

John S.
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NIPOMO COMMUNITY SERVICES DISTRICT AGENDA

REGULAR BOARD MEETING JULY 2, 1997 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

KATHLEEN FAIRBANKS, **PRESIDENT**
ALEX MENDOZA, **VICE PRESIDENT**
AL SIMON, **DIRECTOR**
ROBERT BLAIR, **DIRECTOR**
GENE KAYE, **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 JUNE 18, 1997

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. BLACK LAKE TRACT 2264 - INTENT TO SERVE
The Black Lake Specific Plan is being revised to increase the residential lots to 57 from 13. The request for service is for 57 lots.
4. BLACK LAKE DIVISION 97-98 FY BUDGET MODIFICATION
Resolution modifying Black Lake Division sewer and capital expenditures budget.
5. SENATE BILL 712 - GOLETA SANITARY DISTRICT
Goleta Sanitary District is requesting support for SB 712- voter approval before consolidation of districts.

FINANCIAL REPORT

6. APPROVAL OF WARRANTS

OTHER BUSINESS

7. MANAGER'S REPORT
 1. Election of Special Distr. Risk Mgt. Authority Board of Directors
 2. California Water Journal articles
 3. California Special Dist. Assoc. upcoming events
8. DIRECTORS COMMENTS
9. PUBLIC COMMENTS

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

Existing litigation GC§ 54956.9

1. NCSD vs. Shell Oil, et. al. Case No. CV 077387

*GC§ refers to Government Code Sections

ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

REGULAR BOARD MEETING JUNE 18, 1997 7:00 P.M.
BOARD ROOM 261 W. DANA STREET, SUITE 100 NIPOMO, CA

BOARD MEMBERS

KATHLEEN FAIRBANKS, **PRESIDENT**
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JON SEITZ, **General Counsel**

CALL TO ORDER AND FLAG SALUTE

President Fairbanks called the June 18, 1997 Regular Meeting to order at 7:08 p.m. and led the flag salute.

ROLL CALL

At Roll Call, all Board members were present.

APPROVAL OF MINUTES

1. REGULAR MEETING OF JUNE 4, 1997
Upon motion of Director Mendoza and seconded by Director Kaye, the Board unanimously approved the Minutes of the June 4, 1997 meeting.

PUBLIC COMMENTS PERIOD

2. PUBLIC COMMENTS
Public comments on matters other than scheduled items. Presentations limited to three (3) minutes
President Fairbanks opened the meeting to Public Comments. There were none.

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

3. VON'S COMMERCIAL CENTER - Request for Service
Von's Development front Tefft St. between Mary St. & Hwy 101 is requesting water and sewer service.

Mr. Jones explained the Von's Commercial Center project and the conditions of the Intent-to-Serve letter to be required. Terry Payne, with EDA, corrected that the portion of the plans called Pad B would be a convenience store rather than a drive through restaurant. Ms. Payne answered some questions from Beverly Chapman, Jim Miller and the Board. Upon motion of Director Simon and seconded by Director Kaye, the Board unanimously approve issuing an Intent-to-Serve letter with the District's standard wording and the conditions as outlined in the Board letter.

4. PUBLIC HEARING - BLACK LAKE STREET LIGHTING
Establish a \$34.00/yr./parcel assessment to operate and maintain the street lighting at the Black Lake Golf Course Development-The proposed assessment is the same as last year.

Mr. Jones explained that the street lighting at the Black Lake Golf Course development is operated and maintained by the District. The funding for this comes from an assessment on each parcel within the Black Lake community. The assessment for the 97-98 fiscal year is the same as last year and meets the requirements of Proposition 218. President Fairbanks opened the meeting to a Public Hearing. Jack Stoddard, President of the Black Lake Management Association, asked about a deficit. Mr. Jones explained that the interest revenue more than offsets the present small deficit. Mr. Stoddard also asked if the cost would be the same in future years. Mr. Jones explained that it is unknown at this time about the future costs. Upon motion of Director Kaye and seconded by Director Blair, the Board unanimously approved Resolution 97-613.

RESOLUTION NO. 97- 613

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
PROVIDING FOR THE COLLECTION OF STREET LIGHT CHARGES ON
THE SAN LUIS OBISPO COUNTY TAX ROLLS FOR MAINTENANCE AND
OPERATION OF EXISTING PUBLIC STREET LIGHTS IN THE
BLACK LAKE DEVELOPMENT (GOLF COURSE AREA)**

5. **PUBLIC HEARING**

DISTRICT 1997-98 FISCAL YEAR BUDGET AND APPROPRIATION LIMITATION

Proposed adoption of the District's 97-98 FY Budget and Appropriation Limitation

President Fairbanks opened up the meeting to a Public Hearing.

Jack Stoddard, BL Management Assoc., has called a meeting for Friday, June 20, 1997 to discuss the portion of the budget which affects the Black Lake Division.

Beverly Chapman, Nipomo Resource Center (277 W. Tefft St. Suite F-400), outside the District resident, would like a copy of the proposed budget and the existing budget for review by other groups. Director Blair commented that he would like to see that Nipomo not become the taxing arm for the County. June 4, 1997, a Study Session was held to discuss the proposed 97-98 budget. The Public Hearing was closed.

Upon motion of Director Blair and seconded by Director Kaye, the Board unanimously adopted Resolution 97-614 adopting the budget.

**RESOLUTION 97- 614
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING THE 1997-98 FISCAL YEAR BUDGET**

Upon motion of Director Kaye and seconded by Director Mendoza, the Board unanimously approve Resolution 97-615 determining the appropriation limitation for the 1997-98 fiscal year.

**RESOLUTION NO. 97- 615
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
DETERMINING THE APPROPRIATION LIMITATION
FOR THE 1997-1998 FISCAL YEAR**

6. **PROPOSITION 218 - COMPLIANCE**

District assessment, taxes and fees are in compliance with Prop. 218

Mr. Seitz pointed out pertinent facts in Prop. 218. Jack Stoddard asked about the assessed valuation. Lee Douglas asked about assessment of other areas that do not have street lighting. Upon motion of Director Kaye and seconded by Director Blair, the Board unanimously accepted into file the memorandum concerning Proposition 218.

7. **SHORT TERM LOAN FROM TOWN DIVISION SEWER CAPACITY FUND TO DISTRICT'S PROPERTY TAX FUND**

Consideration of Resolution approving a short-term loan from the Town Division Sewer Capacity Fee Fund to the Property Tax Fund for payment of construction costs

Mr. Jones explained that the progress payments for the new office building have been made from the District Property Tax Fund. Approx. \$120,000 is needed to pay the remainder due on the building. Staff recommends that a short term loan be made from the Town Division Sewer Capacity Fund. Jim Miller asked about the cost of the building being taken from tax money. Upon motion of Director Simon and seconded by Director Blair, the Board unanimously approved Resolution 97-616, the loan as needed and to repay the Sewer Capacity Fund within twelve months at 6% interest.

**RESOLUTION NO. 97- 616
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING A SHORT-TERM LOAN FROM THE TOWN DIVISION
SEWER CAPACITY FUND TO THE DISTRICT'S PROPERTY TAX FUND**

FINANCIAL REPORT

8. **APPROVAL OF WARRANTS**

Upon motion of Director Simon, seconded by Director Mendoza, the Board unanimously approved the Warrants presented at the June 18, 1997 Regular Meeting.

OTHER BUSINESS

9. **MANAGER'S REPORT**

Mr. Jones gave a report on the following:

1. Report on SLO CSDA Board Meeting

June 17, 1997, Director Blair and Mr. Jones attended the SLO CSDA Board meeting with Northern California Power Agency making a presentation. Jack Stoddard commented about Portland.

10. **DIRECTORS COMMENTS**

Director Blair commented about the Council of Governments meeting.

Beverly Chapman explained where some of the taxes went.

Director Simon commented about the gas tax - supposed to go to road, but it went directly to the general fund. Jack Stoddard says too many regulations.

11. **PUBLIC COMMENTS**

Beverly Chapman said NAAG is now called Nipomo Community Network.

Mr. Seitz explained the need for the Board to go into Closed Session

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

Existing litigation GC§ 54956.9

1. NCSO vs. Shell Oil, et. al. Case No. CV 077387

*GC§ refers to Government Code Sections

The Board returned to open session with no reportable action taken.

ADJOURN

President Fairbanks adjourned the meeting at 9:05 p.m.

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JULY 2, 1997

AGENDA ITEM
JUL 2 1997



TRACT 2264
BLACK LAKE ESTATES II
INTENT - TO - SERVE

A request was received at the District for an Intent-to-Serve letter for Tract 2264 at the Black Lake Estates. The request was from Mr. Brad Brechwald, John Wallace & Associates, representing the Black Lake Management Assoc. This tract has 63 parcels, including 57 single family residential lots and six (6) open spaces or common area parcels. The Association is asking the County to change the residential density from 13 to 57 lots, which will take an amendment to the Black Lake Specific Plan Development. The amendment to the Specific Plan is scheduled to go to the County Planning Commission.

The Black Lake wastewater facility, associated with Tract 1912, is in the final stages of completion. It is anticipated that a new water well will be on line by June 1998, of which 200 gpm will be allocated to the Black Lake Development.

The Black Lake Advisory Committee reviewed the conditions at their meeting on Friday, June 20, 1997, and had some concerns about the District's future water supply with respect to Tract 2264 going forward.

If the Planning Commission and the Board of Supervisors approve the amendment to the Black Lake Development, it is staff's recommendation that your Honorable Board approve the attached draft Intent-to-Serve letter for Tract 2264.

Upon review of these items, your Honorable Board may approve an Intent-to-Serve with the District's conditions and standard language for Tract 2264.

C:\W:\BD\tr2264.DOC



John L. Wallace & Associates
Civil Engineering • Surveying • Planning

June 12, 1997

Doug Jones
General Manager
Nipomo Community Services District
261 West Dana Street
Nipomo, California 93444

Subject: Black Lake Tract 2264

Dear Mr. Jones:

Attached is a copy of the Vesting Tentative Map for Tract 2264 including 57 single family residential lots within the Black Lake Specific Plan. As you are aware, this is being provided for your review relative to the recently requested will-serve submitted by the Black Lake Management Association. Please call us if you have any questions or comments.

Sincerely,

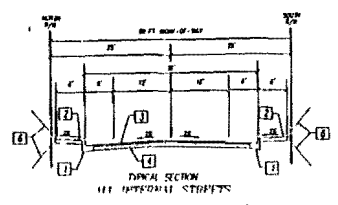
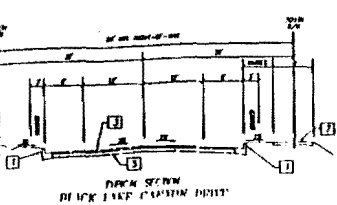
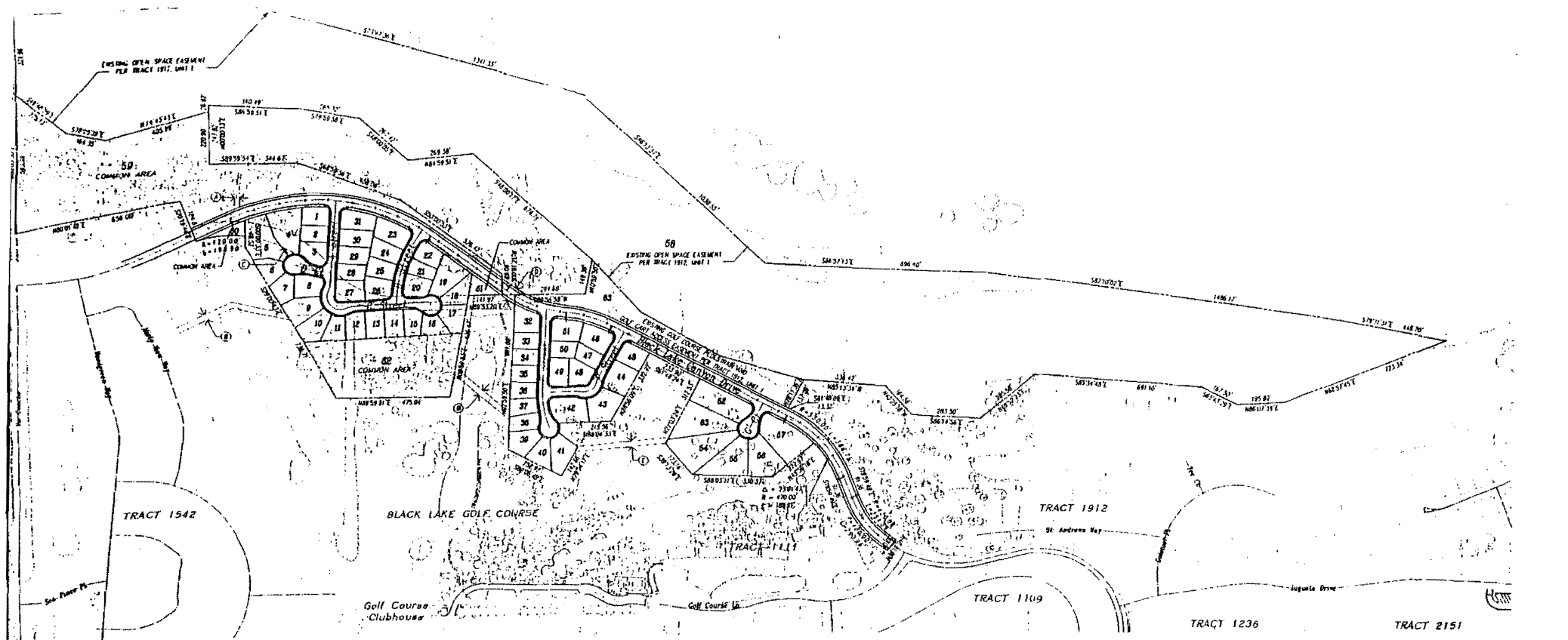
Brad Brechwald
Senior Engineer

cc: Jack Stoddard, Black Lake Management Association
Carlo Alfano, Black Lake Estates Partners
259/jones

RECEIVED

JUN 16 1997

NIPOMO COMMUNITY
SERVICES DISTRICT



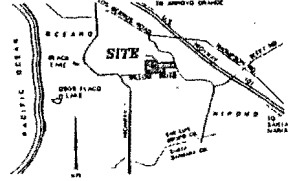
NOTES

1. THIS TENTATIVE MAP IS SUBMITTED IN CONNECTION WITH A ONE-PAGE DEVELOPMENT PLAN.
2. EXISTING TOPOGRAPHY (SHOWN ON DEVELOPMENT PLAN SHEET 22) WAS TAKEN FROM AN AERIAL PHOTOGRAPHIC MAP PROVIDED BY GOLDEN STATE AERIAL SURVEYS, INC. DATED 11/28/78 WITH AS-BUILT ALTERATIONS FROM CONSTRUCTION DURING 1985-1987. THE CONTOUR INTERVAL IS 1 FOOT.
3. THE EXISTING LAND USE DESIGNATION IS "RECREATION" FOR THE BLACK LAKE GOLF COURSE AREA AND IS COVERED BY THE BLACK LAKE SPECIFIC PLAN ADOPTED FEB. 28, 1963.
4. THERE ARE EXISTING TREES WITHIN THE DEVELOPMENT AREA. EVERY EFFORT SHALL BE MADE TO PRESERVE ALL TREES AND TREES WITH A BREAST DIAMETER OF ONE INCH OR MORE OR EQUIVALENT TO 4" STUBS BE REMOVED WITHOUT FIRST OBTAINING APPROVAL FROM THE COUNTY OF SAN LUIS OBISPO UNLESS OTHERWISE SHOWN ON THE APPROVED TENTATIVE MAP OR DEVELOPMENT PLAN FOR THE SITE. SEE DEVELOPMENT PLAN FOR ADDITIONAL NOTES ON TREE REMOVAL AND CROPPING AROUND EXISTING OAK TREES.

EASEMENT LEGEND

- ① EXISTING 20' GOLF COURSE, FEE/SERVANT AND GOLF CART ACCESS EASEMENT PER TRACT 1912, UNIT 1.
- ② PROPOSED 25' SEWER EASEMENT ACROSS EXISTING GOLF HOLE.
- ③ EXISTING 60' EASEMENT TO THE CO. OF SAN LUIS OBISPO PER TRACT 1228 TO BE ABANDONED.
- ④ EXISTING 60' OFFER OF DEDICATION PER TRACT 1912, UNIT 1.
- ⑤ EXISTING 25' SEWER EASEMENT ACROSS EXISTING GOLF HOLE PER TRACT 1912, UNIT 1.

VICINITY MAP



Being a subdivision of the Remainder Parcel of Tract 1912, Unit 1 in the County of San Luis Obispo, State of California, as recorded in Book 17 of Maps, at Page 55.
PROPERTY TOTALS 97.49 ACRES
APN 091-411-021



BLACKLAKE
 PHASES 4 AND 5
 IMPERIAL BANK
 9970 South La Granga Blvd., Suite Four Imperial, Calif. 90501
 (310) 417-5888 FAX (310) 417-3300

JWA John L. Wilkins & Associates
 Civil Engineering, Surveying, Planning
 4112 So. Beach St. San Luis Obispo, Ca. (805) 411-4051 FAX 805-411-4052

TRACT 2264
VESTING TENTATIVE MAP
BLACKLAKE ESTATES II

JUN 18 1997
 SHEET 1 OF 2

NIPOMO COMMUNITY SERVICES DISTRICT

P O BOX 326 NIPOMO, CA 93444
(805) 929-1133 FAX (805) 929-1932

July 3, 1997

Brad Brechwald
John Wallace & Associates
4115 Broad St., Suite B-5
San Luis Obispo, CA 93401

DRAFT

SUBJECT: TRACT 2264
INTENT TO SERVE
57 LOTS

At their Regular Meeting on July 2, 1997, the Board of Directors of the Nipomo Community Services District considered your request for water, sewer and streetlighting service for Tract 2264. The Intent-to-Serve for 57 residential lots was granted subject to the following conditions:

1. SLO County must approve an amendment to the Black Lake Specific Plan (63 Parcels).
2. Submit improvement plans to the District for review and approval prior to commencing construction.
3. Enter into a Plan Check & Inspection Agreement.
4. Pay all appropriate District fees, including capacity fees for water and sewer.
5. Pay reimbursement fees, if any.
6. Submit an Offer of Dedication, Engineer's Certification, and As-Builts for all the off-site water and sewer improvements.
7. Design the common areas and other landscaped areas for minimal water use.
8. The expansion of the Black Lake Wastewater Facility (associated with Tract 1912) shall be completed before a final Will-Serve is approved.
9. Provide District with a ballot signed by all landowners agreeing to join Black Lake Streetlighting Assessment District at current charges, pursuant to Proposition 218.
10. Street lighting poles and heads shall be maintained by the utility company, P.G. & E., under their Rate Code LS1D.

Brad Brechwald
John Wallace & Associates
Tract 2264
July 3, 1997
Page Two

DRAFT

The District is presently proceeding to increase its water production capacity and may not issue a final Will-Serve until such capacity is realized.

The County Planning & Building Department is directed to withhold the building permit until the District's fees have been paid.

This "Intent-to-Serve" letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the Nipomo Community Services District. This "Intent-to-Serve" letter may be revoked as a result of conditions imposed upon the District by a Court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors for the protection of the health, safety, and welfare of the District. The District reserves the right to revoke this "Intent-to-Serve" letter at any time.

A ONE YEAR EXPIRATION DATE IS IN EFFECT.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Doug Jones
General Manager

DRAFT

cc: Black Lake Management Association

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M E M O

TO: Doug Jones, District Manager

DATE: June 25, 1997

FROM: Jim Garing, District Engineer *Jim*

SUBJECT: Will Serve Letters for New Development in Black Lake and Town Divisions

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During discussions regarding drilling the third well or constructing an inter-tie between the Black Lake Division and the Town Division, it became clear that both the Black Lake Division and the Town Division are deficient in well pumping capacity. During these discussions, it was decided that the best solution to the problem would be for the Town Division and the Black Lake Division to partner a project which would involve constructing a well capable of 700 (+/-) gallons per minute, of which 200 gallons per minute would be dedicated to the Black Lake Division and 500 gallons per minute would be dedicated to the Town Division.

During recent discussions at two Board Hearings regarding water capacity fees, the Board was reminded that the Town Division is deficient in well pumping capacity as described in the Boyle Report and also by virtue of recent experience during summer, high demand periods. We have experienced periods when every well in the Town Division was operating, yet water level in all storage tanks was declining.

Title 22 of the California Health and Safety Code states in part that, under basic design of water distribution systems, distribution systems shall be designed to minimize the effects of events such as power supply, equipment, and structural failures, earthquakes, fires, floods and sabotage that are reasonably foreseeable. In addition, Title 22 states that sufficient water shall be available from the water sources and distribution reservoirs to supply adequately, dependably and safely the total requirements of all users under maximum demand conditions before agreement is made to permit additional service connections to a system.

Although the District is currently budgeting for facilities to satisfy the deficiencies described above, it is possible that new development could be connected prior to actual availability of these facilities. Since that is the case, it would be wise to condition will serve letters being provided to new development with a condition that actual service will not be provided until such time as these new well pumping facilities are available and operational.

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JUL 2 1997

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JULY 2, 1997

BLACK LAKE BUDGET MODIFICATIONS

On Friday, June 20, the Black Lake Advisory Committee met with staff and reviewed the 1997-98 Budgets for Black Lake Water, Sewer, Streetlighting and Capital Financing. The Black Lake Advisory Committee has recommended the following modifications to the budget (attached are the applicable pages from the budget):

1. BLACK LAKE SEWER (FUND #150)-Repairs and Maintenance (Page 28)

As adopted 6/18/97	\$32,500
Adjustment	(8,000)
Proposed Modification	<u>\$24,500</u>

\$30,000 of the \$32,500 was budgeted to repair the flat sewer line which included the previously expended legal and engineering of \$8,000. Therefore, it is proposed that this budget item be reduced by \$8,000.

2. BLACK LAKE CAPITAL FINANCING PLAN (Page 48)

The adopted budget was completed prior to the filing of the Judgment on Stipulation. Upon reviewing the Judgment on Stipulation dated May 28, 1997, Tract 1912 will contribute \$128,500 and Tract 2151 will contribute \$29,500 towards the construction of a new well and emergency inter-tie (\$158,000 in total).

3. BLACK LAKE CAPITAL FINANCING PLAN (Page 49)

The adopted budget did not include the receipt of revenues of \$29,500 from Tract 2151. It is anticipated that Tract 2151 will pay these funds in the 97-98 fiscal year. The capital expenditures have also been modified to include the \$158,000 for the new well and inter-tie,

Staff has reviewed the proposed modifications and recommends they be approved.

AS ADOPTED JUNE 18, 1997

	1995-96 ACTUAL	1996-97 BUDGET	1996-97 EST ACTUAL	1997-98 PROPOSED
BLACK LAKE SEWER (FUND #150)				
POSTAGE	623	800	500	700
PRINTING	101	100	130	200
PUBLIC & LEGAL NOTICES	72	400	200	160
RENT	1,846	1,920	1,900	160
REPAIRS & MAINTENANCE (Sewer Line)	441	6,000	10,000	32,500
RETIREMENT BENEFITS	899	1,850	0	1,840
TAXES-PAYROLL	1,131	1,180	880	1,040
TAXES-PROPERTY	0	0	0	0
TELEPHONE	597	450	300	345
TRAVEL & MILEAGE	460	650	400	480
UNDERGROUND NOTIFICATION	65	100	55	70
UNIFORMS	188	180	170	270
UTILITIES-ELECTRICITY	7,619	10,000	8,000	10,000
UTILITIES-ELEC (STREET LIGHT)	0	0	0	0
UTILITIES-GAS/TRASH	50	120	50	60
WAGES-OFFICE/MGMT	6,239	6,450	6,760	6,920
WAGES-O.T.-OFFICE/MGMT	50	75	45	75
WAGE-MAINTENANCE	25,218	24,200	23,760	26,300
WAGES-O.T.-MAINTENANCE	4,618	4,000	5,900	7,095
INTEREST EXPENSE	0	0	0	0
CONTINGENCY	0	500	0	500
DEBT SERVICE	0	0	0	0
METER INSTALLATIONS	0	0	0	0
FUNDED REPLACEMENT	6,200	6,510	6,510	6,510
FIXED ASSETS	4,942	2,650	450	3,880
METER REPLACEMENT PROGRAM	0	0	0	0
ADMINISTRATION-ALLOCATED	10,656	8,794	7,252	9,100
TOTAL OPERATING EXPENSES	108,980	108,902	104,361	141,076
GAIN OR (LOSS) FROM OPERATIONS	(39,764)	(37,902)	(31,361)	(33,999)
INTEREST EARNINGS	2,645	2,000	800	300
FUNDED REPLACEMENT	0	0	0	0
NET SOURCES OR (USES) FROM OPERATING ACTIVITIES	<u>(37,119)</u>	<u>(35,902)</u>	<u>(30,561)</u>	<u>(33,699)</u>

ESTIMATED CASH BALANCE 7/1/97	6,000
GAIN OR (LOSS) AND INTEREST INCOME	(33,699)
ESTIMATED CASH BALANCE 6/30/98	<u>(27,699)</u>

05/27/97

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NIPOMO COMMUNITY SERVICES DISTRICT

CAPITAL FINANCING PLAN

WATER - BLACKLAKE DIVISION

FUND #240

FISCAL YEAR ENDING JUNE 30,	BUDGET	PLANNING	TOTAL
	1 1998	2 1999	
Well capacity-drill, equip & tie-in new well & tie-in (2/7 of cost)	116,000	0	116,000
TOTAL-UNADJUSTED COST	116,000	0	116,000
INFLATION FACTOR @ 5%	5,800	0	5,800
INFLATED TOTAL	121,800	0	121,800

BUDGET97/WCFPBL1

AS ADOPTED JUNE 18, 1997

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FINANCING PLAN
 WATER - BLACKLAKE DIVISION
 FUND #240

FISCAL YEAR ENDING JUNE 30,	1	2	3	4	5	TOTALS
	1998	1999	2000	2001	2002	
OPENING BALANCE	132,000	18,120	19,207	20,360	21,581	132,000
SOURCES						
NEW MONEY	0	0	0	0	0	0
INVESTMENT INCOME (1)	7,920	1,087	1,152	1,222	1,295	12,676
CAPACITY CHARGES (2)	0	0	0	0	0	0
TOTAL SOURCES	7,920	1,087	1,152	1,222	1,295	12,676
USES						
CAPITAL EXPENDITURES (3)	121,800	0	0	0	0	121,800
NEW DEBT SERVICE	0	0	0	0	0	0
TOTAL USES	121,800	0	0	0	0	121,800
NET SOURCES AND USES	(113,880)	1,087	1,152	1,222	1,295	(109,124)
ENDING BALANCE IN RESERVE	18,120	19,207	20,360	21,581	22,876	22,876

AS ADOPTED JUNE 18, 1997

- (1) Interest Income projected at 6% annually
- (2) No additional capacity charges imposed
- (3) Cost of construction

BUDGET97/WCFP

05/21/97

AS MODIFIED JULY 2, 1997

	1995-96 ACTUAL	1996-97 BUDGET	1996-97 EST ACTUAL	1997-98 PROPOSED
BLACK LAKE SEWER (FUND #150)				
POSTAGE	623	800	500	700
PRINTING	101	100	130	200
PUBLIC & LEGAL NOTICES	72	400	200	160
RENT	1,846	1,920	1,900	160
REPAIRS & MAINTENANCE (Sewer Line)	441	6,000	10,000	24,500
RETIREMENT BENEFITS	899	1,850	0	1,840
TAXES-PAYROLL	1,131	1,180	880	1,040
TAXES-PROPERTY	0	0	0	0
TELEPHONE	597	450	300	345
TRAVEL & MILEAGE	460	650	400	480
UNDERGROUND NOTIFICATION	65	100	55	70
UNIFORMS	188	180	170	270
UTILITIES-ELECTRICITY	7,619	10,000	8,000	10,000
UTILITIES-ELEC (STREET LIGHT)	0	0	0	0
UTILITIES-GAS/TRASH	50	120	50	60
WAGES-OFFICE/MGMT	6,239	6,450	6,760	6,920
WAGES-O.T.-OFFICE/MGMT	50	75	45	75
WAGE-MAINTENANCE	25,218	24,200	23,760	26,300
WAGES-O.T.-MAINTENANCE	4,618	4,000	5,900	7,095
INTEREST EXPENSE	0	0	0	0
CONTINGENCY	0	500	0	500
DEBT SERVICE	0	0	0	0
METER INSTALLATIONS	0	0	0	0
UNDEDED REPLACEMENT	6,200	6,510	6,510	6,510
FIXED ASSETS	4,942	2,650	450	3,880
METER REPLACEMENT PROGRAM	0	0	0	0
ADMINISTRATION-ALLOCATED	10,656	8,794	7,252	9,100
TOTAL OPERATING EXPENSES	108,980	108,902	104,361	133,076
GAIN OR (LOSS) FROM OPERATIONS	(39,764)	(37,902)	(31,361)	(25,999)
INTEREST EARNINGS	2,645	2,000	800	300
FUNDED REPLACEMENT	0	0	0	0
NET SOURCES OR (USES) FROM OPERATING ACTIVITIES	(37,119)	(35,902)	(30,561)	(25,699)

ESTIMATED CASH BALANCE 7/1/97	6,000
GAIN OR (LOSS) AND INTEREST INCOME	(25,699)

ESTIMATED CASH BALANCE 6/30/98	<u>(19,699)</u>
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06/27/97

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FINANCING PLAN
 WATER - BLACKLAKE DIVISION
 FUND #240

FISCAL YEAR ENDING JUNE 30,	BUDGET	PLANNING	TOTAL
	1 1998	2 1999	
Pursuant to Judgment on Stipulation dated May 28, 1997, Tract 1912 will contribute \$128,500 and Tract 2151 will contribute \$29,500 toward the construction of a new well and emergency inter-tie (1)	158,000	0	158,000
TOTAL	158,000	0	158,000

As approved by NCSD Board and Black Lake Advisory Committee:

A. In the event that the \$158,000 exceeds the cost of the inter-tie and the Black Lake Division's pro rata share of the cost to develop the well (the partnership well) the balance will be deposited in the Black Lake Division's reserve account; and

B. In the event the costs exceed \$158,000, the Black Lake Reserve Account will be debited, on a pro rata basis, with the difference

BUDGET97/WCFPBL1

AS MODIFIED JULY 2, 1997

06/27/97

NIPOMO COMMUNITY SERVICES DISTRICT
 CAPITAL FINANCING PLAN
 WATER - BLACKLAKE DIVISION
 FUND #240

FISCAL YEAR ENDING JUNE 30,	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003
OPENING BALANCE	132,000	11,420	12,105	12,832	13,601	14,417
SOURCES						
NEW MONEY (4)	29,500	0	0	0	0	0
INVESTMENT INCOME (1)	7,920	685	726	770	816	865
CAPACITY CHARGES (2)	0	0	0	0	0	0
TOTAL SOURCES	37,420	685	726	770	816	865
USES						
CAPITAL EXPENDITURES (3)	158,000	0	0	0	0	0
NEW DEBT SERVICE	0	0	0	0	0	0
TOTAL USES	158,000	0	0	0	0	0
NET SOURCES AND USES	(120,580)	685	726	770	816	865
ENDING BALANCE & REPLACEMENT RESERVE	11,420	12,105	12,832	13,601	14,417	15,283

- (1) Interest Income projected at 6% annually
- (2) No additional capacity charges imposed
- (3) Cost of construction
- (4) Tract 2151, pursuant to Judgment on Stipulation

BUDGET97/WCFP

AS MODIFIED JULY 2, 1997

06/27/97

RESOLUTION 97- MODIFY

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
MODIFYING THE ADOPTED 1997-98 FISCAL YEAR BUDGET**

WHEREAS, the 1997-98 Fiscal Year Budget was adopted on June 18, 1997, by Resolution 97-614, and

WHEREAS, the Black Lake Advisory Committee reviewed the Budgets for Black Lake Water, Sewer, Streetlighting and Capital Financing on June 20, 1997, and

WHEREAS, the Black Lake Advisory Committee has recommended modifications to the Black Lake Sewer and Capital Financing Budgets.

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

1. The 1997-98 Budget of Nipomo Community Services District be modified as stated in the July 2, 1997 Staff Report and the Staff Report be attached to this Resolution as Exhibit "A".
2. This Resolution and Exhibit "A" shall be attached to Resolution 97-614 and the adopted 1997-98 Fiscal Year Budget.

Upon 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 2nd day of July 1997.

Kathleen Fairbanks, Vice President
Nipomo Community Services District

ATTEST:

APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

AGENDA ITEM

JUL 2 1997

5

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JULY 2, 1997

SENATE BILL 712

The District received a letter from Mr. George Emerson, President of Goleta Sanitary district, requesting the District's support of Senate Bill 712 (Haynes). SB 712, sponsored by the Goleta Sanitary District, would require voter approval of consolidation of one or more districts. The present law requires voter approval if 25% or more of the district being consolidated protests. If there is less than 25%, there is no voter approval required in the present law.

Attached is information on the proposed legislation.

C:\W:\BD\s1712.DOC

GOVERNING BOARD

JORGE W. EMERSON, PRESIDENT
ELBERT W. TRANTOW
JOHN R. FOX
JOHN S. CARTER
STEVEN T. MAJOEWSKY



A PUBLIC AGENCY

**GENERAL MANAGER/
DISTRICT ENGINEER**

KAMIL S. AZOURY, P.E.

June 10, 1997

President, Board of Directors
Nipomo CSD
P. O. Box 326
Nipomo, CA 93444

RECEIVED
JUN 12 1997
GOLETA SANITARY DISTRICT

SUBJECT: Senate Bill 712 (Haynes)

Dear President and Members of the Board:

As Mike Gotch indicated at the recent CSDA Governmental Affairs Day in Sacramento, the Goleta Sanitary District is sponsoring Senate Bill 712 to correct inconsistencies in the procedures utilized by the Local Agency Formation Commissions (LAFCOs) to reorganize special districts. The bill is currently being supported by CASA, CSDA and a number of special districts throughout the state. The only opposition to the bill is from CALAFCO.

We are writing to ask for your support in the passage of SB 712. Enclosed is a sample letter which can be used by your agency as a model in preparing a letter to your local Assembly Members. Please make any revisions which you deem appropriate and send the letter to your Assembly Members on your District's stationery.

Our District's interest in this issue arises from a situation we recently faced in Santa Barbara County where a neighboring district sought to dissolve and simultaneously annex its territory to our District. We were surprised to learn that existing law allows this type of reorganization to occur without any opportunity for our Board or the voters of our District to approve or disapprove the proposal. We were also surprised to learn that, because of a recently enacted provision of law under the Gotch Bill (Government Code Section 56839.1), even if the proposal had been structured as a "consolidation" rather than as a dissolution and annexation, our voters could still be denied the right to vote on the issue.

What we have learned is that existing law contains certain "loopholes" which enable LAFCOs to combine two districts into a single agency without involving the voter approval procedures which would normally apply. The availability of these procedures means that all districts are at risk of being reorganized without the opportunity for voter confirmation or approval by their governing boards.

June 10, 1997
Page Two

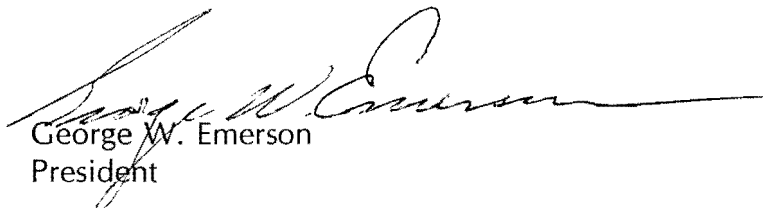
The goal of SB 712 is to close these loopholes and to require that all reorganization proposals which combine two districts are subject to voter approval within each affected district. We believe that the existing inconsistencies in the law actually discourage districts from exploring voluntary consolidations on a proactive basis. This is true because districts will be less likely to enter into discussions with neighboring districts to explore consolidation possibilities if there is a risk that one of the districts could, at any point, initiate an adversarial proposal and force a reorganization of the districts. Fundamentally, we believe that the residents who initially vote to establish a district to provide public services should not be deprived of the opportunity to approve or disapprove a reorganization proposal affecting their district.

SB 712, a copy of which is enclosed for your reference, was recently approved by the Senate and will be submitted to an Assembly committee for consideration in the next week or two. We, therefore, ask that you send your letter of support before June 25, 1997. We sincerely appreciate your assistance on this important matter.

If you have any questions, or need any additional information, please do not hesitate to contact us.

Very truly yours,

GOLETA SANITARY DISTRICT



George W. Emerson
President

GWE:nm

Enclosures

SENATE RULES COMMITTEE
Office of Senate Floor Analyses
1020 N Street, Suite 524
(916) 445-6614 Fax: (916) 327-4478

SB 712

SENATE FLOOR VOTE
5-15-97 VOTE
A: 23
N: 3
Ab: 14

THIRD READING

Bill No: SB 712
Author: Haynes (R) & Rainey (R)
Amended: 5/13/97
Vote: 21

SENATE LOCAL GOVERNMENT COMMITTEE: 4-1, 5/7/97
AYES: Ayala, Calderon, Kopp, Rainey
NOES: Johnston
NOT VOTING: Watson, Craven

SUBJECT: District boundary change elections
SOURCE: Goleta Sanitary District

DIGEST: This bill requires voter confirmation in each affected district for any proposal for dissolution or annexation of all or substantially all of their territory to another district under specified conditions (see Analysis for specifics).

ANALYSIS: The Legislature created local agency formation commissions (LAFCO's) in each county to oversee city and special district boundary changes. The LAFCO acts on various special district proposals, including annexations (adding territory to a district's boundaries), consolidations (combining two districts of the same type), dissolutions (eliminating districts), and reorganizations (a proposal involving multiple boundary changes). State statutes dictate the protest hearings and elections, if any, required for each kind of boundary change.

In Santa Barbara County, the Goleta Sanitary District (GSD)

and the Goleta West Sanitary District (Goleta West) provide wastewater services in adjacent areas. GSD collects, treats, and reclaims wastewater for 22,000 voters over 11,000 acres. Goleta West collects wastewater and sweeps

streets for 19,000 voters over 4,500 acres. Each district is governed by an elected five-member board. The districts use the same treatment plant: GSD owns it but provides 48% of its capacity to Goleta West through a contract.

In the late 1980s, Goleta West proposed a "consolidation" with GSD in order to gain more control over wastewater treatment decisions. The LAFCO approved the proposal and placed it before the voters, who defeated it in November 1989.

Until 1993, proposals to consolidate, dissolve, or merge districts, or create a subsidiary district, required voter approval. Contested district consolidations were automatically subject to voter approval in both districts.

In 1993, the Legislature encouraged LAFCO's to reduce the number of special districts by allowing them to initiate district boundary changes. If a LAFCO initiates the proposal, a 10% protest in any affected district triggers an election in all affected districts. The 1993 law also made it easier to change district boundaries by requiring proposals (including consolidations) initiated by landowners, voters, and other local agencies to take effect without an election, unless 25% of the voters or landowners in the area subject to the boundary change protest.

In 1995, Goleta West proposed to dissolve its agency and annex the territory to GSD. LAFCO staff reported that the proposal "presents opportunities for economies and efficiencies... reduced political fragmentation and greater democratic accountability" [Executive Officer's Report, 6/1/95]. The LAFCO also hired an outside consultant to study the "reorganization," and each district hired its own consultant and provided legal counsel at a total cost of nearly \$700,000. Goleta West's consultant thought the reorganization was a good idea, GSD's consultant said that the reorganization would have a detrimental effect, particularly on rate structures, and the LAFCO's consultant determined that the proposals would result in some cost savings.

Days before the LAFCO's hearing on the proposal, Goleta West withdrew its application because it could not identify substantial cost-savings. No similar proposal is currently

pending. If the LAFCO had approved the proposal, the county board of supervisors would have held a protest hearing. If 25% or more of the annexing area's voters or landowners protested, state law would have required an election in the territory specified by the LAFCO: either within the annexing territory only, or within the annexing area and the existing district.

GSD is concerned that it will face a similar boundary change proposal involving Goleta West in the future. To ensure that its voters can express their views through protest hearings and elections, if any, the district is

sponsoring this bill.

Current law requires a LAFCO to authorize the county board of supervisors to order a district consolidation, dissolution, merger, creation of a subsidiary district, or a reorganization which includes these changes without voter approval, unless 25% of the voters or landowners within the territory subject to the consolidation or reorganization protest.

This bill repeals this provision of law.

Current law requires district dissolution proposals to occur without an election if the district's board of directors has unanimously adopted a resolution to dissolve the district. Current law requires district annexation proposals to occur without an election if fewer than 25% of the voters or 25% of the landowners owning 25% of the land value in the territory subject to the boundary change protest.

This bill requires an election in each affected district to dissolve a district and to annex all or substantially all of their territory to another district, if a protest petition is submitted within 30 days of the protest hearing, and is signed by 25% of the registered voters in any affected district or 25% of the landowners in any affected district owning 25% of the land value in the individual district's territory.

This bill requires elections to occur separately within the territory of each affected district.

This bill does not require voter confirmation of any proposal where each affected district has consented to the proposal by a resolution adopted by a majority vote of its board of directors.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No
Local: No

SUPPORT: (Verified 5/13/97)

Goleta Sanitary District (source)
Association of California Water Agencies
California Association of Sanitation Agencies
Valley Center Municipal Water District

OPPOSITION: (Verified 5/13/97)

California Association of Local Agency Formation
Commissions

ARGUMENTS IN SUPPORT: According to the Senate Local Government Committee analysis, the Goleta West Sanitary District (Goleta West) has twice attempted to place its territory within the boundaries of the Goleta Sanitary District (GSD). The first attempt, a "consolidation," was

rejected by the voters. For its second attempt, Goleta West initiated a "reorganization" (a dissolution and annexation). If the district had not withdrawn its application, the proposal would not have required voter approval unless 25% of Goleta West's voters protested the annexation. If triggered, the LAFCO could require the election to occur either within the annexing area only or within both the annexing area and the GSD. Because any plan to place Goleta West's territory wholly within GSD's boundaries and control would double the size and voters in their district, GSD thinks that their voters should have the power to deny the plan. This bill requires the voters to approve contested district consolidations. The bill also requires dissolution/annexation proposals to get voter approval in both districts if 25% of the voters or landowners in either district protest. Because GSD's constituents could be affected by the addition of new territory and new responsibilities, they feel they should get the opportunity to protest and vote.

ARGUMENTS IN OPPOSITION: The California Association of Local Agency Formation Commissions (CALAFCO) states that current law specifies an extensive process by which proposed reorganizations are reviewed, and that the local decision-making process has many checks and balances by which various interests are considered. They state that this bill would make it harder to reorganize local governments to provide public services more efficiently.

LB:ctl 5/14/97 Senate Floor Analyses

SUPPORT/OPPOSITION: SEE ABOVE
***** END *****

BILL NUMBER: SB 712 AMENDED
BILL TEXT

AMENDED IN SENATE MAY 13, 1997
AMENDED IN SENATE APRIL 21, 1997

INTRODUCED BY ~~Senator Haynes~~ Senators Haynes
and Rainey

FEBRUARY 25, 1997

An act to amend Section 57103 of, to add Section 57093 to,
and to repeal Section 56839.1 of, ~~and to add Section~~
~~57093 to,~~ the Government Code, relating to local government
organization.

LEGISLATIVE COUNSEL'S DIGEST

SB 712, as amended, Haynes. Local government reorganization.

Existing law, the Cortese-Knox Local Government Reorganization Act
of 1985, requires the local agency formation commission of a county
to authorize the conducting authority to order the consolidation of
districts, dissolution, merger or establishment of a subsidiary
district, or reorganization including any of these changes of
organization without an election, except as otherwise specified.

This bill would repeal that provision.

The act also provides that in any reorganization where the
component changes of organization would not individually require a
confirmation election, no confirmation election shall be required to
approve the reorganization.

This bill would require the conducting authority to order a change
of organization or reorganization subject to voter confirmation by
the voters in each affected district for any proposal for the
dissolution of one or more districts and the annexation of all or
substantially all of their territory to another district when the
conducting authority finds that petitions meeting certain
requirements request submission of the proposal to voter
confirmation. The bill would also make a conforming change.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 56839.1 of the Government Code is repealed.

SEC. 2. Section 57093 is added to the Government Code, to read:

57093. (a) Notwithstanding Section 57089, for any proposal for
the dissolution of one or more districts and the annexation of all or
substantially all of their territory to another district, the
conducting authority shall order the change of organization or
reorganization subject to confirmation by the voters in each affected
district if the conducting authority finds either of the following:

(1) In the case of inhabited territory, that a petition requesting
that the proposal be submitted to confirmation by the voters has
been signed by either of the following:

(A) At least 25 percent of the number of landowners within any
affected district within the affected territory who own at least 25
percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any affected district within the affected territory.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 25 percent of the number of landowners within any affected district within the affected territory, owning at least 25 percent of the assessed value of land within the territory *of that district*

(b) The petition shall be filed with the conducting authority within 30 days after the public hearing required pursuant to this chapter has been held. If a petition has been filed, the conducting authority shall approve the proposal subject to confirmation by the voters.

(c) The voter confirmation requirements set forth in subdivision (a) shall not apply to any proposal initiated by the commission under Section 56375 or where ~~all affected districts have~~ *each affected district has* consented to the proposal by a resolution adopted by a majority ~~of their respective boards~~ *vote of its board* of directors.

SEC. 3. Section 57103 of the Government Code is amended to read:

57103. In any resolution ordering a change of organization or reorganization subject to the confirmation of the voters, the conducting authority shall call an election:

(a) Within the territory of each city or district ordered to be incorporated, formed, disincorporated, dissolved or consolidated.

(b) Within the entire territory of each district ordered to be merged with or established as a subsidiary district of a city, or both within the district and within the entire territory of the city outside the boundaries of the district.

(c) If the clerk certifies a petition pursuant to Section 57087.5 or 57087.7, within the territory of the district ordered to be merged with or established as a subsidiary district of a city.

(d) Within the territory ordered to be annexed or detached.

(e) If ordered by the commission pursuant to Section 56849 or 56850, both within the territory ordered to be annexed or detached and within all or the part of the city or district which is outside of the territory.

(f) If the election is required by Section 57093, *separately* within the territory of each affected district.



JUL 2 1997

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: JULY 2, 1997

MANAGER'S REPORT

1. ELECTION OF SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS

The District acquires its insurance through SDRMA. Correspondence was received from SDRMA about electing two seats to the Board of Directors of the Authority. If your Honorable Board wishes to participate in the election, a proxy voting authority and resolutions will be prepared for the Board's approval. If the District does not wish to participate, this item may be tabled.

2. CALIFORNIA WATER JOURNAL ARTICLES

- a) An article on how Kern County's water banking has been beneficial to that area.
- b) An article on the State Water Project and possible shortages.
- c) Potpourri Where does our water come?-Snowballs from outer Space

3. CALIFORNIA SPECIAL DIST. ASSOC. UPCOMING EVENTS

- a) Prop 218 Workshop
- b) Annual Conference



SDRMA

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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

Board of Directors

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

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

(Secretary)
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Trinity County WD #1
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Hayfork, CA 96041
(916) 628-5512

Joseph C. Martin
Lodi/Los Alamitos
Area Sewer District
3092 Inverness Drive
Los Alamitos, CA 90702
(562) 596-6064

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

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

Dewey L. Ausmus
North County CD
2640 Glenridge Road
Escondido, CA 92027
(760) 745-1781

Executive Director/
Risk Manager
James W. Towns, ARM

May 30, 1997

The Annual Meeting of the Special District Risk Management Authority will be held on Thursday, September 25, 1997 at the Sheraton Hotel, in Anaheim. The scheduled time is 8:30 a.m. to 9:30 a.m. The meeting will be held in conjunction with the CSDA Annual Conference. One of the primary purposes of this meeting is the election of SDRMA's Board of Directors.

At this meeting, there will be an **Election for two (2)** seats on the Board. SDRMA has a seven member Board of Directors. Five (5) directors are elected at large by SDRMA member districts/agencies. Two (2) Directors are appointed by CSDA (from members on their Board of Directors). The director terms are four (4) years.

Enclosed is information about the nomination and election process.

If you have any questions, please call Jim Towns, Executive Director/Risk Manager at the phone numbers listed below.

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

Kern County's Growing Water Banks

Kern's water bank projects reduce drought threat and aid flood control.

When the next drought comes, Kern County will be ready. Credit this to Kern County Water Agency, Berrenda Mesa Water District, the City of Bakersfield and a host of local water districts that have been busy expanding and recharging a cluster of water banks at the Kern River fan west of Bakersfield.

A key to the program is KCWA's new Pioneer Project which allows participating water agencies to trade water from different sources without having to go to the expense of moving it.

In a normal year, KCWA distributes 1.1 million acre-feet of water from the State Water Project, primarily to local farms. In 1991, at the height of the 1987-92 drought, the SWP did not deliver contractor's water allocations, forcing much of the west side to go fallow and many farmers out of business. Westside farm acreage has just now rebounded to pre-drought numbers.

Before the last drought, KCWA had about 100,000 acre-feet of water stored underground — roughly about a year's supply for the greater Bakersfield area. In the wet years since then, 836,000 acre-feet of water have been stored in four adjoining water banking projects — enough to keep farmers and local communities supplied for years.

Berrenda Mesa has 240 acres set aside for banking, the city has 2,800 acres, and under the Monterey Agreement, the Department of Water Resources gave control of the 20,000-acre Kern Water Bank to local water districts in exchange for a portion of their annual SWP water allocation.

And now KCWA's 2,253-acre Pioneer Project is coming on line, linking the city's bank with the Kern Water Bank. The district bought the land from Castle & Cooke for \$10.8 million in 1992.

"This is the last big piece of property to add. This project (Pioneer Project) coordinates all of these projects," said Jerry Bucher, KCWA water resources manager.

However, there could be more. KCWA is negotiating with Bolthouse

Farms to gain access to the carrot company's adjacent 720 acres. If an agreement is reached, Bolthouse would be allowed to grow carrots on unused portions of the 2,253-acre Pioneer Project and the water agency would bank water on the Bolthouse farmland.

Kern River Fan Element

Engineers at KCWA explain that the Kern River Fan Element, a vast open area southwest of Bakersfield, is unique in the state because it's the meeting place of three major water sources: the Kern River, the federal Friant-Kern Canal and the State Water Project.

It's also one of California's most unique geological areas — an ideal site for water banking. The Kern River alluvial fan is sandy to a depth of 700 to 900 feet making it extremely conducive to holding water. Water percolates into the sand at the rate of a half a foot an acre day, filling the large air space between grains of sand. Below the sand a layer of bedrock holds the water in the basin. KCWA budgets for about a 10 percent loss of water in the banks — 4 percent due to migration and 6 percent in evaporation.

The district is signing contracts with 10 member agencies participating in the Pioneer Project. Once all of the local arrangements are made, KCWA will finalize its water bank with the state.

Back to Nature

According to KCWA, the water banks are a step back in history that has returned the Kern River flood plain back to its natural function. Only now more managed.

Water dikes have been built creating a series of natural-looking ponds and canals that help nature recharge the underground basins more efficiently.

Hérons and egrets, red-tailed hawks, red-winged blackbirds and other wild-life flock to the area to take advantage of the expanding wetlands.

But nature has made it a mixed year for water banking. Although December and January were the wettest months on record, February, March and April were

the driest on record in the Kern River watershed. But there's still plenty of water in the ponds.

The January Floods

The banks benefited from the January floods while at the same time helped reduce flooding in the area.

Hit hard by the January floods, water basins in the southern San Joaquin Valley would have fared much worse had it not been for the ability to divert flood water to other areas, including the Kern Water Bank.

Floodwaters from the Tule, Kaweah and Kings rivers that were headed for the Tulare Lake Basin were diverted down the Friant-Kern canal to the Kern River and then into the California Aqueduct for Southern California. Significant amounts also went to Friant irrigators and groundwater recharge in the Kern Water Bank. A free recharge for the aquifer. During the floods, 370,000 acre-feet of water still wound up in the Tulare Lake bed, but another 90,000 acre-feet was pumped into the Friant-Kern canal.

All the water banking from a wet 1995 and 1996 has lifted the water table beneath the fan from 200 feet below the ground at the end of 1994, to just 70 feet below. Underground, the water bank resembles a hill. Below the Kern River channel the water level is just 30 feet below the surface and tails off from there.

From 1993 to 1997 the banks have stored the following amounts of water:

- Berrenda Mesa - 51,000 af.
- City of Bakersfield - 166,000 af.
- Pioneer Project - 169,000 af.
- Kern Water Bank - 477,000 af.

According to Bucher, most of the participating districts have enough water to get them through four or five years of drought. Bucher said, "Our capacity to withstand the next drought is double or triple, at a minimum."

Based on an article by Jim Carnal, Bakersfield Californian - May 3, 1997.

Water Experts Warn of State Shortages

CALFED Alternative 3 appears to be the choice of state water experts.

California's expanding population will create significant water shortages during the next two decades unless the state develops more storage or improves its delivery system say state water experts.

In the average year, the state gets about 70 million acre-feet of water in runoff. But more than 78 percent of that water falls in the northern part of the state while only 12 percent falls in the southern regions. In Southern California, where 56 percent of the population lives, runoff amounts to only 2 percent of the state's total.

In addition, the 70 million acre-feet of runoff is not consistent from one year to the next. For example, in 1983 runoff statewide was more than seven times as large as it was in 1977, a comparison of the wettest and driest years during the last two decades.

Even in the last five years, runoff has ranged between 7.7 million acre-feet in 1994 and 33.9 million acre-feet in 1995, more than a 4:1 ratio in back-to-back years. (Also see Sacramento River Index - page 10.)

In 1983, 1986, and 1997, heavy storms filled state reservoirs to their limits, caused flooding and sent huge amounts of water down the Sacramento River. In those years, enough water to supply almost all of Southern California's needs for several years simply flowed out to sea. Because Northern California reservoirs must be operated for flood control, they are limited in the amount of water they can capture.

During these heavy storms ecosystems, especially San Francisco Bay and the Bay-Delta, suffer considerable damage. Surges of fresh water disrupt the delicate Bay-Delta ecosystem as well as kill off a large number of salt and brackish water species in San Francisco Bay.

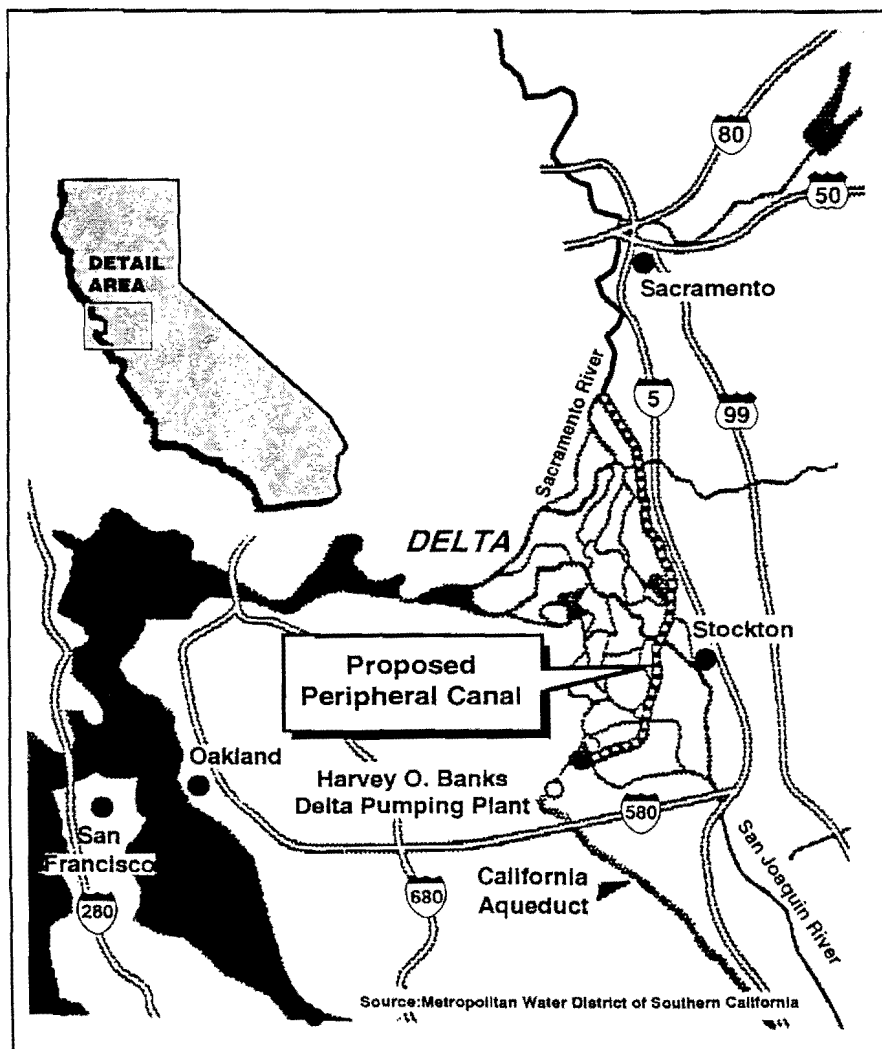
More and larger reservoirs in the northern part of the state could capture some of this water but, more and more, water experts are saying that moving the surplus water from rain-rich Northern California to Southern California should be the priority. And they believe that some form of the ill-fated Peripheral Canal — which state voters rejected in a 1982 referendum — could be the best way to move the water.

"That could be one part of the delta solution," said David Kennedy, director of the state Department of Water Resources.

"Maybe a 'medium' Peripheral Canal," said Marc Reisner, author of

the book "Cadillac Desert," in his keynote speech to about 2,000 people gathered last month at the annual spring conference of the Association of California Water Agencies (ACWA). In the past, Reisner has been an outspoken critic of California water projects.

The Peripheral Canal, as originally planned, would have been a 44-mile-long concrete canal the width of a 12-lane freeway, skirting the edge of the Delta. Through the canal, water could be sent from Northern California to the Central Valley and Southern California without re-



CALFED ISSUE

out requiring massive pumping from the Delta, which environmentalists and others say is harmful to its ecosystem.

Water System is Outdated

There is no argument that California needs additional supplies of water. DWR has issued several reports predicting that California may be short about 3 million acre-feet of water by the year 2020 unless corrective action is taken, including additional storage capacity and improvements in the Delta. The 3 million acre-feet is about 10 percent of what the state's 155 major reservoirs normally hold.

One problem, a significant one, is that California has been living off the same basic water system for almost 30 years — since the major portions of the State Water Project were built. In that time, the population has gone up by 50 percent, the economy has grown, environmental problems have worsened, but little has been done to upgrade the state's water system.

Federal Actions Have Cut Supplies

To make matters worse federal actions have reduced the amount of water available to urban and agricultural users in California — and more reductions are coming. The most significant federal cutbacks are a result of the Central Valley Project Improvement Act. Passed in 1992, under the Bush administration, it has become the centerpiece of the Clinton administration's environmental/water policies in California.

Under the CVPIA, federal CVP agricultural water users gave up 800,000 acre-feet for fish and wildlife in the Sacramento and San Joaquin river watersheds and another 340,000 acre-feet of Trinity River flows.

The CVPIA calls for the federal government to implement programs to replace the 1.14 million acre-feet set aside for fish and wildlife, but, so far, the Interior Department has selected to implement only those portions of the act that take water. In the five years since the act became law,

no proposals or actions have come from Interior to indicate they plan to enforce the water supply improvement provisions of the CVPIA.

Another federal action — also from Interior — has threatened Southern California's water supply. If implemented to the extreme, it could substantially increase the region's dependence on water from Northern California.

Earlier this year, Interior Secretary Bruce Babbitt announced that California is going to have to live within its Colorado River entitlement. He can enforce this because, in any given year, California water agencies are allotted Colorado River water in excess of their basic entitlements only if the Interior Secretary declares a surplus on the river.

If California is denied the surplus water it would severely affect the Metropolitan Water District of Southern California and its 28 member agencies. In a normal year, MWD delivers about 2.5 million acre-feet to southland water agencies which service a population of over 15 million — growing at the rate of about 320,000 new residents per year. MWD's primary sources of water are the State Water Project and the Colorado River.

Because of past surplus declarations, MWD has been importing about 1.3 million acre-feet of water a year from the Colorado, which is 750,000 acre-feet more than its basic entitlement of 550,000 acre-feet. If Babbitt halts the surplus declarations, MWD would be forced to make up the 750,000 acre-feet loss from the SWP.

Until 2035, MWD is legally entitled to more than 2.0 million acre-feet of SWP water. However, because of access to low-cost Colorado River surplus water, MWD has been taking only 500,000 to 800,000 acre-feet of its SWP entitlement. MWD's future annual need of SWP water could rise to between 1.25 and 1.55 million acre-feet.

Delta Exports Could Rise

What all this means is that there

could be pressure to pump more water from the Delta. This puts the focus on the CALFED process which is evaluating ways to better manage the Delta as a source of water while, at the same time, improving the Delta ecosystem.

CALFED has narrowed its choices down to three alternatives; 1) re-operation of existing Delta channels, 2) altering Delta channels for greater flows, or 3) altering the channels for greater flows as well as adding a new channel around the Delta.

Alternative three appears to be the most popular among California water experts. It provides an efficient way of capturing large amounts of water from the Sacramento River and does it with the least disruption to the Bay-Delta ecosystem.

Alternative 3 Highlights

This alternative, like the other two, includes a large list of projects under four common programs — ecosystem restoration, water quality, water use efficiency and levee system integrity.

Other features in Alternative 3 include:

- Through Delta channel improvements
- CVP-SWP improvements
- New water storage facilities
- An isolated transfer facility (mini peripheral canal)

New surface storage will provide CVP and SWP managers greater flexibility in timing inflows to the Delta and withdrawals from the Delta. Upstream storage will be used for water supply and to help manage the timing of inflow to the Delta for environmental benefit.

Off-aqueduct storage, in conjunction with groundwater/conjunctive use, will be used to better manage the timing of Delta exports.

Improved conveyance through the Delta (wider and deeper channels) and an isolated facility that will carry 5,000 cfs to 15,000 cfs around the Delta will further enhance the system flexibility.

Outer Space Snowballs Created Oceans

Thousands of dirty snowballs from outer space are bombarding Earth's atmosphere every day, adding water to Earth's air and seas, scientists reported last month.

They say over billions of years of planetary history, the torrent of extraterrestrial slush might have played a crucial role in filling the oceans and nurturing life on the planet.

The newly discovered snowballs are small, cometlike objects about 40 feet in diameter, or the size of a small house. Unlike large comets such as Halley, whose icy core is estimated to be 25 miles wide, the small comets are very hard to see. Until now, astronomers could do little more than speculate about them.

New data suggest, however, that they are very real and are hitting the outer regions of Earth at the extraordinary rate of 5 to 30 per minute, or up to about 43,000 per day, instantly elevating them to candidacy as prime shapers of the planet and perhaps of the solar system.

The discovery of the new class of cometary objects was made by NASA's Polar spacecraft, which was launched in Feb 1996. The findings were reported last month at the annual meeting of the American Geophysical Union held in Baltimore.

"We have a large population of objects in the Earth's vicinity that

have not been detected before," said Dr. Louis A. Frank, a physicist at the University of Iowa who first theorized about the phenomenon in 1986 and pushed the observations now confirming their reality.

After viewing the satellite images, other atmospheric scientists agree that Frank has definitely demonstrated that there are objects entering the Earth's upper atmosphere that contain a lot of water.

Because the new comets break up at heights of 600 miles to 15,000 miles above Earth, they are no danger to people on the ground or to astronauts, spacecraft or airplanes. At that altitude, the snowballs fall apart into fragments. Exposure to sunlight then vaporize the icy rain into huge clouds that are eventually dispersed by the atmosphere's winds.

Thus, the cosmic rain eventually becomes part of terrestrial downpours. Frank estimated that during every 10,000 to 20,000 year's of Earth's history, the cosmic rain added one inch of water to Earth's surface, which adds up to miles of water over geologic time.

Unlike large comets and asteroids that hit Earth, the small snowballs apparently undergo little or no heating from atmospheric friction, making them hard to observe but also protecting any organic

chemicals they may contain from heat damage. Organic chemicals are carbon-rich molecules and the evolutionary precursors of life.

Thus, the water comets are seen as probably having fallen on the aboriginal Earth in vast numbers, sowing organic seeds for what eventually became the planet's riot of biological diversity.

Frank proposed his theory in 1986 to explain the existence of dark spots, which he called "atmospheric holes," in satellite images of the atmosphere. He first detected the holes while analyzing data from NASA's Dynamics Explorer 1 spacecraft.

He theorized that the holes were caused as small ice comets disintegrated in the upper atmosphere. The resulting water vapor momentarily absorbed the solar radiation, preventing it from reaching his camera and resulting in dark spots on the image.

His theory ignited wide-ranging controversy. Many scientists discounted the holes as an instrument problem. But the new images from the Polar spacecraft show the holes in much greater detail than before, suggesting they are real.

"These results certainly vindicate Lou Frank's earlier observations," said Dr. Thomas M. Donahue of the University of Michigan.

California **WATER** JOURNAL

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NIPOMO COMMUNITY SERVICE DIST
PO BOX 326
NIPOMO CA 93444

California Special Districts Association Upcoming Events

“Is Proposition 218 Biting You in the Budget?”

Strategies for Successful Constituent Campaigns

Hilton Hotel

Sacramento

July 18, 1997

Handerly Hotel

San Diego

August 15, 1997

The success of any constituent communication campaign rests with the special district's willingness to do the right thing and successfully communicate its actions. Having in place, ongoing proactive community relations efforts will assist special districts in keeping constituents informed and supportive of district operations and needs. With the passage of Proposition 218, agencies that must obtain voter approval for assessments, taxes or fees and charges, will need to successfully communicate to survive.

So not to violate FPPC Regulations on the expenditure of public funds, information produced by public agencies must be informational in nature. What is informational? What is promotional? What steps need to be taken in a Proposition 218 information campaign? What types of public relations efforts are successful and appropriate for public agencies?

These questions and many more will be addressed in this dynamic and timely workshop.

Registration Fees:	CSDA Member \$95	NON-CSDA Member \$125
Hotel Reservations:		
Hilton Inn, Sacramento-	916/922-4700	Room Rate: \$104 single
Handerly Hotel, San Diego-	800/676-6567	Room Rate: \$72

“RIDE TALL IN THE SADDLE-

Special Districts: Pad'ners in Local Government”

1997 CSDA Annual Conference

Sheraton/Anaheim

September 24-26, 1997

Please join CSDA at its 28th Annual Conference in Anaheim. This information packed three-day event is a must for all special district officials and management to be updated with recent state legislation and administrative issues. The conference also provides the best opportunity to network with other special districts.

Early-bird Registration Fees: CSDA Member **\$275** NON-CSDA Member **\$325**
(by September 12, 1997)

Hotel Reservations:
Sheraton Anaheim- 714/778-1700 Room Rate: \$85 single, \$95 double

Look for the conference brochure in the mail! For questions on our upcoming workshops or the annual conference, call the CSDA office at 916/442-7887.

WARRANTS JULY 2, 1997

HAND WRITTEN CHECKS

17879	Kenko Inc.	\$831.70
17880	SLO Planning	587.00
17881	Employment Dev.	358.31
17882	Petty Cash-MSB	27.25
17883	Postmaster	500.00
17884	U S Postal Service	200.00
17886	J O Miller	1980.00
17887	Dana Properties	205.90
17889	Sylvester's Security	35.00
17890	SLO Planning Dept	500.00
17891	SLO County LAFCO	3000.00
17892	P.E.R.S.	3006.95
17893	SDRMA	26,374.51
17894	D. Johnson	144.43
17895	R. Blair	100.00
17896	K. Fairbanks	100.00
17897	G. Kaye	100.00
17898	A. Mendoza	100.00
17899	A. Simon	100.00
17901	R. Maurer	14.25
17902	Bonita Homes	38.75

COMPUTER GENERATED CHECKS

9194	06/30/97	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$783.75
9195	06/30/97	LETT JAMES	\$300.00
9196	06/30/97	MID STATE BANK	\$4,260.36
9197	06/30/97	STATE COMPENSATION INSURANCE FUND	\$2,694.92
9198	07/02/97	ADVANTAGE ANSWERING PLUS	\$94.50
9199	07/02/97	ALL PURE CHEMICAL CO	\$644.70
9200	07/02/97	ARROYO GRANDE COMMUNITY HOSPITAL	\$53.20
9201	07/02/97	CHEVRON	\$357.88
9202	07/02/97	CLANIN & ASSOCIATES, INC.	\$2,460.42
9203	07/02/97	CLEATH & ASSOCIATES	\$600.00
9204	07/02/97	CUESTA EQUIPMENT	\$341.59
9205	07/02/97	FGL ENVIRONMENTAL ANALYTICAL CHEMIST	\$502.00
9206	07/02/97	FIRST TRUST CALIFORNIA	\$1,675.38
9207	07/02/97	GTE CALIFORNIA INCORPORATED	\$42.75
9208	07/02/97	GTE MOBILNET	\$42.96
9209	07/02/97	GROENIGER & COMPANY	\$1,746.63
9210	07/02/97	MATTHEWS ENTERPRISES	\$95.00
9211	07/02/97	MID STATE BANK-MASTERCARD	\$344.93
9212	07/02/97	NIPOMO AUTO PARTS	\$14.47
9213	07/02/97	NIPOMO REXALL DRUG	\$35.30
9214	07/02/97	OVERHEAD DOOR	\$180.25
9215	07/02/97	P G & E	\$33,255.24
9216	07/02/97	SHIPSEY & SEITZ, INC.	\$11,015.25
9217	07/02/97	SPEED'S OIL TOOL SERVICE, INC.	\$927.54

VOIDS

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 17885
 17900

NET PAYROLL

CK# 2229-2237 \$12,484.61