

John
6.70

NIPOMO COMMUNITY SERVICES DISTRICT
AGENDA

REGULAR BOARD MEETING NOVEMBER 6, 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 OCTOBER 16, 1996

PUBLIC COMMENTS PERIOD

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

BOARD ADMINISTRATION (The following may be discussed and acted on by the Board.)

3. NEW OFFICE BUILDING
Review the bid results and award of bid for the District's new office building.
4. WATER USAGE
Review the District's policy on disputes concerning high water use.
5. TRACT 1798 - WATER SUPPLY
Review a water supply for a 5-lot development outside District on S. Oakglen Ave.
6. SMALL CLAIMS ACTION - EL DORADO CATERING TRUCK
File action to recover costs associated with fire hydrant damage.

FINANCIAL REPORT

7. FIRST QUARTER FINANCIAL REPORT
8. APPROVAL OF WARRANTS

OTHER BUSINESS

9. MANAGER'S REPORT
 1. SRF LOAN STATUS REPORT
 2. ELECTION RESULTS
 3. CAL WATER JOURNAL ARTICLES- GROUNDWATER MGT, ELECTRIC DEREGULATION, BOTTLED WATER
 4. BLAC 10/15/96 MINUTES
 5. ACWA CONFERENCE
 6. CSDA NEWS, PROP 218
10. DIRECTORS COMMENTS
11. PUBLIC COMMENTS

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSO vs. Shell Oil, et. al. Case No. CV 077387
2. Existing Litigation, Pratt vs. NCSO Case No. CV 79715 GC§54956

*GC§ refers to Government Code Sections

ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT
MINUTES

REGULAR BOARD MEETING OCTOBER 16, 1996 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

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

STAFF

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

CALL TO ORDER AND FLAG SALUTE

President Small called the October 16, 1996 Regular Meeting to order at 7:00 p.m. and led the flag salute.

ROLL CALL

At Roll Call the following Board members were present:

Directors Simon, Mendoza and Small. Director Fairbanks arrived at 7:10 p.m.

APPROVAL OF MINUTES

1. REGULAR MEETING OF OCTOBER 2, 1996
Upon motion of Director Simon, seconded by Director Mendoza. the Board unanimously approved the Minutes of the October 2, 1996 meeting with the following typo corrections.
Item 5 - Last sentence should state "a" and not "the a"
Item 4 - Director Simon's name was left off of the second to the motion.

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 comments.
There were no Public Comments at this time.

BOARD ADMINISTRATION

3. BLACK LAKE WATER INTER-TIE (Discussion/Action)
Recommendation to acquiesce to Black Lake preference of independence by having an inter-tie only for pure emergencies

Mr. Jones described the situation in the Black Lake Specific Plan Area, specifically Tracts 2151 and 1912. Mr. Jack Stoddard, President of the Black Lake Advisory Committee to the Nipomo Community Services District, said that it was planned that the developer would be paying for the emergency inter-tie. Brad Brechwald, John Wallace and Associates, also explained some of the engineering specifications involved in the possible inter-tie. Upon motion of Director Simon and seconded by Director Mendoza, the Board agreed to proceed with the concept of having two independent water systems with a pure emergency inter-tie. The motion passed 3 to 1 with Director Fairbanks voting no. Director Blair was absent for the vote. Brad Brechwald asked for a clarification of the motion. Mr. Seitz explained that the motion is in concept only and is contingent upon the District engineer's review of the proposal. Mr. Stoddard agreed.

9. APPROVAL OF WARRANTS

Upon motion of Director Simon, seconded by Director Mendoza, the Board unanimously approved the warrants presented at the October 16, 1996 meeting.

OTHER BUSINESS

10. MANAGER'S REPORT

Mr. Jones presented information on the following items:

1. NIPOMO CHAMBER OF COMMERCE TRADE FAIR - NOV. 9, 1996
2. WOODLAND SPECIFIC PLAN - NOTICE OF PREPARATION SUPPLEMENT TO EIR

The Board made comments that perhaps Mr. Jones could put in a letter to John McKenzie, Environmental Specialist, County of San Luis Obispo, on the Woodland Constraint Analysis (Study). Deadline October 18 for response, but Mr. McKenzie would extend time.

Are we privy to Mr. Cleath's report? No. The study was based on the Cleath report.

Some items discussed in the study:

The report confirms that the safe yield is being exceeded.

You're not overdrafted until you have problems, but then it is too late.

Groundwater levels will continue to decline with or without the project.

Based upon chart, the basin groundwater is being mined.

More groundwater is flowing into rather than out of the Nipomo Subarea.

Woodland and Cypress should be considered together instead of separately.

A contingency plan for supplemental or other water and a timeline in which to accomplish it should be developed.

3. MINUTES OF BLACK LAKE ADVISORY COMMITTEE, 10/1/96

11. DIRECTORS COMMENTS

There were none.

12. PUBLIC COMMENTS

Mr. Gene Kaye suggested a need to gather support from other areas.

Mr. Seitz described the reasons for the Board to adjourn to a closed session. At 9:15 President Small directed the Board into Closed Session.

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

1. Existing litigation GC§ 54956.9
NCSD vs. Shell Oil, et. al. Case No. CV 077387
2. Existing Litigation, Pratt vs. NCSD Case No. CV 79715 GC§54956

*GC§ refers to Government Code Sections

The Board came back into open session and announced no reportable action.

ADJOURN

President Small adjourned the meeting at 9:45 p.m.

TO: BOARD OF DIRECTORS

FROM: DOUG JONES

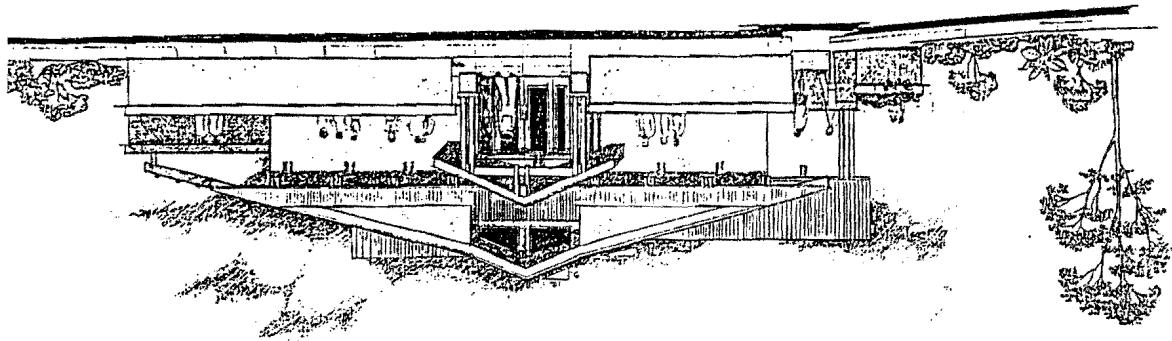
DATE: NOVEMBER 6, 1996

NEW OFFICE BUILDING

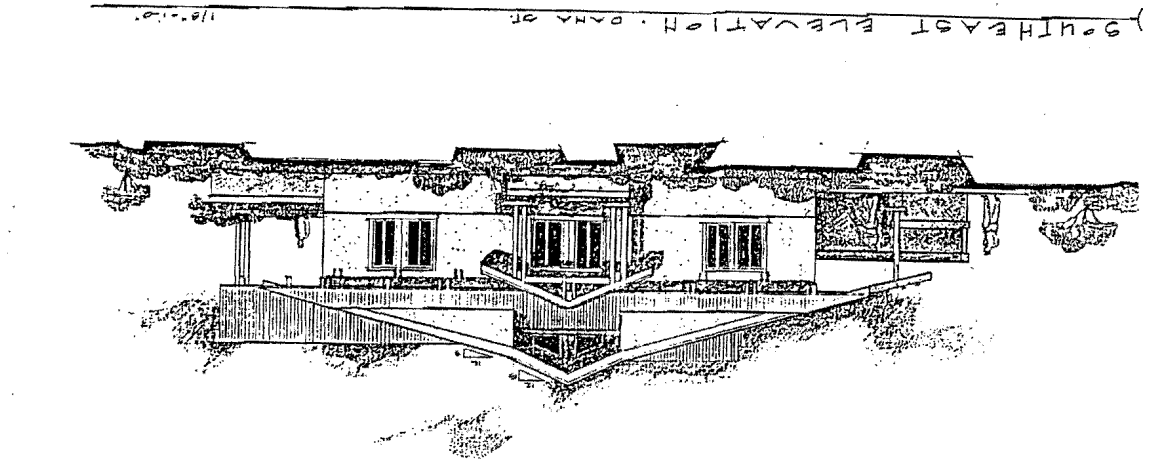
At the Regular Meeting on October 16, 1996, your Honorable Board authorized to advertise for bid to construct the new office building for the District. The request for bids was advertised. The bids will be opened on Monday, November 4, 1996 at 2:00 p.m. The architect, Barry Williams, will review the bids and have a recommendation to the Board of the lowest responsive bidder at the Nov. 6, 1996 Board meeting.

Plans and specifications were picked up or sent to the following:

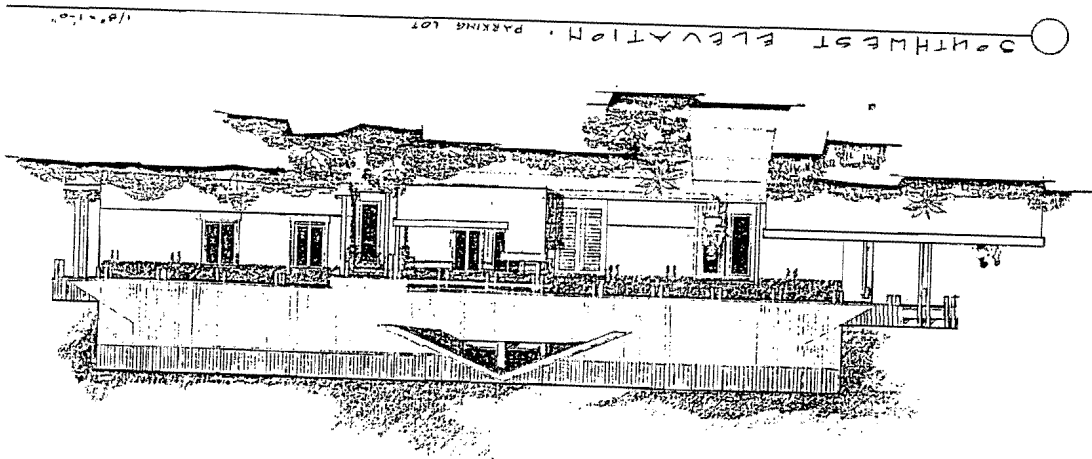
- Santa Maria Valley Contractor's Association
- SLO Builders Exchange
- Construction Market Data
- North County Contractors Association
- F.W. Dodge
- Carroll Bldg.
- Alan Roinestad Construction
- Rarig Construction
- Shetler Construction
- A. J. Diani Construction
- Norton Construction
- G. F. Garcia & Son
- Greg Nester Construction
- Vernon Edwards Construction
- S. J. Deferville
- David Scarry Construction
- Rossi & Larr Elect
- Taft Plumbing Co.
- J& P Construction
- Norcross Construction



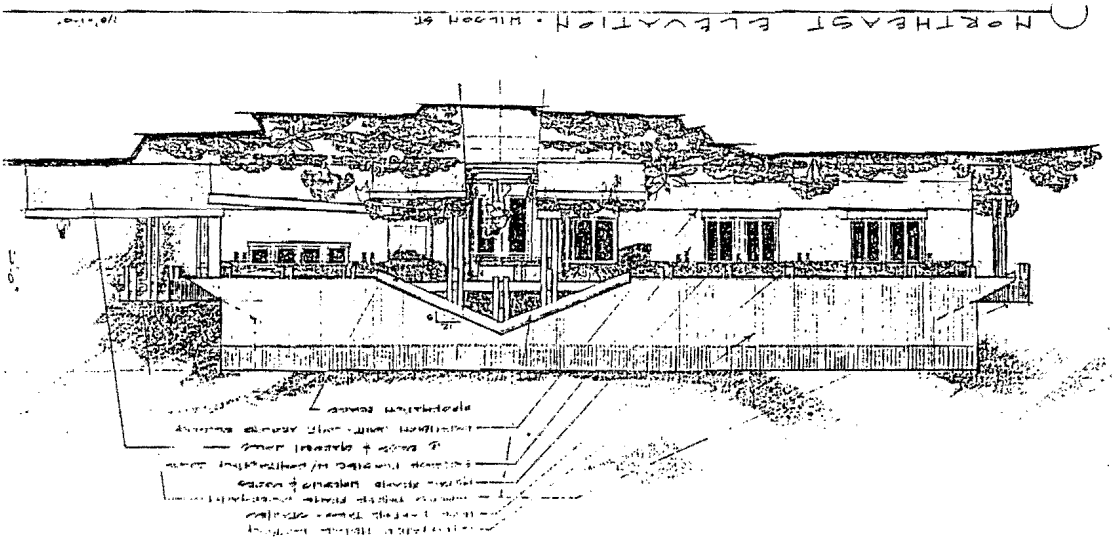
NORTHWEST ELEVATION - MEETING ROOM



SOUTHEAST ELEVATION - DATA RT



SOUTHWEST ELEVATION - PARKING LOT



NORTHEAST ELEVATION - BLOOM ST

RESOLUTION NO. 96-BUILD

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING CONTRACT WITH _____ TO CONSTRUCT
THE DISTRICT'S NEW OFFICE BUILDING**

WHEREAS, the Board of Directors of the Nipomo Community Services District desires to construct a new office building for the District; and

WHEREAS, the District did advertise for bids to construct an office building and said bids were open on November 4, 1996 at 2:00 p.m.; and

WHEREAS, _____ bids were received and the apparent low bid was from _____ Construction in the amount of \$ _____; 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 low bid from _____ Construction is a responsive bid.
2. The contract to construct a new office building to be located at 148 S. Wilson Street be awarded to _____ in the amount of \$ _____.
3. The awarding of this contract is conditional upon receiving a building permit, to build the office building, from the San Luis Obispo County Planning and Building Department.
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 6 th day of November 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: NOVEMBER 6, 1996

AGENDA ITEM
NOV 6 1996

4

WATER USE

At the last Board meeting held on October 1, 1996, your Honorable Board directed staff to investigate a District policy for adjustments of customer's abnormally high water use. Staff contacted other public water utilities to compare their policies for abnormally high water use and found the following:

Oceano CSD

Customer is responsible for all water usage occurring on the customer side of the meter. Customer may make payment arrangements. They may make an appeal to the Board of Directors, but the Board supports the policy that the customer is responsible for water use.

Templeton CSD

Customer is responsible for water use. A portion of a high use bill may be written off, but normally is not. Amortization is allowed until the full balance is paid. These matters are handled by staff and the general manager.

Heritage Ranch CSD

Customer is responsible for all water passing through the meter. Customer may make payments on high bills. If bill is not paid in full, there is a 10% penalty. They have a number of absentee property owners. The District feels that it is the property owner's responsibility to turn off the master water valve if they are absent for any length of time.

City of Arroyo Grande

Customer is responsible for all water going through the meter. The City allows payments to be made toward the bill.

City of Santa Maria

Customer is responsible for all water going through the meter. The City allows adjustments if leak is hidden and can be documented, i.e. a plumber's bill. Otherwise it is the customer's responsibility to pay the bill.

City of Fresno

Flat rate for residential water use. If a leak on a customer's property is noticed by City maintenance, the customer is notified to repair the leak. If leaks are not repaired in a reasonable length of time, the city fines the property owner for excess use of water. Commercial buildings and apartment buildings are metered. No adjustments are made unless the meter malfunctions and is not recording properly.

NCSD has a policy similar to other public entities. District Code Sections 3.03.110 and 3.03.160 (copies attached.) If any customer has high water use, staff does an investigation. Depending on the circumstance, i.e. meter malfunctions, etc. staff may make appropriate adjustments. In this District, the customer always has the opportunity to appeal the matter to your Honorable Board.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 6, 1996

WATER USE
PAGE TWO

The District has found that exceptionally high water use can be associated with installation of new lawns, new landscaping, swimming pools, weather, hoses being left on, stuck toilets, and occasionally a leak on the customer's side of the meter, especially in sandy mesa soil. It should be the customer's responsibility to monitor their own utility usage. If a customer leaves a light on or a ground short, the electric company does not rebate the excess use.

If the Board wishes to consider adjusting exceptionally high water bills, the following may be considered:

- Customer to pay the total water bill in a timely manner and request a meter testing pursuant to Section 3.03.160.
- Notify the General Manager, in writing, within 30 days of receipt of his/her desire to present appeal to the Board of Directors.
- Customer must personally appear before the Board at the time of the appeal and answer questions.
- Customer must show that there is no reasonable explanation for high use.
- Establishment of a range of excess use where a percent of the excess would be adjusted.

The Board should consider that any new policy could possibly create abuses.

After the Board has reviewed and considered these matters, they may direct staff if they wish to establish a policy for exceptionally high water use bill adjustments. The Board may also consider forming a sub-committee to establish policy.

Staff feels, as indicated by other communities, that the present policy is meeting the District's needs.

3.03.110 Investigation and amortization of delinquent bill for residential water and/or sewer service.

A. The district general manager, or his/her designee, is authorized to investigate complaints and review disputes pertaining to any matters for which water and/or sewer service may be discontinued and to rectify errors and settle controversies pertaining to such disputes.

B. Every complaint or request for investigation by a residential customer that is made within five days of receiving the disputed bill for water and/or sewer service, and every request by a residential customer that is made within thirteen days of the mailing of the notice required by Section 3.03.070 for an extension of the payment period of such a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment shall be reviewed by the district general manager, or his/her designee. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the amount over a reasonable period of time, not to exceed twelve months. The district will permit only one amortization agreement per eighteen months. Any customer whose complaint or request for an investigation has resulted in an adverse determination by the district may appeal the determination to the board of directors. (Ord. 95-81 § 1 (part), 1995)

3.03.160 Meter malfunction.

A. A customer who questions the accuracy of a meter serving his premises may request a test of its registration. An appropriate testing charge shall be required in advance when a test is requested.

B. If a meter is found to overregister more than five percent, the district shall return the charge for the test and the customer shall be entitled to a refund based on adjustment made by the district manager. Such adjustment shall be calculated by taking the difference between the normal use and the incorrect reading. In no case shall refunds cover more than two consecutive months prior to the discovery of meter malfunction.

C. When a meter is found to underregister by more than five percent, the charge for water will be based, at the option of the district, either on previous consumption for the same period in the preceding year during which the meter is known to have registered correctly, or on the consumption as registered by a "substitute meter." (Ord. 95-81 § 1 (part), 1995)

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 6, 1996

TRACT 1798 - WATER SUPPLY

The District has received information from the San Luis Obispo County Planning Department for Tract 1798, a 5-lot subdivision, located on South Oakglen Avenue, bordering the District boundary. The tract is proposed to have a small scale public water supply system to serve this development.

With respect to resource management, it may be wise that the District provide the water service for this development, either through an outside user agreement or annexing to the District.

Some possible choices for water service are as follows:

1. Independent water supply in small public water system
2. Outside user agreement with NCSD
3. Annex to NCSD

Staff is bringing this item to your Honorable Board for direction on how the District should handle developments such as this that are fronting District boundaries.

C:\W:\BDtr1798.DOC



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

ALEX HINDS
DIRECTOR

BRYCE TINGLE
ASSISTANT DIRECTOR

ELLEN CARROLL
ENVIRONMENTAL COORDINATOR

BARNEY MCCAY
CHIEF BUILDING OFFICIAL

NORMA SALISBURY
ADMINISTRATIVE SERVICES OFFICER

THIS IS A NEW PROJECT REFERRAL

DATE: OCT. 24, 1996

TO: NIPOMO CSD TRACT 1798 - KANAWATER
Project Name & Number

FROM: JAY JOHNSON
Development Review Section (PHONE: 781- 4573)

PROJECT DESCRIPTION: THIS IS A REDESIGN OF TENTATIVE TRACT 1798.
THE APPLICANT IS PROPOSING A STATE SMALL "PUBLIC"
WATER SYSTEM FOR WATER SUPPLY. ANY CONCERNS? Comments?

Return this letter with your comments attached no later than NOV. 8, 1996

PART I IS THE ATTACHED INFORMATION ADEQUATE FOR YOU TO DO YOUR REVIEW?

YES (Please go on to PART II.)

NO (Call me ASAP to discuss what else you need. We have only 30 days in which we must accept the project as complete or request additional information.)

PART II ARE THERE SIGNIFICANT CONCERNS, PROBLEMS OR IMPACTS IN YOUR AREA OF REVIEW?

NO (Please go on to PART III.)

YES (Please describe impacts, along with recommended mitigation measures to reduce the impacts to less-than-significant levels, and attach to this letter.)

PART III INDICATE YOUR RECOMMENDATION FOR FINAL ACTION. Please attach any conditions of approval you recommend to be incorporated into the project's approval, or state reasons for recommending denial. IF YOU HAVE "NO COMMENT," PLEASE SO INDICATE, OR CALL.

RECEIVED

OCT 28 1996

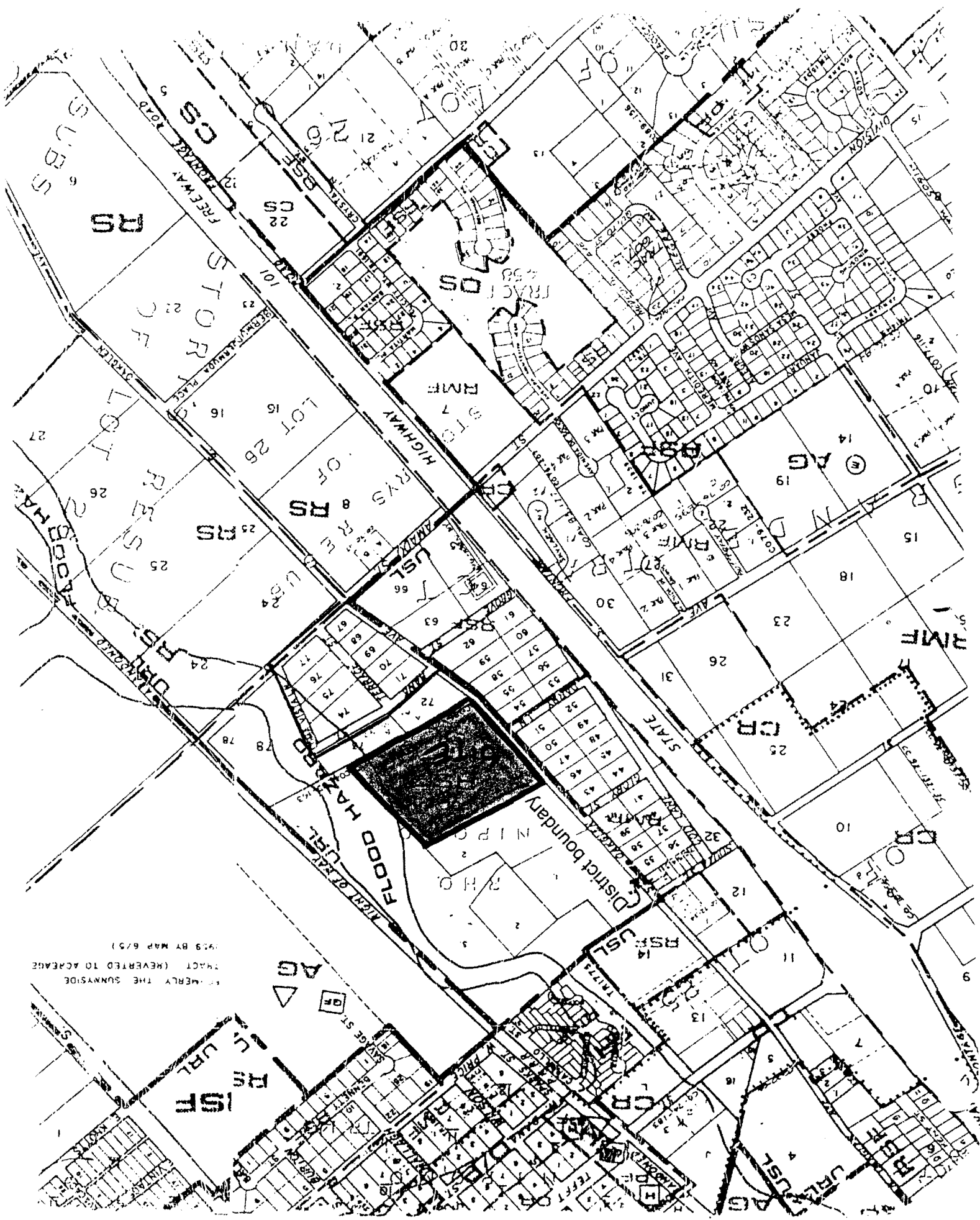
NIPOMO COMMUNITY SERVICES DISTRICT

Date

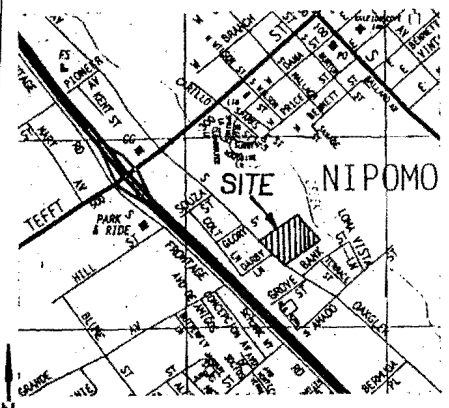
Name

Phone

REF:lrw1/23/96/lj



REVERT THE SUNNYSIDE TRACT (REVERTED TO ACREAGE) 1979 BY MAP 675)



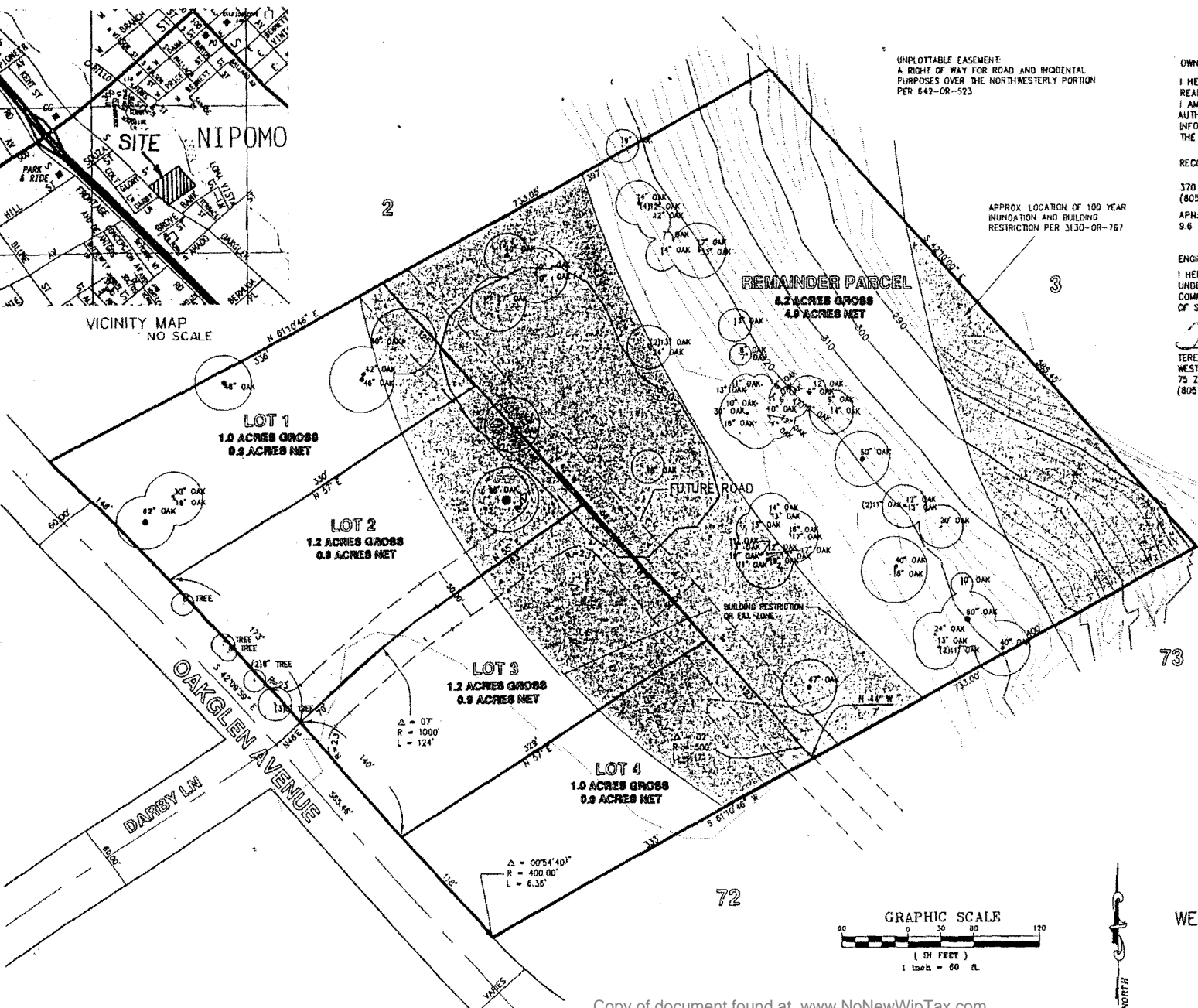
UNPLOTTABLE EASEMENT:
A RIGHT OF WAY FOR ROAD AND INCIDENTAL
PURPOSES OVER THE NORTHWESTERLY PORTION
PER 642-OR-523

OWNER'S STATEMENT
I HEREBY APPLY FOR APPROVAL OF THE DIVISION OF
REAL PROPERTY SHOWN ON THIS PLAN AND STATE THAT
I AM THE LEGAL OWNER OF SAID PROPERTY OR THE
AUTHORIZED AGENT OF THE LEGAL OWNER AND THAT THE
INFORMATION SHOWN HEREIN IS TRUE AND CORRECT TO
THE BEST OF MY KNOWLEDGE AND BELIEF.

RECORD OWNERS: JAMES KEVIN LAMPE & LINDA LAMPE,
MICHAEL LAMPE, JERRY R. KANAWYER
370 TEJAS PL. NIPOMO, CA 93444
(805)-928-1574
APN: 090-391-010
9.6 ACRES GROSS

ENGINEER'S STATEMENT
I HEREBY STATE THAT THIS MAP WAS PREPARED BY ME OR
UNDER MY SUPERVISION AND TO THE BEST OF MY KNOWLEDGE
COMPLIED WITH THE LOT DIVISION ORDINANCE OF THE COUNTY
OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Terence K. Orton
TERENCE K. ORTON, P.E. 21807, EXPIRES 9-30-97
WESTLAND-ENGINEERING COMPANY
75 ZACA LANE, SUITE 100, SAN LUIS OBISPO, CA 95401
(805)-541-2394



APPROX LOCATION OF 100 YEAR
INUNDATION AND BUILDING
RESTRICTION PER 3130-OR-767

RECEIVED

OCT 28 1996

NIPOMO COMMUNITY
SERVICES DISTRICT

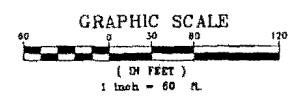
**VESTING
TENTATIVE MAP
TRACT 1798**

A DIVISION OF PARCEL 3 OF
43 PM 20 BEING PORTION OF LOT 25
OF WARD'S SUBDIVISION OF RANCHO NIPOMO,
IN THE COUNTY OF SAN LUIS OBISPO,
STATE OF CALIFORNIA.

PREPARED FOR:
RAY KANAWYER
PREPARED BY:
WESTLAND ENGINEERING COMPANY

75 ZACA LANE, SUITE 100
SAN LUIS OBISPO, CA 95401
(805) 541-2394

REVISED JUNE 1995 SHEET 1 OF 1



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 6, 1996

SMALL CLAIMS ACTION
EL DORADO CATERING TRUCK

On August 16, 1996, an El Dorado Catering truck hit a District fire hydrant at 1605 Pomeroy Rd. in Nipomo. District staff responded to the breakage on August 16. On August 26, the necessary repairs were made to put the hydrant back in service. Total costs for the repairs was \$598.59. Mr. Carlos Hernandez of El Dorado Catering Truck has been notified for payment for the repairs. To date, he has not responded. He refuses to receive certified mail.

It is staff's recommendation that the District take this matter to Small Claim's Court to try to recoup costs of repairing fire hydrant. Prior to filing small claims actions, your Honorable Board needs to pass a resolution designating the company's representative in filing this small claims case. Attached for the Board's consideration is the standard resolution for San Luis Obispo County Municipal Court for small claims.

C:\W:\BD\96-small1.DOC

SAN LUIS OBISPO COUNTY MUNICIPAL COURT <input type="checkbox"/> San Luis Obispo Branch, County Government Center, 1050 Monterey Street, Rm. #220, San Luis Obispo, CA 93408 <input checked="" type="checkbox"/> Grover City Branch, 214 South 16th Street, Grover City, CA 93433 <input type="checkbox"/> Paso Robles Branch, 549 10th Street, Paso Robles, CA 93446	FOR COURT USE ONLY
Nipomo Community services Dist P O Box 326, Nipomo, CA 93444 vs. Carlos Hernandez, El Dorado Catering 602 West Alvin Santa Maria, CA 93454	Plaintiff, Defendant.
RESOLUTION - SMALL CLAIMS DESIGNATING COMPANY REPRESENTATIVE	CASE NUMBER

It appears to the Board of Directors / ~~Partners / Members~~ (strike that which does not apply) of
Nipomo Community Services District

(Name of Organization)

~~public agency (company)~~
~~corporation / partnership / association~~ (strike that which does not apply) qualified to do business in the State of California, that it is necessary to designate an individual to act for and in its behalf in the Small Claims Court of the San Luis Obispo County Municipal Court, State of California, and that

General Manager - Doug Jones

(Name of Representative)

is a suitable individual, and he/she is an employee / ~~officer / director / member~~ of the company and is employed / ~~appointed / elected~~ for purposes other than the exclusive representation of the ~~corporation / partnership / company / association~~ in Small Claims Court (strike that which does not apply).

It is therefore resolved that the General Manager - Doug Jones

be and he is designated to represent and appear for the company in the lawful process of any and all claims filed in the above-named court, and he is further authorized to accept service of process issued by said court, for and on behalf of the company.

I certify that the foregoing resolution was adopted by the Board of Directors / Partners / Members of the company at a regular meeting, held on (Date) November 6, 1996, at

(City) Nipomo, California.

(SEAL)

Secretary / Partner

The local business address of the company is:

(Signature of Agent so Appointed)
261 W. Dana, Suite 101
P O Box 326, Nipomo, CA 93444

(Address of Agent)

NOTICE TO LITIGANT
Original of this form must be on file with the clerk.
Litigant must bring a copy to court.

NOV 6 1996

TO: BOARD OF DIRECTORS
FROM: LISA BOGNUDA
DATE: NOVEMBER 6, 1996

FIRST QUARTER FINANCIAL REPORT
THREE MONTHS ENDED SEPTEMBER 30, 1996

Attached is the Balance Sheet as of September 30, 1996 and the Income Statement for the three months ended September 30, 1996 for each Fund.

The fiscal year is 25% complete with nine months remaining. Water revenues are 38% of the budgeted figure, however, the summer months are the highest usage months. Also, the administrative fees collected are more than anticipated due to the increased volume of developers requesting the phasing program. Most expenditures are within the 25% range, however, there are a two that should be noted. The first one is Engineering-the budgeted amount was \$2800 and the amount expended as of September 30 was \$3489. The excess is attributable to the engineering work done by GTA on the sewer line replacement at Blacklake. The second is Repairs and Maintenance-Water-the budgeted amount was \$6500 and the amount expended to date is already \$4527. Due to the lightening strike this summer, the Blacklake hydromatic controller malfunctioned and needed to be repaired. This was an unexpected "act of god" type repair. The overall operating expenses for the first quarter are within the budgeted amounts.

Also noteworthy this quarter, the Assessment District called \$290,000 in bonds in September from the reserves in the Improvement Fund as required by the Streets and Highways Code. This reduced the property owners assessments by approximately 17%.

NIPOMO COMMUNITY SERVICES DISTRICT
SUMMARY OF REVENUES AND EXPENSES BY FUND
THREE MONTHS ENDING SEPTEMBER 30, 1996

FUND	FUND #	YTD REVENUES	YTD EXPENSES	YTD NET INC/ (NET LOSS)
Administration	110	23,813	(23,813)	0
Water	120	317,847	(177,329)	140,518
Sewer	130	86,139	(64,909)	21,230
Blacklake Water	140	44,739	(33,902)	10,837
Blacklake Sewer	150	12,358	(30,282)	(17,924)
Blacklake Streetlighting	160	615	(2,763)	(2,148)
Drainage Maintenance	170	1,223	0	1,223
Sewer Maint Dist (Folkert Oaks)	180	2,302	(200)	2,102
Montecito Verde II	190	1,293	(225)	1,068
Property Taxes	210	3,661	0	3,661
Water Capacity Fees	220	8,658	0	8,658
Sewer Capacity Fees	230	22,798	0	22,798
Blacklake Water Capacity Fees	240	1,439	0	1,439
Funded Replacement-Water	800	26,911	0	26,911
Funded Replacement-Sewer	801	25,915	0	25,915
Funded Replacement-BL Water	802	2,673	0	2,673
Funded Replacement-BL Sewer	803	1,725	0	1,725
TOTAL		584,109	(333,423)	250,686

FUND	FUND #	CASH BALANCE 9/30/96
Administration	110	1,774
Water	120	153,294
Sewer	130	132,567
Blacklake Water	140	353,967
Blacklake Sewer	150	15,991
Blacklake Streetlighting	160	43,109
Drainage Maintenance	170	88,782
Sewer Maint Dist (Folkert Oaks)	180	118,303
Montecito Verde II	190	31,343
Property Tax	210	251,788
Water Capacity Fees	220	655,402
Sewer Capacity Fees	230	1,696,056
Blacklake Water Capacity Fees	240	104,100
Funded Replacement-Water	800	95,145
Funded Replacement-Sewer	801	190,409
Funded Replacement-BL Water	802	13,849
Funded Replacement-BL Sewer	803	7,990
SUBTOTAL		3,953,869

CUSTODIAL FUNDS-ASSESSMENT DISTRICT 93-1

A/D-Improvement Fund	820	367
A/D-Redemption Fund	820	86,626
A/D-Reserve Fund	820	115,782
SUBTOTAL		202,775

GRAND TOTAL 4,156,644

Period Ending: 09/30/96
 FISCAL YR 97

BALANCE SHEET
 NIPOMO COMMUNITY SERVICES DIST

Combined Page 1
 Report Date: 10/28/96
 (Consolidated) 100 - 803

	Current Balance	Year's Beg. Bal.	Change	Cur Month Last Year	Change	% of Change
ASSETS						
CURRENT ASSETS						
Cash on Hand	350	350	0	350	0	0
1040 Cash-Checking	14,644	6,824	7,821	11,792	2,852	24
1045 Cash-Savings	37,771	22,520	15,250	56,682	-18,912	-34
1080 Cash in L.A.I.F.	4,103,512	4,275,246	-171,733	3,349,214	754,298	22
1081 Cash-Fiscal Agent	0	28,481	-28,481	286	-286	%-100
1085 Cash-A.D. Improvement Fund 93-1	367	770	-403	2,263	-1,896	-84
Due To/From Cash Pool	-202,775	-618,276	415,502	-495,275	292,501	-60
1210 Accounts Receivable-Water/Sewer	99,454	53,727	45,727	81,886	17,568	21
1220 Unbilled Water Sales Receivable	158,000	158,000	0	65,000	93,000	143
1221 Unbilled Sewer Sales Receivable	40,000	40,000	0	16,000	24,000	150
1260 Prepaid Insurance	26,253	2,741	23,512	27,543	-1,290	-5
1270 Prepaid Rent	1,931	1,931	0	1,931	0	0
TOTAL CURRENT ASSETS	4,279,508	3,970,523	308,985	3,117,673	1,161,835	37
FIXED ASSETS						
Property, Plant and Equipment	18,111,648	18,069,840	41,808	17,620,678	490,970	2
Accumulated Depreciation	3,962,277	4,004,258	-41,981	3,600,790	361,487	-10
NET FIXED ASSETS	14,149,371	14,065,582	83,789	14,019,888	129,483	0
OTHER ASSETS						
1800 Accrued Interest Receivable	52,806	48,250	4,556	40,369	12,436	30
1810 Receivable-Other	1,341	0	1,341	0	1,341	0
1833 Deposit-W/C Insurance	3,766	3,766	0	5,747	-1,981	-35
1835 Notes Receivable-M.V. I	112,259	112,259	0	0	112,259	0
TOTAL OTHER ASSETS	170,172	164,275	5,897	46,116	124,056	269
TOTAL ASSETS	18,599,051	18,200,379	398,672	17,183,677	1,415,374	8

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

2100 Accounts Payable	43,821	43,889	-68	55,879	-12,058	-22
2101 Compensated Absences Payable	26,692	26,692	0	24,719	1,973	7
2105 A/P-Uncashed Check (Brand)	30,810	30,810	0	30,810	0	0
2110 Customer Deposits	0	0	0	35,946	-35,946	%-100
2115 Construction Meter Deposits	4,000	3,500	500	2,500	1,500	60
2116 PCI Deposit	6,417	3,627	2,791	0	6,417	0
2118 Maintenance Guarantee Deposit	5,000	5,000	0	5,000	0	0

Period Ending: 09/30/96
FISCAL YR 97

BALANCE SHEET
NIPOMO COMMUNITY SERVICES DIST

Combined Page 2
Report Date: 10/28/96
(Consolidated) 100 - 803

	Current Balance	Year's Beg. Bal.	Change	Cur Month Last Year	Change	% of Change
2160 Deferred Revenues	6,300	6,300	0	6,300	0	0
2170 Bonds Payable-Current Portion	6,000	6,000	0	5,000	1,000	20
TOTAL CURRENT LIABILITIES	122,623	122,191	432	166,154	-43,531	-27
LONG TERM LIABILITIES, LESS CURRENT PORT						
2220 Water Revenue Bonds Payable-1978	201,000	201,000	0	207,000	-6,000	-3
TOTAL LONG TERM LIABILITIES	201,000	201,000	0	207,000	-6,000	-3
TOTAL LIABILITIES	330,040	326,817	3,223	373,154	-43,114	-12
FUND EQUITY						
3100 Contributed Capital-Assets	4,327,448	4,327,448	0	4,179,236	148,212	3
3101 Contributed Capital-Capacity Fees	6,235,206	6,090,336	144,870	5,395,344	839,862	15
3102 Contributed Capital-Assess Dist	1,699,743	1,699,743	0	1,725,299	-25,556	-2
3103 Contributed Capital-Right of Way	31,600	31,600	0	31,600	0	0
3110 Capital Grants-Federal and State	3,524,031	3,524,031	0	3,596,051	-72,020	-3
3120 R/E-Reserved	2,508,898	119,030	2,389,868	120,000	2,388,898	999
3121 R/E-Reserved (Debt Service)	15,600	15,600	0	15,600	0	0
3122 R/E-Reserved (Emergencies)	50,000	50,000	0	50,000	0	0
3123 R/E-Reserved (Sewer Grant)	135,000	135,000	0	0	135,000	0
3130 R/E-Unreserved	-509,095	1,880,774	-2,389,868	1,700,243	-2,209,337	-130
INCOME/LOSS	250,579	0	250,579	-2,849	253,428	-8896
TOTAL FUND EQUITY	18,269,011	17,873,562	395,449	16,810,523	1,458,487	8
TOTAL LIABILITIES AND FUND EQUITY	18,599,051	18,200,379	398,672	17,183,677	1,415,374	8

UNAUDITED REPORT

Period Ending: 09/30/96
 FISCAL YR 97

INCOME STATEMENT
 NIPOMO COMMUNITY SERVICES DIST

Combined Page 3
 Report Date: 10/31/96
 (Consolidated) 100 - 803

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
REVENUES						
Water Sales	885,000	47,421	140,608	344,826	38	263,412
Sewer Revenues	399,100	15,008	27,289	97,326	24	82,171
Fees and Penalties	19,250	2,599	1,540	5,331	27	7,974
4220 Meter Fees	12,740	1,230	2,660	5,180	41	2,350
4240 Water Connection Fees	1,900	1,210	0	0	0	1,210
4250 Plan, Check and Inspection Fees	5,200	1,535	0	450	9	9,057
4265 Sewer Lift Station	5,000	0	0	500	10	7,500
Miscellaneous Income	800	84	100	671	83	1,531
4292 Administrative Fee	5,200	0	5,324	7,002	135	4,566
4295 Streetlighting Income	13,124	0	0	0	0	0
4310 Annexation Fees	4,000	1,000	0	0	0	1,500
4320 Backflow Test	0	43	130	130	0	216
4800 Oper Trans In-Admin	97,704	8,647	2,550	16,216	17	19,701
4810 Oper Trans In-Funded Deprec	213,360	7,358	17,780	53,340	25	35,854
TOTAL REVENUES	1,662,378	86,135	197,981	530,972	31	437,042
EXPENSES						
5010 Accounting	2,675	600	500	2,524	94	2,600
Bank Charges	51	12	3	9	18	12
5055 BL Advisory Committee	0	0	649	649	0	0
5060 Chemicals	7,548	1,163	0	1,460	19	3,032
5070 Computer Expense	2,500	129	828	1,057	42	759
5080 Consulting	0	8,383	0	2	0	22,537
5090 Director Fees	15,000	900	1,100	2,750	18	2,800
5100 Dues and Subscriptions	3,000	60	36	251	8	343
5110 Education and Training	3,000	0	0	213	7	0
5112 Engineering	2,800	554	1,881	3,489	125	697
5115 Elections	4,550	0	0	0	0	0
5120 Equipment Rental	525	0	0	0	0	0
5123 Fire Alarm (Maint Bldg)	404	35	35	105	26	105
5125 Fuel	7,680	699	518	1,820	24	1,387
5130 Insurance-Liability	33,510	2,755	2,623	7,987	24	7,859
5140 Insurance-Medical/Dental	45,900	3,722	3,614	10,714	23	11,876
5150 Insurance-Workman's Compensation	11,220	2,847	41	41	0	2,847
5160 Lab Tests and Supplies	25,150	784	392	2,299	9	2,132
5170 Legal	30,250	3,027	2,548	5,674	19	7,429
5171 Legal-Litigation	75,000	10,416	6,080	20,481	27	15,408
5172 Legal-Water Counsel	6,500	0	0	0	0	229
5180 Maps and Blueprints	200	0	0	0	0	0
5190 Meters-New	3,700	0	0	1,836	50	0
5195 Meters-Replacement Program	15,000	0	0	0	0	0
5200 Miscellaneous	2,500	0	47	99	4	119
5210 Newsletter	1,805	0	0	0	0	0
5220 Office Supplies	2,710	348	174	394	15	679
5230 Outside Services	28,800	959	442	1,515	5	2,529
5235 Outside Service-PB Repairs	25,000	0	0	0	0	0

Ending: 09/30/96
 SCAL YR 97

INCOME STATEMENT
 NIPOMO COMMUNITY SERVICES DIST

Combined Page 4
 Report Date: 10/31/96
 (Consolidated) 100 - 803

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
5240 Operating Supplies	49,000	671	1,333	2,758	6	5,569
5250 Paging Expense	1,485	107	117	366	25	327
5280 Permits and Operating Fees	5,955	0	1,200	1,285	22	0
5290 Postage	10,330	260	21	511	5	2,039
5300 Printing	1,220	120	0	0	0	1,082
5310 Public and Legal Notices	5,075	0	0	30	1	936
5320 Rent	26,400	2,137	2,137	6,412	24	6,307
5330 Repairs & Maintenance-Vehicles	4,400	37	386	479	11	745
5345 Repairs & Maintenance-Office	1,200	32	35	108	9	64
5350 Repairs & Maintenance-Water	6,500	607	962	4,527	70	2,576
5360 Repairs & Maintenance-Sewer	28,400	0	1,297	5,666	20	0
5365 Repairs & Maintenance-Misc.	200	0	0	125	62	87
5370 Retirement Benefits	18,875	3,570	0	0	0	5,411
5400 Taxes-Payroll	12,035	754	720	2,193	18	2,227
5410 Telephone	5,100	427	322	850	17	987
5420 Travel and Mileage	7,150	315	300	1,276	18	1,239
5430 Underground Notification	824	0	0	135	16	182
5440 Uniforms	2,000	230	147	320	16	389
5450 Utilities-Electricity	275,000	28,889	27,757	84,439	31	86,154
5455 Utilities-Electricity(StLight)	11,000	818	811	2,432	22	2,453
5460 Utilities-Gas	805	35	9	42	5	13
5465 Utilities-Trash Collection	935	0	53	158	17	153
5470 Wages-Office and Management	171,900	13,293	13,965	41,895	24	39,879
5480 Wages-O.T.-Office and Management	2,000	579	146	316	16	834
5485 Wages-Maintenance	139,800	12,543	11,368	34,104	24	37,793
5500 Wages-O.T.-Maintenance	23,250	2,849	2,315	8,070	35	7,157
TOTAL EXPENSES	1,167,817	105,664	86,911	263,865	22	290,063
EXCESS REV. OVER EXP.	494,561	-19,529	111,071	267,107	54	146,979
OTHER INCOME AND EXPENSES						
OTHER INCOME						
Interest Income	180,955	40,875	53,077	53,136	29	40,875
6175 Tax Revenues	138,300	4,672	0	0	0	4,703
TOTAL OTHER INCOME	319,255	45,547	53,077	53,136	16	45,578
OTHER EXPENSES						
6500 Interest Expense	10,400	0	0	0	0	0
6800 Contingency-Budgeted	5,000	0	0	0	0	0
6901 Oper Trans Out-Admin	97,704	8,647	2,550	16,216	-17	19,701
6950 Oper Trans Out-Funded Deprec	213,360	7,358	17,780	53,340	-25	35,854

Period Ending: 09/30/96
FISCAL YR 97

INCOME STATEMENT
NIPOMO COMMUNITY SERVICES DIST

Combined Page 5
Report Date: 10/31/96
(Consolidated) 100 - 803

	Total Budget	Cur Month Last Year	Current Month	YTD Total	% of Budget	Last Year YTD
TOTAL OTHER EXPENSES	-326,464	30,612	-20,330	-69,556	21	84,296
TOTAL OTHER INCOME AND EXPENSES	-7,209	76,159	32,747	-16,421	227	129,874
<u>EXCESS REV. & OTHER OVER EXP.</u>	487,352	56,630	143,818	250,686	51	276,853

UNAUDITED REPORT

NOV 6 1996

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 6, 1996

MANAGER'S REPORT

1. State Revolving Fund Loan

The draft of the engineering report and financial plan have been completed. The financial report is being sent to the State for pre-approval. Once the pre-approval of the financial plan is completed, it will be incorporated into the engineering report along with the proposed discharge requirements from the Regional Water Quality Control Board. The District is still waiting for a response from the Regional Water Quality Control Board on the revised discharge requirements.

2. Election Results

The November 5, 1996 election results will be presented to the Board.

3. California Water Journal

Enclosed for the Board's review are informational articles on Groundwater Management, Electric Deregulation and Bottled Water.

4. Black Lake Advisory Committee

Attached are the Minutes to the October 15, 1996 meeting of the Black Lake Advisory Committee.

5. ACWA CONFERENCE

Information on ACWA conference attached.

6. CSDA NEWS, PROP 218

California WATER JOURNAL

2913 EL CAMINO REAL

SUITE 233

TUSTIN, CALIFORNIA 92782

Fresno ID Adopts Groundwater Management Plan

Authorized under California's Groundwater Management Act, commonly referred to as AB 3030, Fresno Irrigation District Board of Directors last month adopted a landmark plan for local management of groundwater. The plan focuses on recharge of the depleted underground water supply.

Ed Waldron, FID board chairman, said the multipronged effort will help stabilize the massive aquifer without restrictions on groundwater use or a pump tax. He said there are no plans for levying fees or assessments to support the program.

The plan, which encompasses FID's 245,000 acres from the base of the Sierra foothills to the Kerman area, has been under development for three years.

AB 3030, which was introduced by then Assemblyman Jim Costa, became state law in January 1993. The voluntary program is a means by which qualifying agencies have additional authority to take an active role in monitoring and regulating, if necessary, groundwater use.

California is one of only a few states remaining in the nation that does not have groundwater management regulations. The emphasis of AB 3030 is the local control of groundwater resources, as compared to having the state or federal government control those resources.

"When implemented, this plan will correct the estimated 20,000 acre-foot annual overdraft of the aquifer underlying the district," said Robert Mount, FID general manager. "By stabilizing groundwater levels, we will also minimize pumping costs and energy use."

He said irrigation of some 160,000

acres in the district is a major source for recharge for FID's groundwater reservoir, and is supplemented by annual precipitation and deliveries to recharge basins in the Fresno-Clovis area.

Effects of Urban Growth

Although recent above-normal water deliveries have brought the estimated underground supply back to the level of five years ago before the extended drought, the plan calls for the new recharge sites to offset the negative impact on the aquifer by urban growth.

At the beginning of this year, the average depth to water for the entire district was 66 feet, but for the Fresno metropolitan area the average was 100 feet, reflecting the increased pumping for urban use. Mount said improved recharge can help correct the overdraft.

Major provisions of FID's plan include:

- Direct basin recharge improvements in FID's service area.
- Seeking agreements with adjacent districts that draw from the aquifer but have no recharge facilities.
- Acquisition of new water supplies that become available and oppose unmitigated exportation of groundwater from the aquifer.
- Promote incentive programs for conservation, efficient water use and cooperating with other agencies in maintaining water quality.

Other Plans in the Works

To date, more than 32 agencies have adopted groundwater management plans and more than 90 agencies have either adopted resolutions of intent or are considering plans.

Under AB 3030, agencies have until December 31, 1997 to adopt groundwater plans. In 1998, the California Department of Water Resources is required to report to the state legislature those agencies that participated in the program. It's expected that local agencies that have not adopted a plan will be subject to state or federal groundwater regulations.

Wilson Signs Off on Electricity Deregulation

Gov. Pete Wilson signed legislation this month to deregulate the state's electric utilities. The historic bill, AB 1890, was approved in the Senate by 38-0 and in the Assembly by 71-0 and puts into motion a plan that would bring competition to the state's \$20-billion electrical industry by the year 2000.

By freeing its power industry to the forces of market competition, it's expected that California will set a national precedent. Forty-six other states are at some stage of power deregulation and are watching California closely.

Deregulation is intended to give California residents and businesses access to the cheapest power available in the nation, a Public Utilities Commission mandate first laid down in 1994. Customers of California's three major investor-owned utilities — Southern California Edison, Pacific Gas and Electric and San Diego Gas & Electric — pay 50% more for power than the national average. These three represent 70% of the state's customer base.

Under the legislation, residential and small business customers will receive an across-the-board rate cut of 10% in January 1998 with another 10% cut in 2002. But most Californians will have to wait years to reap the full benefits because the three major utility companies will be allowed to recover about \$29 billion in "stranded assets" — existing infrastructure and nuclear power plants, built but not yet paid for.

These charges will be included in customer bills until 2002 and in transition charges to those that decide to buy power from other providers.

Power Exchange

The deregulation centerpiece is the wholesale energy pool to be set up in 1998 called the Power Exchange. Power producers from all over the country will be able to sell energy to the exchange, and utilities will be required to shop for the lowest-cost power from sources connected by grids throughout the nation.

To make sure customers have access to the exchange, the utilities are turning over operation — but not ownership — of their statewide transmission lines to an independent operator to be overseen by the federal government.

Customers of government owned power

providers, such as Los Angeles Department of Water and Power and Sacramento Municipal Utility District, would not get the two 10% rate cuts. However, the munies will join the Power Exchange which will lower their costs.

Benefit to Agricultural Users

Some say, deregulation could save California farmers as much as \$200 million a year in power costs. California growers pay the three major utilities nearly \$1 billion a year for electricity. However, the new deregulation favors large power users and for farmers to get substantial reductions they would have to pool their demand to get similar rates.

For years, many irrigation districts — Modesto, Turlock, Merced and Imperial Irrigation districts, e.g. — already provide their growers with rates about 30% lower than PG&E, Edison and SDG&E. These districts, inspired by exorbitant pumping costs during the drought years, have been making efforts to bring this low-cost power to a larger number of growers. The problem has been lack of access to the transmission lines outside of their regions. Under deregulation these restrictions will end.

But until 2002, an individual that decides to leave a big utility and sign up with a local provider will have to continue to pay transition charges to the big utility. Unless deregulation results in substantial rate reductions, it may or may not be cheaper for small users to shop elsewhere.

However, growers which pool their buying power, may not have to wait long for lower rates. For example, the Delano-Earlimart, Lindsay Strathmore, Lower Tule River, and Terra-Bella irrigation districts have formed an electricity joint powers authority known as the Eastside Power Authority. They expect to reduce by 40% their current rate of 9.3-cents-a kilowatt hour they pay to Edison. To do so, they will construct a new power line to import power from the Western Area Power Authority, a low-cost federal power provider.

Another JPA has been formed by 50 members of the Association of California Water Agencies (ACWA) which represents 420 water agencies and \$700 million in electricity spending. They expect to provide electricity to their members which in turn will provide lower cost power to farmers in their districts.

MWD Enters Desal Agreement

The Metropolitan Water District of Southern California has joined with the Parsons Corporation, I.D.E. Technologies, Ltd. and Reynolds Metals Co. to market a new, revolutionary design of sea water desalination plants around the world.

MWD and the United States-Israel Science and Technology Commission are providing \$8 million in funding for the project.

The goal is to demonstrate that the multiple-effect distillation process can produce desalinated sea water for less than \$1,000 per acre-foot, less than half the current cost.

MWD said four features of the proposed plants would bring their operating costs down: a higher operating temperature of the water; the use of aluminum tubes as heat exchangers, which are one-tenth the cost of traditional alloys; the use of a concrete containment tower, which is more cost effective than steel; and the size of the plant, which will be designed to a potential capacity of 60 to 80 million gallons per day.

P O T P O U R R I

Calm Down Parekh, It's Only Water

Stores selling purified water are popping up all over California, capitalizing on people's perceptions that tap water isn't safe to drink.

"It's really a Southern California phenomenon," said Prosy Abarquez-De-lacruz, of the food and drug division of the California Department of Health Services. Her agency has licensed about 292 such stores throughout the state.

Often concentrated in low-income areas, these independently owned stores tout themselves as a low-cost alternative to delivered water.

"People are scared to drink tap water" said Julie Chaves, who opened a store called Drinking Water Depot in Winnetka in the San Fernando Valley. In her sales pitch, she makes a point of the outbreak of *cryptosporidium* that sickened thousands in Milwaukee in 1993.

"It's crazy. Los Angeles tap water is perfectly safe to drink," said a frustrated Pankaj Parekh, regulatory compliance manager for the L.A. Department of Water and Power. Anyone buying water from stores on safety concerns alone, he said, "is wasting their money."

The new water stores are just another outgrowth of the surging bottled-water business, a \$3.4-billion-a-year industry that is growing nationally by 9% a year and claims California as its capital, said Jennifer Levine of the International Bottled Water Association.

The phenomenon has made water, a single, simple molecule, into a consumer product vast in its variety. You can now buy distilled water, water

from private springs, caffeinated water and even bottled tap water. You can have water delivered in big jugs, or buy it in tiny bottles at ballparks.

There are so many types, in fact, that this year — concerned that the public would be confused — the government drew up new definitions to distinguish among spring water, purified water and other varieties, said Judith Foulke, spokeswoman for the federal Food and Drug Administration.

Until now, though, much commercially produced water has been targeted toward up scale customers — the Evian and Perrier crowd, said an editor at Beverage World, a trade magazine.

Water stores "are a market for people who can't afford home delivery," said Joe Chaves, co-owner of Drinking Water Depot. "It's for your gardener, your laborer, your hard-working person who's raising two kids." The industry's largest growth has been in communities of immigrants from Southeast Asia and Latin America.

Typically, the stores sell tap water purified by reverse osmosis. At Drinking Water Depot, customers bring in their own bottles and pay 25 cents a gallon to fill them up at a spigot on the wall. A five gallon jug costs \$1.25. That's an eighth of the price of most delivered water, and on par with the price of vending machine water, also purified using reverse osmosis.

But the price is nowhere as cheap as tap water, which costs about one-tenth of a cent a gallon, said Roy Wolfe of the

Metropolitan Water District of Southern California.

Levels of contaminants allowed in bottled and water store water are identical to what EPA allows in tap water with a few exceptions — lead and trihalomethanes are regulated more stringently in bottled and retail water. However the rules are so similar, most bottled water companies frown on advertising that would promote that tap water is not safe said Anne Turner, technical coordinator for McKesson Water Products, the parent company of Sparkletts.

Not so at the new water stores. "If you drink tap water without a filter, your are asking for problems," said Sam Intermill, owner of Water Stop N' Go in South El Monte.

Parekh of DWP is exasperated by such talk. "I drink tap water. I'm happy to," he said.

"Cryptosporidium has not been found in significant levels in LA's water. Even if it was, DWP ozonizes its water. That disinfection process — also used by Sparkletts — is very effective against crypto," Parekh explained. "Also, trihalomethanes at DWP are 50% lower than standards and lead is well within limits. DWP water is more than safe," he said.

Nonetheless, water stores continue to proliferate. The shops attract proprietors because start-up costs are small, returns are modest but steady and they are easy to run. Most investors make their money back in two years, said Pat Kimball of Waternet International, a Las Vegas company that is franchising water stores.

A Great Offer!

Not receiving your own copy of the California Water Journal?

Send your name and address or a business card to the address at the right or simply call (714) 551-1125

Within a month you'll receive you first of 12 monthly issues followed by an invoice for \$129 (we have no advertisements). If you're not completely satisfied with your first copy, just mark the invoice "not interested" and return it to us.

California WATER JOURNAL

2913 EL CAMINO REAL
SUITE 233
TUSTIN, CALIFORNIA 92782

NIPOMO COMMUNITY SERVICE DIST
PO BOX 326
NIPOMO CA 93444





Association of California Water Agencies

Conference Program at a Glance

1996 Fall Conference

**Register by November 8
and save money.**

PROGRAMS

TUESDAY DEC 3

9 a.m. to 3:30 p.m.
ACWA Workshop
*"On-Line Meets the Bottom
Line: Making the Internet
Work for Water Agencies"*

WEDNESDAY DEC 4

7-8:50 a.m.
Special Issue Opening
Breakfast
*"Building a Bay-Delta
Solution: Update on the
CALFED Process"*

9-10:20 a.m.
Federal Affairs Committee
*"Expectations for the
105th Congress"*

Water Recycling Subcommittee
*"Use of Recycled Water on
Edible Crops From the Farm
to the Supermarket"*

Insurance and Personnel Committee
*"Implementing Leave of Absence
Laws"*

10:30-11:50 a.m.
Issue Panel
*"The Future of Water Rights in
California"*

ACWA Financing Authority

Noon-1:50 p.m.
General Luncheon
*"The Voters Have Spoken: What
Changes Can We Expect at the
State Capitol and on the Hill?"*

THURSDAY DEC 5

9-10:20 a.m.
Issue Panel
*"This is Not a Drill: Handling Boil
Water Advisories"*

Groundwater Committee
*"Groundwater Pathogens —
Is Drinking Water Affected?"*

Energy Committee
*"Preparing for the New Reality in
Energy Deregulation"*

10:30-11:50 a.m.
Attorneys Subcommittee Panel

Federal Affairs Committee
*"Federal Funding for CALFED —
ACWA's Role"*

Local Government Committee
*"Orange County Water Agency
Reorganization: Do You Want to
Deal with LAFCO or the
Legislature"*

Noon-1:50 p.m.
General Luncheon
State Controller Kathleen Connell
*"How California Government
Should Be Re-Engineered"*

2:30-3:50 p.m.
Hydroelectric Subcommittee
*"Hydroelectric Opportunities for
Self-Service in Energy's New
Reality"*

Issue Panel
*"Women in Water:
Experiences, Challenges and
Opportunities"*

Water Fundamentals Panel
*"How to Make Your Water
Agency More Competitive"*

Water Management Committee
*"AB 3616: Defining Efficient
Water Management Practices
for Agriculture"*

FRIDAY DEC 5

8:30-10 a.m.
Hans Doe Forum Breakfast
*"Merge or Be Merged:
Lawmakers' Views
on Special District
Consolidation"*



REGISTRATION & BUSINESS MEETINGS

TUESDAY DEC 3

8 a.m. to 7 p.m.
ACWA Registration

9 a.m.-noon
ACWA-USA Board of
Commissioners

1-2 p.m.
California Loan Purchase
Financing Authority

2:45-5 p.m.
Finance Committee

3-5 p.m.
Water Quality Policy Review
Subcommittee

WEDNESDAY DEC 4

6:30-8 a.m.
ACWA Pre-Registration and
Breakfast Ticket Sales

8 a.m.-5 p.m.
ACWA Registration

8 a.m.-5 p.m.
Exhibit Hall

9-10:20 a.m.
Local Government Committee
Water Quality Safe Drinking Water
Subcommittee

10:30-11:50 a.m.
County Water Districts Caucus
Groundwater Committee
Membership Committee
Salary Survey Subcommittee
Water Quality Smaller Systems
Subcommittee

2-2:15 p.m.
Exhibitors' Drawing

2:30-4 p.m.
Region Meetings

4-5:30 p.m.
Affiliate Member Caucus

Legal Affairs Committee

4:15-5:30 p.m.
Communications Committee
Council of Regions

THURSDAY DEC 5

7:30-8:50 a.m.
Water Quality / Communications
Subcommittee

8 a.m. - 2:30 p.m.
Exhibit Hall

8 a.m. - 4 p.m.
ACWA Registration

9-10:20 a.m.
Communications School Education
Subcommittee

Continuing Legal Education
Subcommittee

Insurance and Personnel
Committee

Water Quality Clean Water
Subcommittee

10:30-11:50 a.m.
Irrigation Districts Caucus
Water Quality Committee
Water Recycling Subcommittee

2-2:15 p.m.
Exhibitors' Drawing

2:30-3:50 p.m.
Scholarship Subcommittee

4-4:45 p.m.
ACWA General Session

FRIDAY DEC 5

7-8:30 a.m.
Federal Projects Subcommittee

8-10 a.m.
ACWA Registration

CSDA NEWS

Proposition 218 Update *Reactions to the November Proposition*

On November 5, 1996, California voters will go to the polls and one of the propositions they will be asked to vote on is the "Right to Vote on Taxes" initiative. Proposition 218, sponsored by the Howard Jarvis Taxpayers Association, would add new limits on local governments' ability to impose or increase various revenues. The initiative targets three areas: taxes imposed by charter cities, benefit assessments and certain fees and charges.

At the September board meeting, CSDA's directors took an official oppose position to Proposition 218. Many special districts are passing individual resolutions in opposition to the proposition. CSDA's Legal Counsel David McMurchie has determined that it is within an independent special districts ability to pass resolutions in support or opposition of ballot measures. Any additional activities should be reviewed by your district's legal counsel to ensure that the materials are educational in nature.

The *Sacramento Bee* and other

California newspapers have issued editorials in opposition of Proposition 218. In closing, the *Sacramento Bee's* editorial states, "...the measure's great cost will come from further distortion of the government process - the shift of power to large property owners, the additional constraints on the ability of local government to respond to local needs, the legal uncertainties it brings and the additional bureaucracy and costs that those engineering studies and mail ballots impose. Proposition 218 is a cartoon of tax reform. No on 218."

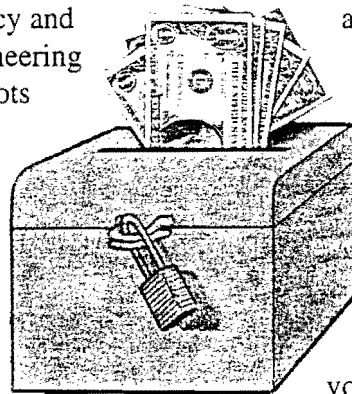
Moody's Investors Services recently released its report on Proposition 218 which stated, "A key risk of the bill is that it could open up a number of issues of California public finance law, resulting in court rulings with unanticipated conclusions and consequences." The report goes on to say, "The measure would create uncertainty for many California municipalities and outlooks ranging from short-term

uncertainty to significantly declining credit quality for some issuers."

A September Field poll shows Proposition 218 in a virtual dead heat among California's voters. There is an 11% awareness rate of Proposition 218 and its provisions. All voters surveyed were read the ballot label (this is what appears on the voting card) and the results were: 37% support; 39% oppose and 24% undecided.

Among likely voters, the results were virtually identical at: 37% support, 38% oppose, and 25% undecided. (The survey has a margin of error of plus or minus 6% among all voters surveyed.)

Opponents of Proposition 218 feel that when voters are clearly informed on the details of the measure that they will be opposed to it. Increased public information activities (letters to the editor, newsletter articles, speaking engagements, grassroots, etc.) on the measure are vital over the next few weeks.



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 6, 1996

MEMO TO THE BOARD

AGENDA ITEM #3

NEW OFFICE BUILDING BID RESULTS

The Nipomo Community Services District opened bids for their new office building at 2:00 p.m. on November 4, 1996. The following were received:

- | | | |
|----|-------------------|-----------|
| 1. | Deferville Const. | \$458,300 |
| 2. | David Scarry | \$461,000 |
| 3. | Rarig Const. | \$496,900 |
| 4. | Carroll Bldg | \$504,750 |
| 5. | J W Design | \$517,000 |
| 6. | Alan Roinestad | \$529,710 |
| 7. | Vernon Edwards | \$532,900 |

Mr. Barry Williams, the architect for the building, has reviewed the bids and confirms that Deferville Construction is the lowest responsible bidder. Mr. Williams will make a brief presentation to your Honorable Board. He feels that the bid spread is very reasonable.

The District has in its budget for this fiscal year, the amount of \$487,200.00 for this project. The following are anticipated costs of the new office building:

Building construction (bid)	\$458,300.00		
Demolition	\$ 31,160.00	(previously approved)	
Contract administration	\$ 5,800.00	"	"
Soils engineering	\$ 2,660.00	"	"
Special wiring (computer)	\$ 3,000.00		
Contingencies 5%	\$ 22,900.00		
Total	<u>\$523,820.00</u>		
Budgeted amount	\$487,200.00		
Additional funds from reserves	<u>\$ 36,620.00</u>		

After your Honorable Board has received the report from Barry Williams concerning bids received to construct the new office building, staff recommends that the Board award the construction contract to Deferville Construction Co. in the amount of \$458,300 and authorize the transfer from reserves in the amount of \$36,600 to cover the estimated costs associated with this construction project.

RESOLUTION NO. 96-BLDG

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AWARDING THE CONTRACT TO DEFERVILLE CONSTRUCTION
TO BUILD THE DISTRICT'S NEW OFFICE BUILDING**

WHEREAS, the Board of Directors of the Nipomo Community Services District ("DISTRICT") is desirous to build a new office building which would alleviate rental costs and have an investment in the community, and

WHEREAS, the DISTRICT advertised for bids to construct an office building and said bids were open on November 4, 1996 at 2:00 p.m., and

WHEREAS, seven bids were received and the lowest responsive bid was from Deferville Construction in the amount of \$458,300.00, and

WHEREAS, it is estimated that an additional \$36,600, which has not been budgeted, may be needed for contingencies and other costs.

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

- 1) The contract for building the new office building be awarded to Deferville Construction in the amount of \$458,300.00.
- 2) The amount of \$36,600 from reserves be added to the new office building budget.
- 3) The Board President is instructed to execute the contract in behalf of the District.

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

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

the foregoing resolution is hereby adopted this 6th day of November 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

WARRANTS NOVEMBER 6, 1996

HAND WRITTEN CHECKS

CHECK #	NAME	AMOUNT
17817	G. Newman	5.00
17818	Sunset Realty	18.75
17819	Mark Zachau	52.50
<u>Plans returned</u>		
17820	A J Diani Const.	50.00
17821	Sheller Const.	150.00
17822	J & P Construction	50.00
17823	Alan Roinestad	200.00
17824	Vernon Edwards	50.00
17826	Mike Garcia	50.00
<u>Regular Meeting 11/06/96</u>		
17827	Steven Small	100.00
17828	Alex Mendoza	100.00
17828	Bob Blair	100.00

VOIDS

17825
8567-8570
2064-2065

NET PAYROLL
ck# 2060-2073

\$11,875.08

COMPUTER GENERATED CHECKS

8571	10/31/96	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$712.16
8572	10/31/96	FEDERAL RESERVE BANK OF MINNAPOLIS	11.00
8573	10/31/96	DOUG JONES	\$300.00
8574	10/31/96	MINN STATE BANK	\$3,607.54
8575	11/01/96	DANA PROPERTIES	\$205.90
8576	11/01/96	...	\$1,136.00
8578	11/06/96	ADD SYSTEMS	\$203.50
8580	11/06/96
8581	11/06/96	ALLIANCE CHEMICAL CO	\$580.00
8582	11/06/96	BUSINESS EXPRESS	\$1,100.00
8583	11/06/96	BLUEPRINT EXPRESS	\$288.00
8584	11/06/96	PHONIX	...
8585	11/06/96	CALIFORNIA ELECTRIC SUPPLY	\$161.60
8586	11/06/96	...	\$450.00
8587	11/06/96	CORIAL REPROGRAPHS, INC.	\$93.00
8588	11/06/96	COPIES PLUS	\$35.00
8589	11/06/96	QUESTA EQUIPMENT	\$69.50
8590	11/06/96	EASTER RENTS	\$59.35
8591	11/06/96	FGL ENVIRONMENTAL ANALYTICAL CHEMIST	\$963.20
8592	11/06/96	KATHLEEN FAIRBANKS	\$100.00
8593	11/06/96	J FITCH COMPUTING SERVICE	\$203.00
8593	11/06/96	GTE CALIFORNIA INCORPORATED	\$26.21
8594	11/06/96	GTE MOBILNET	\$30.80
8595	11/06/96	GRONIGER & COMPANY	\$1,045.75
8596	11/06/96	LUCIA MAR UNIFIED SCHOOL DISTRICT	\$1,155.00
8597	11/06/96	MCKESSON WATER PRODUCTS	\$17.00
8598	11/06/96	MID STATE BANK-MASTERCARD	\$215.00
8599	11/06/96	NIPOMO ACE HARDWARE	\$184.52
8600	11/06/96	NIPOMO AUTO PARTS	\$10.35
8601	11/06/96	NIPOMO GARBAGE COMPANY	\$52.80
8602	11/06/96	NIPOMO REXALL DRUG	\$16.34
8603	11/06/96	P G & E	\$28,274.94
8604	11/06/96	PACIFIC BELL	\$219.20
8605	11/06/96	PEAR HEALTH BENEFIT SERVICES	\$1,000.00
8606	11/06/96	POSTMASTER	\$100.00
8607	11/06/96	...	\$150.00
8608	11/06/96	SAN LOUIS OBISPO COUNTY	\$3,407.58
8609	11/06/96	SAN LOUIS OBISPO COUNTY HEALTH DEPART	\$391.80
8610	11/06/96	SAN LOUIS OBISPO COUNTY NEWSPAPERS	\$07.40
8611	11/06/96	SANTA MARIA TIMES	\$10.00
8612	11/06/96	SHIPSEY & SEITZ, INC.	\$6,873.50
8613	11/06/96	ALBERT SIMON	\$100.00
8614	11/06/96	STATE DEPARTMENT OF HEALTH SERVICES	\$00.00
8615	11/06/96	STATEWIDE SAFETY & SIGNS, INC.	\$11.00
8616	11/06/96	SYLVESTER'S SECURITY ALARMS, INC.	\$35.00
8617	11/06/96	TAABS UTILITY BILLING SPECIALISTS, I	\$1,160.00
8618	11/06/96	T.L.C. BACKHOE SERVICES	\$39,960.00
8619	11/06/96	WILLIAMS, BARRY LORENZ ASSOCIATES	\$624.09
8620	11/06/96	WIRSIING GRAPHICS & TYPESETTING	\$226.20
8621	11/06/96	...	\$8,634.00

4. LAFCO MODIFICATION OF ANNEXATION NO. 15 (NEWDOLL/HASTINGS) (Discussion/Action)
Review LAFCO's additional area added to Annexation No. 15 for District review and approval

Mr. Jones explained the history of Mr. Newdollar's request for annexation of property near the intersection of Hazel Lane and Tefft St. Mr. Robert Newdollar asked simply that the Board pass the impending resolution. President Small asked for public comments. There were none. Upon motion of Director Simon, seconded by Director Fairbanks, the Board unanimously approved Resolution 96-600 conditionally approving the annexation. Director Blair was absent for the vote.

**RESOLUTION NO. 96-600
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
CONDITIONALLY APPROVING
THE ANNEXATION OF APPROXIMATELY 23.7 ACRES
LOCATED AT THE INTERSECTION OF HAZEL LANE
AND TEFFT STREET, NIPOMO, CALIFORNIA**

5. WATER USE - MR. FORD (Discussion/Action)
Review a request by Mr. Ford for an adjustment for high water use.
Mr. Jones explained the situation with Mr. Richard Ford's water usage and his request to that the Board consider reducing his bill. The Board decided to postpone action until more information was brought forth and findings could be made.
Mr. Gene Kaye from the audience stated that Mr. Ford should be here at the meeting.
6. BOARD OF DIRECTORS BYLAWS (Discussion/Action)
Review a policy by the Board of Directors for establishing Board officers, meeting schedule and general admission.

Mr. Jones explained that the insurance carrier for the District, SDRMA, recommends that districts adopt a resolution with a written Board Policy and Procedures (Director's By-Laws) in order that the District may receive a credit against its annual premiums. Staff feels it is prudent to earn as many points (credits) as allowable. Director Fairbanks asked if there was already a resolution in effect. Answer- Not with an actual Board policy. It was mentioned that the President is allowed to make a motion. President Small asked for public comments.

Mr. Kaye said the President made a motion at the BLAC meeting.
Upon motion of Director Mendoza and seconded by Director Simon, the Board unanimously approved Resolution 96-601.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 96-601**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ESTABLISHING BOARD BYLAWS**

7. SAFETY MEETING MINUTES (Discussion/Action)
Review and approve 10/9/96 Safety Meeting Minutes

Upon motion of Director Simon, seconded by Director Fairbanks, the Board acknowledged receipt of the Minutes of the Safety Meeting of October 9, 1996.

FINANCIAL REPORT

8. INVESTMENT POLICY - QUARTERLY REPORT

Mr. Jones explained that according to the 1996 Investment Policy for NCSD it is necessary to prepare a quarterly report that identifies the District's investments and file the report with the District's auditor. Upon motion of Director Fairbanks, seconded by Director Mendoza the Board unanimously approved the Quarterly Report as presented.