0	0	-3,515	31	0
9016 Budgeted Cap Outlay-PB Repair	-50,000	0	-56,050	-68,287	137	0
9100 Budgeted Cap Outlay-Offset A/C	0	0	56,567	235,671	0	0
TOTAL OTHER INCOME AND EXPENSES	-519,755	23,902	3,231	-311,706	59	-142,595
EXCESS REV. & OTHER OVER EXP.	201,686	-1,443	-827	-16,578	-9	81,479

UNAUDITED REPORT

5

MAY 1 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: MAY 1, 1996

INVESTMENT POLICY - QUARTERLY REPORT

The Board of Directors adopted the 1996 Investment Policy for NCSD on February 21, 1996. The policy states that the 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 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 Section 53646).

Pursuant to paragraph 7 (B) of the 1996 Investment Policy, if the District has placed all of its investments in the Local Agency Investment Fund (LAIF) or in a 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 statements in lieu of the information required in paragraph 7 (A).

Attached is the most recent bank statements from the following institutions:

Local Agency Investment Fund
Mid-State Bank Money Market Account
Mid-State Bank Savings Account
Mid-State Bank Money Market Account (Assessment District 93-1)

The Finance Officer is pleased to report to the Board of Directors that the District is in compliance with the 1996 Investment Policy.

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and minute order.

OFFICE OF THE TREASURER
SACRAMENTO



LOCAL AGENCY INVESTMENT FUND
P.O. BOX 942809
SACRAMENTO, CA 94209-0001
MARCH, 1996 STATEMENT

Date: 03/31/96
Page: 01

ACCOUNT NUMBER: 16-40-002

COMMUNITY SERVICES DISTRICT
OF NIPOMO
ATTN: MANAGER
P.O. BOX 326
NIPOMO CA 93444

EFFECTIVE DATE	TRANSACTION DATE	TRAN TYPE	CONF NO	AUTH CALLER	TRANSACTION AMOUNT	BALANCE
BEGINNING BALANCE - REG						\$3,794,836.20
ENDING BALANCE - REG						\$3,794,836.20
GRAND TOTAL						\$3,794,836.20

SUMMARY

	TRAN COUNT	TOTAL DEPOSIT AMT	TOTAL WITHDRAWAL AMT
REG	0	\$0.00	\$0.00

RECEIVED

APR 25 1996

NIPOMO COMMUNITY SERVICES DISTRICT

SUMMARY OF INVESTMENT DATA
FOR THE POOLED MONEY INVESTMENT ACCOUNT
A COMPARISON OF MARCH 1996 WITH MARCH 1995
(Dollars in Thousands)

	<u>MARCH 1996</u>	<u>MARCH 1995</u>	<u>CHANGE</u>
AVERAGE DAILY PORTFOLIO TOTAL	\$28,787,047	\$26,252,294	\$ + 2,534,753
TOTAL EARNINGS ON ACCRUAL BASIS	\$ 135,497	\$ 132,311	\$ + 3,186
EFFECTIVE YIELD	5.557	5.934	- .377
AVERAGE LIFE OF PORTFOLIO ON THE LAST DAY OF THE MONTH (IN DAYS)	241	361	- 120
SECURITY TRANSACTIONS	\$19,326,617	\$31,947,812	\$ -12,621,195
TIME DEPOSITS	\$ 81,600	\$ 22,300	\$ + 59,300
AVERAGE WORKDAY INVESTMENT ACTIVITY	\$ 924,201	\$ 1,390,005	\$ - 465,804
NUMBER OF SECURITY TRANSACTIONS	452	750	- 298
NUMBER OF TIME DEPOSITS	15	9	+ 6
AVERAGE PRESCRIBED DEMAND COMPENSATING BANK BALANCES FOR SERVICES	\$ 109,878	\$ 150,771	\$ - 40,893
AVERAGE PRESCRIBED DEMAND BANK BALANCES FOR UNCOLLECTED FUNDS	\$ 135,878	\$ 140,158	\$ - 4,280

LOCAL AGENCY INVESTMENT FUND*

SUMMARY OF ACTIVITY

MARCH 1996

<u>BEGINNING BALANCE</u>	<u>DEPOSITS</u>	<u>WITHDRAWALS</u>	<u>MONTH END BALANCE</u>
1,645,272,442.10	\$ 747,203,726.91	\$1,154,116,905.03	\$10,238,359,263.98

*Local Agency Investment Fund Invested Through Pooled Money Investment Account



6 TEFFT ST
 NIPOMO CA 93444
 473-7788
 1-800-473-7788

000110003435
 STATEMENT DATE
 3/31/96

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NIPOMO COMMUNITY SERVICES DIST
 PO BOX 326
 NIPOMO CA 93444

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Statement of Accounts

SUMMARY FOR MONEY MARKET CHECKING ACCOUNT # 000800288601.....

BEGINNING BALANCE	2/29/96	87584.58
32 DEPOSITS AND OTHER CREDITS		117387.48
98 CHECKS AND OTHER DEBITS		182195.53
SERVICE CHARGE		.00
1 INTEREST PAID		24.05
NSF AND OVERDRAFT FEES		.00

ENDING BALANCE 22800.58

INTEREST PAID ON DAILY COLLECTED BALANCE OF	28380.90
YTD INTEREST 74.55 YTD WITHHOLDING	.00

THE INTEREST EARNED ON YOUR ACCOUNT DURING THE PERIOD 3/01/96 THROUGH 3/31/96 WAS 24.05.
 THE ANNUAL PERCENTAGE YIELD EARNED WAS 1.00%.

1995 INTEREST EARNED 329.98

MONEY MARKET CHECKING ACCOUNT TRANSACTIONS.....

DATE	AMOUNT	TRANSACTION DESCRIPTION
3/01	542.95	DB MAR GP INS THE GUARDIAN
3/01	64000.00	DB PRIORITY DEBIT
3/04	7786.65	CR DEPOSIT
3/05	4567.19	CR DEPOSIT
3/05	5472.23	CR DEPOSIT
3/05	66.06	DB DEPOSIT ADJUSTMENT DEBIT
3/06	3526.71	CR DEPOSIT
3/07	4804.24	CR DEPOSIT
3/08	100.79	CR DEPOSIT
3/08	3354.55	CR DEPOSIT
3/08	3569.72	CR DEPOSIT
3/08	8820.00	CR DEPOSIT



00110003436

3/31

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NIPOMO COMMUNITY SERVICES DIST

Statement of Accounts

CONTINUATION OF MONEY MARKET CHECKING ACCOUNT # 800288601....
 MONEY MARKET CHECKING ACCOUNT TRANSACTIONS.....

DATE	AMOUNT	TRANSACTION DESCRIPTION	
3/11	2515.49	CR DEPOSIT	
3/12	1762.50	CR DEPOSIT	
3/13	2074.60	CR DEPOSIT	
3/14	903.72	CR DEPOSIT	
3/14	3264.02	CR DEPOSIT	
3/14	10.00	CR MISCELLANEOUS CREDIT	
3/14	106.95	DB RETURNED DEPOSITED CHECK	
3/15	2041.02	CR DEPOSIT	
3/15	3430.39	CR DEPOSIT	
3/18	980.93	CR DEPOSIT	
3/18	4619.49	CR DEPOSIT	
3/18	45.00	DB RETURNED DEPOSITED CHECK	
3/19	1191.00	CR DEPOSIT	
3/19	4570.94	CR DEPOSIT	
3/19	91.80	DB RETURNED DEPOSITED CHECK	
3/20	21000.00	DB TFR TO SAV ACCT #	800288621
3/20	12046.10	CR DEPOSIT	
3/21	520.00	CR DEPOSIT	
3/21	1730.40	CR DEPOSIT	
3/22	10000.00	DB TFR TO SAV ACCT #	800288621
3/22	2335.02	CR DEPOSIT	
3/25	2848.53	CR DEPOSIT	
3/26	5816.85	CR DEPOSIT	
3/27	2254.68	CR DEPOSIT	
3/27	52.20	DB RETURNED DEPOSITED CHECK	
3/28	10000.00	CR TFR FROM SAV ACCT #	800288621
3/28	3095.45	CR DEPOSIT	
3/29	80.80	CR DEPOSIT	
3/29	7243.47	CR DEPOSIT	
3/31	24.05	CR INTEREST	

YOUR CHECKS IN SERIAL NUMBER ORDER.....

DATE...CHECK NO.....AMOUNT	DATE...CHECK NO.....AMOUNT
3/01 1906 1463.23	3/15 1911 1158.76
3/15 1910* 2189.00	3/15 1912 1462.82



00110003437

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NIPOMO COMMUNITY SERVICES DIST

Statement of Accounts

CONTINUATION OF MONEY MARKET CHECKING ACCOUNT # 800288601....
 YOUR CHECKS IN SERIAL NUMBER ORDER.....

DATE...CHECK NO.....AMOUNT	DATE...CHECK NO.....AMOUNT
3/15 1913 915.34	3/14 8036 52.80
3/15 1914 1409.04	3/14 8037 35.11
3/15 1915 1520.28	3/14 8038 14859.25
3/15 1916 1158.99	3/19 8039 3006.76
3/15 1917 1307.14	3/11 8040 600.00
3/29 1920* 2189.00	3/15 8041 3833.99
3/29 1921 1173.74	3/13 8042 100.00
3/29 1922 1462.82	3/11 8043 21.45
3/29 1923 915.34	3/11 8044 100.00
3/29 1924 1173.59	3/13 8045 130.00
3/29 1925 1764.06	3/20 8046 14.50
3/29 1926 1472.28	3/13 8047 35.00
3/29 1927 1157.95	3/18 8048 13469.00
3/20 7906* 29.46	3/15 8049 45.23
3/27 7977* 500.00	3/13 8050 3483.90
3/12 7998* 231.79	3/22 8054* 150.00
3/01 8001* 135.00	3/25 8055 30.26
3/01 8005* 583.07	3/26 8056 81.21
3/05 8014* 716.08	3/27 8058* 874.40
3/06 8015 150.00	3/27 8059 25.80
3/12 8019* 435.98	3/26 8060 926.54
3/18 8020 90.50	3/26 8061 20.84
3/14 8021 100.00	3/27 8062 16.00
3/18 8022 129.00	3/27 8064* 80.30
3/13 8023 44.26	3/26 8065 438.31
3/12 8024 14.41	3/27 8066 401.92
3/14 8025 269.60	3/26 8067 87.33
3/13 8027* 202.50	3/29 8068 541.14
3/13 8028 61.50	3/27 8069 684.00
3/13 8029 25.80	3/21 8070 150.00
3/08 8030 311.07	3/26 8071 100.00
3/18 8031 25.95	3/25 8072 10.56
3/13 8032 3400.00	3/27 8073 103.14
3/13 8034* 139.35	3/27 8075* 581.39
3/20 8035 238.76	3/26 8076 517.46



00110003438

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NIPOMO COMMUNITY SERVICES DIST

Statement of Accounts

CONTINUATION OF MONEY MARKET CHECKING ACCOUNT # 800288601....

YOUR CHECKS IN SERIAL NUMBER ORDER.....

DATE...CHECK NO.....AMOUNT	DATE...CHECK NO.....AMOUNT
3/27 8077 69.99	3/13 17687 11.77
3/29 8080* 300.00	3/14 17688 59.00
3/29 8081 3669.04	3/27 17689 500.00
3/13 17681* 97.60	3/18 17690 370.00
3/04 17682 38.00	3/27 17692* 2.47
3/13 17683 1185.00	3/26 17695* 20.00
3/11 17685* 205.90	3/28 17696 495.47
3/05 17686 1931.28	

* INDICATES A SKIP IN SEQUENTIAL CHECK NUMBERS

DAILY BALANCES.....

DATE.....BALANCE	DATE.....BALANCE	DATE.....BALANCE
2/29 87584.58	3/12 62318.38	3/22 13875.30
3/01 20860.33	3/13 55476.30	3/25 16683.01
3/04 28608.98	3/14 44171.33	3/26 20308.17
3/05 36651.06	3/15 34642.15	3/27 18671.24
3/06 39311.69	3/18 26113.12	3/28 31271.22
3/07 44115.93	3/19 28776.50	3/29 22776.53
3/08 59649.92	3/20 19539.88	3/31 22800.58
3/11 61238.06	3/21 21690.28	

SUMMARY FOR SAVINGS ACCOUNT #

000800288621.....

DATE	AMOUNT	DESCRIPTION	BALANCE
2/29		BEGINNING BALANCE	45974.53
3/20	21000.00	TFR FROM CHKG# 800288601	66974.53
3/22	10000.00	TFR FROM CHKG# 800288601	76974.53
3/28	10000.00	TFR TO CHKG# 800288601	66974.53
3/29	246.85	INTEREST PAID	67221.38
3/31		ENDING BALANCE	67221.38



,00110003439

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NIPOMO COMMUNITY SERVICES DIST

Statement of Accounts

CONTINUATION OF SAVINGS ACCOUNT # 800288621....
THE INTEREST EARNED ON YOUR ACCOUNT DURING THE
PERIOD 3/01/96 THROUGH 3/31/96 WAS 119.04.
THE ANNUAL PERCENTAGE YIELD EARNED WAS 2.52%.

1995 INTEREST EARNED 1262.60

AN INDIVIDUAL RETIREMENT ACCOUNT (IRA) FROM MID-STATE BANK
IS A GREAT WAY TO SAVE ON YOUR TAXES. AN IRA CAN ALSO
HELP YOU PLAN FOR YOUR RETIREMENT. STOP BY A
MID-STATE BANK OFFICE TODAY AND OPEN UP AN IRA.



6 TEFFT ST
 NIPOMO CA 93444
 473-7788
 1-800-473-7788

00120013648
 STATEMENT DATE
 3/31/96

PAGE 1

NIPOMO COMMUNITY SERVICES DIST
 DBA ASSESS DIST93-1 IMPROVEMENT FUND 2
 PO BOX 326
 NIPOMO CA 93444

Statement of Accounts

SUMMARY FOR MONEY MARKET INVESTMENT ACCOUNT #000817702301.....

BEGINNING BALANCE	2/29/96	2133.91
1 DEPOSITS AND OTHER CREDITS		64000.00
1 CHECKS AND OTHER DEBITS		64178.75
SERVICE CHARGE		.00
1 INTEREST PAID		1.66
NSF AND OVERDRAFT FEES		.00

ENDING BALANCE 1956.82

INTEREST PAID ON DAILY COLLECTED BALANCE OF	1955.16
YTD INTEREST 12.03 YTD WITHHOLDING	.00

THE INTEREST EARNED ON YOUR ACCOUNT DURING THE PERIOD 3/01/96 THROUGH 3/31/96 WAS 1.66.
 THE ANNUAL PERCENTAGE YIELD EARNED WAS 1.00%.

1995 INTEREST EARNED 165.90

MONEY MARKET INVESTMENT ACCOUNT TRANSACTIONS.....

DATE	AMOUNT	TRANSACTION DESCRIPTION
3/01	64000.00	CR MISCELLANEOUS CREDIT
3/01	64178.75	DB WIRE TRANSFER FUNDS DEBIT
3/31	1.66	CR INTEREST

DAILY BALANCES.....

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
2/29	2133.91	3/01	1955.16	3/31	1956.82

MAY 1 1996

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: MAY 1, 1996

MANAGER'S REPORT

1. SLO-CSDA CHAPTER MEETING

Information will be presented to the Board.

2. CSDA INFORMATION ON THE "RIGHT TO VOTE ACT"

CSDA "Right to Vote Act" information is enclosed.

3. NEW OFFICE BUILDING TENTATIVE LAYOUT

The architect is working on a layout of the new office building. If this information is available by meeting time, it will be presented to the Board.

4. STATE REVOLVING FUND LOAN

The District is proceeding to acquire a loan from the State Revolving Fund to expand its wastewater treatment plant. It is estimated that the engineering and financial plan to qualify for the loan would cost approx. \$40,000. The proposal for engineering service and development of the revenue program are included for the Board's review. Staff will proceed to have agreement drawn up for these services and proceed to acquire the loan at 0% interest.

5. EMERGENCY TURNOUT LETTER

Copy enclosed



**California
Special Districts
Association**

1121 L Street
Suite 508
Sacramento, CA
95814

916.442-7887
Fax 916.442-7889

April 1996

Dear CSDA Member:

We are forwarding a legal summary of the "Right to Vote Act." The initiative is currently being circulated by the Howard Jarvis Taxpayers Association. The summary was prepared by CSDA's Legal Counsel David McMurchie.

This information is provided to assist you in analyzing the potential impact of this initiative - if passed - on your district and its constituents. The CSDA Board of Directors commissioned Mr. McMurchie to prepare this summary to enlighten member districts on this initiative. We hope it will be of assistance to you.

The initiative must still receive the required number of valid signatures prior to deadline. From the current pace of signature gathering, it appears the Jarvis Association will not have any difficulty getting this initiative on the November 1996 ballot. In a recent article on the initiative which appeared in the *Sacramento Bee*, the Jarvis association has collected close to 880,000 signatures - with 693,000 valid ones needed to get on the November ballot. The group plans to submit 1 million signatures by the April 29 deadline just to make sure of success.

We will continue to keep our members updated on the "Right to Vote Act". Please feel free to contact CSDA staff or board members, if you have any questions or comments on this summary.

Thank you.

Sincerely,

Catherine Smith
Executive Director

Executive Director
Catherine Smith

Legislative Advocate
Ralph Heim
916.442-4584

RIGHT TO VOTE ON TAXES ACT
Petition by the Howard Jarvis Taxpayers Association

*prepared by David McMurchie, CSDA Legal Counsel
McMurchie, Foley, Brandenburger, Weill & Lenahan*

The Act proposes to add Articles XIIC and XIID to the California Constitution. The basic assumption of the Act is that Californians should not be taxed without their consent and citizens should be protected from any unreasonable tax increases.

The basic purpose of the Act is to extend the citizen consent requirements for increased real property taxes pursuant to Proposition 13 to real property assessments and property related fees and charges.

Assessments

1. The Right to Vote on Taxes Act provides that local governments may continue to impose all types of assessments otherwise provided by law, without regard to direct or indirect benefit to property, as long as the assessment will confer a "special benefit" upon the real property subject to the assessment, and so long as the benefit conferred on the property is "proportional" to the amount that property is assessed. This concept of "proportionality" apparently is to be measured in terms of the cost of the improvement or service being financed with assessment proceeds. General enhancement of property value will no longer constitute a special benefit. In order to justify an assessment, a local agency will have to show that the property being assessed is receiving a particular and distinct benefit over and above general benefits conferred on property owned by the public at large.

2. The Right to Vote on Taxes Act changes existing procedures requiring notices of public hearings to institute or increase assessments. A written notice must be mailed to all owners and must include the amount chargeable to each particular parcel and other detailed information. The mailed notice must now include a ballot form which the property owner can use to express support or opposition to the proposed assessment.

3. The Act redefines "majority protest." This initiative provides that a majority protest exists for all types of assessments, if, upon the conclusion of the public hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots are to be weighted according to the proportional financial obligation of the assessed property. The Act goes further to state that the majority protest process applicable to landowners only is based on the fact that only landowners will receive the "special benefit" for which the assessment is being levied. It also includes a provision that if any court finds such a provision to deny nonproperty owners the right to vote on assessment, then assessments cannot be instituted or increased unless they receive both majority ballot support by property owners measured in terms of the dollar value of ballots cast in favor of the assessment, and a two-thirds vote of the electorate.

This is a new concept which differs from all other existing definitions of "majority protest" in current assessment law. This provides an opportunity for a small group of property owners to veto an assessment if the "silent majority" who are in favor of the assessment do not return their ballots to be counted.

The Act does not contain a requirement that new or increased assessments must also be approved by a vote of the electorate, but rather requires a majority protest

process applicable to landowners only based on the fact that only landowners will receive the "special benefit" for which the assessment is being levied.

4. This initiative would require local agencies, the state, state agencies, and federal agencies to be liable for payment of local agency assessments unless the local agency can demonstrate by clear and convincing evidence that such publicly owned property does not receive a special benefit from the facilities or services being financed with assessment proceeds.

Effect on Existing Assessments

1. The Act does contain a "grandfather clause" for existing assessments on the effective date of the initiative for either capital development or maintenance and operations for water, sewer, flood control, drainage control, vector control, sidewalks and street construction purposes. However, subsequent increases in any such assessment are subject to all provisions of the Act.

2. The Act exempts any assessments imposed pursuant to a petition signed by all of the persons owning property subject to the assessment at the time the assessment is initially imposed. Therefore, a local agency may continue to levy assessments on property to be developed with the consent of the developer prior to the time the property is subdivided or sold to the public.

3. The Act exempts existing assessments "the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the contract impairment clause of the Constitution of the United State of America."

However, there are many types of financial obligations secured by a pledge of assessment revenues which do not meet the definition of "bonded indebtedness", but which do involve contractual obligations of a local agency which would be impaired in contravention of the contract impairment clause if the provisions of the Act were made subject to such existing assessments. There is a serious question as to whether the Act is constitutional if applied to an existing assessment in such a manner as to result in a local agency's default on its contractual financial obligations secured by assessment revenues.

4. The Act exempts any assessments which previously received majority voter approval. Any subsequent increases in such assessments are subject to the procedures and approval process of the Act.

5. The Act is unclear as to whether all existing assessments which do not fall into one of these exemptions are subject to a property owner ratification process utilizing the Act's mailed notice and majority protest provisions. Any retroactive application of the Act to existing assessments which impairs an agency's obligation of contract may be constitutionally suspect.

Property-related fees and Charges

1. The Act defines property-related fees or charges as those fees imposed upon a person as an incident of property ownership. Fees for electrical or gas service as not considered to be property related fees and charges. The Act also exempts any laws "relating to the imposition of fees or charges as a condition of property development"

which include developer or mitigation fees and water and/or sewer capital facilities fees or capacity fees.

2. The Act sets forth a new procedure for imposing new or increased property-related fees and charges. This procedure includes mailed written notice (with required information), a public hearing and a majority protest process, although no mailed ballot is required.

3. The Act defines "majority protest" differently for property-related fees and charges. A majority protest against the property related fee or charge consists of written protest by a majority of owners of all parcels subject to pay the fee.

4. The Act requires any new or increased property related fee or charge other than sewer, water, and refuse collection also must be approved by a majority vote of the property owners of the property subject to the fee or charge, in addition to complying with the majority protest process.

5. The Act specifically provides that standby charges to the extent that the service is not actually used or immediately available to the property owner constitutes an assessment and must follow assessment procedures.

6. The Act prohibits property-related fees for general government services such as police, fire, ambulance, or library services, where the services are available to the public at large in substantially the same manner as the property owners being assessed the fee.

This provision requires changes for general governmental services to be construed as assessments. However, the assessment provisions require a "special benefit" to property over and above the benefit conferred on property owned by the public in general. Therefore, it appears as if both property related fees and charges and assessments for such generalized services as police, ambulance, and library will be prohibited by law.

7. The Act shifts the burden of justification of the validity of an assessment or property related fee or charge to the local agency.

8. A new or increased property related fee or charge must meet the following requirements: (1) The revenues derived from the fee shall not exceed the cost of the property related service being funded; (2) The revenues derived from the fee cannot be used for any purpose other than threat purpose for which the fee was originally imposed; (3) The amount of the fee imposed on any parcel cannot exceed the proportional cost of the service attributable to that parcel; (4) The fee or charge may not be imposed unless the service is actually used by or immediately available to the owners of the property in question.

9. The Act is unclear whether the majority protest and voter approval provisions apply to an existing property-related fee which is imposed prior to the effective date of the Act on July 1, 1997. Any such retroactive application to existing fees and charges will raise impairment of obligation of contract issued similar to those regarding assessments.

General Taxes

1. The Act specifically states that special districts with special purposes, including school districts, have no power to levy general taxes. The only taxes which may be imposed by special districts are special taxes which by definition require a two-thirds vote.
2. The Act provides that no general tax (a tax imposed for general governmental purposes) can be imposed, extended, or increased unless that general tax is submitted to the electorate and approved by a majority vote.
3. The Act also contains a controversial provision that any general tax which is imposed, extended or increased without voter approval after January 1, 1995, and prior to the effective date of July 1, 1997, can only continue to be imposed if approved by a majority vote of the voters held within two years after the effective date of the Act.

Extension of Initiative Power

1. Section 3 of the Act provides that no other provisions of the Constitution, including those provisions which prohibit referendums on previously approved tax and monetary appropriation measures of local government, shall affect the power of the initiative to reduce or repeal any local tax, assessment, or a property related fee or charge, even if initially imposed in accordance with the provisions of the Act.
2. This portion of the Act attempts to constitutionalize the power of the initiative to reduce or repeal local taxes, assessments and property-related fees and charges, which could have the practical effect of interfering with the financing of a provision of local government services. Local government agencies will no longer be able to depend on the certainty of their revenue sources through taxes, assessments, and property-related fees and charges, since all of these revenue sources would be susceptible to repeal through the exercise of the initiative power at any time.

Conclusion

Due to the ambiguity of the Act with respect to its effect on existing assessments and property-related fees and charge, and due to the Act's provisions which make it more difficult to levy new or increase existing assessments or property-related fees and charge due to the new majority protest provisions and voter approval provisions, those districts with revenue shortfalls should consider whether to begin levying an assessment or property-related fee or charge within the next year. If the Act passes in November 1996, it will be very difficult for such districts to raise revenue through assessments or property-related fees and charges in the future.



April 25, 1996

Doug Jones, General Manager
Nipomo Community Services District
P.O. Box 326
261 W. Dana
Nipomo, CA 93444

**SUBJECT: Facilities Planning for Wastewater Treatment Plant Expansion as
Required by State of California Revolving Fund Policy Manual**

Dear Doug:

After consulting with John Jenks of Kennedy/Jenks Consultants and Darren Polhemus of the Water Resources Control Board, it is apparent that a full, detailed facilities plan is being required by the State in order to finance this project with revolving fund loan money. The Policy Manual is quite detailed in setting forth requirements for the Facilities Plan Document. The facilities planning would include Environmental Review in compliance with CEQA, a project report dealing with over 30 separate issues including cost effectiveness evaluation, alternative evaluation, eligible capacity analysis, and many others. The project report also includes implementation of a water conservation program, preparation of a revenue program, capacity funding limitation analysis, population and flow projections.

The Garing Taylor & Associates/Kennedy Jenks team would be dealing with preparation of the project report and the Environmental Impact Analysis (through a negative declaration). The District's consultant would provide the revenue program and the District itself would institute the water conservation program. In addition, Garing Taylor & Associates would amend the existing plans and specifications for Phases 1 and 3 (which are ready to go to bid currently) so that they are in conformance with existing State Revolving Fund Loan Guidelines.

Based upon the above tasks, I am proposing the following fee structure:

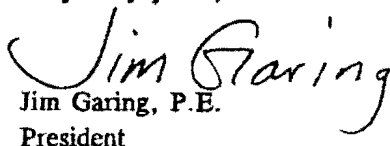
- | | | |
|---------|---|---------------|
| Item 1. | Prepare project report | - \$27,000.00 |
| Item 2. | Prepare Environmental Documents up through negative declaration | - \$3,500.00 |
| Item 3. | Modify existing Phase 1 and 3 plans to meet loan program guidelines | - \$4,000.00 |

I note that the State will also require "Value Engineering" at a later date, however, if applicable, this task would be performed by a separate independent engineer.

The above fees would be based upon actual time and materials expended and would be not to exceed figures. We would expect to bill monthly, and be paid within 30 days of our billing.

If you need any more information please contact me.

Very truly yours,


Jim Garing, P.E.
President

PL

40221 BENWOOD COURT, TEMECULA, CA. 92591 - (909) 695-6927

April 3, 1996

Doug Jones, General Manager
Nipomo Community Services District
261 West Dana, Suite 101
P.O. Box 326
Nipomo, Ca. 93444-0326

Dear Doug;

In response to your request for a proposal to prepare a revenue plan for submission to the State Water Resources Control Board in conjunction with your application for a State Revolving Loan, the following is provided :

SCOPE OF WORK

Task 1 - Prepare initial final draft of a revenue program fulfilling the requirements of the Revolving Loan program in compliance with the State requirements, which will include operating rate requirements and loan debt service coverage requirements. *This draft will be prepared incorporating the capital and operating cost estimates supplied by your project engineer.*

Task - 2 Prepare updates to the final draft of the plan (completed under task 1) for changes in project costs, loan amounts or operating cost estimates as they arise and at the completion of the project.

COST ESTIMATE

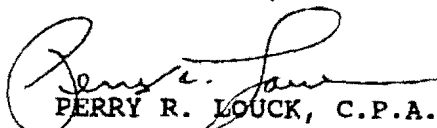
Task 1 Will be completed for a fixed fee of \$3,625.

Updates required under Task 2 will be completed for \$725 per required update.

Any change orders or additions to fee estimates will be approved in writing by an approved agent of the Nipomo Community Services District.

I am prepared to begin work on the project as soon as the project and operating cost estimates are complete and anticipate completing the final draft within two weeks after receipt of the same.

RESPECTFULLY,


PERRY R. LOUCK, C.P.A.



WARRANTS MAY 1, 1996

HAND WRITTEN CHECKS

CHECK #	NAME	AMOUNT
<u>Account Refund</u>		
17718	W. Kengel	20.51
17719	R. Reynolds	2.27
17720	S. Franks	25.83
<u>Other</u>		
17714	Dept of Ind. Relations	200.00
17715	Void	
17716	P G & E	11,862.59
17717	T. Capana	79.69
<u>NET PAYROLL</u> ck# 1940-1947		\$11,388.57

VOIDS

17712
17715
8152
1857
1938-1939

COMPUTER GENERATED WARRANTS

8146	04/27/96	ROBERT BLAIR	\$100.00
8147	04/27/96	KATHLEEN FAIRBANKS	\$50.00
8148	04/27/96	ALEX MENDOZA	\$50.00
8149	04/27/96	ALBERT SIMON	\$50.00
8150	04/27/96	STEVEN SMALL	\$50.00
8151	04/30/96	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$691.70
8152	04/30/96	FEDERAL RESERVE BANK OF MINNEAPOLIS -VOID	\$0.00
8153	04/30/96	DOUG JONES	\$300.00
8154	04/30/96	MID STATE BANK	\$3,764.87
8155	05/01/96	DANA PROPERTIES	\$205.90
8156	05/01/96	J.O. MILLER	\$1,931.28
8158	05/01/96	ADB SYSTEMS	\$191.41
8159	05/01/96	ADVANTAGE ANSWERING PLUS	\$93.56
8160	05/01/96	ROBERT BLAIR	\$200.00
8161	05/01/96	BOGNUDA, LISA	\$15.00
8162	05/01/96	BOGNUDA, ROY	\$3,673.00
8163	05/01/96	COSTCO MEMBERSHIP	\$110.00
8164	05/01/96	FGL ENVIRONMENTAL ANALYTICAL CHEMIST	\$376.40
8165	05/01/96	KATHLEEN FAIRBANKS	\$100.00
8166	05/01/96	FEDERAL RESERVE BANK OF MINNEAPOLIS	\$100.00
8167	05/01/96	J FITCH COMPUTING SERVICE	\$75.00
8168	05/01/96	GTE CALIFORNIA INCORPORATED	\$25.90
8169	05/01/96	GTE MOBILNET	\$51.81
8170	05/01/96	JOHNSON, DONNA	\$1,588.84
8171	05/01/96	ALEX MENDOZA	\$100.00
8172	05/01/96	MID STATE BANK-MASTERCARD	\$1,422.73
8173	05/01/96	MILL SUPPLY INC	\$191.61
8174	05/01/96	NIPOMO CHEVRON	\$84.00
8175	05/01/96	NIPOMO TIRE AND AUTOMOTIVE	\$25.00
8176	05/01/96	P G & E	\$12,680.19
8177	05/01/96	PACIFIC SIGN & DESIGN	\$442.40
8178	05/01/96	PERS HEALTH BENEFIT SERVICES	\$3,006.76
8179	05/01/96	PETTY CASH-MIDSTATE BANK	\$134.19
8180	05/01/96	RELIABLE OFFICE SUPPLY	\$34.74
8181	05/01/96	RUSSCO	\$442.77
8182	05/01/96	SAN LUIS OBISPO COUNTY HEALTH DEPART	\$417.95
8183	05/01/96	SHIPSEY & SEITZ, INC.	\$5,215.63
8184	05/01/96	ALBERT SIMON	\$200.00
8185	05/01/96	STEVEN SMALL	\$100.00
8186	05/01/96	SOUTHERN CALIF GAS COMPANY	\$66.08
8187	05/01/96	SYLVESTER'S SECURITY ALARMS, INC.	\$35.00