

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

DATE: NOVEMBER 6, 2015

**AGENDA ITEM  
D-3**

**NOVEMBER 12, 2015**

**ADOPT RESOLUTION REDUCING SOLID WASTE FRANCHISE FEE  
AND THEREBY BUYING DOWN PROPOSED SOLID WASTE RATE  
INCREASE**

**ITEM**

Adopt a resolution approving a 2.99% decrease in the District's solid waste franchise fee  
[RECOMMEND ADOPT RESOLUTION]

**BACKGROUND**

South County Sanitary Services (SCSS) provides solid waste collection services to homes throughout southern San Luis Obispo County. SCSS provides these services to District customers under a franchise agreement with the District.

At your Board's regular meeting on August 12, 2015, SCSS's request for an increase in solid waste rates was considered (Staff Report is provided as Attachment A). The proposed increase impacts the entire south county service area. The requested increase is to cover increases in the cost of collection services, expanded organics diversion program and increase landfill disposal cost.

At the August meeting your Board directed staff to defer the requested increase by lowering the District franchise fee by approximately 3%, thereby maintaining the current cost of service for garbage service for District customers.

**FINANCIAL IMPACT**

Solid waste related expenditures have increased in recent years. However, expenditures remain under revenue and solid waste reserves are strong.

**STRATEGIC PLAN**

Goal 8.3 SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.

**RECOMMENDATION**

It is recommended that the Board of Directors, by motion and roll call vote, adopt the Resolution lowering the District solid waste franchise fee from 8.13% to 5.14%.

**ATTACHMENTS**

- A. August 12, 2015 Staff Report, Item E-4
- B. Resolution 2015-XXXX Solid Waste Franchise

November 12, 2015

ITEM D-3

ATTACHMENT A

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN  
GENERAL MANAGER *msl*

DATE: AUGUST 7, 2015

**AGENDA ITEM**

**E-4**

**AUGUST 12, 2015**

**CONSIDER SOLID WASTE RESERVE EXPENDITURE  
DISCOUNT TO CUSTOMER SOLID WASTE BILL**

**CONSIDER SERVICE PROVIDER REQUEST FOR SOLID WASTE  
RATE INCREASE**

**ITEM**

Consider providing District solid waste customers a discount to spend down solid waste reserves and consider a request from the solid waste service provider to increase solid waste rates. [RECOMMEND CONSIDER PROPOSAL AND REQUEST, DIRECT STAFF]

**BACKGROUND**

The District holds a Franchise Agreement with South County Sanitation for providing solid waste collection services within the District. The Agreement generates a fee paid to the District as a proportion of the fees collected by the Sanitation Company from District customers.

District solid waste funds collected as a result of the franchise fee are accounted for in a separate solid waste account and are restricted for use on solid waste related activities that directly benefit District customers.

Current solid waste fund accounting is as follows:

Fund Balance (as of July 1, 2015)	\$330,000
Budgeted Income 2015-2016 Fiscal Year	\$116,000
Budgeted Operational Expenditures 15-16 FY	<\$170,000>
Budgeted Administrative Expenditures 15-16 FY	<\$20,000>
Estimated Cash Balance on June 30, 2016	\$256,000
Fund Reserve Goal	\$115,000

The 2015-2016 budgeted operational expenditures include a one-time 50% underwriting of two months of solid waste bills for District customers at a cost of approximately \$120,000.

The District's solid waste service provider recently initiated the process to increase solid waste rates to District customer by 3.18%. Staff seeks Board direction on how to proceed with the requested increase. The District can either proceed to increase the fee to customers via a Proposition 218 Protest Hearing process or 'buy-down' the increase by lowering its franchise fee.

The District's franchise fee is currently 8.13% and generates approximately \$124,000 annually. Buying down the proposed rate increase would reduce the franchise fee to ~5.21% and reduce annual income to ~\$77,000 annually. Assuming the rate increase buy-down takes effect on January 1, 2016, the projected fund balance for June 30, 2016 would be ~\$232,000.

**ITEM E-4 SOLID WASTE FRANCHISE  
AUGUST 12, 2015**

**Page 2**

If the District desires to raise solid waste rates, a Proposition 218 protest process will need to be initiated.

**FISCAL IMPACT**

Offsetting customer solid waste bills with solid waste reserves funds will expend fund reserves. Lowering District franchise fee will lower solid waste fund income.

**RECOMMENDATION**

By motion and roll call vote:

1. Direct staff to coordinate with South County Sanitary to provide District customers with a one-time 50% reduction in bi-monthly solid waste bills for the months of September and October 2015; and
2. Provide staff direction to either;
  - 'buy-down' the requested solid waste rate increase by lowering the District's franchise fee from 8.13% to ~5.13%; or
  - initiate Proposition 218 proceedings to adopt a solid waste rate increase.

**ATTACHMENTS**

None

November 12, 2015

ITEM D-3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
REDUCING THE FRANCHISE FEE PAYMENT FROM SOUTH  
COUNTY SANITARY FROM 8.13% to 5.14%**

**WHEREAS**, South County Sanitary operates its solid waste operations inside of NCSD as a Franchisee of NCSD and said operation is governed by a Franchise Agreement between NCSD and South County Sanitary; and

**WHEREAS**, NCSD wishes to reduce the Franchise Fee Payment set forth in said agreement from 8.13% to 5.14% so as to avoid a 3.25% increase in South County Sanitary Fees to its customers within NCSD; and

**WHEREAS**, South County Sanitary agrees that the revenue that would be generated by reducing NCSD's Franchise Fee from 8.13% to 5.14% is equivalent to the revenue that would be generated by a Customer Fee Increase of 3.25%; and

**WHEREAS**, the District Board considered this item at a regularly scheduled public Board Meeting.

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

1. The current 8.13% Franchise Fee set forth in the Agreement is suspended until further action of the Board of Directors.
2. Subject to further action of the Board, the Franchise Fee shall be 5.14% effective January 1, 2016; and
3. In consideration of the suspension and reduction of the Franchise Fee, South County Sanitary will not increase its rates and charges to District residents pursuant to its current request for a rate increase.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

The foregoing resolution is hereby adopted this 12th day of November 2015.

\_\_\_\_\_  
**CRAIG ARMSTRONG**  
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MICHAEL S. LEBRUN**  
Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *ML*  
GENERAL MANAGER  
DATE: NOVEMBER 6, 2015

**AGENDA ITEM  
D-4  
NOVEMBER 12, 2015**

**ADOPT RESOLUTION SUMMARIZING FISCAL 2015-2016  
NIPOMO SUPPLEMENTAL WATER RATE SCHEDULE  
FOR PURVEYOR CUSTOMERS**

**ITEM**

Consider a Resolution summarizing current fiscal year supplemental water costs for purveyor customers [RECOMMEND ADOPT RESOLUTION]

**BACKGROUND**

Golden State Water Company (GSWC) is a privately held water company that is regulated by the California Public Utilities Commission (CA PUC). GSWC is responsible for 16.66% of Nipomo Supplemental Water costs in accordance with the Stipulation and Final Judgment in the Santa Maria Valley Groundwater Litigation and the recently approved Purchase Agreement between the District and GSWC.

GSWC is preparing an application to the CA PUC to have its supplemental water costs included in its customer rate base. GSWC has requested the District adopt a succinct Resolution summarizing the various agreements and project costs with the intent of appending the Resolution to their CA PUC application.

District staff worked with General Counsel and staff from GSWC to draft the attached Resolution.

**FISCAL IMPACT**

Fiscal year 2015-2016 Supplemental Water costs will be approximately \$1.67 Million. GSWC is responsible for approximately \$392,000 of the annual costs.

**STRATEGIC PLAN**

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.1 Complete Phase 1 of Supplemental Supply Projects.
- 1.2 Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

- 4.1 Ensure that purveyors and others pay their fair share of financing water supply, supplemental water, conservation, and sustainability of the regional water supply. Purveyors should pay their share up front before getting water in order to help finance next phases of supplemental water program.

**RECOMMENDATION**

By motion and roll call vote, adopt Resolution.

**ATTACHMENTS**

- A. Resolution 2015-XXXX – NSW CHARGES and RATE SCHEDULE



November 12, 2015

ITEM D-4

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
FORMALIZING CHARGES FOR NIPOMO SUPPLEMENTAL WATER**

**WHEREAS**, the Nipomo Community Services District (“NCSD”) is a public entity, independent special district organized and operated pursuant to Govt. Code section 61000 et seq.; and

**WHEREAS**, NCSD provides water and related services within the NCSD boundary located in the southern portion of San Luis Obispo County, within an area generally referred to as the Nipomo Mesa; and

**WHEREAS**, Golden State Water Company (“GSWC”) is a California corporation and a public utility water corporation as defined by Public Utilities Code §§ 216 and 241 providing water service to customers within the Nipomo Mesa subject to California Public Utilities Commission (“PUC”) regulation; and

**WHEREAS**, Rural Water Company (“RWC”) is a California corporation and a public utility water corporation as defined by Public Utilities Code §§ 216 and 241 providing water service to customers within the Nipomo Mesa subject to PUC regulation; and

**WHEREAS**, NCSD, GSWC, RWC, along with others are parties to certain legal proceedings entitled “Santa Maria Valley Water Conservation District v. City of Santa Maria, et al., Superior Court of the State of California, County of Santa Clara, Consolidated Cases CV770214 (“Santa Maria Litigation”), regarding the respective rights of the litigants to groundwater resources in the Santa Maria Groundwater Basin (“Basin”); and

**WHEREAS**, NCSC, GSWC, RWC and other parties entered into a stipulation (“Stipulation”) addressing the subject matter of the Santa Maria Litigation; and

**WHEREAS**, the court entered an amended judgment (“Judgment”) on April 17, 2014, which adopts the Stipulation and provides for the long-term management of the Basin water resources; and

**WHEREAS**, the Judgment (through the Stipulation) requires NCSD to purchase and transmit Nipomo Supplemental Water to the Nipomo Mesa Management Area; and

**WHEREAS**, the Judgment further provides that once the Nipomo Supplemental Water is capable of being delivered, GSWC and RWC each shall purchase 8.33% of the Nipomo Supplemental Water yearly up to 2,500 acre feet to offset groundwater pumping within the NMMA; and

**WHEREAS**, NCSD has completed construction of the first stage of the NSWP such that NCSD is taking delivery of Nipomo Supplemental Water (“NSW”) as of July 2, 2015 and expects to deliver 645 acre feet of NSW during the July 1, 2015 through June 30, 2016 fiscal year; and

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION 2015-XXXX

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
FORMALIZING CHARGES FOR NIPOMO SUPPLEMENTAL WATER

**WHEREAS**, on September 10, 2015, GSWC signed the attached Nipomo Supplemental Water Project Supplemental Water Management and Groundwater Replenishment Agreement (“Agreement”); and

**WHEREAS**, on September 9, 2015, RWC signed the Agreement; and,

**WHEREAS**, On October 14, 2015 GSWC completed the acquisition of RWC and per the Agreement GSWC assumed the entirety of RWC’s benefits and obligations under the Agreement; and

**WHEREAS**, per the Agreement, Rates and Charges will be based on the Budget; and

**WHEREAS**, no later than ten working days after the adoption of this resolution, GSWC shall apply to the PUC for approval of the necessary rate adjustments so that GSWC may meet its financial obligations provided under the Agreement.

**WHEREAS**, if GSWC fails to obtain this PUC approval, through a PUC decision or order that is no longer subject to appeal, on or before December 31, 2017, either NCSD or GSWC may, each in its sole discretion, terminate the Agreement as to GSWC; and

**WHEREAS**, until the conditions of PUC approval are satisfied with written notice, or waived, neither NCSD nor GSWC waive their rights to exercise the provisions of Article X(D)(1) of the Stipulation.

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

1. GSWC is responsible for 16.66% of the NSWP Enterprise Fund Costs, as those terms are defined in Agreement, each fiscal year.
1. GSWC will be charged per the attached Rate Schedule.

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

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

the foregoing resolution is hereby adopted this 12th day of November, 2015.

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
FORMALIZING CHARGES FOR NIPOMO SUPPLEMENTAL WATER**

**CRAIG ARMSTRONG**  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MICHAEL S. LEBRUN**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER RATE SCHEDULE  
FISCAL YEAR 2015-2016**

	Acre Feet Purchase	Cost per Acre Foot (FY 15-16)	Total Cost
Water Purchase Fiscal Year 2015-2016	645	\$1,518.69	\$979,555.05
NCS D Water O & M Cost per AF **	645	\$107.16	\$69,118.20
NCS D Admin Fee per AF (15% of O & M per AF) **	645	\$16.07	\$10,367.73
		<u>\$1,641.92</u>	<u>\$1,059,040.98</u>

\*\*To be adjusted annually based on actual costs

	TOTAL	NCS D	WMWC	GSWC
1 Phase 1 Supplemental Water Annual Allocation (AF)	645	430.08	107.46	107.46
2 Phase 1 Supplemental Water Delivery Percentages	100.00%	66.68%	16.66%	16.66%
3 Pass-Through Supplemental Water Cost	\$979,555	\$653,167	\$163,194	\$163,194
4 Supplemental Water O & M Cost	\$69,118	\$46,088	\$11,515	\$11,515
5 Supplemental Water NCS D Admin Fee	\$10,368	\$6,913	\$1,727	\$1,727
<b>6 Total Annual Supplemental Water Volume Cost</b>	<b>\$1,059,041</b>	<b>\$706,169</b>	<b>\$176,436</b>	<b>\$176,436</b>

	TOTAL	NCS D	WMWC	GSWC
7 Allocated Project Capacity (AF)	3,000.00	2,167.00	416.50	416.50
8 Percentage of Fixed Capital Cost Allocation	100.00%	72.24%	13.88%	13.88%
9 Yearly Capital Recovery Charge-Principal (1)	\$70,036	\$0	\$30,397	\$39,639
10 Yearly Capital Recovery Charge-Interest (1)	\$358,911	\$0	\$200,990	\$157,921
11 Supplemental Water Project Yearly Replacement(2)	\$206,865	\$149,439	\$28,713	\$28,713
<b>12 Total Annual Fixed Supplemental Charges</b>	<b>\$635,812</b>	<b>\$149,439</b>	<b>\$260,100</b>	<b>\$226,273</b>

<b>13 Total Volume and Annual Fixed Charges for Fiscal Year 2015-2016 (Line 6 + Line 12)</b>	<b>\$1,694,853</b>	<b>\$855,608</b>	<b>\$436,536</b>	<b>\$402,709</b>
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14 Electrical Pumping Credit (\$100.57 per acre foot)	(\$21,614)	\$0	(\$10,807)	(\$10,807)
<b>15 SUPPLEMENTAL WATER BUDGET FISCAL YEAR 2015-2016</b>	<b>\$1,673,239</b>	<b>\$855,608</b>	<b>\$425,729</b>	<b>\$391,902</b>

(1) Per applicable amortization schedule

Monthly replacement contribution of total Supplemental Water Project cost of \$20,686,509 assuming a 100 year project life = \$206,865 per year not to exceed \$3,000,000 adjusted

(2) annually for CPI per agreement

TO: BOARD OF DIRECTORS  
REVIEWED: MICHAEL S. LEBRUN *MGL*  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: NOVEMBER 5, 2015

**AGENDA ITEM  
D-5  
OCTOBER 28, 2015**

**APPROVE DRAINAGE FUND BUDGET AMENDMENT**

**ITEM**

Approve Drainage Fund budget amendment in the amount of \$15,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE RESOLUTION AUTHORIZING DRAINAGE FUND BUDGET AMENDMENT].

**BACKGROUND**

The District is responsible for maintaining a drainage basin located near the intersection of Juniper and Mary Street. Funding for the drainage basin is collected through a maintenance district established for the benefitting properties.

Staff has obtained a quote in the amount of \$15,000 for cleaning out the drainage basin and scarifying the bottom of the basin to ensure that storm water will percolate into the ground. The quote exceeds the FY 15-16 nominal budgeted amount of \$1500 for maintenance of the basin and thus a budget amendment is required before staff can proceed with the work.

**FISCAL IMPACT**

The approved FY 15-16 Drainage Fund Budget includes funding in the amount of \$1500 for maintenance. A budget adjustment from Fund #400, Drainage Fund, reserves in the amount of \$15,000 is required to provide adequate funding for the maintenance work.

**STRATEGIC PLAN**

Goal 8. ADDITIONAL COMMUNITY SERVICES – DRAINAGE. Monitor maintenance of facilities and respond to observed problems.

**RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, approve Resolution 2015-XXXX Drainage Fund Budget Amendment authorizing a budget amendment in the amount of \$15,000.

**ATTACHMENTS**

- A. Resolution 2015-XXXX Drainage Fund Budget Amendment

November 12, 2015

ITEM D-5

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY  
SERVICES DISTRICT AUTHORIZING DRAINAGE FUND BUDGET AMENDMENT IN THE  
AMOUNT OF \$15,000**

**WHEREAS**, the District maintains a drainage basin located near the intersection of Juniper and Mary Street; and

**WHEREAS**, maintenance of the drainage basin is funded by “Nipomo Drainage Maintenance District 76-2”; and

**WHEREAS**, staff has obtained a quote in the amount of \$15,000 for cleaning out the drainage basin and scarifying the bottom of the basin to ensure that storm water will percolate into the ground; and

**WHEREAS**, the quote exceeds the FY 15-16 nominal budgeted amount of \$1500 for maintenance of the basin and thus a budget amendment is required before staff can proceed with the work.

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

- 1) The above recitals are true and correct.
- 2) The District Board of Directors does hereby authorize a budget amendment of \$15,000 from Fund #400, Drainage Fund reserves, to fund the maintenance work.

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:  
NOES:  
ABSENT:  
CONFLICTS:**

The foregoing resolution is hereby adopted this 12<sup>th</sup> day of November 2015.

\_\_\_\_\_  
**CRAIG ARMSTRONG**  
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MICHAEL S. LEBRUN**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**MICHAEL W. SEITZ**  
District Legal Counsel



TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *msl*  
GENERAL MANAGER  
DATE: NOVEMBER 6, 2015

**AGENDA ITEM  
D-6  
NOVEMBER 12, 2015**

**AUTHORIZE PURCHASE AGREEMENT WITH LOS PRIMOS  
PROPERTIES IN AMOUNT OF \$24,000 TO ACQUIRE EASEMENTS  
(APN 090-291-039 & -046) IN SUPPORT OF CONSTRUCTING JOSHUA  
ROAD PUMP STATION RESERVOIR**

**ITEM**

Authorize purchase agreement [RECOMMEND APPROVE PURCHASE AGREEMENT IN AMOUNT OF \$24,000]

**BACKGROUND**

District property negotiators, working at the direction of your Board and in support of acquiring necessary right of way for construction of Supplemental Water Project, have obtained a signed Agreement to extend the temporary construction easement surrounding the Joshua Road Pump Station.

The Agreement extends necessary portions of existing construction easements by eighteen (18) months in support of building a 0.5 million gallon reservoir that will increase project delivery capacity.

**FISCAL IMPACT**

The funds for this easement purchase are included in the overall budget for supplemental water project development.

**STRATEGIC PLAN**

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.1 Complete Phase 1 of Supplemental Supply Projects.
- 1.2 Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).

**RECOMMENDATION**

Staff recommends that, by motion and roll call vote, your Board

- Approve the easement extension for \$24,000 with Los Primos Properties, LLC, a California limited liability company; and
- Direct staff to record the extension.

**ATTACHMENT**

- A. Legal Description of easements and fee parcel

November 12, 2015

ITEM D-6

ATTACHMENT A

**AGREEMENT TO EXTEND TEMPORARY CONSTRUCTION EASEMENT**

On February 28, 2013, **Linda Vista Farms Association, Inc., a California Corporation**, as "Grantor", and the **Nipomo Community Services District**, called "District," entered into a Right of Way Agreement ("Agreement") and associated Easement Deed ("Deed") in conjunction with a pipeline, tank site, and pump station installation project. The Deed, which was recorded as Instrument Number 2013028807 on May 20, 2013, in the County Recorder's Office of the County of San Luis Obispo, contained provision for a Temporary Construction Easement.

**Los Primos Properties, LLC, a California limited liability company**, purchased property from Linda Vista Farms Association, Inc., subject to the Temporary Construction Easement rights held by District.

District seeks to extend the term for a certain portion of the Temporary Construction Easement from its current termination date of December 31, 2015 for an additional eighteen months, through June 30, 2017.

This Agreement is being entered into between **Los Primos Properties, LLC, a California limited liability company**, as Grantor, and the Nipomo Community Services District (District) in order to extend the term of the Temporary Construction Easement, under the following terms and conditions:

1. **EXTENSION TERM.** District and Grantor hereby agree to extend the Temporary Construction Easement term through a new termination date of June 30, 2017, only for that specific Temporary Construction Easement described in the Temporary Construction Easement Deed executed concurrently with this Agreement, a copy of which is attached hereto as Exhibit A and incorporated by reference herein.
2. **PAYMENT.** In exchange for the Temporary Construction Easement extension granted herein, District agrees to pay the sum of twenty four thousand dollars (\$24,000) to Grantor within 30 days of date this Agreement and the accompanying Temporary Construction Easement Deed are fully executed and delivered to District. Grantor hereby authorizes and instructs District to disburse this payment to Grantor and Grantor agrees that this payment be deemed full and complete compensation for the Temporary Construction Easement extension granted herein.
3. **RECORDATION OF TEMPORARY CONSTRUCTION EASEMENT DEED.** Grantors authorize District to record the Temporary Construction Easement Deed in the Official Records of the office of the San Luis Obispo County Recorder in order to memorialize the existence of the Temporary Construction Easement, and to give constructive notice of this Temporary Construction Easement extension. The District agrees to execute and record a Quitclaim Deed as to the temporary Construction Easement at the termination of the Temporary Easement if so requested by Grantor.

This Agreement and the herein referenced Temporary Construction Easement Deed represent the full and complete agreement between the parties for the extension of the Temporary Construction Easement.

This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same instrument.

In the event that the parties hereto utilize facsimile or electronically transmitted signatures, such signatures shall be treated in all respects as having the same effect as an original signature.

*Signatures follow on next page...*

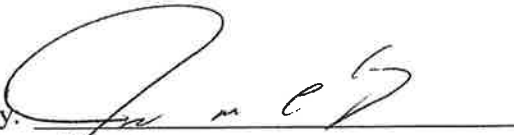
GRANTOR:

**Los Primos Properties, LLC, a California limited liability company**

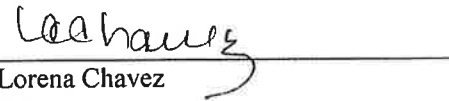
Date: 11/3/15

By:   
Name: Daniel Chavez  
Title: Manager

Date: 11/3/15

By:   
Name: Juan Chavez  
Title: Manager

Date: 11/3/15

By:   
Name: Lorena Chavez  
Title: Manager

DISTRICT:

**Nipomo Community Services District**

By: \_\_\_\_\_  
Michael LeBrun, General Manager

Date: \_\_\_\_\_

MAILING ADDRESS OF GRANTORS:	MAILING ADDRESS OF DISTRICT:
Los Primos Properties, LLC, a California limited liability company 1141 Tama Lane Santa Maria, CA 93455	Nipomo Community Services District 148 S. Wilson Street Nipomo, CA 93444

Recorded at request of and  
When recorded return to:

Nipomo Community Services District  
c/o Hamner, Jewell & Associates  
Government Real Estate Services  
530 Paulding Circle, Suite A  
Arroyo Grande, California 93420

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Space above this line for Recorder's Use

No recording fee per Government Code § 6103  
No Documentary Transfer Tax per Revenue & Taxation Code § 11922

A.P. Nos. 090-291-046, 039

### **TEMPORARY CONSTRUCTION EASEMENT DEED**

(to Nipomo Community Services District)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

LOS PRIMOS PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY  
("GRANTOR")

do(es) hereby GRANT to the

NIPOMO COMMUNITY SERVICES DISTRICT ("DISTRICT")

the following interests in real property:

A **Temporary Construction Easement** for the purposes of facilitating construction of District Facilities, including the right to place equipment and vehicles, pile earth thereon, and utilize said Temporary Construction Easement for all other related activities and purposes in, on, over, under, through, within, along and across those certain portions of Grantor's property that are described in Exhibit A and depicted in Exhibit B, attached hereto and incorporated by reference herein (herein the "Temporary Construction Easement Area").

This Temporary Construction Easement shall commence on January 1, 2016 and shall automatically terminate eighteen months following commencement or upon completion of District's construction, whichever occurs first. In any event, this Temporary Construction Easement shall terminate on or before June 30, 2017.

Upon completion of District's construction and use of the Temporary Construction Easement Area, said Temporary Construction Easement Area will be generally restored to the condition that existed prior to construction to the extent reasonably practical, unless otherwise agreed to in writing between Grantor and District.

This Deed may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same instrument.

GRANTOR:

LOS PRIMOS PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

Date: 11/4/15

By: [Signature]  
Daniel Chavez, Manager

Date: 11/4/15

By: [Signature]  
Lorena Chavez, Manager

Date: 11/4/15

By: [Signature]  
Juan Chavez, Manager

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Santa Barbara

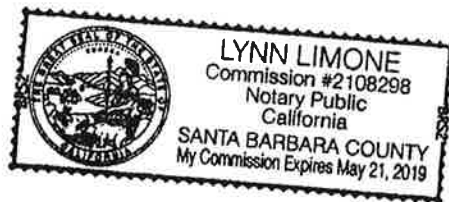
On Nov. 4, 2015 before me, LYNN LIMONE, Notary Public, personally

appeared Daniel Chavez, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal)



**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Santa Barbara

On Nov. 4, 2015 before me, LYNN LIMONE, Notary Public, personally

appeared Juan Chavez, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lynn Limone (Seal)



**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Santa Barbara

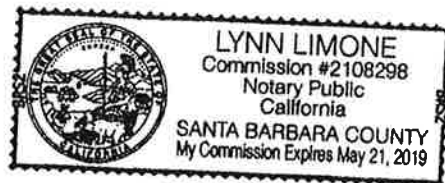
On Nov. 4, 2015 before me, LYNN LIMONE, Notary Public, personally

appeared Lorena Chavez, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signatures on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lynn Limone (Seal)



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the **NIPOMO COMMUNITY SERVICES DISTRICT**, grantee herein, hereby accepts for public purposes the real property, or interest therein, described in the foregoing Easement Deed dated \_\_\_\_\_, 2015, from LOS PRIMOS PROPERTIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, Grantors therein, and consents to the recordation thereof.

In Witness Whereof, I have hereunto set my hand this \_\_\_ day of \_\_\_\_\_, 2015.

**NIPOMO COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

\_\_\_\_\_



Exhibit A  
(Temporary Construction Easement Legal Description)  
Over portions of APN's: 090-291-039, 046 (County of SLO)

Portions of Lots 1 and 4 of Tract No. 2034 in the County of San Luis Obispo, State of California, according to the map filed in Book 18, Page 78 of Maps in the Office of the County Recorder of said County, and being more particularly described as several portions of land below:

Portion of land in said Lot 1 more particularly described as follows:

Beginning at the corner common to Lots 1 and 2 of said Tract No. 2034, and on the northwesterly line of said Lot 4 and for convenience called Point "C"; thence,

- 1st Along the southeasterly line of said Lot 1 S 43°20'05" W 303.00 feet; thence,
- 2nd N 46°39'55" W 100.00 feet; thence,
- 3rd N 43°20'05" E 301.53 feet to a point on the northeasterly line of said Lot 1; thence,
- 4th Along said northeasterly line of said Lot 1 S 47°30'26" E 100.00 feet to the Point of Beginning.

Containing 30,226 square feet, more or less.

Together with a portion of land in said Lot 4 more particularly described as follows:

Beginning at the above described Point "C"; thence,


- 1st Along the northwesterly line of said Lot 4 S 43°20'05" W 303.00 feet; thence,
- 2nd S 46°39'55" E 195.00 feet; thence,
- 3rd N 43°20'05" E 338.00 feet; thence,
- 4th N 46°39'55" W 165.00 feet; thence,
- 5th S 43°20'05" W 35.00 feet to a point on the northeasterly line of the land described in Parcel "C" per Document No. 2013028807 of Official Records; thence,
- 6th Along said northeasterly line N 46°39'55" W 30.00 feet to the Point of Beginning.

Excepting therefrom the land described in said Parcel "C" above.

Containing 31,360 square feet, more or less.

The total area of the described portions of land sum to 61,586 square feet, more or less.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature:   
Shane C. Sobecki, PLS

Date: 10/07/2015



# Exhibit "B"

APN: <sup>090</sup>~~093~~-291-040  
**LOT 2 TRACT 2034**  
**BK 18 PG 78**

APN: <sup>090</sup>~~093~~-291-039  
**LOT 1 TRACT 2034**  
**BK 18 PG 78**

NORTHEASTERLY LINE OF  
 LOT 1 TRACT 2034 18/78

S47°30'26"E  
 100.00'

N46°39'55"W  
 30.00'

POINT "C"

S43°20'05"W  
 35.00'

N43°20'05"E  
 301.53'

N46°39'55"W  
 165.00'

PARCEL "C" DOC. NO.  
 201302887 O.R.  
 APN: 093-291-047

N46°39'55"W  
 100.00'

SOUTHEASTERLY LINE OF  
 LOT 1 AND  
 NORTHWESTERLY LINE OF  
 LOT 4 TRACT 2034 18/78

APN: <sup>090</sup>~~093~~-291-046

100.00' WIDE PROPOSED  
 PERMANENT EASEMENT

**LOT 4 TRACT 2034**  
**BK 18 PG 78**

S46°39'55"E  
 195.00'

30' WIDE STRIP PER  
 PARCEL "A" DOC. NO.  
 2013028807 O.R.

N21°53'43"W  
 3,162.47'


SOUTHERLY LINE OF LOT 4  
 TRACT 2034 18/78

APN: <sup>090</sup>~~093~~-291-037



0 100' 200'  
 SCALE: 1"=200'



 TEMPORARY CONSTRUCTION EASEMENT  
 TOTAL AREA = 53,877 SQ. FT. ±

**MNS**

ENGINEERS INC  
 4580 E. Thousand Oaks Blvd, Ste 101  
 Westlake Village, CA 91362  
 805.648.4840 Phone

ENGINEERING  
 PLANNING  
 SURVEYING  
 CONSTRUCTION MANAGEMENT

TEMPORARY CONSTRUCTION EASEMENT EXHIBIT  
 PORTIONS OF LOTS 1 & 4 TRACT 2034  
 COUNTY OF SAN LUIS OBISPO, CA