

NIPOMO COMMUNITY SERVICES DISTRICT

AGENDA

NOVEMBER 5, 1997 7:00 P.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

John S

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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 OCTOBER 15, 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 action may be taken by the Board.)

3. RESOLUTION OF APPRECIATION OF FIELD SERVICE CREW
Consideration of adoption of a resolution commending the work of the District field service crew
4. APPROVAL OF APPRAISAL SERVICE
Review consulting appraisal services to appraise a water line and tank site easement
5. REQUEST FOR BIDS TO REPLACE PB WATER SERVICES
Board approval to request bids to replace PB pipe water services
6. PROPERTY TAX EXCHANGE FOR ANNEXATION NO. 16 (SOUTHLAND TREATMENT FACILITY)
Consideration of adopting accepting the property tax exchange and annual tax increment
7. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA)
Review proposed SDRMA proposed JPA amendment
8. PRIVATE FIRE SERVICE
Review inventory and audit of private fire services (bldg. sprinkler system) within the District
9. ANNUAL AUDIT SERVICE
Review audit proposal from Mr. Carlos Reynoso, CPA for future year(s)

FINANCIAL REPORT

10. APPROVAL OF WARRANTS
11. FIRST QUARTER FINANCIAL STATEMENT

OTHER BUSINESS

12. MANAGER'S REPORT
 1. Water Engineering article on water costs
 2. State Water Contractors Adv Comm. Meeting, 11/26/97
 3. Southland Facility Discharge Requirements
13. DIRECTORS COMMENTS
14. PUBLIC COMMENTS

CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL

- Existing litigation GC§ 54956.9
1. NCSD vs. Shell Oil, et. al. Case No. CV 077387
- Anticipated litigation, GC§54956.9(b)
1. One case

**GC§ refers to Government Code Sections*

ADJOURN

NIPOMO COMMUNITY SERVICES DISTRICT

MINUTES

OCTOBER 15, 1997 7:00 P.M.

BOARD ROOM 148 S. WILSON STREET NIPOMO, CA

BOARD MEMBERS

KATHLEEN FAIRBANKS, **PRESIDENT**
ALEX MENDOZA, **VICE PRESIDENT**
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STAFF

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

CALL TO ORDER AND FLAG SALUTE

President Fairbanks called the meeting to order at 7:00 p.m. and led the flag salute.

ROLL CALL

At roll call all Board members were present.

APPROVAL OF MINUTES

1. REGULAR MEETING OF OCTOBER 1, 1997
Upon motion of Director Blair and seconded by Director Simon, the Board unanimously approved the Minutes of the October 1, 1997 meeting.

PUBLIC COMMENTS PERIOD

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

BOARD ADMINISTRATION (The following may be discussed and action may be taken by the Board.)

3. PUBLIC HEARING – ENVIRONMENTAL REVIEW OAKGLEN/MALLAGH WATER LINE
Review environmental Negative Declaration/proposed water line between Oakglen and Mallagh Ave.
Mr. Jones explained that an environmental study was completed for the water line project beginning at the intersection of Oakglen and Pioneer Avenues and extending easterly to Mallagh Ave. It was determined that there will be no significant effect on the environment for this project. Russ Thompson expanded on the report by Cannon Associates. Director Kaye made a motion and Director Mendoza seconded to approve Resolution 97-625. There were no public comments. The Board approved Res. 97-625 with Director Blair voting no.

RESOLUTION NO. 97- 625
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING AN ENVIRONMENTAL NEGATIVE DECLARATION AND
AUTHORIZING THE GENERAL MANAGER TO FILE A NOTICE OF
DETERMINATION FOR THE OAKGLEN-MALLAGH WATERLINE PROJECT

4. COUNTY WATER RESOURCES ADVISORY COMMITTEE GROUNDWATER PROPOSAL
Review WRAC proposed policy on groundwater transfers
The Water Resources Advisory Committee asked for comments about the proposed groundwater exchange between the City of Santa Maria and the proposed Woodland project on the Nipomo mesa. The Board discussed the transfer policy. Mr. Seitz, District legal counsel, explained some of the proposed policy. The Board directed staff to send comment to WRAC stating that a clear legal foundation be established on the proposed groundwater transfer policy.

AGENDA ITEM

NOV 5 1997



TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: NOVEMBER 5, 1997

APPRECIATION OF FIELD SERVICE CREW

At the Board meeting of October 15, 1997, the Board reviewed correspondence from a customer appreciating the service crew's performance. Staff was directed to prepare a resolution of appreciation for the field service crew and is attached for the Board's review and consideration.

C:\w:\res of appreciation.DOC

**NIPOMO COMMUNITY SERVICES
RESOLUTION NO. 97- crew**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
IN APPRECIATION OF THE DISTRICT FIELD CREW**

WHEREAS, the DISTRICT has more than fifty (50) miles of water distribution system and more than twelve (12) miles of sewer collector and force mains within its jurisdiction; and

WHEREAS, the DISTRICT maintains seven domestic wells for water production capabilities and maintains nine sewer pump stations; and

WHEREAS, the DISTRICT also operates two wastewater treatment facilities; and

WHEREAS, the field maintenance crew consists of five individuals who maintain the District water and sewer system on a twenty four (24) hour a day seven (7) days a week basis: and

WHEREAS, the field crew responds during normal working hours and anytime day or night to maintain the system and repair leaks that may occur in service connections or force mains and distribution systems, and

WHEREAS, the field crew maintains the water and sewer system in a most efficient manner.

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

- 1) Commends the field crew: Lee Douglas, Ernie Thompson, Butch Simmons, John Caldon, and Rick Motley for their dedicated work in maintaining and operating District facilities.
- 2) Recognizes and appreciates their service and the work the field crew performs for the customers of the Nipomo Community Services 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 5th day of November 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



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 5, 1997

APPRAISAL SERVICE

Negotiations have been underway between the District and property owners for the following:

1. Oakglen-Mallagh waterline easement
2. Existing and future tank site easement

To determine the fair market value of the easements, a real estate appraisal needs to be performed.

Appraisal proposals have been received from Reeder, Gilman and Assoc. and Schenberger, Taylor, McCormick and Jecker

The costs for the appraisal work for these two sites is as follows:

Reeder, Gilman and Assoc	\$5,800
Schenberger, Taylor, McCormick and Jecker	\$5,500

After the Board has reviewed the two appraisal proposals, they may select one of the consultants to perform the appraisal work for the District.

REEDER, GILMAN & ASSOCIATES

Appraisers and Consultants • Real and Personal Property

1101 South Broadway, Suite C, Santa Maria, California 93454

WARREN REEDER • MAI, SR/WA
Certified General Real Estate Appraiser, CA # AG006521
MEMBER - APPRAISAL INSTITUTE
INTERNATIONAL RIGHT OF WAY ASSOCIATION
LESLIE J. GILMAN • MBA, SR/WA
Certified General Real Estate Appraiser, CA # AG014980
MEMBER - INTERNATIONAL RIGHT OF WAY ASSOCIATION

P. O. Box 726, Santa Maria, California 93456

Telephone: (805) 925-2603

Fax: (805) 925-0840

Federal Tax ID # 95-3241465

October 6, 1997

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

RE: Appraisal Proposals - 1) Pipeline Project, Oakglen Avenue to Mallagh Street, and
2) Two Tank Sites, Dana Property, Northwest of the Intersection of Tefft Street
and Foothill Road, Nipomo, San Luis Obispo County, California

Dear Mr. Jones:

Attached are two job proposal letters concerning the pipeline project between Oakglen Avenue and Mallagh Street, and the tank site project on Foothill Road. The Oakglen proposal is a duplicate of the proposal sent to you on July 9, 1997. The second proposal is new and concerns the two tank sites located northwest of the intersection of Tefft and Foothill Road.

If these two proposals meet with you and your District's approval, please call and we'll get started on the projects and follow up with written authorization to proceed.

Thank you.

Very truly yours,



Warren Reeder, MAI, SRWA
Certified General Real Estate Appraiser, CA#AG006521

WR:bg

Encl.

RECEIVED

OCT 07 1997

NIPOMO COMMUNITY
SERVICES DISTRICT

REEDER, GILMAN & ASSOCIATES

Appraisers and Consultants • Real and Personal Property

1101 South Broadway, Suite C, Santa Maria, California 93454

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October 6, 1997

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

RE: Appraisal Proposal - Two Tank Sites, Dana Property, Northwest of the
Intersection of Tefft Street and Foothill Road, California

Dear Mr. Jones:

As you requested we are submitting this proposal for an appraisal of two 200 by 200 foot tank sites adjacent Foothill Road, just west of Tefft Street, on property owned by the Dana Family. The existing tank site is being leased to your District. We are to appraise this site as a permanent easement. The proposed site which is adjacent the existing site is also 200 by 200 feet square. We are to appraise this site also as a permanent easement. This property is a portion of the Dana Family holdings consisting of 870.10 acres. The property appears to be vacant and consists of undulating to steep hill terrain features. The larger parcel, which the two tank sites will effect, is more specifically described as assessor's parcel 90-031-03, 04.

We understand that the purpose of the appraisal is to estimate just compensation for the acquisition of the two tank sites as a permanent easement. The appraisal is to consider the real property only. Items of personal property such as growing crops, livestock, vehicles, etc., are not to be part of the analysis. The function of the appraisal will be its use as a guide to value during negotiations for the acquisition of the two subject sites.

We can provide a summary narrative appraisal report considering the pertinent factors of real estate valuation as they apply to this project for a fee of \$2,000. The above fee does not include charges for any additional work, if such should be required. The fee for such services as consultation, court preparation time, attendance at depositions, and appearances before a court or administrative agency shall be billed at our current rate at the time the services are performed.

If the scope of our assignment should be expanded at your request, the additional work will be billed at our current rate and added to the initial appraisal fee.

Due to our present workload, we anticipate that the preparation of the appraisal report will take between four and six weeks after receipt of your authorization to proceed. Due to the need to schedule appraisal assignments in advance, this estimate is subject to revision upon changes in our workload. It is important to note that the above time frame is our best estimate at this time, but is not a guarantee. However, we will make every effort to complete the report as indicated above. By replying promptly, you will be assured that your project will receive our earliest attention.

This appraisal report will be made in conformity with and subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

We thank you for your interest in our firm's services and for giving us the opportunity to be of service to you. If this proposal meets with your approval, please send written authorization to proceed with the appraisal. We have enclosed a copy of our Professional Qualifications for your review.

Very truly yours,

REEDER, GILMAN & ASSOCIATES
REAL ESTATE APPRAISERS



Warren Reeder, MAI, SRWA
Certified General Real Estate Appraiser, CA #AG006521

WR:bg

REEDER, GILMAN & ASSOCIATES

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Fax: (805) 925-0840

Federal Tax ID # 95-3241465

July 9, 1997

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

RE: Appraisal Proposal - Pipeline Project, Oakglen Avenue to Mallagh St.,
Community of Nipomo, San Luis Obispo County, California

Dear Mr. Jones:

As you requested we are submitting this proposal for an appraisal of the subject real property affected by a proposed underground pipeline project affecting the Dana family owned property generally between Oakglen Avenue and Mallagh Street, east of the 101 Freeway in Nipomo. The proposed project consists of a 20-foot easement, approximately 1,700 feet long with an adjacent 50-foot temporary easement.

We understand that the purpose of the appraisal is to estimate just compensation for the acquisition of underground pipeline easement rights from the subject property. The function of the appraisal will be its use as a guide to value during negotiations for the acquisition for the subject easement rights.

We can provide a summary narrative appraisal report considering the pertinent factors of real estate valuation as they apply to the subject property for a fee of \$3,800. The above fee does not include charges for any additional work, if such should be required. The fee for such services as consultation, court preparation time, attendance at depositions, and appearances before a court or administrative agency shall be billed at our current rate at the time the services are performed.

If the scope of our assignment should be expanded at your request, the additional work will be billed at our current rate and added to the initial appraisal fee.

Mr. Douglas Jones, General Manager
Nipomo Community Services District

July 9, 1997
Page 2


Due to our present workload, we anticipate that the preparation of the appraisal report will take between four and six weeks after receipt of your authorization to proceed. Due to the need to schedule appraisal assignments in advance, this estimate is subject to revision upon changes in our work load. It is important to note that the above time frame is our best estimate at this time, but is not a guarantee. However, we will make every effort to complete the report as indicated above. By replying promptly, you will be assured that your project will receive our earliest attention.

This appraisal report will be made in conformity with and subject to the requirements of the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

We thank you for your interest in our firm's services and for giving us the opportunity to be of service to you. If this proposal meets with your approval, please send written authorization to proceed with the appraisal. We have enclosed a copy of our Professional Qualifications for your review.

Very truly yours,

REEDER, GILMAN & ASSOCIATES
REAL ESTATE APPRAISERS



Warren Reeder, MAI, SRWA
Certified General Real Estate Appraiser, CA#AG006521

WR:cjm

SCHENBERGER, TAYLOR, McCORMICK & JECKER

N C O R P O R A T E D

Real Estate Appraisers, Consultants and Investment Analysts
Founded In 1972

Principals of the Firm

Richard L. Schenberger, ARA
Gerald C. Taylor, SREA, MAI
Rollie A. McCormick, MAI
Jerald W. Jecker, SRA
Todd O. Murphy, MAI

Associate

Carol L. Walker

October 17, 1997

Mr. Douglas Jones
General Manager
Nipomo Community Services District
Nipomo, California 93444

Re: *Appraisal Proposal
Water Line and Tank Site Easements Affecting Various Parcels
Nipomo, California*

Dear Mr. Jones:

As you requested, I am forwarding this proposal for appraisal services.

We would be pleased to prepare a current appraisal of the above-referenced real property.

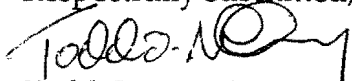
This appraisal is complicated by the following factors. First, it appears that the water line will encumber several different legal parcels, and the impact of the line on each parcel must be considered. We will need to confirm with the district engineers the exact location of the proposed water line. The line also crosses the Pacific Coast Railroad right-of-way strip owned by San Luis Obispo County. Second, an additional valuation of the temporary construction easement area is required. Third, the tank site valuation will require a valuation of that legal parcel, as well as consideration of the existing lease contract. In addition, any evidence of severance damages and/or special benefits will also be addressed.

These aspects each require substantial time to investigate and appropriately analyze. Our fee will be \$5,500, with a completion time of six weeks from your authorization to proceed.

This appraisal report will be prepared consistent with the appropriate standards for the public agency acquisition. The owner will be afforded an opportunity to inspect the property with the appraiser. A current title report would be helpful. If no title report is available, we will assume that no adverse title conditions exist.

Please contact me at 544-2472 (extension 15) with any questions about this proposal.

Respectfully submitted,


Todd O. Murphy, MAI
Principal of the Firm

TOM:cdj

RECEIVED

OCT 20 1997

NIPOMO COMMUNITY
SERVICES DISTRICT

AGENDA ITEM

NOV 5 1997



TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: NOVEMBER 5, 1997

REPLACEMENT OF WATER SERVICES

Due to the number of failures of PB, the District has an on-going replacement program utilizing the District crew and/or outside contractors. The District crews replace services as their schedules allow. The 1997-98 adopted budget included \$90,000 for the replacement of PB water services by an outside contractor. It is estimated that approximately 175-200 services may be replaced, depending on how the bids come in. Lee Douglas, the Utility Supervisor, has suggested that the area North of Tefft and West of Pomeroy be the location designated for repair. The District has experienced many PB failures in this area. Also, the homes in this area tend to be fully landscaped one acre homes and a PB failure can cause significant damage to the landscape in the area.

It is recommended that your Honorable Board authorize Staff to go out to bid in accordance with the attached Request for Proposals.

REQUEST FOR PROPOSALS
TO REPLACE POLYBUTYLENE WATER SERVICES

SEALED PROPOSALS will be received at the office of the Nipomo Community Services District at 148 S. WILSON STREET, NIPOMO, California, 93444 until 4:30 p.m. on November 24, 1997 for furnishing to the Nipomo Community Services District all labor, equipment, materials, transportation, traffic control services and supplies necessary to replace polybutylene water service to approximately 175 residences within the Nipomo Community Services District in accordance with the District's plans and specifications.

Bids will only be accepted on a proposal form furnished by the Nipomo Community Services District.

Bids will be accepted only from contractors that can supply the following:

1. Proof of the appropriate Contractor's License.
2. Proof of Workman's Compensation Insurance.
3. Proof of General Liability Insurance Coverage.

Contractors shall comply with Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1 of the California Labor Code (prevailing wage, etc.). Contractor shall assume full responsibility for job site safety.

Notice is also hereby given that all bidders may be required to furnish a sworn statement of their financial responsibility, technical ability, and experience before award is made to any particular bidder.

On the outside of the bid envelope the bidder shall indicate the following:

- (1) Name and address of the bidder.
- (2) Name of the project on which bid is submitted.
- (3) Date and Time of the bid opening.

Any bid may be withdrawn prior to bid opening but not afterward. Any bid received after the time and date specified for the bid opening will not be considered.

In accordance with Section 4552 of the California Government Code, the bidder shall conform to the following requirements: In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act 15 U.S.C. 15, or under the Cartwright Act, Chapter 2.

The right is reserved by the Nipomo Community Services District to reject any or all bids, to evaluate the bids submitted, and to award the contract to the lowest responsible bidder. The Nipomo Community Services District further reserves the right to waive any informalities or minor irregularities in a bid.

Dated this 5th day of November, 1997, at Nipomo, California

NIPOMO COMMUNITY SERVICES DISTRICT
/s/Douglas Jones
General Manager

c:\w\polyb

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

**REQUEST FOR PROPOSALS
REPLACE WATER SERVICES**

The Nipomo Community Services District is requesting bid proposals to replace approximately 175 water services north of Tefft Street and west of Pomeroy Road in Nipomo, California.

PRESENT SERVICES

- From the water main to the meter box - One-inch polybutylene pipe.

REPLACEMENT NEEDED

- Replace water service with one-inch copper tubing or 1" Sch 80 PVC.
- The Corporation Stop will remain in place but a new fitting and a ball type angle meter stop (FORD BA43-444W or equivalent) is required.

CONTRACTOR WILL SUPPLY

- All necessary materials - copper tubing, associated fittings and a ball type angle meter stop (FORD BA43-444W or equivalent).
- Back-filling base, compaction and AC material for the replacement of the roadway.
- Labor, equipment and tools to replace these services.

CONTRACTOR MUST

- Provide vehicle traffic control.
- Remove approximately 4-foot samples of the existing polybutylene pipe with the couplings attached.
- The pipe samples must be labeled with service address and meter number.
- Be responsible for proper compaction for each of the sites.
- Provide proof of appropriate contractor's license and insurance.

THE BID

- The bid must be on the form provided by NCSD.
- Break out the costs for replacing a single service, on the long and short sides of the road.
- For your information, a list of service addresses to be replaced is attached.
It is suggested that the contractor be familiar with the area before bidding this project.
- Work to commence after January 1, 1998

DISTRICT AND CONTRACTOR

Contractor and District will enter into an agreement before work begins.

Sealed proposals will be received at the Nipomo Community Services District office at 148 SOUTH WILSON STREET, NIPOMO, CA 93444 until 4:30 p.m. on November 24, 1997.

Please call the District office if you have any questions.

PLACEMENTS-NORTH OF TEFFT & WEST OF POMEROY

A/C #	ADDRESS	TRACT #	A.P.N.
4146	995	WAYPOINT	1156 091233011
*4148	885	PATTY KAY	1156 091233017
*4149	875	PATTY KAY	1156 091233016
*4152	874	PATTY KAY	1156 091233021
*4153	884	PATTY KAY	1156 091233020
4163	912	HUNTER RIDGE	1255 091421049
*4164	928	HUNTER RIDGE	1255 091421050
4165	936	HUNTER RIDGE	1255 091421051
4166	929	HUNTER RIDGE	1255 091421043
4169		TRACT 1255 LOT 1	1255 091421040
4174	910	OLYMPIC	965 091421059
4176	930	OLYMPIC	965 091421008
4180		OLYMPIC	965
4184	982	OLYMPIC	965 PHAS 091421028
4188	967	BLUE GUM	965 PHAS 091421024
4189	953	BLUE GUM	965 PHAS 091421023
4190	935	BLUE GUM	965 PHAS 091421022
4192		BLUE GUM	1255 091421052
4193	908	BLUE GUM	1255 091421053
4196	1091	GEORGE	1676 091430028
4197	1081	GEORGE	1676 091430027
4200	1055	GEORGE	1676 091430024
4201	1045	GEORGE	1676 091430023
4202	1035	GEORGE	1676 091430022
4203	1025	GEORGE	1676 091430021
4204	1015	GEORGE	1676 091430020
*4205	1010	OLYMPIC	1676 091430038
*4206	1020	OLYMPIC	1676 091430037
*4207	1030	OLYMPIC	1676 091430036
4210	1058	OLYMPIC	1676 091430033
4211	1066	OLYMPIC	1676 091430032
4212	1076	OLYMPIC	1676 091430031
4213	1084	OLYMPIC	1676 091430030
4214	1092	OLYMPIC	1676 091430029
4216	987	OLYMPIC	965 PHAS 091421035
4224	935	OLYMPIC	973 091421013
4226	915	OLYMPIC	973 091421058
4231	700	WHIMBREL	1458 091421076
4232	708	WHIMBREL	1458 091421077
4233	714	WHIMBREL	1458 091421078
4234	720	WHIMBREL	1458 091421079
4235	724	WHIMBREL	1458 091421080
4236	791	WHIMBREL	1458 091421081
4237	719	WHIMBREL	1458 091421082
4238	711	WHIMBRELL	1458 091421083
4239	707	CASCADA	1458 091421084

* service
Replaced
already
by NCSD

REPLACEMENTS-NORTH OF TEFFT & WEST OF POMEROY

A/C #	ADDRESS	TRACT #	A.P.N.
4240	936	CASCADA	1458 091421085
4241	947	CASCADA	091322020
4242	933	CASCADA	091322027
4243	925	CASCADA	
4244	925	CASCADA	091322026
4245	915	CASCADA	091322030
4246	681	POMEROY	091322035
4252	947	CALIMEX	091322032
4253	941	CALIMEX	091322031
4254	935	CALIMEX	091322015
4255	915	CALIMEX	091322017
4257	885	CALIMEX	091322054
4258	875	CALIMEX	
4259	873	CALIMEX	091322053
4260	857	CALIMEX	091322052
4261	841	CALIMEX	091322051
4264	822	CALIMEX	94-001 091322042
4265	828	CALIMEX	CO 84-001 091322040
4266	832	CALIMEX	091322045
4267	844	CALIMEX	091322046
4269	854	CALIMEX	CO 85-091 091322047
4270	864	CALIMEX	091322048
4271	910	CALLE DE TOPO	091322033
4272	920	CALLE DE TOPO	091322028
4273	948	OSAGE	091294019
4274	954	OSAGE	091294018
4275	545	KARL	1475 091295015
4276	535	KARL	1475 091295014
4277	520	KARL	1475 091295013
4278	530	KARL	1475 091295012
4279	550	KARL	1475 091295011
4280	937	CALLE DE TOPO	1475 091295010
4281	573	MILES OAK	1475 091295009
4282	551	MILES OAK	1475 091295008
4283		TRACT 1475	1475 091295007
4284	530	MILES OAK	1475 091295006
4285	538	MILES OAK	1475 091295005
4286	554	MILES OAK	1475 091295004
4287	572	MILES OAK	1475 091295003
4288	586	MILES OAK	1475 091295002
4289	596	MILES OAK	1475 091295001
4290	926	CALLE DE TOPO	091322021
4291	930	CALLE DE TOPO	091322023
4292	940	CALLE DE TOPO	091322019
4293	966	CALLE DE TOPO	091294016
4294	966	CALLE DE TOPO	

PLACEMENTS-NORTH OF TEFFT & WEST OF POMEROY

A/C #	ADDRESS	TRACT #	A.P.N.
4295	952	CALIMEX	091294012
4296	975	RED GUM	091294013
4297	955	CASCADA	091294011
4298	950	RED GUM	1505 091421074
4299	964	RED GUM	1505 091421073
4303	950	CAMINO CABALLO	1505 091421069
4305	975	SILVER DOLLAR	1505 091421067
4306	963	SILVER DOLLAR	1505 091421066
4307	955	SILVER DOLLAR	1505 091421065
4308	950	SILVER DOLLAR	1505 091421064
4309	966	SILVER DOLLAR	1505 091421063
4310	974	SILVER DOLLAR	1505 091421062
4315	951	CAMINO CABALLO	CO 88-327
4316	1010	LA SERENATA	CO 88-327 091430039
4317	1020	LA SERENATA	CO 88-327 091430040
4318		LA SERENATA	CO 88-327 091430041
4319		LA SERENATA	CO 88-327 091430042
4320	1050	LA SERENATA	CO 88-045 091430044
4321		CAMINO CABALLO	
4322	1058	LA SERENATA	CO 88-045 091430045
4323		CAMINO CABALLO	
4324	1068	LA SERENATA	CO 88-045 091430046
4325		CAMINO CABALLO	
4326	1078	LA SERENATA	CO 88-045 091430047
4327		CAMINO CABALLO	
4328		LA SERENATA	1681 091430062
4329		LA SERENATA	
4330	1065	LA SERENATA	1681 091430063
4331		LA SERENATA	1681 091430064
4332		SWEET DONNA	1681 091430061
4333	655	SWEET DONNA	1681 091430060
*4335	941	CAMINO CABALLO	091430054
4336	1050	CAMINO CORDONIZ	1681 091430058
4337		SWEET DONNA	1681 091430059
4338	670	SWEET DONNA	1681 091430057
4339	680	SWEET DONNA	1681 091430056
4340	1045	LA SERENATA	1681 091430055
4341	1035	LA SERENATA	CO 88-306 091430051
4342		CAMINO CABALLO	CO 88-306 091430052
4343	1015	LA SERENATA	CO 88-306 091430049
4344		CAMINO CABALLO	CO 88-306 091430050
4345	937	CAMINO CABALLO	091430053
4346	804	POMEROY	1702 091292047
4347	764	POMEROY	CO 86-170 091292042
4350	1078	POMEROY	
4351	1028	GEORGE	

PLACEMENTS-NORTH OF TEFFT & WEST OF POMEROY

A/C #	ADDRESS	TRACT #	A.P.N.
4352	1044		091283020
4369	738A		
5123	180	1427	091382012
5124	184	1427	091382013
5125	194	1427	091382014
5126	198	1427	091382015
5127		1427	091382016
	ALLYSSUM(LANDSCAPE)		
5128	881	1427	091382017
5129	879	1427	091382018
5130	875	1427	091382019
5131	873	1427	091382020
5134	880	1427	091382023
5135	884	1427	091382024
5136	886	1427	091382025
5137	294	1427	091382040
5138	296	1427	091382039
5139	306	1427	091382038
5140	308	1427	091382037
5141	314	1427	091382036
5142	315	1427	091382035
5143	311	1427	091382034
5144	301	1427	091382033
5145	299	1427	091382032
5146	289	1427	091382031
5147	285	1427	091382030
5148	281	1427	091382029
5149	275	1427	091382028
5151	261	1427	091382026
5152	243	1427	091382011
5153	237	1427	091382010
5154	231	1427	091382009
5155	227	1427	091382008
5156	223	1427	091382007
5159	201	1427	091382004
5160	187	1427	091382003
5161	185	1427	091382002
5162	181	1427	091382001

AGENDA ITEM

NOV 5 1997

8

TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 5, 1997

PROPERTY TAX EXCHANGE
ANNEXATION NO. 16
WASTEWATER TREATMENT FACILITY

On October 7, 1997, the County Board of Supervisors noticed the commence of negotiations for the exchange of property tax revenue and annual tax increment for District Annexation No. 16 which is the Southland Wastewater Treatment Facility and the field office which is presently outside the District boundaries. This negotiation of property tax exchange is pursuant to the California Revenue and Taxation Code Section 99.

This property tax negotiation is a procedural item required by under the California Code and is associated with all annexations. Pursuant to this annexation, the annual tax increment which will be coming to the District will be 3.577071 percent of the property tax. Since the District is annexing property it owns into the District boundaries, there will be no tax collected nor imposed.

Attached for the Board's consideration is Resolution 97-tax which establishes the negotiated tax exchange and property tax increment between the District and the County. It is staff's recommendation that the resolution be adopted. It will then be forwarded to the LAFCO executive officer, indicating that the negotiations are complete and the annexation procedure may continue.

C:\w:\board2\taxexchange.DOC

RESOLUTION NO. 97- tax

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUES AND ANNUAL TAX INCREMENT
FOR ANNEXATION NO. 16 TO THE DISTRICT

WHEREAS, this Board has considered and approved the negotiated amounts for an exchange of property tax revenues and annual tax increment with the County for Annexation No. 16 as required by California Revenue and Taxation Code Section 99.

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

The negotiated Property Tax Revenue and Annual Tax Increment for Annexation No. 16, Wastewater Treatment Plant and Field Office Area (LAFCO File 9-R-97), in the amount of 3.577071% is hereby accepted by the District.

On 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 5th day of November 1997.

Kathleen Fairbanks, President
Nipomo Community Services District

ATTEST:

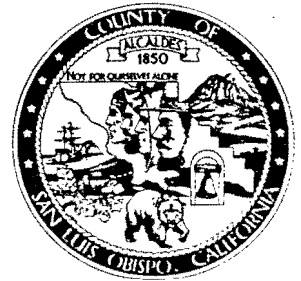
APPROVED AS TO FORM:

Donna K. Johnson
Secretary to the Board

Jon S. Seitz
General Counsel

County of San Luis Obispo

COUNTY GOVERNMENT CENTER, RM. 370 ■ SAN LUIS OBISPO, CALIFORNIA 93408 ■ (805) 781-5011



TO: BOARD OF SUPERVISORS

DATE: OCTOBER 7, 1997

OFFICE OF THE
COUNTY ADMINISTRATOR

SUBJECT: NOTICE TO COMMENCE NEGOTIATIONS FOR THE EXCHANGE OF PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT FOR ANNEXATION NO. 16 TO THE NIPOMO COMMUNITY SERVICES DISTRICT (NCSD'S WASTEWATER FACILITY)

Summary

The attached Notice to Commerce Negotiations is required as a prerequisite to any jurisdictional change, pursuant to Revenue and Taxation Code Section 99. The notice commences a 30-day period between the County and the Nipomo Community Services District during which time a resolution accepting the exchange of property tax revenue will be presented to your Board.

Recommendation

Approve commencement of negotiations for Annexation No. 16 to the Nipomo Community Services District (NCSD's Wastewater Facility).

Discussion

As a prerequisite to any jurisdictional change, Revenue and Taxation Code Section 99 requires affected jurisdictions to negotiate an exchange of property tax revenue. A 30 day negotiation period will commence upon approval of the notice. The attached notice contains information concerning the amount of property tax revenue generated in the annexation area. County and District staff will negotiate on behalf of their respective agencies and present resolutions for adoption within the 30-day timeframe.

The Notice to Commence Negotiations is for the following annexation:
LAFCO File 9-R-97 Annexation No. 16 to the Nipomo Community Services District.

Other Agency Involvement

The Nipomo Community Services District is the other party to the negotiations.

RECEIVED

OCT 02 1997

B-3
10-7-97

NIPOMO
COMMUNITY SERVICES DISTRICT

**LOCAL AGENCY FORMATION COMMISSION
NOTICE TO COMMENCE NEGOTIATION
FOR TRANSFER OF PROPERTY TAX REVENUE**

Proposed Jurisdictional Change: Annexation No. 16 to the Nipomo Community Services District (District's Wastewater Facility)

LAFCO FILE: 9-R-97

Negotiating Agencies:

Agenda Date for
Start of Negotiations

The Nipomo Community Services District
County of San Luis Obispo

October 7, 1997

Subject Property:

<u>Tax Code Area</u>	<u>Parcel No.(s)</u>	<u>Valuation</u>
052-041	090-271-025	\$ 40,000
052-041	092-152-030	27,500
052-041	090-271-024	201,305

Estimated property tax revenues generated within subject property: Approximately \$2,688 in fiscal year 1997-98.

Property Tax attributed to following local agencies:

<u>Agency</u>	<u>Revenue from Proposed Annexed Area</u>
General Fund	\$ 727
Air Pollution Control	2
Special Roads	18
County Library	55
San Luis Flood Control	8
Nacimiento Water Control	8
Lucia Mar Unified School District	1,193
Port San Luis Harbor District	54
SLO Community College	209
County School Service	124
ERAF	291
Totals	\$2,688

Percentage of annual tax increment to be exchanged: Approximately 3.577071 after ERAF

Negotiation period: October 7, 1997 through November 7, 1997

Property tax exchange effective in fiscal year: 1998-99

By: Paul L. Hood Date: 9/25/97
PAUL L. HOOD, Executive Officer
Local Agency Formation Commission

(Note: at close of negotiations, each agency shall immediately transmit to the LAFCO Executive Officer a certified copy of the resolution setting forth the amount of property tax revenue to be transferred. For dependent districts, the Clerk of the Board of Supervisors shall transmit a certified copy of the Board's resolution adopted on behalf of both parties. This will allow LAFCO to commence processing of the jurisdictional change.)

c - County Negotiator, County Auditor-Controller and Negotiating Agency

B.3
B.3

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

----- day -----, 19-----

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF
PROPERTY TAX REVENUE AND ANNUAL TAX INCREMENT
BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE NIPOMO COMMUNITY SERVICES DISTRICT

The following resolution is hereby offered and read:

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, when a city is involved, the negotiations are conducted between the City Council and the Board of Supervisors of the County; and

WHEREAS, when a special district is involved, the negotiations are conducted by the Board of Supervisors of the County on behalf of the district or districts, unless otherwise requested by said district or districts pursuant to Revenue and Taxation Code Section 99(b)(5); and

WHEREAS, Revenue and Taxation Code Section 99(b)(6) requires that each local agency, upon completion of negotiations, adopt resolutions whereby said local agencies agree to accept the negotiated exchange of property tax revenues, if any, and annual tax increment and requires that each local agency transmit a copy of each such resolution to the Executive Officer of the Local Agency Formation Commission; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriate adjustments as required by law; and

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increment between the County of San Luis Obispo and the Nipomo Community Services District pursuant to Section 99(a)(1) for the jurisdictional change designated as Annexation No. 16 to the Nipomo Community Services District (NCSD's Wastewater Facility); and

WHEREAS, the negotiating party, to wit: Lee Williams, Deputy County Administrator, County of San Luis Obispo, on behalf of the County and Doug Jones, on behalf of the Nipomo Community Services District have negotiated the exchange of property tax revenue and annual tax increment between such entities as hereinafter set forth; and

WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increment be consummated.

NOW, THEREFORE BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth above are true, correct and valid.
2. That the County of San Luis Obispo agrees to accept the following negotiated exchange of base property tax revenues and annual tax increment:
 - (a) No base property tax revenue shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District.
 - (b) Annual tax increment shall be transferred from the County of San Luis Obispo to the Nipomo Community Services District in the fiscal year 1998-99 and each fiscal year thereafter in the amount of 3.577071 percent after ERAF.
 - (c) After the City portion is transferred, all annual tax increment for the County Road Fund shall remain with the County.
3. Upon receipt of a certified copy of this resolution and a copy of the recorded certificate of completion, the County Auditor shall make the appropriate adjustments to property tax revenues and annual tax increments as set forth above.
4. That the County Clerk is authorized and directed to transmit a certified copy of the resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted.

Chairperson of the Board of Supervisors

ATTEST

Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT
JAMES B. LINDHOLM, JR.

By: Kathy Bouchard
Deputy County Counsel

Dated: October 3, 1997

B-2
4

AGENDA ITEM

NOV 5 1997



TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: NOVEMBER 5, 1997

SDRMA
PROPOSED JPA AMENDMENT

The Special District Risk Management Authority (SDRMA) which is the District's insurance carrier, has a Joint Powers Agreement (JPA) with the California Special Districts Association (CSDA) for administering the insurance program. The attached is the proposed amendment to the JPA between CSDA and SDRMA. The proposed amendment would accomplish the following.

1. Modify the annual administrative fee to CSDA
2. Reduce CSDA representatives to one from two on the SDRMA Board.
3. Require the CSDA appointee be a member of SDRMA
4. Board members expenses to be paid by CSDA

At least 152 members of SDRMA must approve the JPA before it becomes effective. Enclosed is the correspondence received from SDRMA on the proposed JPA amendment and their approval form.

C:\w:\sdrma(jpa).DOC



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Approval of Proposed JPA Amendment

The member named below has approved the Fourth Amended Joint Powers Agreement. It is understood that the amendment will become effective when one hundred fifty-two (152) of the members as of October 1, 1997, have approved the Amendment.

Approved this _____ day of _____, 199__ by the Board of the Member named below.

Member Name: _____

Signature: _____

Title: _____

g:\forms\jpaapprv1.wpd



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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

RECEIVED

OCT 22 1997

Board of Directors

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

October 14, 1997

PROPOSED JPA AMENDMENT

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

The Board of Directors of SDRMA proposes to amend the Third Amended Joint Powers Agreement, to which your agency is a signatory, to allow SDRMA to operate more efficiently and to make other administrative improvements.

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

The specific amendments are included in the DRAFT of the attached Fourth Amended Joint Powers Agreement. The proposed additions are ***bold, underlined and in italics***, the deletions have a ~~strikeout~~.

Paul Velasquez
100 Elk Grove Blvd.
Elk Grove, CA 95624
(916) 685-7069

Why amend the Third Amended JPA

Joseph C. Martin
Rossmoor/Los Alamitos
Area Sewer District
3092 Inverness Drive
Los Alamitos, CA 90720
(562) 596-6064

From time to time, operational factors and other conditions require amending the JPA. The last time the JPA was amended was on July 1, 1993. SDRMA's Board of Directors believes the proposed changes will benefit our members by reducing operating costs, increasing our operating efficiency and improving our ability to respond to varying market conditions.

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

Summary of Proposed Amendments

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

• ***CSDA Annual Administrative Fee (Paragraph 6)***

This amendment is proposed to provide SDRMA the ability to annually negotiate with CSDA the percentage used to determine the administrative fee. Under the current JPA, the percentage is fixed at 1%, with the total amount of the fee not to exceed the sum of \$50,000, and not to be less than \$25,000 annually. By separate agreement, the CSDA Board of Directors has agreed to cap the fee at \$25,000 for the next three years.

Executive Director/
Risk Manager
James W. Towns, ARM

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

- ***Board of Directors (Paragraph 4)***

This amendment proposes: 1) To reduce the number of CSDA appointed representatives on SDRMA's Board from two to one, 2) To require that the CSDA appointee is from an SDRMA member entity, and 3) To change the reimbursement of Board member expenses by providing that the reimbursement of expenses for CSDA's appointee be the responsibility of CSDA.

- ***Additional Additions/Deletions***

Additional changes contained throughout the JPA are proposed for editorial consistency or updating. The changes do not substantively change or modify the document.

What it takes to amend the JPA

The Third Amended JPA requires that the following be obtained before the JPA is amended:

- Two-thirds (2/3) of the members of SDRMA must approve the amendment by signing the appropriate document [enclosed]. At this writing, our membership totals 228. SDRMA must receive approval from at least 152 members before the proposed amendment can become effective; and
- The JPA requires CSDA's approval for amendments proposed to Paragraphs 4, 6, and 7. (On September 26, 1997, the CSDA Board approved the proposed revisions to those paragraphs).

If the required minimum number of membership approvals are received:

- The Board will amend the Bylaws accordingly; and
- SDRMA will send each member a "clean" copy of the Fourth Amended Joint Powers Agreement along with a notification of the effective date.

What to do

The SDRMA Board of Directors recommends and requests that each members' Board of Directors approve and then sign the enclosed Approval of Proposed JPA Amendment and return it to SDRMA, in the enclosed SASE, **by December 31, 1997.**

Proposed JPA Amendment
October 14, 1997

Page 3

If you have questions about this proposal, we urge you to call the SDRMA Executive Director/Risk Manager or one of the SDRMA Directors. All phone numbers appear on the first page of this letter.

In advance, thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Sonksen", with a long horizontal flourish extending to the right.

Ken Sonksen, President
SDRMA Board of Directors

Enclosure

h:\paul\misc\jpacver1.wp6



SDRMA

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

~~THIRD~~ FOURTH AMENDED
JOINT POWERS AGREEMENT

DRAFT

THIS AGREEMENT is made and entered into in the County of Sacramento, State of California, by and among various special districts organized and existing under the laws of the State of California, hereinafter collectively referred to as "districts" "members" and individually as "district," "member," who have or may hereafter sign this Joint Powers Agreement, and the Special District Risk Management Authority (hereinafter referred to alternatively as SDRMA or Authority).

RECITALS

WHEREAS California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS California Government Code Section 990.4 provides that a local public entity may self-insure; purchase insurance through an authorized insurer; purchase insurance through a surplus line broker; or any combination thereof; and

WHEREAS California Government Code Section 990.8 provides that two or more local public entities, by a joint powers agreement, may provide insurance for any authorized purpose by any one or more of the methods specified in Section 990.4; and

WHEREAS each of the districts members which are parties to the agreement desire to join together with other districts members in order to collectively self-insure their losses and/or to jointly purchase insurance and administrative services in connection with a joint protection program for said districts members; and

WHEREAS the California Special Districts Association, hereinafter alternately referred to as CSDA, is a nonprofit corporation existing to assist and promote special districts and has been responsible for the original creation of SDRMA, and SDRMA and the California Special Districts Association (CSDA) contemplate a working relationship to the benefit of the special districts in the State of California; and

WHEREAS it is to the mutual advantage and in the best public interest of the parties to this ~~Third~~ Amended Joint Powers Agreement, or successor documents thereto, to establish this joint powers authority for the purposes stated herein.

NOW, THEREFORE, for and in consideration of the execution of this agreement by other districts members, each of the parties hereto does hereby agree as follows:

- (1) **Purpose:** This ~~Third Amended~~ Joint Powers Agreement is entered into by districts members in order to jointly fund and develop programs to provide various joint protection programs for participating districts members, not including workers' compensation coverage. These programs shall be provided through collective self-insurance; the purchase of insurance coverages; or a combination thereof. These programs shall also seek to reduce the amount and frequency of losses, and to decrease the costs incurred by districts in the handling and litigation of claims. These purposes shall be accomplished through a joint exercise of powers by said districts members pursuant to the terms of this agreement. This joint powers authority shall be known as the SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY, hereinafter referred to as SDRMA.
- (2) **Designated Entity:** The community services district named in the Bylaws is hereby designated as the applicable entity for defining the restrictions upon the manner of exercising power as set fourth in California Government Code Section 6509.
- (3) **Term of Agreement:** ~~This agreement shall become effective when executed by districts having a combined annual premium for general liability and automobile liability coverages in excess of \$250,000. This agreement shall initially become effective as to each new member district upon:~~ 1) approval of the district's its membership by the Board of Directors of SDRMA, 2) the execution of this Third Amended joint powers agreement by the district member, and 3) by SDRMA, and upon payment by district the member, to SDRMA, of its initial deposit for coverage by SDRMA. When effective, This agreement shall continue thereafter until terminated as hereinafter provided. Any subsequent amendments to the Joint Powers Agreement shall be in accordance with Paragraph 11 of this agreement.
- (4) **Board of Directors:** The powers of the Authority shall be exercised through a Board of Directors which shall be composed of ~~two~~ one members appointed by the Board of Directors of the CSDA ~~California Special Districts Association~~ and five members elected by the districts SDRMA member entities who have executed the current operative ~~this Third Amended Joint Powers Agreement~~ and are participating in one of the joint protection program(s) offered by SDRMA. The CSDA appointee to the SDRMA Board of Directors shall be from an SDRMA member entity that has executed the current operative Joint Powers Agreement and is participating in the joint protection program(s) offered by SDRMA. Each member of the Board of Directors shall have one vote. Reimbursement of Director expenses shall be pursuant to the Bylaws and approved SDRMA policy(ies). The Board of Directors shall have the authority to conduct all of the business of this joint powers authority under the provisions of this ~~Third Amended Joint Powers Agreement~~ and the Bylaws and pursuant to law.

SDRMA shall appoint one Director to serve as a member of the CSDA Board of Directors.

~~The That appointee may be the President of the SDRMA Board of Directors, or any other Board member selected by the SDRMA Board, other than a CSDA Board appointee, shall be a member of the CSDA Board of Directors.~~

- (5) **Authority Powers:** Authority shall have all of the powers common to districts and all of the powers granted by the joint powers provisions of the Government Code of the State of California. Authority is hereby authorized to do all acts necessary for the exercise of said common powers and the powers granted by said code sections including but not limited to any or all of the following:
- (a) To make and enter into contracts.
 - (b) To employ agents and employees, and/or to contract for such services.
 - (c) To incur debts, liabilities, and obligations.
 - (d) To acquire, hold, or dispose of property.
 - (e) To receive contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities.
 - (f) To sue and be sued in its own name.
 - (g) To exercise all powers necessary and proper to carry out the terms and provisions of this agreement or otherwise authorized by law.
- (6) ~~Administrative Services Annual Service Fee: Pursuant to California Government Code Section 6506, CSDA shall provide all administrative services to SDRMA under the direction of the Board of Directors of SDRMA, on a continuing basis, in exchange for which SDRMA shall pay to CSDA 1% (one percent) a percentage of net annual premiums (gross premiums less refunds and reinsurance costs), not to exceed the sum of \$50,000 (fifty thousand dollars) per program year and not to be less than \$25,000 (twenty-five thousand dollars) per program year. The percentage of net annual premium payable to CSDA and the services provided by CSDA to SDRMA will be established and agreed upon from time to time by the Board of Directors of SDRMA and the California Special Districts Association, and such percentage and services shall be approved through a separate agreement. CSDA and SDRMA may from time to time exchange other services pursuant to California Government Code Section 6506. plus actual costs of staff salaries and benefits and a prorata share of rent and other overhead items allocable to SDRMA. Should CSDA refuse or be unable to provide the services referred to herein, said sums shall not be paid or payable to CSDA. The administrative services provided by CSDA referred to herein shall be provided in the CSDA central State-wide office as of a date no later than June 30, 1990.~~
- (7) **Membership:** Each district member which is a party to this agreement must be a district public entity which is duly organized and existing under the laws of the State of California or a joint powers agency; be a member in good standing of the California Special Districts Association;

and must be approved for participation in SDRMA in the manner provided by the Bylaws.

- (8) **Administration of Program**: SDRMA shall be administered pursuant to the terms of this agreement and pursuant to the Bylaws of SDRMA, a copy of which is attached hereto marked Exhibit A and made a part hereof. Each party to this agreement by the execution hereof agrees to be bound by and to comply with all of the terms and conditions of this agreement and of said Bylaws as they now exist or may hereafter be amended. The Special District Risk Management Authority (SDRMA) shall operate and conduct its business affairs pursuant to the terms of this agreement and said Bylaws.
- (9) **Withdrawal or Involuntary Termination**: Any participating member district may voluntarily withdraw from any particular joint protection program at the end of any coverage year of participation, if the following conditions are met:
- (a) The member district has given not less than ninety (90) days' advance written notice of withdrawal to the Board of Directors of the Authority, prior to the end of the coverage year; and either
 - (c)(b) The member entity, if it became a member on or after the March 1, 1990, effective date of this provision, shall have participated in the Package Program for not less than three full program years as of the date of the proposed withdrawal, or
 - (b)(c) The member entity either was a member of the Authority on prior to the effective date of this provision March 1, 1990. or

In the event said notice is not provided, and/or the three-year participation has not been met, any such participating member district shall be obligated to pay any and all contributions, premiums and assessments for the next full coverage year, and for any portion of the three full years for which the district member has not already paid. A district member may be involuntarily terminated as provided in the Bylaws.

- (10) **Termination of SDRMA**: SDRMA may be terminated at any time upon the agreement of two-thirds of the ~~then-member districts~~ member entities then party to this agreement. In the event of its termination, SDRMA shall pay to the ~~then-members districts~~ their prorata share of the assets of SDRMA pursuant to the provisions of the Bylaws.
- (11) **Amendments**: This agreement may be amended by an amendment in writing signed by two-thirds of the ~~districts~~ members then parties to this agreement. Amendments to Paragraphs (4) and/or (6) and/or (7) must also be approved by the Board of Directors of CSDA. The Bylaws may be amended as provided for therein. Upon signature of any amendment by two-thirds of the ~~members districts~~, any member district failing or refusing to concur in any amendment may be involuntarily terminated as a party to this agreement as provided in the Bylaws.

- (12) **Parties to Agreement:** Each district member which has signed this agreement certifies that it intends to and does contract with SDRMA and with all other districts members who have signed this agreement, and, in addition, with each district member which may later be added as a party and may sign this agreement. Each district member which has or may hereafter sign this agreement also certifies that the deletion of any district member from this agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this agreement nor each district's member's intent to contract as described above with the then-remaining districts members.
- (13) **Enforcement:** SDRMA is hereby granted authority to enforce this agreement. In the event action is instituted to enforce the terms of this agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors against any district member which signed this agreement, such district member agrees to pay such sums as the court may fix as attorney fees and costs in said action.
- (14) **Non-liability of CSDA:** Nothing in this agreement or in the Bylaws adopted pursuant hereto shall be construed as imposing liability upon the California Special Districts Association, or any director, officer, or employee thereof, for the payment of any claim insured against by SDRMA, the sole recourse of claimants being against the funds of participating districts members paid into SDRMA for the payment of such claim. Pursuant to Government Code Section 6508.1, the debts, liabilities, and obligations of the California Special Districts Association shall not be debts, liabilities, or obligations of SDRMA or of any district member that is a participating district member in any program of SDRMA.
- (15) **Non-liability of Directors, Officers and Employees:** The members of the Board of Directors, and the officers, agents, and employees of SDRMA shall not be liable to SDRMA, to any participating member district, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any agent, employee, or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer, agent, or employee. No director, officer, agent, or employee shall be liable for any action taken or omitted by any other director, officer, agent, or employee. SDRMA shall defend and shall indemnify and hold harmless its directors, officers, agents, and employees from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers, agents, or employees of SDRMA except in the event of fraud, gross negligence, or intentional misconduct, and the funds of SDRMA shall be used for such purpose. SDRMA may purchase conventional insurance to protect SDRMA, and its participating members districts, against any such acts or omissions by its directors, officers, agents, and employees.

(16) **Counterparts:** This agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

(17) **Supercedes:** This Agreement supercedes and replaces the Third Amended Joint Powers Agreement.

* * * * *

Acknowledgement:

President, Board of Directors
Special District Risk Management Authority

Date

DRAFT

Approved (as to the provisions of Paragraphs 4, 6 and 7):

President, Board of Directors
California Special Districts Association

Date

I hereby certify this Fourth Amended Joint Powers Agreement has also received the required approval of not less than 2/3 of the member entities then parties to the Third Amended Joint Powers Agreement.

James W. Towns, Executive Director

Date

EXECUTION BY DISTRICT MEMBER ENTITY

The ~~Third Amended~~ Joint Powers Agreement of the Special District Risk Management Authority, has been approved by the Board of Directors of the Member Entity District listed below, on the date shown, and said District Member Entity agrees to be subject to all of the terms and conditions set fourth in said Agreement.

_____ District Entity Name

By _____ President

By _____ Clerk

Date: _____

EXECUTION BY AUTHORITY

The Special District Risk Management Authority (SDRMA), operating and functioning pursuant to this Joint Powers Agreement, the joint powers authority created by the foregoing ~~Third Amended Joint Powers Agreement~~, hereby ~~executes this Agreement and~~ accepts the district entity named above as a participating member district in SDRMA, subject to all of the terms and conditions set forth in the ~~Third Amended~~ Joint Powers Agreement and in the Bylaws, effective on as of _____
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By _____
President, Board of Directors

Date: _____

DRAFT



NOV 5 1997

TO: BOARD OF DIRECTORS
 FROM: DOUG JONES
 DATE: NOVEMBER 5, 1997

PRIVATE FIRE SERVICE

An inventory and audit of all private fire services (sprinkler systems in buildings) within the District has been completed. There are sixteen (16) separate fire services to individual structures within the District. Some structures may be on the same property. The following is a breakdown of the size of each fire service.

<u>METER SIZE</u>	<u>NUMBER OF SERVICES</u> Each
3 INCH	2
4 INCH	7
6 INCH	4
8 INCH	2
10 INCH	1
TOTAL	16

District Code Section 3.04.140 B2 establishes the monthly standby charge for private fire service based on meter size as follows:

<u>METER SIZE</u>	<u>MONTHLY CHARGE</u>
3"	\$5.00
4"	\$6.00
6"	\$9.00
8"	\$12.50
10"	\$15.00

The audit revealed that not all the private fire systems were being billed the monthly fire standby charge. Those that were not billed will be notified that the next billing cycle will include the monthly fire standby charge. This is an information item and does not require Board action.

PRIVATE FIRE SERVICES (OCT. 97)

<u>ACCOUNT</u>	<u>LOCATION</u>	<u>METER SIZE</u>	<u>CURRENTLY BILLED</u>
E. Jones	195 N. Thompson	3"	Yes
Grand Apts.	515 & 525 Grande	3"	No
Bainbridge Apts.	480 Ave. de Socios	4"	No
J. Miller	141 W. Dana	4"	Yes
J. Miller	141 W. Dana	4"	Yes
J. Miller	141 W. Dana	4"	Yes
Burnsed Office	255 N. Wilson	4"	No
J. Miller	330 W. Tefft	4"	No
J. Miller	261 W. Dana	4"	No
Groedig	469 Ave. de Socios	6"	No
O'Roark	540 Inga Rd.	6"	No
Statewide	425 Inga	6"	No
Cal Prop Apts	220,226,228 W. Price St.	6"	No
Manderley	172 W. Price	8"	No
J. B. Kies	671 W. Tefft	8"	Yes
J. Miller	479 Ave. de Socios	10"	No

District Code 3.04.110

3.04.140 Public and private fire service.

A. Public Fire Service. The district may enter into contracts for fire hydrants and the supplying of water for fire protection use to any other district, public agency or municipality located within the district under such terms and conditions as may be mutually acceptable to the district and the agency.

(B) Private Fire Service.

1. The district may grant applications for private fire service for sprinkler service or private fire hydrants. A detector-check type meter shall be required on all private fire service connections. The customer's installation must be such as to effectively separate the fire system from that of the regular water service system. The required meter installation may be installed by the customer in accordance with plans previously approved by the district or may be constructed by the district at the customer's expense.

2. Monthly standby charges for private fire service shall be as follows:

Meter Size	Monthly Charge
3"	\$ 5.00
4"	6.00
6"	9.00
8"	12.50
10"	15.00

Water used for fire suppression shall be furnished without charge. (Ord. 95-79 § 1 (part), 1995; Ord. 81-41 § 2, 1981; Ord. 79-35 § 4, 1979; Ord. 78-27 § 7, 1978)

(Nipomo CSD 10-95)

AGENDA ITEM

NOV 5 1997



TO: BOARD OF DIRECTORS

FROM: DOUG JONES

DATE: NOVEMBER 5, 1997

ANNUAL AUDIT SERVICES

On October 1, 1997, Mr. Carlos Reynoso, CPA, presented the District's 96-97 Audit Report to your Honorable Board. On completion of his report, the Board requested that he submit a proposal to audit the financial statements in future years and prepare the report on a comparative basis. Attached is Mr. Reynoso's proposal to prepare the District's audit for the years '98, '99 and 2000.

Mr. Reynoso has worked well with staff and his proposed fee of \$3,150 is felt to be reasonable.

Upon the review of Mr. Reynoso's proposal, it would be staff's recommendation that the Board approve the proposal for audit for a three-year period.

C:\W:\audit.DOC



Carlos J. Reynoso
Certified Public Accountant

935 Riverside Ave., Suite 8 • P.O. Box 70
Paso Robles, California 93447-0070
(805) 238-9601 • Fax (805) 238-2406

RECEIVED

OCT 23 1997

NIPOMO COMMUNITY
SERVICES DISTRICT

October 15, 1997

Lisa Bognuda, CPA
Assistant Administrator
Nipomo Community Services District
261 West Dana, Suite 101
Nipomo, California 93444

Dear Ms. Bognuda:

Our three year audit contract has expired with the audit of the year end June 30, 1997. I would like to offer to renew the agreement for an additional three years, FYE June 30, 1998, 1999, and 2000. The terms would be the same except that the financial statements would be prepared on a comparative basis. The fee amounts are show below.

Services To Be Rendered

The audits shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and will include tests of the accounting records and other procedures I consider necessary to enable me to express an unqualified opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

It is a practice as a regular part of an audit engagement, to submit specific recommendations designed to strengthen internal controls and to improve the efficiency of accounting procedures. Such recommendations are developed during the course of my audit from my study and evaluation of the existing system, as well as from my audit tests.

I will not make a detailed audit of all transactions, such as would be necessary to disclose any defalcations or irregularities that may have occurred. However, my engagement will include tests of the system of internal control to the extent I consider necessary to make an evaluation of the system as required by generally accepted auditing standards.

Ms. Lisa Bognuda
October 15, 1997
Page Two

Fee

My fees for these audits will be based on my regular hourly rates (current hourly rates are Principal \$75, Senior Accountants \$55, Juniors \$35 and Clerical \$25). It is estimated that specific fees will not exceed \$3,150 for the year ended June 30, 1998. The fees for subsequent years would be adjusted for any increase in the consumer price index - Pacific cities average - San Francisco - Oakland - San Jose for the years ended June 30, 1999, and 2000. I am assuming there will be no federal funds received, additional funds created or substantial increase in the revenues of the District.

In arriving at this estimate, it is my understanding that:

Your staff will assist me to the extent practicable in the completion of my engagement. They will provide us with supporting schedules and account analysis, and assist in locating supporting documents as I deem necessary.

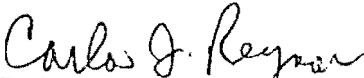
If the above condition is not satisfactorily met and additional time is necessary to complete my audits, this matter will be brought to your attention in advance of the performance of the work. Additional services required would be billed at my regular hourly rates.

In addition, I would be available for telephone consultation during the year at no charge.

I am pleased that you requested this renewed proposal, and I look forward to continue serving as auditor for Nipomo Community Services District.

If you have any questions regarding this proposal, please contact me. Thank you again for this opportunity to offer my services. If you agree with the terms of my engagement as described in the letter, please sign the enclosed copy and return it to me.

Sincerely,


Carlos J. Reynoso, C.P.A.

Board of Directors' Acceptance of Engagement

Signature and Title

Date

TO: BOARD OF DIRECTORS
 FROM: LISA BOGNUDA
 DATE: NOVEMBER 5, 1997

AGENDA ITEM
NOV 5 1997



FIRST QUARTER FINANCIAL STATEMENTS

Attached are the Balance Sheet as of September 30, 1997 and the Income Statement for the three months ended September 30, 1997 for each Fund.

The fiscal year is 25% complete with nine months remaining. The consolidated Income Statement (page 3 and 4) summarizes the District's operations for the first three months of the fiscal year. Water revenues are 36% of the budget figure; however, the summer months are the highest usage months. The Sewer revenues are 3% below the budget figure; however, additional connections to the sewer systems are anticipated during the year. The majority of expenditures are within the 25% range. Below is a summary of the information attached:

**SUMMARY OF REVENUES AND EXPENSES BY FUND
 THREE MONTHS ENDING SEPTEMBER 30, 1997**

FUND	FUND #	YTD REVENUES	YTD EXPENSES	FUNDED REPLACEMENT	YTD NET INC/ (NET LOSS)
Administration	110	26,573	(26,573)	0	0
Water	120	337,526	(190,629)	(25,758)	121,139
Sewer	130	104,144	(42,964)	(23,439)	37,741
Blacklake Water	140	52,358	(30,533)	(2,499)	19,326
Blacklake Sewer	150	13,928	(21,782)	(1,628)	(9,482)
Blacklake Streetlighting	160	696	(1,419)	0	(723)
Drainage Maintenance	170	1,533	0	0	1,533
Sewer Maint Dist (Folkert Oaks)	180	3,846	0	0	3,846
Montecito Verde II	190	2,215	0	0	2,215
Property Taxes	210	5,505	(252)	0	5,253
Water Capacity Fees	220	9,106	0	0	9,106
Sewer Capacity Fees	230	27,615	0	0	27,615
Blacklake Water Capacity Fees	240	2,791	0	0	2,791
Funded Replacement-Water	800	2,728	0	25,758	28,486
Funded Replacement-Sewer	801	4,038	0	23,439	27,477
Funded Replacement-BL Water	802	334	0	2,499	2,833
Funded Replacement-BL Sewer	803	202	0	1,628	1,830
TOTAL		595,138	(314,152)	0	280,986

FUND	FUND #	CASH BALANCE 9/30/97
Administration	110	(7,662)
Water	120	272,233
Sewer	130	263,958
Blacklake Water	140	416,444
Blacklake Sewer	150	(11,131) (1)
Blacklake Streetlighting	160	47,138
Drainage Maintenance	170	100,156
Sewer Maint Dist (Folkert Oaks)	180	134,921
Montecito Verde II	190	37,137
Property Tax	210	0
Water Capacity Fees	220	683,335
Sewer Capacity Fees	230	1,889,252
Blacklake Water Capacity Fees	240	173,358
Funded Replacement-Water	800	205,055
Funded Replacement-Sewer	801	296,245
Funded Replacement-BL Water	802	24,767
Funded Replacement-BL Sewer	803	15,039
SUBTOTAL		4,540,245

AL FUNDS-ASSESSMENT DISTRICT 93-1		
A/D-Redemption Fund	820	102,943
A/D-Reserve Fund	820	102,426
SUBTOTAL		205,369

GRAND TOTAL 4,745,614

Copy of document found at www.NoNewWipTax.com

(1) On 10/21/97, Tract 1912 paid the Plan, Check & Dedication Agreement costs and associated fees amount of \$18,519. The collection of these fees will offset the deficit cash balance in the BL Sewer Fund.



TO: BOARD OF DIRECTORS
FROM: DOUG JONES
DATE: NOVEMBER 5, 1997

MANAGER'S REPORT

1. Water Engineering article
Enclosed is an article from Water/Engineering and Management periodical reviewing general principles in establishing water rates.
2. State Water Contractors Advisory Committee meeting November 26, 1997
Attached is correspondence received by the District on the State Water Contractors Advisory Committee reviewing the District's proposed emergency valve. I plan to attend the meeting to explain the District's position.
3. Southland Facility discharge requirements

The Regional Water Quality Control Board met in Monterey on October 24, 1997 and approved the revised discharge requirements for the Southland Wastewater Treatment Facility. It is anticipated that the State Board will be reviewing the District's \$1.2 million loan for expanding the wastewater treatment facilities in January 1998. It is believed that the loan will be approved at this time. The bidding process and construction would follow.

Does Water Cost Enough?

by Daniel J. Kucera

What a provocative question: "Does water cost enough?" What does it mean; what does it imply?

Water furnished by typical utilities may be priced, on the average, from \$1 to \$7 per thousand gallons. On small systems in recreational developments, residential customers may pay \$25 or more per month, even if they use no water. Bottled water may range upwards of \$1 per gallon.

The question imposes some challenging philosophical issues. For example, can water be owned, and if so, who owns it? Is water in the ground, a river or a lake really free? Do utilities really sell water to customers or do they merely provide a service to enable customers to use water?

However, any practicable answer to the question depends on the perspective. What is being priced: a raw water supply, purchased water supply, wholesale finished water or retail distributed finished water? Is the question from the utility or developer or customer viewpoint?

Focusing narrowly on the pricing of distributed finished water will allow a more specific discussion. There is a broad suspicion (whether utilities are willing to admit it or not) that water rates in fact are not high enough. Of course, customers may disagree, mostly when they perceive that the quality of service or quality of water is not good. Nevertheless, experience teaches that, at any one time, most investor-owned water utilities are not earning their allowed rate of return; and for a myriad of reasons, most municipally-owned water utilities are not recovering full costs of service.

How is the sufficiency of rates to be measured? There are several general principles that underlie sound ratemaking but to which many utilities may give only lip service or ignore completely:

- Rates should be sufficient, at all times, to recover all reasonable operating expenses and to yield a fair rate of return.
- In developing rate differentials for different classes of customers, costs of service should be allocated in accordance with the cost causers.
- Rates should be non-discriminatory and free from cross-subsidization.
- All rates should be based on cost of service studies.
- Rate design should be equitable for both customers and the utility.
- Rates should be premised on efficient utility operation.

If a utility's rates meet all these test, then there may be a presumption that water costs enough. If they do not, then there may be a presumption that the rates are insufficient or excessive. Each of these tests can be discussed.

Sufficiency of rates. It is critical that all operating expenses be identified and that the rate base (plant investment less depreciation, with appropriate adjustments) be determined. Every operating expense incurred by the utility causes a revenue requirement unless it is unreasonable

or non-recurring, or unless it should be amortized over a period of years. A reasonable return on rate base is a revenue requirement. Even when a municipally-owned water utility uses the "cash basis" methodology for ratemaking, it must identify every operating expense as well as debt service. To satisfy this test requires diligent, accurate plant and expense records and accounting, proper allocation of common expenses and avoidance of all subsidies from non-water utility activities.

Allocation of costs. Every water utility has classes of customers (residential vs. industrial, firm vs. interruptible, etc.). To develop proper rates, it is necessary to identify the costs of service imposed by each class, including the nature of their demand, so that proper cost allocations can be made.

Non-discrimination. Historically, one of the most obvious forms of presumptive discrimination was the practice by some municipally-owned water systems to double rates for customers residing outside municipal limits without cost justification. A rate differential cannot be based simply on the fact that customers live outside certain boundaries. Differentials must be based on higher cost to serve customers are charged a higher rate. In addition, to avoid discrimination, all cross-subsidization of one class by another must be eliminated.

Cost of service studies. Plain and simple, all rates and rate changes should be based on a professional cost of service study. This requirement is essential for sound ratemaking and is a valuable tool in the event of any rate litigation.

Equitable rate design. More and more, the adequacy of rates may depend on rate design issues. For example, a large industrial firm may satisfy all or part of its water needs from its own wells but impose unpredictable and often large demands on a water utility when the wells fail. This may cause the utility to install extra capacity that otherwise would not be needed to serve other customers in order to meet that customer's peak demands. This situation may call for the development of a standby rate under which the industrial customer fully pays for its standby demand.

Efficient operations. It is impossible to determine whether rates are adequate when a water system is not efficiently operated. For example, if a utility has not replaced its meters in twenty years, the chances are that it is losing substantial revenues. Or, if a utility has a twenty percent unaccounted for water loss, the chances are that it is not offering its customers economies of scale that would be available if it were privatized or sold to a larger utility.

Does water cost enough? If it passes all these tests, the answer is maybe.

About the Author:

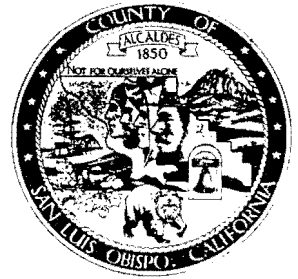
Dan Kucera is a partner in the law firm of Chapman and Cutler, 111 W. Monroe Street, Chicago, Illinois, 60603-4080, (312) 845-3000.

SAN LUIS OBISPO COUNTY ENGINEERING DEPARTMENT

COUNTY GOVERNMENT CENTER • ROOM 207 • SAN LUIS OBISPO, CALIFORNIA 93408

TIMOTHY P. NANSON
COUNTY ENGINEER
GLEN L. PRIDDY
DEPUTY COUNTY ENGINEER
ENGINEERING SERVICES
NOEL KING
DEPUTY COUNTY ENGINEER
ADMINISTRATION

PHONE (805) 781-5252 • FAX (805) 781-1229



ROADS
SOLID WASTE
FRANCHISE ADMINISTRATION
WATER RESOURCES
COUNTY SURVEYOR
SPECIAL DISTRICTS

October 15, 1997

Doug Jones
Nipomo Community Services District
PO Box 326
Nipomo CA 93444

Subject: State Water Project Emergency Valve Vault

Dear Doug:

The State Water Contractors Advisory Committee has been reviewing numerous applications for new players on the State Water Project coastal aqueduct. Most of the proposals are for purchasing allocations from subcontractors with excess water. Your proposal is significantly different. Before deciding on any recommendations for the Board, the subcontractors would like to hear the specifics of your proposal from you. Will you be able to attend the next State Water Subcontractors Advisory Committee meeting on November 20, 1997 at 1:30 PM in the Library, third floor conference room? I have attached a copy of the draft minutes from our last meeting. Item No. 4 will give you a summary of our previous discussions concerning new players. Please give me a call if you are able to attend at 781-5269, I look forward to seeing you.

Sincerely,

SUSAN LITTERAL
Secretary

OCT 20 1997

NIPOMO COMMUNITY SERVICES DISTRICT

Attachment

File: State Water Project - Subcontractors Advisory Committee - General

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STATE WATER PROJECT SUBCONTRACTORS ADVISORY COMMITTEE

Thursday, September 25 1997

MINUTES

1. Introductions
2. Public Comments - Tony Boyd requested that all contractors review the submitted draft phone list for completeness and correctness.
3. Update on Operations
 - a. Chorro Valley - The pipeline has been chlorinated and flushed. BAC T's have been taken. Hopefully, deliveries will begin on Saturday, September 27, 1997.
 - b. Lopez - Delivery started August 26, 1997. There have been some hydraulic problems delivering to Avila; CSA 12 and Avila areas may need to be fine tuned as delivery amounts increase. Pismo has experienced some taste and odor problems which are probably coming from Lopez. San Miguelito received one complaint that State water is too bland; this was received before State water project deliveries began..... Dennis Delzeit complimented the Lopez staff for their help and coordination.
4. Update on New Players - Board time has been scheduled for December 16, 1997 to; 1) review the existing policy for eligibility to receive State water; 2) to give direction concerning the potential players; and 3) to recognize the water being offered for sale by Shandon, OCSD and Pismo. The potential new players include; 1) Cal Cities who was previously approved to buy Shandon's water but has not yet acted; 2) Afuero de Chorro who has requested to buy 30-acre feet; 3) Nancy Blackburn who has requested to buy 50-acre feet; and 4) Jehovah's Witnesses who have requested 1 or 2-acre feet.

Pismo Beach has determined that they have 373-acre feet available for short to medium term sale. They are working with Paragon Vineyards to develop a mutually acceptable transfer.

An extended discussion addressed the uniqueness and similarities of each potential new player. Coupled with the impact on costs, operations and administration from new players. A motion that was passed at the June 25, 1997 meeting was revisited, expanded and unanimously approved as follows:

The State Water Project Subcontractors Advisory Committee has no objection to proposals that meet the following criteria:

- 1) There should be no increase in administrative costs to existing subcontractors. This can best be obtained by avoiding new allocations of less than 20 acre feet.
- 2) There should be an equitable investment recovery program for existing subcontractors.
- 3) New proposals should be consolidated with existing subcontractors, wherever possible.

5. Update on Board Policy - This was discussed under Item 4.
6. Delivery Requests for 1998-2002 - DWR requires that five year preliminary delivery schedule requests be submitted by October 1st of each year. All contractors were urged to submit their updated requests promptly. The contractors requested that the current percent delivery be included on future agendas.
7. Determination of costs for new players - The current subcontractors generally feel that any new players should respect the creditability and accountability of the 1992 decision makers who originally signed up for State water and enabled the pipe to be in operation today. This includes new players participating in the sunk costs paid since 1992. The secretary was asked to invite NCSD to attend the next meeting or submit in writing and articulate their specific request.
8. Future meeting topics - Draft Board letter for December 16, 1997 meeting, update on Chorro Valley pipeline deliveries, percent deliveries for State Water Project and NCSD's request.

Next meeting was scheduled for November 20, 1997 at 1:30 PM.

Respectfully submitted,

SUSAN LITTERAL

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Tract 217c

To; Mr. Doug Jones

From: Mark Wendler & Kurt Berger

Re; NCSD Service

Date; 10/28/97

Dear Doug;

We are dropping you a line to thank you for your help and support while we worked trying to get our tentative map approved . You were a great source of information and unbiased advice, both of which we found to be in short supply. The process of developing property has certainly been confusing to amateurs such as we are.

We wanted to let you know where we stand currently. The County issued our tentative approval in mid September, and we are pushing forward towards a final map. Our engineering firm is North Coast Engineering out of Paso Robles. We are in contact with the Fremont Bank, and intend to integrate with their water distribution plan.

Again, thanks for your time and assistance. If there is anything you want us to provide to you, please contact Mark at 343-2201 or Kurt at 773-5878.

Mark Wendler & Kurt Berger.

10 OCT 1997

NIPOMO COMMUNITY SERVICES DISTRICT