

NIPOMO COMMUNITY SERVICES DISTRICT

John

AGENDA

REGULAR BOARD MEETING SEPTEMBER 18 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**

33
17.70
16.20

CALL TO ORDER AND FLAG SALUTE

ROLL CALL

APPROVAL OF MINUTES

1. REGULAR MEETING OF SEPTEMBER 4, 1996

PUBLIC COMMENTS PERIOD

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

BOARD ADMINISTRATION

3. TRACT 2151 - WATER SERVICE LINES
Review the District's requirements for water service lines re: Sch. 40 PVC vs. Sch. 80 PVC pipe (Discussion/Action)
4. PUBLIC HEARING - ENVIRONMENTAL REVIEW OF WASTEWATER PLANT EXPANSION
Environmental evaluation of expanding Southland wastewater treatment plant expansion (Discussion/Action)
5. PROPOSED BLACK LAKE DEVELOPMENT ADVISORY COMMITTEE
Consideration to establish an advisory committee for the Black Lake Golf Course area (Discussion/Action)
6. PROPOSED ANNEXATION NO. 15 (NEWDOLL) AND ANNEXATION NO. 12 (HASTINGS)
Review LAFCO policy of including Annex. No. 12 with Annex. No. 15 (Discussion/Action)
7. COUNTY AIR POLLUTION CONTROL DISTRICT MONITORING SITE (Discussion/Action)
APCD request to relocate monitoring facility to District's Twin Tank site at Tefft St. and Dana-Foothill Rd.
8. OLD OFFICE DEMOLITION - CEQA DETERMINATION & DEMOLITION BIDS (Discussion/Action)
Review CEQA exemption and bids received to demolish District old office building at 148 S. Wilson St.
9. RESOLUTION FOR REIMBURSEMENT OF EXPENDITURES (Discussion/Action)
Consideration to adopt a resolution to replace District expenditures from issuance of obligations.
10. FINANCIAL COMMITTEE REPORT (Discussion/Information)
Directors Small and Fairbanks

FINANCIAL REPORT

11. APPROVAL OF WARRANTS

OTHER BUSINESS

12. MANAGER'S REPORT
 1. Nipomo Library Dedication Ceremony 9/28/96 10-Noon
 2. Chamber of Commerce Mixer
 3. Correspondence from Senator Jack O'Connell
13. DIRECTORS COMMENTS
14. PUBLIC COMMENTS

—CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSD vs. Shell Oil, et. al. Case No. CV 077387
2. Anticipated Litigation, One Case GC§54956.9 (c)

ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT
MINUTES

AGENDA ITEM

SEP 18 1996

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REGULAR BOARD MEETING SEPTEMBER 4, 1996 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

STEVEN SMALL, PRESIDENT
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ALEX MENDOZA, DIRECTOR
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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 Small opened the September 4, 1996 Regular Meeting at 7:08 p.m. and led the flag salute.

ROLL CALL

Upon Roll Call, the following Board members were present:
Directors Blair, Simon, Mendoza and Small. Director Fairbanks was absent.

APPROVAL OF MINUTES

1. REGULAR MEETING OF JULY 3, 1996
Upon motion of Director Mendoza and seconded by Director Simon, the Minutes of the July 3, 1996 were unanimously approved. Director Fairbanks was absent for the vote.

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. There were no comments.

BOARD ADMINISTRATION

3. NEW OFFICE BUILDING - PROFESSIONAL SERVICES
Review architectural services, contract architectural service and soils work by Earth Systems consultants for the District's new office building. (Discussion/Action)
 1. ADDITIONAL ARCHITECTURAL SERVICES
Mr. Jones explained that the original agreement with Barry L. Williams Associates for architectural services did not include some of the additional work performed by Mr. Williams' firm. Mr. Williams explained what that work included. The cost for the additional work was \$4,675.00 Upon motion of Director Simon and seconded by Director Mendoza, the Board unanimously (vote 4-0) approved the additional \$4,675.00.
 2. CONSTRUCTION ADMINISTRATION
Mr. Williams presented a proposal at a cost not to exceed \$5,800 to provide construction administration during the construction of the new office building. Mrs. Fairbanks arrived at 7:15 p.m. There were questions by the Board. Upon motion of Director Simon and seconded by Director Mendoza, the Board approved the consultant service agreement with Mr. Barry Williams and authorized the Board President to execute the agreement. Vote 3-2 Directors Fairbanks and Blair voted no.
 3. GRADING AND SOIL FOUNDATION SERVICES
Proposal from Earth Systems Consultants (a soil engineering firm) not to exceed \$2,661.00 to review the site after the old building has been demolished to determine the soil condition and foundation requirements for the new building. Counsel Jon Seitz explained some of the changes proposed by Earth Consultants and had no problem with the changes on the contract. Upon motion of Director Fairbanks and seconded by Director Blair, the Board unanimously approved the agreement and authorized the Board President to sign the agreement.

4. **REPLACEMENT OF OLD WATER LINES**
Request for bids to install new water lines. (Discussion/Action)

Mr. Jones explained the need for the District to go out to bid for replacement of water lines in Dana, Price, Mallagh, Burton and Bennett Streets. Upon motion of Director Simon and seconded by Director Fairbanks, the Board unanimously authorized the District to advertise and solicit bids to replace water lines.

5. **INTENT-TO-SERVE FOR COMMERCIAL PROJECT D96-0053, CASTELLANOS**
Review a request for an intent-to-serve for a commercial development at the intersection of Division St. and Orchard Rd. (Discussion/Action)

Mr. Jones presented the plan from developer Andy Castellanos for a commercial project at the intersection of Division St. and Orchard Rd. Director Fairbanks mentioned that a traffic light at Orchard and Division is needed. The District does not have jurisdiction over roads but it would be noted to the Planning Department. Upon motion of Director Simon and seconded by Director Fairbanks, the Board unanimously approved to issue an Intent to-Serve letter for Project No. D96-0053D with conditions as shown on the board letter, replacing should with shall.

6. **ACCEPTANCE OF EASEMENTS, TRACT 1747 - HERMRECK**
Tract 1747 has offered a well and access easement to the District. (Discussion/Action)

Mr. Jones explained that one of the conditions of the Intent-to-Serve letter which was issued to Tract 1747, was that an easement to an existing well-site and an access to the well-site easement be dedicated to the District. The owners have complied. Upon motion of Director Blair and seconded by Director Fairbanks, the Board unanimously adopted Resolution No. 96-591 accepting the dedication.

**RESOLUTION NO. 96-591
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ACCEPTING
WELL SITE AND ACCESS EASEMENTS WITHIN TRACT 1747**

7. **FINANCIAL COMMITTEE REPORT**
Directors Small and Fairbanks (Discussion/Information)

The Board discussed the two committee meetings held on August 26 and 29. The next meeting will be Sept. 10, at 8:15 p.m. with Directors Fairbanks and Small. Cees Dobbe asked about the Advisory Committee's functions. Director Fairbanks agreed that the advisory board for the should represent the feelings of the Black Lake residents.

8. **SAFETY COMMITTEE MINUTES**
Review and accept quarterly Safety Committee Minutes (Discussion/Action)

Upon motion of Director Blair and seconded by Director Simon, the Board directed the Board secretary to acknowledge the receipt of the Minutes of the Safety Meeting held on August 27, 1996. The motion passed unanimously.

FINANCIAL REPORT

9. **APPROVAL OF WARRANTS**
Upon motion of Director Blair and seconded by Director Fairbanks, the Board unanimously approved the Warrants presented at the September 4, 1996 meeting.

OTHER BUSINESS

10. **MANAGER'S REPORT**

Manager Doug Jones presented information concerning the following items:

1. CSDA-SLO RECEPTION SEPT. 16
2. STATE SENATE BILL 900-WATER BOND

Mr. Jones reminded the Board of the Calif. Constitution Revision Information meeting Thurs. LAFCO Sept. 19 meeting to consider Annexation No. 15.

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SEPTEMBER 4, 1996
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11. DIRECTORS COMMENTS

Director Blair commented about the SLOCOG meeting held Sept 4. and about the Board of Supervisors meeting on Tuesday. Cees Dobbe commented about SLO County's regulations.

12. PUBLIC COMMENTS

Cees Dobbe asked about the minutes of the last meeting concerning the DanDe & Clow settlement. Asked about what happens in the Closed Sessions. Mr. Seitz answered.

President Small adjourned the meeting to a Closed Session.

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSO vs. Shell Oil, et. al. Case No. CV 077387
2. Anticipated Litigation, One Case GC§54956.9 (c)

The Board came back into open session and announced:

1. No reportable action was taken
2. The Board decided to seek recovery of damages due to improper installation of pipe line in the Black Lake Area.

ADJOURN

President Small adjourned the meeting at 9:30 p.m.

*GC§ refers to Government Code Sections

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

AGENDA ITEM

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TRACT 2151

Tract 2151 was previously known as Tract 1409 and was initially developed under the San Luis Obispo County jurisdiction. The County standard for water service lines was Schedule 40 PVC pipe.

Tract Map 1409 expired, therefore, the project had to begin again. The County issued a new number, Tract 2151 for this development. Application was made to the District for an Intent-to-Serve letter for Tract 2151. The District treated this as a new project. An Intent-to-Serve letter was issued indicating that the tract is to meet District standards. All developments in the District are installing Schedule 80 PVC pipe for their water services, therefore, this requirement would apply to Tract 2151. The developer feels that the Schedule 40 PVC pipe, installed under the County's jurisdiction, is adequate for services for this tract. The District feels that Schedule 80 is superior to Schedule 40 and its useful life is greater, therefore, savings in the long-run to District users.

The Board would have the following options in responding to Mr. Pratt's letter with respect to replacing the Schedule 40 PVC pipe with Schedule 80.

1. Have the contractor replace Sch. 40 PVC with Sch 80 .
2. Replace Sch. 40 fittings with Sch. 80 PVC fittings. The fittings are normally the weak point in the Sch. 40 pipe.
3. Leave the Sch. 40 pipe in place and have some type of a financial maintenance arrangement made.
4. Leave the Sch. 40 pipe in place and approve it for services for Tract 2151 only.

Leaving the Sch. 40 pipe in place may have a financial impact on the Black Lake water users. Since the Black Lake area may be having an advisory committee, it is suggested that this item be presented to the proposed Black Lake committee before Your Honorable Board takes action on this matter.

TO: N.C.S.D. BOARD OF DIRECTORS

A RECENT MEETING WITH MR. DOUG JONES OUTLINED A REQUEST THAT THE SUBDIVISION TRACT NO. 2151 BE SUBJECTED TO REMOVAL OF ITS PRESENT SCHEDULE 40 P.V.C. WATER SERVICES AND REPLACE THEM WITH SCHEDULE 80 P.V.C. THE CURRENT SYSTEM OF SCHEDULE 40 WATER SERVICES WERE INSTALLED SOME 4 YEARS AGO, AND HYDROSTATIC TESTED, CHLORINATED, BACTERIA TESTED AND HOOKED INTO THE PRESENT SYSTEM. WHEN THE PREVIOUS DEVELOPER RAN INTO FINANCIAL PROBLEMS AND FAILED TO COMPLETE THE PROJECT, N.C.S.D. DECIDED TO SHUT THE SYSTEM DOWN. WE, THE CURRENT DEVELOPERS, HAVE JUST FINISHED RECHLORINATING THE SYSTEM AND N.C.S.D. HAS JUST PASSED THE BACTERIA TEST. WE UNDER STAND THE POLICY OF N.C.S.D. WAS TO UTILIZE SCHEDULE 80 WATER SERVICES ONLY WHEN THE SCHEDULE 40 PIPE HAS FAILED. TO OUR KNOWLEDGE NONE OF THE SCHEDULE 40 WATER SERVICES THAT HAD BEEN INSTALLED IN THE PREVIOUSLY BUILT SUBDIVISIONS WITHIN THE BLAKE LAKE SPECIFIC PLAN HAS FAILED.

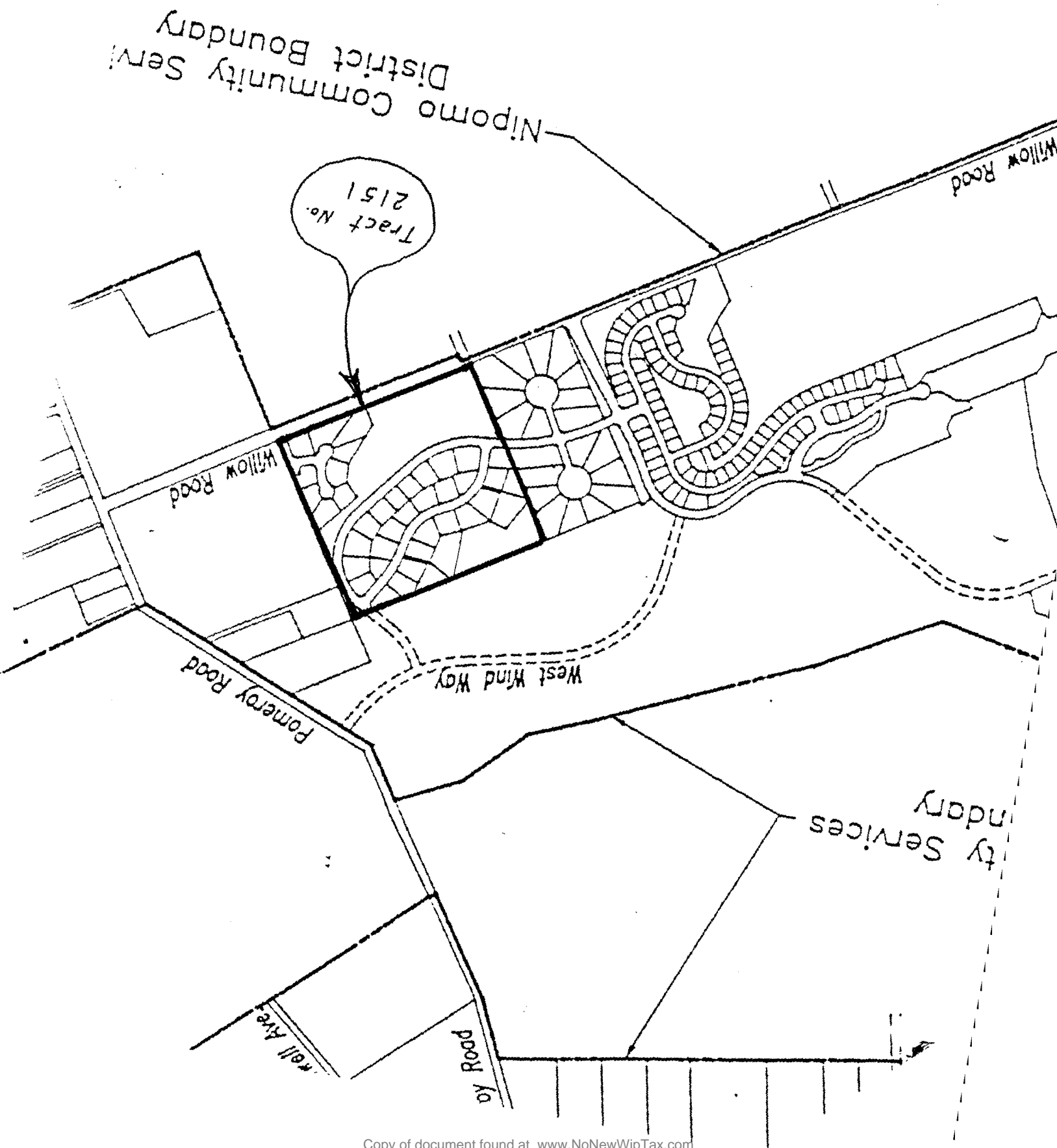
DURING OUR MEETING WITH DOUG JONES WE HAD AGREED TO REPLACE THE RESENT SCHEDULE 40 WATER SERVICES WITH SCHEDULE 80 AS LONG AS IT WAS GOING TO BE CONSISTENT WITH THE REPLACEMENT OF SCHEDULE 40 WATER SERVICES THROUGHOUT BLAKE LAKE EXISTING SUBDIVISIONS. WE FEEL THAT IF THE CURRENT SYSTEM WITH SCHEDULE 40 WATER SERVICES IS WORKING PROPERLY, IT WOULD BE AN EXTREME WASTE OF FINANCIAL RESOURCES TO REPLACE IT WITH SCHEDULE 80 SINCE THE WATER SERVICES ARE ALREADY INSTALLED. WE DO UNDERSTAND THAT THE N.C.S.D. HAS CHANGED THEIR POLICY OF THE SCHEDULE OF PIPE IT AUTHORIZED IN ITS NEW SUBDIVISIONS, BUT WE WOULD ALSO LIKE IT KNOWN THAT SCHEDULE 40 WATER SERVICES ARE STILL THE STANDARD IN THE COUNTY OF SAN LUIS OBISPO. WE ALSO BELIEVE THAT IF THE POTENTIAL OF HIGH PRESSURE IS THE PRIMARY CONCERN, THAT P.R.V. VALVES COULD BE INSTALLED WITH MUCH LESS OF A COST THAN REPLACING OUR EXISTING SERVICES.

WE BRING THIS SITUATION TO THE BOARD OF DIRECTORS AND WE ASK YOUR SUPPORT IN THE REMOVAL OF N.C.S.D.'S REQUEST TO REPLACE OUR PROPER WORKING WATER SERVICES.

SINCERELY,



CHARLES A. PRATT



SEP 18 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

**DISTRICT'S WASTEWATER TREATMENT PLANT EXPANSION
ENVIRONMENTAL REVIEW**

The District is in the process of designing the expansion of the Southland Wastewater treatment facility to meet the future needs of the District. Part of the process of expansion is having an environmental review of the project. Jim Garing of Garing, Taylor & Associates has prepared the environmental review documents. He has determined that there would not be a specific effect on the environment, therefore, a negative declaration has been prepared. The enclosed document was sent to the State Clearinghouse for their review. Notice of Public Hearing was advertised for September 18, 1996, on this matter.

The following have been received:

1. The State Clearinghouse No. 96081004.
2. CAL-EPA has indicated that it has not received any correspondence. Their notice was sent out on August 7. Their review period will not expire until September 27.

Initial study and check list for the Southland Wastewater Treatment Plant Expansion have been in the District office for review and circulated and have met the criteria established for the Environmental Determination.

Now is the time for Your Honorable Board to hold a Public Hearing on the Environmental Determination and possible Negative Declaration. After Your Honorable Board has taken public testimony and input, the Board may close the public portion of the hearing. Because CAL-EPA did not send out this information until August 7th and they indicated their review period expired on Sept. 27, the Board may continue this item (to meet CAL-EPA requirements) until the next regular meeting, October 2, 1996. At the October 2 meeting, the Board could finalize any finding and may declare a negative declaration for this project.

Environmental Checklist Form

Project Location: Nipomo, County of San Luis Obispo, CA,

Project Address: Southland Wastewater Treatment Plant
Nipomo, CA

Description of Project: Construction of improvements to the existing headworks; replacement of the existing aeration system; and construction of additional aeration lagoons, sludge drying beds, additional infiltration basins, and a new air blower building at the Southland Wastewater Treatment Plant.

Environmental Impacts

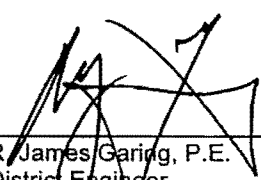
Explanations of all answers are on attached sheets.

Discussion of environmental evaluation

There are three objectives of this project: (1) to increase the capacity of the treatment plant so that the District can provide wastewater treatment service to commercial and residential properties within the discharge prohibition area established by Resolution No. 78-02 of the California Regional Water Quality Control Board (2) provide more efficient treatment of the wastewater (3) allow the District to serve complete development within the District boundary as prescribed by the General Plan. The District will adopt all feasible relevant mitigation measures adopted in connection with the General Plan. Any additional development policies and standards of the County of San Luis Obispo required to at least substantially mitigate the environmental effects in question will be adopted. The service area of the plant will not be increased as a result of this project. There are currently no prohibitions on growth in the service area due to the capacity of the plant. The proposed project will have no significant effect on the environment.

Determination:

On the basis of this initial evaluation I find that the proposed project **could not** have a significant effect on the environment and that a **negative declaration** will be prepared.



R. James Garing, P.E.
District Engineer



Date

SEP 18 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

BLACK LAKE DEVELOPMENT ADVISORY COMMITTEE

The Board Sub-Committee, made up of Directors Fairbanks and Simon, met with representatives of Black Lake and discussed the possibility of setting up a Black Lake Advisory Committee to advise Your Honorable Board on items affecting the Black Lake Golf Course Development. The Black Lake residents and their legal counsel are developing by-laws for the proposed advisory group. Once the by-laws are put together and reviewed by Your Honorable Board, they may be adopted by resolution, therefore, officially creating a Black Lake Advisory Commission.

Hopefully, this information will be available for the Board's consideration at their September 18, 1996 meeting. This item may be continued until the next regular Board meeting (October 2, 1996).

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ROGER LYON*
TIMOTHY J. CARMEL
*A LAW CORPORATION

LAW OFFICES
LYON & CARMEL
1104 PALM STREET
POST OFFICE BOX 922
SAN LUIS OBISPO, CALIFORNIA 93406

TELEPHONE
(805) 541-2560
TELECOPIER
(805) 543-3857

September 5, 1996

HAND DELIVERED

Jon S. Seitz
District Counsel
Nipomo Community Services District
Shipsey & Seitz
1066 Palm Street
P.O. Box 953
San Luis Obispo, CA 93406-0953

Re: Black Lake Management Association

Dear Jon:

As a follow-up to our meeting of August 28, 1996, between representatives of the Black Lake Management Association ("Association") and the Nipomo Community Services District ("NCSD"), I have gathered and reviewed the CC&Rs for the Black Lake development, the Bylaws of the Association and the Black Lake Specific Plan approved by the County of San Luis Obispo. The question was raised by NCSD Board Member Fairbanks as to whether the Board of the Association was elected by the lot owners within the Black Lake development. For your convenience, I am providing copies of relevant portions of the above-referenced documents that relate to the voting rights of property owners within the Black Lake development, the makeup of the Association Board, and other related materials. These include:

1. Article V of the Bylaws of the Association relating to Board of Directors of the Association, including the powers, number and qualifications of Directors, election, term of office and voting;
2. Article III of the Bylaws relating to membership rights in the Association;
3. Article II of the Black Lake Development CC&Rs relating to membership in the Association;

4. Article VI of the Black Lake Development CC&Rs delineating the duties and powers of the Association;

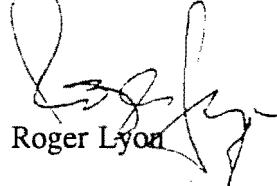
5. Black Lake Specific Plan pages VIII-4 through VIII-7 setting forth the requirements for establishment of the Association.

I think it is evident from these materials that the Association Board of Directors provides for elected representation of all of the property owners within the Black Lake Specific Plan area. As we discussed, I would envision that the Association Board would appoint itself as a committee of the whole to serve as an over sight advisory committee of the NCSD. When meeting in its capacity as the over sight advisory committee, the committee would need to comply with the Brown Act requirements, including the normal notice, agenda, public meeting, and recording of action provisions. I am in the process of putting together draft language which can be incorporated into a NCSD resolution establishing the committee, setting forth its powers and authority and also setting forth the procedure for the NCSD staff and Board to obtain input from the committee prior to actions affecting the Black Lake area.

I have in my office the full copies of the CC&Rs, Bylaws and Specific Plan. Please let me know if you would like to review or obtain copies of any documentation that is not included with the copies which I have provided.

Sincerely,

LYON & CARMEL



Roger Lyon

RL:ar

Enclosures

cc: Black Lake Management Association (w/o enclosures)

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ESTABLISHING
BLACK LAKE AREA OVERSIGHT ADVISORY COMMITTEE**

WHEREAS, the Black Lake development was annexed into the Nipomo Community Services District (“District”) in _____; and

WHEREAS, at the time of annexation, the development had stand alone Street Lighting District, sewage collection, sewage treatment, sewage disposal and water production and distribution systems; and

WHEREAS, the Black lake area has distinct issues which merit the District’s Board and staff seeking and obtaining input from representatives of the Black Lake community prior to making decisions which will impact the community; and

WHEREAS, this can be accomplished through establishment of a Black Lake Oversight Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of District as follows:

1. There is hereby established a Black Lake Area oversight Advisory Committee (“Committee”). The Committee is an advisory committee to the District’s Board of Directors.

2. The purpose of the Committee is to allow the District to obtain input from representatives of the residents and property owners of the Black lake development before action by the District on matters of concern to that area. The Committee shall be responsible for reviewing proposed additions to, changes in, extensions or deletion of services; changes in rate or charges; and other matters of concern to Black lake residents and property owners; and conveying opinions and recommendations to the District’s Board and staff.

3. *The Advisory Committee shall be a committee of the whole of the Board of Directors of the Black Lake Management Association ("BLMA"). Each member of the BLMA may appoint an alternate to sit as a voting member of the Committee in his or her absence. The District Board of Directors shall approve the appointment of alternates. Committee member terms shall be concurrent with the member's term on the BLMA Board. The Advisory Committee shall provide District with the names of the Advisory Committee members and update the membership list as needed.*

4. *District staff will provide staff assistance to the Committee and attend meetings of the Committee when requested by the Committee. The District Manager will be the principal staff liaison to the Committee. The Committee Chairman shall be the principal liaison to the District.*

5. *The District will provide written notice to the Committee prior to proposed staff or District Board action or policy or administrative decision that relates to Committee purposes identified in paragraph 1 of this Resolution. Such notice will be given sufficiently in advance of action by the District Board or staff so as to allow the Committee to meet and review the matter and make recommendations to the District staff and Board. With notice of proposed action, staff will also provide data and reports prepared to support the proposed action. Recommendations shall be made to District by roll call vote at the Committee Meeting.*

6. *In the case of proposed action by staff, not related to a matter previously considered by the Committee, and which would not disrupt the routine operation of the District, staff will refer the matter to the Committee as provided in Paragraph 5. If the Committee disagrees with the staff's proposed action, the matter will be placed on the District Board's agenda, with both the Committee's and staff's recommendations, before action is taken.*

7. *In the event of the need for emergency action, the staff and District Board need not follow the formal procedures for referral to the Committee, but will use their best efforts to consult with the Committee or a designated subcommittee prior to emergency action.*

8. *Upon request of the Committee, the District shall place issues of concern involving the Black Lake community on the District Board's agenda for consideration that pertain to District powers.*

9. *Meetings of the Committee shall be open to the public to the extent required by the Brown Act, Government Code Sections 54950 et seq.*

10. *District administrative expenses related to staffing the Advisory Committee will be budgeted to a Black Lake Advisory Committee account.*

11. *The initial set of bylaws and all adopted revisions, deletions, and changes shall be subject to approval of the District Board of Directors. The Committee will meet and prepare bylaws establishing meeting dates, conduct of meetings, voting and election of officers consistent with this resolution.*

On motion of Board Member _____, seconded by Board Member _____ and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

the foregoing resolution was passed and adopted this _____ day of _____, 1996.

SEP 18 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

PROPOSED ANNEXATION NO. 15 (NEWDOLL) AND
ANNEXATION NO. 12 (HASTINGS)

The District received a phone call from Mr. Paul Hood, Deputy Executive Officer for LAFCO. He informed the District that LAFCO staff was recommending to the LAFCO Commission that the Newdoll annexation be expanded to take in the area of the previously known Annexation. No. 12 (Hastings). The Hastings annexation includes approximately 15 acres between the Newdoll annexation and the District boundary. The LAFCO policy is to have contiguous annexations, not detached annexations, therefore, their rationale of including the previous Hastings annexation with the Newdoll annexation as one annexation.

District legal counsel sent the attached letter to LAFCO, indicating District concerns by adding the Hastings annexation to the Newdoll annexation.

TAX EXCHANGE

If the Hastings annexation is included, another item of concern is that of the tax exchange on the proposed addition to the Newdoll annexation. Previously, the Hastings annexation was approved by LAFCO. The tax exchange between the County and the District, at that time, was 7+%. Upon LAFCO's adjusting the boundaries of the Newdoll annexation, the law requires that the negotiation of the tax exchange needs to be completed within 15 days after LAFCO's action. Tomorrow, Sept. 19, the LAFCO Commission will review the Newdoll and Hastings annexations. If the LAFCO commission approves the addition of Hastings to the Newdoll annexation, the Board would have to consider the tax exchange issue at their regular meeting to be held on October 2, 1996.

Staff is planning to attend the LAFCO commission hearing tomorrow and is bringing this item to Your Honorable Board for direction. Staff will convey any concerns the Board has on this matter to the LAFCO Commissioners.

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JON S. SEITZ
MICHAEL W. SEITZ

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(805) 543-7272 FAX (805) 543-7281
JON S. SEITZ
District Legal Counsel
Nipomo Community Services District

JOHN L. SEITZ
(1924-1986)
GERALD W. SHIPSEY
(RETIRED)

COPY

September 5, 1996

HAND DELIVERED

PAUL HOOD, Deputy Executive Officer
Local Agency Formation Commission
County of San Luis Obispo
County Government Center, Room 370
San Luis Obispo, CA 93408

RECEIVED

SEP 06 1996

RE: NEWDOLL AND HASTINGS ANNEXATION

NIPOMO COMMUNITY
SERVICES DISTRICT

Dear Paul:

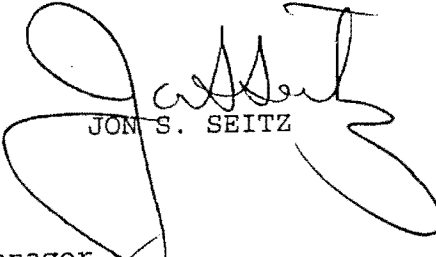
It is our understanding that LAFCO Staff intends to place both the Hastings Annexation and the Newdollar Annexation on the same LAFCO Agenda for approval. As you are aware, the Hastings Annexation has not been approved by the District for service. Therefore, District Staff recommends the following:

1. That prior to LAFCO consideration, the District is provided with the property owner's consent for the annexation; and
2. That LAFCO approval be conditioned on the District approving, by resolution, the annexation for District services (water and sewer). Staff believes that, if the District Board of Directors approves the annexation, the conditions would be similar to those approved for the Newdollar Annexation.

As to the Newdollar Annexation, the District requests that the Annexation to be approved subject to the Applicant complying with the conditions of District Resolution 96-577, with the District providing LAFCO Staff with written conformation of compliance.

Thank you for your continued cooperation in this matter.

Very truly yours,
SHIPSEY & SEITZ, INC.


JON S. SEITZ

JSS/cm

cc: Douglas Jones, General Manager

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

COUNTY AIR POLLUTION CONTROL DISTRICT
MONITORING SITE

The County Air Pollution Control District monitoring station is presently located behind the old office building at 148 S. Wilson St. The APCD has been notified that the station needs to be removed from the present site because the District is planning to demolish the old building and establish a new office building on-site. The APCD has contacted the District in searching for a space for its re-location. They are requesting that their monitoring station be located at the twin tanks site near the intersection of Tefft St. and Dana-Foothill Rd.

It is possible that the monitoring station could be located at this site without interference to District operations.

The following items are for consideration by the Board:

1. The Board wishes to have the monitoring station at this particular location.
2. The District presently leases this land for its tank-site and therefore, the leasor would have to be contacted for possible sub-lease.
3. The District should contact the neighbors of the site to see if there may be any visual problems.
4. This may be a temporary site for APCD because the District Master Plan calls for a third tank to be located here. It is unknown if the monitoring station would interfere with the new tank placement.
5. Other concerns the Board may have.

If Your Honorable Board wishes to proceed in this matter, staff will contact the leasor for possible arrangements to sub-lease to APCD for their air monitoring station.

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September 11, 1996

Board of Directors
Nipomo Community Services District
261 West Dana, Suite 101
Nipomo, California 93444-0326

Subject: Relocation of the Nipomo Air Monitoring Station to the Dana-Foothill Tank Yard

Dear Board of Directors, Nipomo Community Services District:

For over 20 years, the Air Pollution Control District (APCD) has operated an air monitoring station on your property at 148 S. Wilson St., Nipomo. That station has been a valuable part of our countywide monitoring network. It provides local residents and the APCD with a good record of South County air pollution levels.

To meet your demolition/construction plans for the Wilson St. site, our station there will be removed by September 30. The APCD very much wants to continue monitoring in the area, however. For several months, APCD staff have been seeking an appropriate new location to continue what we regard as an important public service.

Several factors affect whether any site will be a good location for air monitoring. Representativeness of a wider general area; lack of undue influence from nearby pollutant sources or trees (which remove pollution); good site security; easy vehicular access for periodic visits by technicians; good prospects for continuous, long-term monitoring; and available power and phone service are each important considerations.

Your General Manager, Mr. Doug Jones, has been very helpful in our search. With his assistance and your approval, the APCD hopes to reach an agreement allowing us to use a small portion of your water tank yard at the intersection of Dana-Foothill Rd. and Tefft St. That would provide a good site for continued monitoring, and we believe our use would not affect your operations.

After approval from all parties, only minimal site modifications should be needed to prepare a pad for our trailer, which serves as a station shelter. It is 8 ft. by 12 ft. in floor size, with a set of outside steps serving the single entry door. A fixed ladder at one end allows us to get to roof-mounted equipment. For good access on all sides, we will need a site pad about 13 by 16 feet in size. After some leveling of such a site in the yard, we propose laying down four inches of Class 2 roadway aggregate base on the pad and on an access path from the adjoining service road, as shown in the enclosed sketch. Two possible station locations are depicted- we will need to improve only the one selected. Each site will require removal or relocation of one small tree. Underground telephone and separately metered electric service will be installed.

Mr. Jones advises us that approval of the site owner will be needed, and the terms of your lease may need to be reviewed or revised. With your Board's approval, we can begin all necessary arrangements as soon as possible, minimizing the length of any break in the air monitoring record at Nipomo. After approval of any last or unanticipated siting details, we do not expect this project to require further time or involvement from Mr. Jones or any other NCSO staff. Thank you for your prompt consideration of this request.

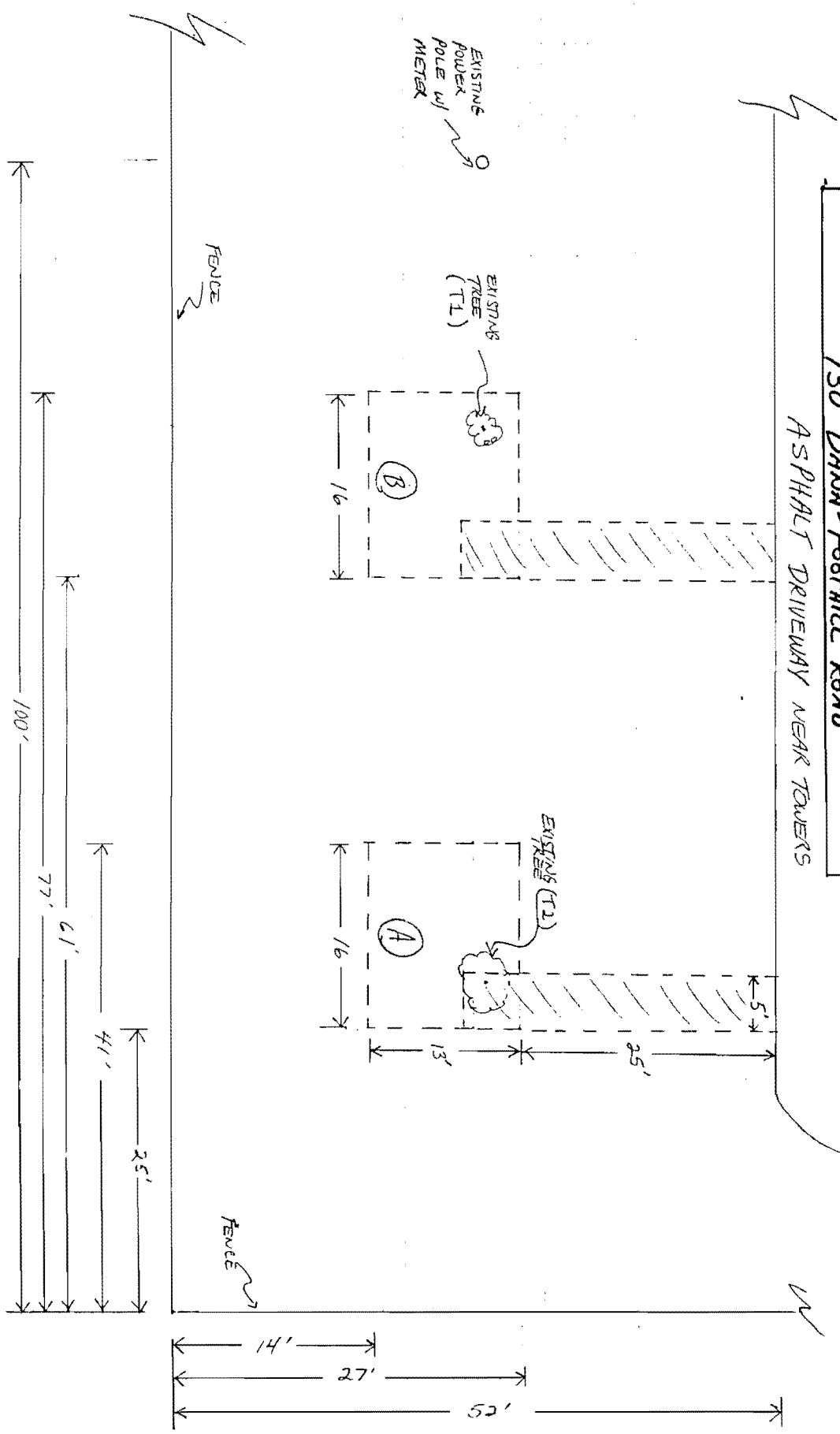
Sincerely,

A handwritten signature in cursive script that reads "Robert W. Carr".

Robert W. Carr
Air Pollution Control Officer

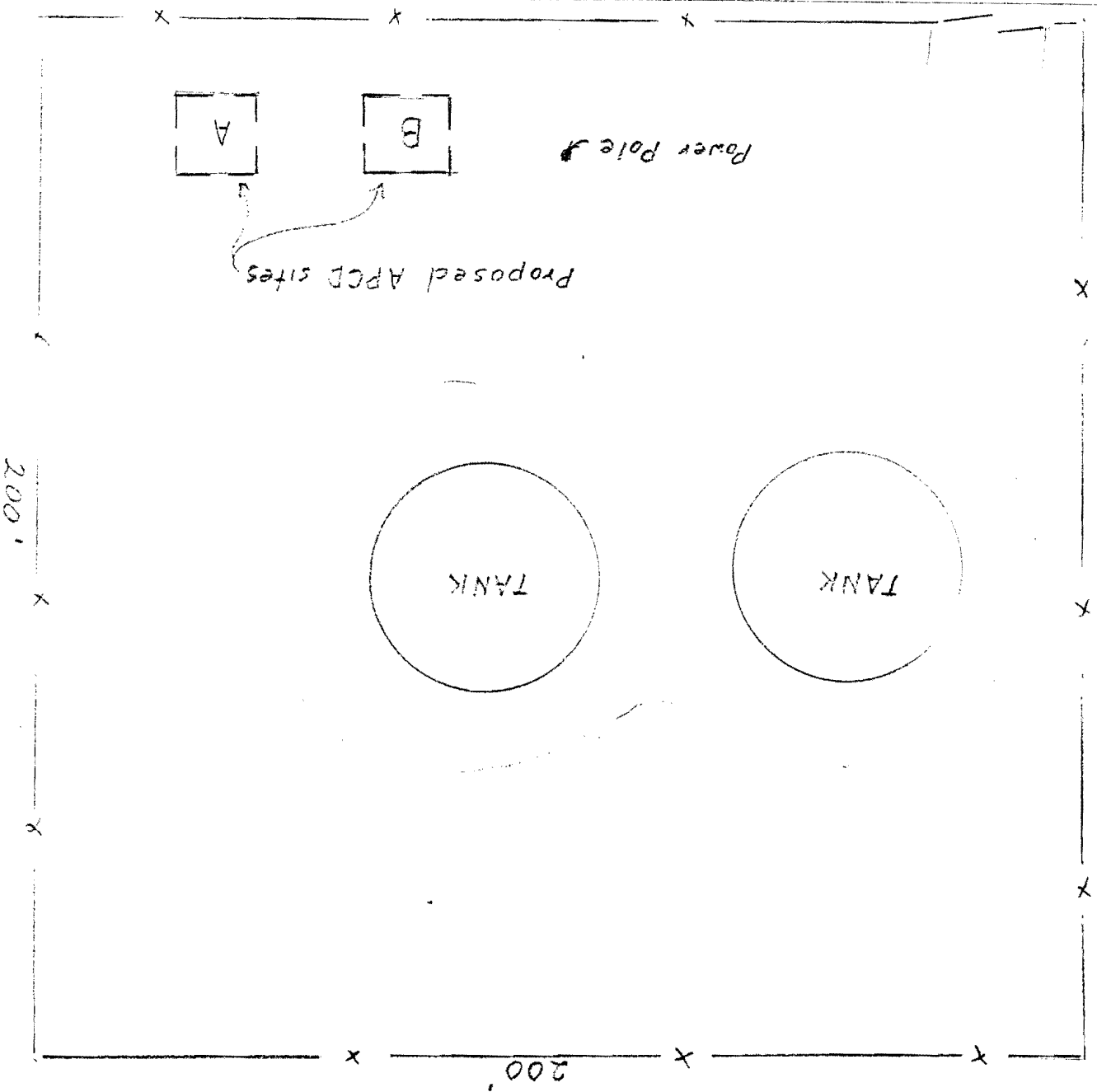
NIPOMO COMMUNITY SERVICES DISTRICT YARD
 130 DANA-FOOTHILL ROAD

ASPHALT DRIVEWAY NEAR TOWERS



pmw 9/6/96

DANA - FOOT HILL RD.



SEP 18 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

DEMOLITION OF OLD OFFICE BUILDING

At the Regular meeting of August 21, 1996, Your Honorable Board approved advertising for bids to demolish the old office building at 148 S. Wilson Street. On Sept. 3, 1996, five contractors attended a "walk-through" of the proposed demolition site. An addenda to the bid was issued indicating that possibly a septic tank needed to be removed and the floor tiles had asbestos in them. The bid opening was held on Wednesday, September 11 at 3 p.m. at the District office. The following bids were received:

	<u>CONTRACTOR</u>	<u>BID</u>
1.	Negranti Construction	\$21,121.00
2.	George Garcia & Sons	\$31,160.00
3.	Alan Roinstad Const.	\$31,691.00
4.	M.J. Ross	\$36,480.00

The demolition of the old office building falls into the categorical CEQA exemptions of not having a significant effect on the environment. (See attached memo and Resolution No. 96-"CEQA.")

The architectural staff reviewed the bids and found the bid from Negranti Construction did not include overexcavation in their bid which is needed at the building site. Therefore, this bid is non-responsive and staff recommends that it be rejected and the next low bid be accepted.

Attached is Resolution 96-"demo" awarding the bid for demolition to the lowest responsible bidder - George Garcia & Sons in the amount of \$31,160.00. The architect's estimate for demolition was \$35,000. Resolution No. 96-"demo" is presented to Your Honorable Board for review and approval.

MEMORANDUM

TO: NIPOMO COMMUNITY SERVICES DISTRICT

FROM: MICHAEL W. SEITZ

RE: DEMOLITION AND CONSTRUCTION OF THE NEW OFFICE BUILDING

DATE: September 6, 1996

I have been asked to review what environmental determination is necessary, if any, for the demolition of the old District office building and construction of the new office building in its place. In reviewing the Public Resources Code Sections for the application of the California Environmental Quality Act, Public Resources Code §21084 provides that guidelines be developed to identify classes of projects that would be exempt from the application of CEQA.

I have had the opportunity to review these CEQA guidelines and specifically the CEQA guidelines located at Section 15302. This guideline provides in pertinent part as follows:

Class II consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to:

- b) Replacement of a commercial structure with a new structure of substantially the same size, purpose and capacity; and
- c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion in capacity.

The new District office building appears to fit within the categorical exemption identified by CEQA guideline 15302. This opinion is based upon the following:

A. The new building replaces the structure that was used for years as the District office.

B. The footprint of the building shows that its square footage is approximately the same as that of the building being demolished.

C. Based upon a telephone conference with the architect, Barry Williams, we anticipate that the actual capacity of the building in terms of the number of people occupying will be approximately the same in the new as it was in the old.

Based upon the above factors, staff believes that the demolition and reconstruction of the new office building is categorically exempt under CEQA guideline 15302 as authorized by Public Resources Code §21084. The attached Resolution is for Board consideration and adoption.

RESOLUTION NO. 96-CEQA

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REGARDING A FINDING THAT THE DEMOLITION AND RECONSTRUCTION OF THE
NEW DISTRICT OFFICE BUILDING IS CATEGORICALLY EXEMPT FROM CEQA**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("DISTRICT") has authorized architectural and other services relating to the demolition of the District's old office building and the construction of the new office building (herein the "Project") at the same site; and

WHEREAS, CEQA guideline 15302 exempts certain projects from the CEQA process and provides in relevant part:

Class II consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced....

WHEREAS, the District has been presented with evidence that:

- a) The proposed new office building will be of similar size, capacity and located at the same site as the building that is being demolished; and
- b) The purpose of the new office building is substantially the same as the building being demolished; and
- c) The Project will not result in a substantial adverse change in the significance of a historical resource.

WHEREAS, based upon the facts and analysis presented by staff, and public testimony received, the Board of Directors finds:

- a) That the new office building will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced; and
- b) This project will not result in a substantial adverse change in the significance of a historical resource.

RESOLUTION NO. 96-CEQA
PAGE TWO

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

1. That the recitals and findings recited above are true and correct;
2. That the Project is categorically exempt under CEQA guideline 15302.

Upon the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES: Directors _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

the foregoing resolution is hereby adopted this 18th day of September 1996.

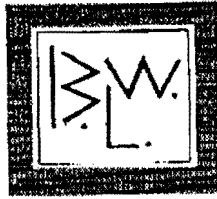
STEVEN A. SMALL, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Michael W. Seitz, Deputy District
Legal Counsel



BARRY LORENZ WILLIAMS ASSOCIATES
ARCHITECTS • PLANNERS

11 September 1996

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

Dear Doug,

After reviewing the bid proposals it is my determination that the lowest qualifying bonafide bid is from George Garcia and Sons. The amount of their bid is Thirty-One Thousand, One-Hundred and Sixty dollars (\$31,160.00).

It should be noted that a lower bid was submitted by Negranti Construction. After a conference with the District's Counsel, it was determined that the bid should be disqualified due to non-performance. The BID FORM stated, "no overexcavating per discussion at Job Walk". Unfortunately, this was a misunderstanding on the part of the Contractor's representative. All of the other bids submitted where as per Contract Documents.

The Contract Documents, (Section 00100 - Item 8), clearly state what should be done if there is any doubt as to the true meaning of the work required or if discrepancies are found.

In conclusion, it is my suggestion that the District enter into a contract with George Garcia and Sons to perform the Demolition of the building at 148 S. Wilson St., Nipomo, CA.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read 'Barry L. Williams', written in dark ink.

Barry L. Williams

RESOLUTION NO. 96-DEMO

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING CONTRACT WITH GEORGE GARCIA & SONS TO DEMOLISH
THE DISTRICT OLD OFFICE BUILDING**

WHEREAS, the Board of Directors of the Nipomo Community Services District is desires to remove the old office building to make way for a new office building for the District; and

WHEREAS, the District did advertise for bids to demolish the old office building and said bids were open on September 11, 1996 at 3:00 p.m.; and

WHEREAS, four bids were received and the apparent low bid was from Negranti Construction in the amount of \$21,121.00; and

WHEREAS, in reviewing the apparent low bid, a notation on Negranti Construction's bid stated that his bid did not include any over-excavation; and

WHEREAS, the apparent low bid from Negranti Construction is not in compliance with the plans and specifications and is, therefore, a non-responsive bid and is recommended that it be rejected; and

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

1. The Board finds that the apparent low bid from Negranti Construction is not in compliance with the plans and specifications and is a non-responsive bid and is rejected.
2. The next low bid is from George Garcia and Sons and is a responsive bid.
3. The contract for demolition of the old office building located at 148 S. Wilson Street be awarded to George Garcia & Sons in the amount of \$31,160.00.
4. The President of the Board of Directors is instructed to execute a contract on behalf of the District.

Upon the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

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

the foregoing resolution is hereby adopted this 18 th day of _____ 1996.

STEVEN A. SMALL, President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

AGENDA ITEM
SEP 18 1996

9

REIMBURSEMENT OF EXPENDITURES

In constructing new water lines and office buildings, public entities may make expenditures for these improvements within their jurisdiction and have the opportunity to finance those expenditures after they have been made. Before a public entity can do this, a resolution must be passed declaring the intention to reimburse itself for expenditures made on public projects.

Resolution No. 96-Reimburse is attached declaring the intention to reimburse the District's expenditures from the proceeds of obligations that may be issued by the District for the replacement of water lines and the building of an office facility. A similar resolution was passed by the Board when the District constructed the Camino Caballo water line.

This resolution provides the Board with the flexibility to replace the expenditures made by the District with the issuance of obligations to replace the District funds. The District is in the process of replacing water mains and the building of an office facility. The cost of these improvements to the District would be approximately \$800,000.

The proposed resolution puts the maximum principal that could be borrowed at \$1,000,000. If the District wishes to execute the option of funding these projects from outside sources, it would need to be done within a two-year period from the adoption of this resolution. After the two-year period, this opportunity would expire.

It is staff's recommendation that Your Honorable Board adopt Res. No. 96-_____ declaring intention to reimburse the District for expenditures from the proceeds of obligations.

C:\W:\BD\expend.DOC

RESOLUTION NO. 96-REIMBURSE

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DECLARING INTENTION TO REIMBURSE DISTRICT EXPENDITURES FROM THE PROCEEDS OF
OBLIGATIONS THAT MAY BE ISSUED BY THE DISTRICT
FOR THE REPLACEMENT OF WATER LINES
AND THE BUILDING OF AN OFFICE FACILITY**

RESOLVED, by the Governing Board of the Nipomo Community Services District, Nipomo, California (the "**DISTRICT**"):

WHEREAS, the **DISTRICT** proposes to undertake the project referenced below, to issue debt for such project and to use a portion of the proceeds of such debt to reimburse expenditures made for the project prior to the issuance of the debt;

WHEREAS, United States Income Tax Regulations Section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declare an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the District declare its official intention to reimburse the expenditures referenced herein;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, and ORDERED as follows:

1. The **DISTRICT** intends to issue obligations (the "Obligations") for the purpose of paying the costs of the installation of water lines as shown on the District's Master Plan, and services and the building of an office facility.
2. The **DISTRICT** hereby declares that it reasonably expects to use a portion of the proceeds of the Obligations for reimbursement of expenditures for the Project that are paid before the date of issuance of the Obligations.
3. The maximum principal amount of the Obligations is \$1,000,000.00.

Upon the motion of Director _____, seconded by Director _____
and on the following roll call vote:

AYES	Directors _____
NOES	_____
ABSENT	_____
ABSTAIN	_____

the foregoing resolution was passed and adopted this 18th day of September 1996.

STEVEN SMALL, PRESIDENT
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

FINANCIAL COMMITTEE REPORT

The Board Financial Committee, consisting of Director Fairbanks and Director Small, met with staff and the auditor, Carlos Reynoso, on Tuesday, September 10 and reviewed the draft audit report. Mr. Reynoso, will be making a report to the Board in the near future.

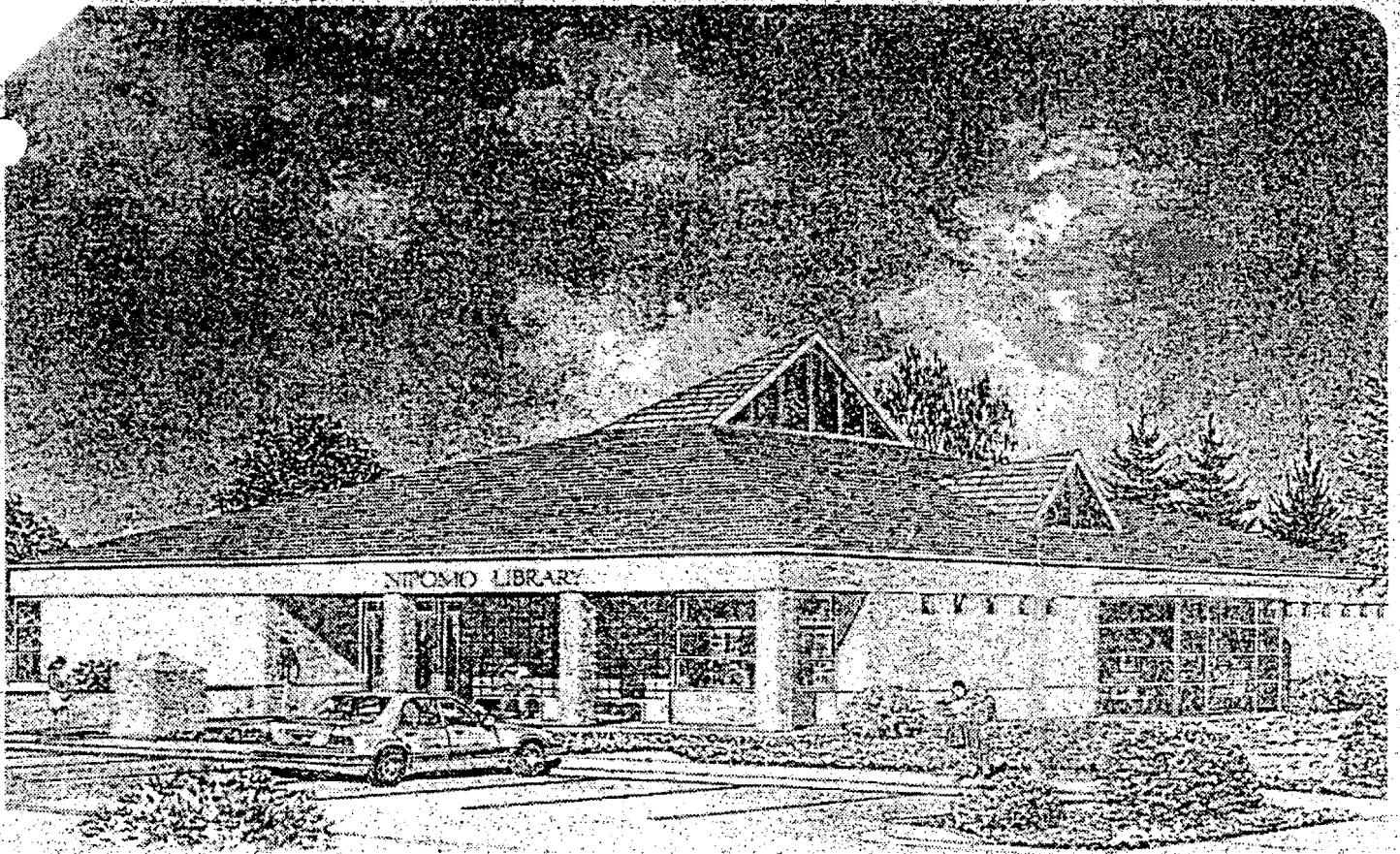
The revenue program with respect to the State loan to expand the Southland Sewer Treatment Plant should be developed by the end of next month. It was felt that this information should be available before rates are adjusted.

C:\W:\BD\fincomm.DOC

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: SEPTEMBER 18, 1996

MANAGER'S REPORT

1. Nipomo Library Dedication Ceremony 9/28/96 10-Noon
2. Chamber of Commerce Mixer
3. Correspondence from Senator Jack O'Connell



The Friends of the Nipomo Library

cordially invite you to attend the

Dedication Ceremony

and

Open House

of the New Nipomo Library

Saturday, September 28, 1996



Dedication Ceremony 10:00 - 12:00 p.m.

Open House 12:00 - 2:00 p.m.

RECEIVED

SEP 06 1996

NIPOMO COMMUNITY
SERVICES DISTRICT

Nipomo
PROPERTIES



American Financial
Services

**INVITES YOU,
OUR FRIENDS, NEIGHBORS, AND CLIENTS
TO THE
NIPOMO CHAMBER OF COMMERCE MIXER
THURSDAY, SEPTEMBER 19TH
5:00 PM TILL WERE DONE!**

**COME MEET WITH YOUR OLD FRIENDS AND
MAKE SOME NEW ONES!
ENJOY A NIPOMO STYLE BBQ
LISTEN OR DANCE TO THE SOUNDS OF
GLENN MILLER OF D.J.'S PLUS**

*** FUN * COCKTAILS * FOOD * PRIZES * MUSIC**
**MEET THE PROFESSIONAL AGENTS OF NIPOMO PROPERTIES &
AMERICAN FINANCIAL SERVICES !**

**CORNER OF TEFFT & MARY
601 W. TEFFT ST.
NIPOMO, CA. 93444
929-4970**

CRAMENTO OFFICE
CAPITOL, ROOM 2187
CRAMENTO, CA 95814
(916) 445-5405

SAN LUIS OBISPO OFFICE
1260 CHORRO STREET, SUITE A
SAN LUIS OBISPO, CA 93401
(805) 547-1800

SANTA BARBARA OFFICE
228 WEST CARRILLO, SUITE F
SANTA BARBARA, CA 93101
(805) 966-2296

VENTURA OFFICE
89 S. CALIFORNIA STREET, SUITE E
VENTURA, CA 93001
(805) 641-1500

September 6, 1996

California State Senate

SENATOR
JACK O'CONNELL
EIGHTEENTH SENATORIAL DISTRICT



COMMITTEES
CHAIR
TOXICS AND PUBLIC SAFETY
MANAGEMENT
MEMBER
BUDGET AND FISCAL REVIEW
BUSINESS AND PROFESSIONS
EDUCATION
INSURANCE
JUDICIARY
NATURAL RESOURCES

Douglas Jones, General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

RECEIVED

SEP 11 1996

NIPOMO COMMUNITY
SERVICES DISTRICT

Dear Mr. Jones:

Now that the Legislature has adjourned for the 1995-96 legislative session, I thought you might appreciate an update on several issues of concern to local government.

As you are so keenly aware, the fiscal limitations which the state faced in the early part of this decade resulted in the redirection of property tax revenues from cities, counties and special districts to the schools which were the original recipients of these revenues prior to the passage of Proposition 13.

I have been very sensitive to the fact that this shift has paralyzed many local governments, which is why I helped to fight for an adjustment to the Education Revenue Augmentation Fund (ERAF) this year. I was one of six members on a two-house, bipartisan conference committee which reviewed adjustments to the ERAF and produced a recommendation, in AB 2797, for review by both houses of the Legislature.

Very simply, the proposal will freeze local government payments to the ERAF to the amount contributed in the current budget year. Up until now ERAF has included a growth factor so that as property tax revenues grow, the corresponding growth in revenues will go to the schools. Under AB 2797, that amount will be fixed. This will not reduce education funding since, under Proposition 98, the state will be required to backfill those property tax dollars from the general fund.

You will be pleased to know that this package passed the Senate on August 23 by a vote of 40 to 0. It also passed the Assembly on the last day of our legislative session by a vote of 73 to 0.

Regrettably, statements made by Governor Wilson's staff to the conference committee indicate he may well veto this package. We hope to turn him around on this and I would encourage you to write him of your support for AB 2797 as soon as possible. He has until September 30 to take action on this proposal.

I know that the recommendations of the Constitutional Revision Commission were of great concern to local governments as well. These recommendations were submitted to the Legislature earlier this year and folded into two constitutional amendments, ACA 49 (Isenberg) and SCA 39 (Killea). Both measures were the focus of extensive debate and public hearings during this year's legislative session.

The commission expressed great concern that the existence of 7,000 local government entities (counties, cities, special districts, school districts) is sometimes confusing, conflicting and overlapping in funding and

September 5, 1996

Page 2

responsibilities. Consequently, recommendations were made to allow "Home Rule Community Charters" which would have provided for the assignment of local government services and their financing. In exchange for consolidating local government powers through these charters, an incentive would have been made available to give charters the same powers as currently possessed by charter cities and also allow for majority voter approval of any taxes (except ad valorem property taxes) vs. the 2/3 requirement currently in place for special taxes. However, this proposal was significantly narrowed as the constitutional amendments wound their way through the legislature.

Ultimately, ACA 49 and SCA 39 were considered before a two-house, six member conference committee during the last month of the Legislature's two-year session. A conference report was adopted, but SCA 39 failed passage on the Senate Floor on August 31 by a vote of 17 to 9; 27 votes are required in the Senate to adopt a constitutional amendment. The package was not considered by the Assembly.

One of the most sour notes of this legislative session was the failure of the Assembly to address the issues raised last fall by the California Supreme Court decision in *Santa Clara v. Gardino*. As you will recall, I introduced SB 1590 last spring which would have applied the decision prospectively. While I believe that Proposition 62 is the law in California and must now be followed, I think the court failed in its duty by not acknowledging the fact that this decision created a tangled tax mess for many local governments.

Although the Senate passed this measure by a vote of 21 to 10 on May 16, members of the Assembly Revenue and Taxation made it very clear that they would not approve SB 1590 in its current form. Ultimately, I decided to postpone consideration of the bill by this committee indefinitely. Attempts were made late last week to revive this issue in AB 3222, authored Assemblymember Valerie Brown, which also attempted to bypass the roadblocks of the Assembly Revenue and Taxation Committee. However, the Assembly also shelved this proposal on the last night of session.

I hope this information was of assistance to you. If I can be of any further assistance on these issues, or any other matters of concern to you, please do not hesitate to contact me.

Sincerely,



JACK O'CONNELL

JO:ks
Tlb