

TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
& OPERATIONS

DATE: May 8, 2014

AGENDA ITEM

E-1

MAY 14, 2014

AUTHORIZE TASK ORDER FOR SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM RADIO SYSTEM IMPROVEMENT PROJECT

ITEM

Authorize Task Order for Supervisory Control and Data Acquisition (SCADA) Radio System Improvement Project to Tesco Controls, Inc. in the amount of \$149,000 and authorize change order contingency in the amount of \$15,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE RESOLUTION AUTHORIZING STAFF TO EXECUTE TASK ORDER IN THE AMOUNT OF \$149,000 WITH TESCO CONTROLS, INC. AND AUTHORIZING CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$15,000].

BACKGROUND

In December 2011, at the conclusion of a Request for Proposal (RFP) process, the Board selected Tesco Controls, Inc. to provide process control and instrumentation system integration services for the District's Supervisory Control and Data Acquisition (SCADA) System Upgrade Project. The District's SCADA system monitors 27 remote sites including water wells, water storage tanks, water pressure reducing stations, sanitary sewer lift stations and both of the District's wastewater treatment plants. The purpose of the project was to upgrade the District's obsolete SCADA system. Implementation was completed in March 2013.

The radio system that connects the District's remote sites was not modified as part of the SCADA Upgrade Project. However, through operation of the new SCADA system, staff identified some communications issues with the existing radio network. Tesco reviewed the performance of the existing radio system and developed a plan to improve overall system performance and reliability as well as provide some system redundancy. The plan involves the installation of several new radios, network switches, reconfiguration of radios, antenna adjustments, and testing of the improved radio network. An optional component of the plan is the integration of network management software in the SCADA system to monitor the real-time performance of the radio network.

Staff requested that Tesco provide a proposal to implement the SCADA Radio Improvement Project. Tesco submitted the attached proposal to install several new radios, network switches, reconfigure the radios, make necessary antenna adjustments, and test the improved radio network for a not to exceed amount of \$149,000. The proposal also includes the optional task to integrate network management software into the SCADA system to monitor the real-time performance of the radio network for a not to exceed amount of \$49,000. Staff does not recommend the optional task at this time.

In accordance with the District's Purchasing Policy, Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

FISCAL IMPACT

The approved FY 13-14 budget includes funding for the SCADA Radio System Improvement Project in Fund 700, Water Capacity Charges, in the amount of \$50,000. A budget adjustment from reserves in the amount of \$114,000 to provide adequate funding for the project is required as follows:

Fund 700, Water Capacity Charges	\$28,000
Fund 710, Town Sewer Capacity Charges	\$65,000
Fund 830, Blacklake Sewer Funded Replacement	\$21,000

STRATEGIC PLAN

Goal 2 – FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT – Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, approve Resolution 2014-XXXX SCADA Radio Project, authorizing staff to execute a Task Order for the SCADA Radio System Improvement Project with Tesco Controls, Inc. in the amount of \$149,000, authorize a change order contingency in the amount of \$15,000, and authorize a budget amendment.

ATTACHMENTS

- A. Tesco Proposal dated May 8, 2014
- B. Resolution 2014-XXXX SCADA Radio Project

MAY 14, 2014

ITEM E-1

ATTACHMENT A



P.O. BOX 299007
SACRAMENTO, CA 95829-9007
(916) 395-8800 // 429-2817 (FAX)
www.tescocontrols.com

♦♦♦ Engineering • Manufacturing • Systems Design • Systems Integration • Service & Support ♦♦♦

May 8, 2014

Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 94344

Attn: Peter Sevcik

Re: **Nipomo Community Services District
Radio System Improvement Project
Quote # 14B098Q03
Project Ref. # T-41976**

Dear Peter:

Per recent Onsite Radio System Survey conducted under Tesco Job # T-41976, we are pleased to quote the following scope of work pertaining to the above referenced project

The scope of work includes providing and installing radio equipment, network Cisco switches, new antennas, extending and realigning existing antennas including replacing feed lines to improve existing radio system's performance and reliability.

This quotation has been revised to include for new radio panels and associated equipment at the Eureka Well and Standpipe Reservoir locations.

ITEM #	QTY.	DESCRIPTION
1	Lot	Radio System Improvement Project's materials and equipment include: <ul style="list-style-type: none">Four (4) NEMA 3R rated outdoor wall mounted Tesco radio equipment panels. The radio panels will be installed in the field as required.Four (4) NEMA 3R rated outdoor side mounted Tesco Network switch panels. The panels will be installed next to Tesco radio panels.Ship Loose materials to be installed in the field:<ul style="list-style-type: none">Two (2) Omni antennasEleven (11) Yagi antennasFour (4) iNet 900 radiosFour (4) Cisco Multi Network switchesLMR 400 and LMR 600 Antennas feed line cabling
2	Lot	Tesco Professional Services: <ul style="list-style-type: none">Project Management – Project documentation tracking, managing and coordinating work efforts for all departments involved in the project.Engineering<ul style="list-style-type: none">Preparation of shop drawings, communication diagrams, bill of materials and project documentation.Engineered Submittals and Technical Data.Procurement.O&M Manuals and Technical Documentation.

ITEM #	QTY.	DESCRIPTION
		<ul style="list-style-type: none"> ▪ Tesco Manufacturing Services: <ul style="list-style-type: none"> ○ TESCO will pre-assemble and test all necessary radio panels and equipment at our manufacturing facility to ensure proper panels' functionality prior to shipping to site to be installed. ▪ Networking and Telemetry: <ul style="list-style-type: none"> ○ Configuring new radios and Cisco Network switches and equipment testing in the office, onsite testing of the equipment, onsite adjustments to antennas heights where needed, assisting with onsite equipment setup, testing and startup. ▪ Field Services: <ul style="list-style-type: none"> ○ Across the total of twenty eight (28) Nipomo CSD's water distribution and sewer lift station sites, Tesco's Field Services will perform onsite new radio panels and Cisco Network switches installation, new antennas installation, extending heights and realignment of existing antennas including replacing feed lines, testing, adjustments as needed and startup. ○ TESCO Field Services will collect baseline performance data including RSLs (Receiver Signal Levels), SNRs (Signal to Noise Ratios), and current equipment configurations in order to help identify exact locations of performance problems. ▪ SCADA services – SCADA Application verification and testing at SCADA that all Nipomo CSD's sites are polling into SCADA correctly over the improved radio system network. ▪ Onsite lift equipment rental costs are included ▪ Travel, Lodging and per diem expenses are included.
TOTAL COST ESTIMATE (Applicable Sales Tax Included):		\$149,000.00

Optional Network Management Protocol Software Integration

ITEM #	QTY.	DESCRIPTION
1	Lot	<p>Radio System Network Real Time Performance Monitoring Software materials:</p> <ul style="list-style-type: none"> ▪ Two (2) SNMP system performance monitoring software suites for SCADA application (includes one for Hot Standby SCADA system) <p>Clear SCADA System Programming</p> <ul style="list-style-type: none"> ▪ Tesco's SCADA System Engineer application development for integration of above SNMP system performance monitoring software, documentation, testing, startup and training for onsite personnel.
TOTAL COST ESTIMATE (Applicable Sales Tax Included):		\$49,100.00

PROJECT CLARIFICATIONS/EXCLUSIONS

- Nipomo CSD will be procuring and installing the two (2) radio towers located at Blacklake WWTF and Southland WWTF.

TERMS AND CONDITIONS:

- Quotation firm for 30 days unless otherwise stated.
- Submittals provided approximately **6-8** weeks after receipt of purchase order.
- Delivery to be scheduled approximately **16-18** weeks after submittal approval.

- Approval of change order will require a contract time extension to accommodate the work required by this change order.
- Tesco price is FOB factory, full freight allowed.
- Terms are net 30 days on approved credit accounts.
- Interest will be applied to all past due invoices.
- All merchandise sold is subject to lien laws.
- Final retention to be paid within 10 days after the project notice of completion.

Please feel free to contact us at (916) 395-8800 to discuss any questions or comments you may have regarding this quotation

Sincerely,

TESCO CONTROLS, INC.

Tony Vaynshteyn
Design-Build Sales/Estimating

MAY 14, 2014

ITEM E-1

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A TASK ORDER FOR THE SUPERVISORY CONTROL AND DATA ACQUISITION RADIO
SYSTEM IMPROVEMENT PROJECT WITH TESCO CONTROLS INC.**

WHEREAS, Tesco Controls, Inc. was previously selected by the District to provide SCADA integration services for the SCADA System Upgrade Project and has completed the implementation of the SCADA System Upgrade Project; and

WHEREAS, the District selected Tesco Controls, Inc. to provide SCADA integration services for the Southland WWTF Phase 1 Improvement Project to maintain the integrity of the District's SCADA system; and

WHEREAS, the District's existing SCADA Radio System Improvement Project needs to be integrated into the District's SCADA system provided by Tesco Controls, Inc.; and

WHEREAS, District Purchasing Policy Resolution 2010-1201 provides for the procurement of professional services through non-competitive negotiations in limited situations; and

WHEREAS, Tesco Controls, Inc. is qualified pursuant to Section 8.4.30 of the District's Purchasing Policy, the cost of the services is reasonable, and Tesco Controls, Inc. is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District.

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

- 1) The District Board of Directors does hereby direct District staff to execute a Task Order for the SCADA Radio System Improvement Project with Tesco Controls, Inc. in the amount of \$149,000 and authorizes the General Manager to approve change orders for a not-to-exceed total aggregate amount of \$15,000.
- 2) The Board of Directors does hereby authorize a budget adjustment of \$28,000 from Fund 700-Water Capacity Charges, \$65,000 from Fund 710-Town Sewer Capacity Charges and \$21,000 from Fund 830-Blacklake Sewer Replacement to fund the Project.
- 3) The above recitals are true and correct and constitute findings for the exclusive use of the Tesco Controls, Inc. to provide professional services for the SCADA Radio System Improvement Project.

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 14th day of May 2014.

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 *msl*
GENERAL MANAGER

DATE: MAY 9, 2014

AGENDA ITEM

E-2

MAY 14, 2014

**REVIEW SOLID WASTE RATE INCREASE PROPOSED BY
SOUTH COUNTY SANITARY SERVICES**

ITEM

Consider requested solid waste rate increase [RECOMMEND CONSIDER REQUEST AND DIRECT STAFF]

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.

Under the Franchise Agreement, the District is required to administer annual lien process for the collection of delinquent solid waste payments and administer Proposition 218 Rate proceedings that are required to adopt solid waste rate increases. The District charges the solid waste fund 15% against annual franchise income for administering the solid waste franchise.

SCSS is requesting a 2.05% Rate increase across its service area. The requested increase is to cover increases in the cost of services and landfill expansion. A staff report scheduled to be considered by the San Luis Obispo County Board of Supervisors on May 13, 2014 concerning the requested increase is attached.

In February 2013, following an unsuccessful 218 protest vote which allowed for the rate increase, your Board adopted an 11.6% increase in solid waste services. The increase covered SCSS requested 3.2% increase, eliminated a 5% rate increase deferral payment, and raised the Districts franchise fee from 7.3% to 10%.

The current 10% franchise fee generates approximately \$140,000 annually (~\$11,600 monthly). Solid Waste Fund #300 has a cash balance of approximately \$350,000. The cash reserve goal for the Fund #300 is \$115,000.

Current solid waste services include:

- Processing annual property liens for unpaid solid waste bills and other administrative duties associated with supporting the franchise agreement.
- Grant Programs supporting solid waste pick up in the community.
- Providing collection and maintenance of public trash receptacles in Olde Towne
- Annual Creek Day support
- Solid waste associated outreach including promotion of bi-annual Clean Up Week

Current solid waste commitments, including District administrative fee, are approximately \$55,000 annually.

Staff seeks direction from your Board on how the requested rate increase should be addressed.

Your Board may choose to:

- Proceed to adopt the 2.05% increase and direct staff to begin the 218 rate hearing process
- Defer the requested increase by making monthly payments of ~\$2,300 to SCSS
- Lower the District franchise fee by 1.87%

FINANCIAL IMPACT

Solid waste related expenditures have increased in recent years. However, expenditures remain well under revenue and solid waste reserves are strong. If the rate increase is not passed, monthly franchise fees will drop by approximately \$2,300 – either through a lower franchise charge or deferral payments.

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 review the proposed increase and direct staff.

- Should your Board elect to raise solid waste rates by 2.05% to cover the requested increase, then direct staff to prepare a 218 rate notice and return to your Board for review and approval.
- Should your Board elect to defer the increase, with District Counsel direction, either direct staff to:
 - lower the District franchise fee by 1.87%, or
 - make monthly deferral payments to SCSS in the amount approximately \$2,300.

ATTACHMENTS

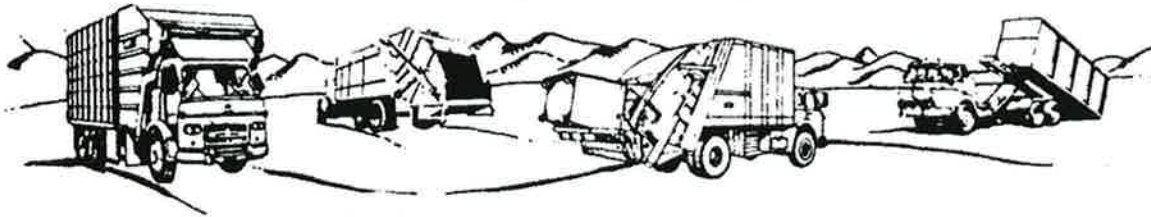
- A. September 12, 2013 SCSS Request for Increase
- B. May 13, 2014, County Staff Report

MAY 14, 2014

ITEM E-2

ATTACHMENT A

South County Sanitary Service



4388 Old Santa Fe Road, San Luis Obispo, CA 93401
805-489-4246 • 805-489-3534 • 805-489-2104

Nipomo CSD
Michael Lebrun
148 South Wilson
Nipomo, CA 93444

RECEIVED

SEP 16 2013

NIPOMO COMMUNITY
SERVICES DISTRICT

September 12, 2013

Re: 2014 Interim year rate increase request

We are requesting a 2.05% across the board increase for all rates. An increase of \$2.25 per ton for the disposal of garbage at Cold Canyon Landfill, accounts for 0.96%. The cost of operations is 1.09% of the increase.

The manual actually calls for an increase of 2.78%. That is limited by the cumulative cola section of our franchise agreement. I have included a copy of that calculation.

Hopefully, we can get back on track with a January 1st effective date.
Call me with questions.

A handwritten signature in green ink, appearing to read 'Tom Martin'.

Tom Martin, General Manager

Interim Year Rate Adjustment Application

10.0% franchise fee

Requested Increase

	Per rate manual	2.78%
	Limitation per contract	-0.73%
1.	Rate Increase Requested	2.05%

Rate Schedule

	Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
	Single Family Residential				
2.	One Can Service	\$16.74	\$17.08		\$17.08
3.	Two Can Service	\$23.98	\$24.47		\$24.47
4.	Three Can Service	\$31.43	\$32.07		\$32.07

5 **Multiunit Residential and
Non-residential**

Rate increases of

2.05%

will be applied to all rates in each structure
with each rate rounded up to the nearest \$0.01

Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the Nipomo Community Service District.

Name: TOM MARTIN

Title: General Manager

Signature:

Date: 09/12/13

Interim Year Rate Adjustment Application

Financial Information

Section I-Base Year Costs

Base Year Controllable Costs

6.	Total Allowable Costs	\$7,592,310	
7.	Plus Allowable Operating Profit	\$660,200	
8.	Plus Lease Payments to Affiliated Companies	\$0	
9.	Equals Total Controllable costs	\$8,252,510	81.7%

Base Year Pass Through Costs

10.	Tipping Fees	\$1,844,193	
11.	Plus AB 939 and Regulatory Fees	\$0	
12.	Equals Total Pass Through Costs	\$1,844,193	18.3%

13.	Base Year Revenue Requirements (less Franchise Fee)	\$10,096,703	100%
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Section II-Changes in Costs

Change in Controllable Cost

14.	Historical Percentage Change in Consumer Price Index	2.0%
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Change in Pass Through Cost

15.	Projected Base Year 2010 Tipping Fees	\$1,844,193
16.	Plus Projected Year 2010 AB939 Fees	\$0
17.	Equals Total Base Year Pass Through Costs	\$1,844,193

18.	Projected Interim Year 2011 Tipping Fees	\$1,931,590
19.	Projected Interim Year 2011 AB939 Fees	\$0
20.	Equals Total Projected Interim Year Pass Through costs	\$1,931,590

21.	Projected Percentage Change in Pass Through Costs	4.74%
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Section III-Calculation of Percent Change in Rates

Weighted Change in Controllable Costs

22.	Controllable Costs as a Percent of Base Year Revenue Requirement	81.7%
23.	Multiplied Percent change in CPI	2.0%
24.	Equals Weighted Percent Change in Controllable Costs	1.63%

Weighted Change in Pass Through Costs

25.	Pass Through Costs as a Percent of Base Yr Revenue Requirement	18.3%
26.	Multiplied Percent Change in Pass Through Costs	4.74%
27.	Equals Weighted Percent Change in Pass Through Costs	0.87%

Total Change

28.	Total Percent Change in Cost (Line 24+ Line 27+ Line 28)	2.50%
29.	Divided Adjustment for Franchise Fee (1-10.0 percent)	90.0%
30.	Equals Percent change in Existing Rates	2.78%

SOUTH COUNTY SANITARY SERVICE
Allowable Increase Per Contract

BLS
at Aug 31

		approved increase	approved exception greenwaste	approved per contract
2010	1.20%	0.00%		0.00%
2011	3.80%	5.15%	-1.70%	3.45%
2012	1.70%	0.00%		0.00%
2013	2.00%			3.20%
	<u>8.70%</u>	<u>5.15%</u>	<u>-1.70%</u>	<u>6.65%</u>

cumulative cola	8.70%
cumulative approved increases	<u>-6.65%</u>
maximum allowable increase	<u>2.05%</u>

MAY 14, 2014

ITEM E-2

ATTACHMENT B

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 5/13/2014	(3) CONTACT/PHONE Jim Hamilton 781-5043	
(4) SUBJECT: Request to approve Cold Canyon Landfill expansion funding plan (All Districts).			
(5) RECOMMENDED ACTION It is our recommendation that the Board: <ol style="list-style-type: none"> 1. Approve and execute the attached Rate Setting Agreement with the Cold Canyon Landfill approving an increase to the tipping fees charged by the Cold Canyon Landfill in order to enable the Cold Canyon Landfill to fund the previously approved landfill expansion; 1. Approve and execute each attached Amendment No. 3 to Solid Waste Collection Franchise Agreements for San Luis Garbage Company, South County Sanitary Service, Inc. and Mission Country Disposal who utilize the Cold Canyon Landfill so that the tipping fees approved in the Rate Setting Agreement are excluded from the cumulative cost of living rate comparison calculation provided for in the franchise agreements, and so that Board of Supervisors may deny any portion of collection fee increases attributable to the Rate Setting Agreement that are greater than 1.5%; 2. Find that the Rate Setting Agreement is not subject to the California Environmental Quality Act (CEQA) because the activity is not a project or is exempt pursuant to: CEQA Section 21065 and State CEQA Guidelines Sections 15378(b)(5) and 15378(b)(4); and CEQA Section 21065 and State CEQA Guidelines Section 15261(a), as more specifically set forth in Section 9 of the Rate Setting Agreement; 3. Find that each Amendment No. 3 to Solid Waste Collection Franchise Agreement is exempt from CEQA pursuant to: State CEQA Guidelines Section 15301 as the continuance of an existing operation; and State CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that said amendments will not have a significant effect on the environment. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James Erb, CPA, Auditor - Controller - Treasurer - Tax Collector

DATE: 5/13/2014

SUBJECT: Request to approve Cold Canyon Landfill expansion funding plan (All Districts).

RECOMMENDATION

It is our recommendation that the Board:

2. Approve and execute the attached Rate Setting Agreement with the Cold Canyon Landfill approving an increase to the tipping fees charged by the Cold Canyon Landfill in order to enable the Cold Canyon Landfill to fund the previously approved landfill expansion;
3. Approve and execute each attached Amendment No. 3 to Solid Waste Collection Franchise Agreements for San Luis Garbage Company, South County Sanitary Service, Inc. and Mission Country Disposal who utilize the Cold Canyon Landfill so that the tipping fees approved in the Rate Setting Agreement are excluded from the cumulative cost of living rate comparison calculation provided for in the franchise agreements, and so that Board of Supervisors may deny any portion of collection fee increases attributable to the Rate Setting Agreement that are greater than 1.5%;
4. Find that the Rate Setting Agreement is not subject to the California Environmental Quality Act (CEQA) because the activity is not a project or is exempt pursuant to: CEQA Section 21065 and State CEQA Guidelines Sections 15378(b)(5) and 15378(b)(4); and CEQA Section 21065 and State CEQA Guidelines Section 15261(a), as more specifically set forth in Section 9 of the Rate Setting Agreement;
5. Find that each Amendment No. 3 to Solid Waste Collection Franchise Agreement is exempt from CEQA pursuant to: State CEQA Guidelines Section 15301 as the continuance of an existing operation; and State CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that said amendments will not have a significant effect on the environment.

DISCUSSION

On August 9, 2012, the Planning Commission approved (affirmed by the Board of Supervisors on November 20, 2012) the conditional use permit application by Cold Canyon Landfill (Cold Canyon) to allow the expansion of the existing Cold Canyon Landfill (Landfill) including: an increase of the footprint by approximately 46 acres; an increase in the total facility allowable tonnage limit; expansion and relocation of the Resource Recovery Park and Materials Recovery Facility; a new scale house and entrance; increase in the operating hours and staffing levels; and other miscellaneous improvements (e.g., relocating fuel tanks, landscaping, replacing equipment maintenance building). Cold Canyon estimates the cost for the first two phases of the expansion to be \$8.3 million consisting of: \$4 million for construction of the new module (estimated completion by 2022), \$2.6 million of mitigation costs, and permit costs of \$1.7 million.

Cold Canyon desires to recover the cost of the first two phases of the expansion through increased rates charged to the franchise haulers that deliver waste to the Landfill under franchise hauler agreements, known as tipping fees. Cold Canyon seeks County approval of the increase, because the County franchise hauler agreements provide that if the County approves an adjustment in tipping fees at a solid waste disposal facility that the franchise hauler uses, collection rates for residential and commercial customers shall be adjusted accordingly by the Board of Supervisors. More simply, if the County approves the increase, then the franchise haulers can pass the increase on to their customers. In addition,

franchise agreements in some cities and districts require that haulers provide County Board of Supervisor approval for tipping fee increases before the fee can be allowed as a pass through cost in their rate setting process.

Cold Canyon is used by franchise haulers serving San Simeon Community Services District (CSD), Cambria CSD, community of Cayucos, City of Morro Bay, Los Osos CSD, the City of San Luis Obispo, Avila CSD, the City of Pismo Beach, the City of Arroyo Grande, the City of Grover Beach, Nipomo CSD, and unincorporated areas of South County and San Luis Obispo. The rate increase has been discussed with the affected cities, CSD's and the Integrated Waste Management Authority (IWMA).

The Rate Setting Agreement provides for an initial increase to the tipping fee of \$2.25 per ton of compact refuse on July 1, 2014 and for eight additional increases of \$2.25 beginning on January 1, 2015 and ending January 1, 2022, provided that said increases are consistent with Cold Canyon's assumed 15-year average rate of return. This request would increase the rate charged per ton to Franchise Haulers from the current rate of \$34.25 to \$54.50 by January 1, 2022. The approach of determining a fixed annual increase amount to fund the expansion over several years was used to provide rate predictability at the request of staff in the cities.

Our recommendation to approve the Rate Setting Agreement is based on the following, without limitation:

- Cold Canyon has agreed to provide updated internal projections annually and audited financial data every three years to the Auditor-Controller Treasurer Tax Collector (ACTTC) for review and ongoing justification of rate increases;
- The ACTTC is authorized to suspend or decrease subsequent rate increases if revised projections indicate an excessive rate of return;
- Requests for rate increases beyond the \$2.25 annual maximum must be separately approved by the Board;
- The agreement provides future rate predictability for affected cities and agencies and provides efficiencies with the approval process;
- Cold Canyon expects the landfill increases will result in increases of approximately 1% to 1.5% to the residential and commercial customers served by the haulers using Cold Canyon for each of the nine \$2.25 increases. The Board may deny any portion of hauler customer rate increases related to this agreement greater than 1.5%;
- Stakeholder cities, agencies and the IWMA have been involved and are supportive of the rate increase agreement;
- The agreement provides a consistent framework for County oversight throughout the expansion timeframe regardless of Cold Canyon staff turnover;
- A comparison of current landfill rates shows the rates charged by Cold Canyon as the lowest in the local area:

Landfill	Rate per Ton
Cold Canyon	\$34.25
Chicago Grade	\$42.00
Paso Robles Landfill	\$38.85
Santa Maria Landfill	\$58.00

The County currently has three franchisee agreements with haulers that utilize the Landfill, namely San Luis Garbage Company, South County Sanitary Service, Inc. and Mission Country Disposal. Section 8.3.2 of the agreements permits the County to terminate the agreement if the franchisee requests a rate increase that, if granted, would result in a rate increase that exceeds the cumulative cost of living increases, when compared to the rate as of the effective date of the agreement. Section 8.3.3 further provides that any increase in franchisee costs resulting from an increase in pass-through costs associated with the disposal of solid waste shall be included in comparing the resulting rate increase to the cumulative cost of living increases, with limited exception, not including tipping fees.

Amendment No. 3 excludes the tipping fees charged by Cold Canyon and incurred by the franchisee from the above-described rate change calculation provided that said fees are expressly approved in or in accordance with the Rate Setting Agreement. Our recommendation to approve Amendment No. 3 is based on the County oversight afforded by the Rate Setting Agreement and the fact that including the increases in the calculation would likely trigger the County's termination option.

In addition, Section 8.4.2.2 of the Agreements requires the Board of Supervisors to adjust the collection rates charged by the haulers to correspond with any Board approved tipping fee increase. Amendment No. 3 permits the Board to cap any one time annual corresponding collection rate increase attributable to the tipping fee increase approved in the Rate Setting Agreement at 1.5%.

Ongoing ACTTC review

The ACTTC reviewed the rate-setting methodology and rate of return projections provided by Cold Canyon and found them to be reasonable. Since many assumptions are built into the projections supporting the rate increase, the agreement requires Cold Canyon submit updated projections based on actual results annually and retain an independent accounting firm to review actual operating results every three years.

If updated projections indicate the profit margin will exceed 18% over the 15-year time period 2008-2022, subsequent annual rate increases may be suspended or decreased at the discretion of the ACTTC. If revised projections indicate an annual rate increase greater than \$2.25 is required to achieve 18%, such increase would only be granted under a separate request if approved by the Board.

Affected ratepayers

This increase applies to franchise haulers only with no impact to rates charged to the general public accessing Cold Canyon directly. Fee increases charged to franchise haulers, however, are passed on to their residential and commercial customers, according to the rate-setting and approval processes in hauler franchise agreements. This increase will impact customers served by haulers that utilize Cold Canyon: Mission Country Disposal, South County Sanitary Services, Morro Bay Garbage Service and San Luis Obispo Garbage Company.

While other factors besides tipping fees contribute to the total rate haulers charge their customers, Cold Canyon anticipates each of the \$2.25 per ton annual increases related to this agreement will translate into approximately 1% to 1.5% increase to a typical customer's monthly bill. For example, a two-can customer paying \$27.95 a month now will see a maximum increase of \$.42 with the first increase, and their total bill (related to expansion-related increases only) would increase to a maximum of \$31.96 in 2022, after the 9 annual increases. Rate increases due to inflation and/or regulatory changes could also occur but would be approved separately by the Board of Supervisors. The annual increases requested here are treated as "pass through" costs to the franchise haulers, meaning the haulers are not allowed to earn a profit on them and may not apply consumer price index adjustments to them, as are allowed with controllable costs.

OTHER AGENCY INVOLVEMENT/IMPACT

The rate increase was discussed with the County's Solid Waste Coordinator, the Department of Public Works, the Planning Department, Environmental Coordinator, County Counsel, IWMA and representatives from the affected cities and agencies.

FINANCIAL CONSIDERATIONS

Residents served by franchise haulers who transport to the Landfill will see an approximate increase of 1% to 1.5% for each annual \$2.25 rate hike. There should be no material impact to County revenues or costs.

RESULTS

The annual rate increases will provide funding for the expansion of the Landfill as approved by the Planning Commission and Board of Supervisors, while providing a fair return to the operator subject to independent audit and ongoing review by the ACTTC.

ATTACHMENTS

1. Rate Setting Agreement with Cold Canyon Landfill and Amendments to Hauler Franchise Agreements with San Luis Garbage Company, South County Sanitary Service, Inc., and Mission Country Disposal

RATE SETTING AGREEMENT
WITH COLD CANYON LANDFILL

This Rate Setting Agreement ("Agreement") is entered into this ___ day of _____, 2014, by and between the County of San Luis Obispo, a political subdivision of the State of California ("County"), and Cold Canyon Land Fill, Inc. ("Cold Canyon"), a California corporation.

Recitals

WHEREAS, Cold Canyon operates the Cold Canyon Landfill in San Luis Obispo County, California (the "Landfill"); and

WHEREAS, San Luis Garbage Company, South County Sanitary Service, Inc. and Mission Country Disposal (each a "Franchised Hauler" and together the "Franchised Haulers") utilize the Landfill for, among other things, the disposal of Solid Waste collected under the franchise agreements listed on Exhibit A hereto (each a "Franchise Agreement" and together the "Franchise Agreements"); and

WHEREAS, on November 20, 2012, the County Board of Supervisors approved Conditional Use Permit No. DRC2005-00170, which provides for the expansion of the Landfill, including an increase of the footprint by approximately 46 acres, an increase in the total facility allowable tonnage limit, the expansion of the Resource Recovery Park and Materials Recovery Facility, a new scalehouse and entrance, an increase in the Landfill's and Materials Recovery Facility's operating hours and staffing levels and other miscellaneous improvements; and

WHEREAS, the parties hereto acknowledge that the costs associated with the first two phases of the expansion are currently estimated to be \$8.3 million; and

WHEREAS, the parties hereto understand that Cold Canyon desires to recover the cost of the first two phases of the expansion currently estimable over a nine (9) year period through increased rates charged to the Franchised Haulers that deliver waste to the Landfill under the Franchise Agreements; and

WHEREAS, the County Auditor-Controller-Treasurer-Tax Collector-Public Administrator ("ACTTCPA") has thoroughly reviewed Cold Canyon's rate increase proposal and is supportive of the conditions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed between the parties hereto, as follows:

Agreement

1. The per ton tipping fee Cold Canyon charges to each Franchised Hauler for delivery of Solid Waste collected under each Franchise Agreement to

the Landfill is referred to herein as the "Tipping Fee". The County hereby approves a Tipping Fee Increase of \$2.25 per ton, effective initially on July 1, 2014, and additional annual Tipping Fee increases of \$2.25 per ton on each succeeding January 1 thereafter (beginning with January 1, 2015) over the nine (9) year period ending December 31, 2022.

2. The pricing in paragraph 1, above, is based on the assumption that the Landfill earns a fifteen (15) year annual average rate of return on allowable undepreciated capital (i.e., invested capital, or the net book value of fixed assets) of eighteen percent (18%), with the measurement period being January 1, 2008 through December 31, 2022.
3. During the term of this Agreement, the Landfill's actual annual rate of return shall be reassessed based on updated fifteen (15) year rolling projections prepared each year by Cold Canyon, and rate-making income audits performed by an independent public CPA firm hired by Cold Canyon every three (3) years, with the first audit completed in 2014 (which shall review Landfill operations in calendar year 2013). The methodology for such projections shall be subject to approval by the ACTTCPA. In addition, all such projections and audits shall be reviewed for accuracy and approved by the ACTTCPA, which approval shall not be unreasonably withheld, prior to any adjustments pursuant to Paragraph 4 below.
4. The ACTTCPA is hereby authorized to adjust the remaining \$2.25 Tipping Fee increases approved hereunder without Board of Supervisor approval in order to maintain the assumed fifteen (15) year rate of return. The ACTTCPA may only make such adjustments in the triennial rate review years 2017, 2020 and/or 2023 (which shall review Landfill operations in calendar years 2016, 2019 and 2022, respectively).
5. After the conclusion of the nine (9) year cost recovery period (December 31, 2022) covered by this Agreement, the ACTTCPA is authorized to adjust the Tipping Fee once further if necessary to maintain the Landfill's assumed fifteen (15) year rate of return for the year beginning January 1, 2023. This agreement will terminate on June 30, 2023. Notwithstanding the foregoing, any adjustment that *increases* any of the \$2.25 Tipping Fee increases will be subject to approval by the Board of Supervisors.
6. Pursuant to each Franchise Agreement, the Board of Supervisors shall adjust the collection rates charged by each Franchisee to correspond with the Tipping Fee increases approved herein. Notwithstanding the foregoing, for tipping fee increases under this Agreement effective on or after January 1, 2015, the Parties acknowledge that the Board of Supervisors shall have the discretion to deny any portion of any one time annual corresponding collection rate increase that would be greater than 1.5% and that is attributable to a tipping fee increase approved in

accordance with this Agreement, as further described in each Franchise Agreement or an amendment thereto.

7. This Agreement only applies to approval of Tipping Fee increases related to the Landfill expansion authorized under Conditional Use Permit No. DRC2005-00170 and related costs thereto that are currently estimable over the nine (9) year period, as described herein.
8. Any increase to Tipping Fees charged by Cold Canyon to each Franchised Hauler for delivery of Solid Waste collected under each Franchise Agreement to the Landfill in excess of \$2.25 during the nine year period ending December 31, 2022, shall be subject to approval by the County Board of Supervisors.
9. This Agreement does not create any entitlement to the approval of Tipping Fee increases outside of the nine (9) year period described herein. The County may, but is under no obligation to, enter into an amendment to this Agreement or a subsequent agreement with Cold Canyon approving further Tipping Fee increases to cover additional costs incurred by Cold Canyon in connection with the Landfill expansion.
10. The parties acknowledge that the action of approving increases to the Tipping Fee is not subject to CEQA because the activity is not a project or is statutorily exempt from CEQA pursuant to: CEQA Section 21065 and State CEQA Guidelines section 15378(b)(5) and 15378(b)(4); and CEQA Section 21065 and State CEQA Guidelines Section 15261(a). The activity is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment as described in State CEQA Guidelines Section 15378(b)(5) and is therefore not a "project" subject to CEQA; the activity is part of the creation of a government funding mechanism or other fiscal activities which do not involve any commitment to any specific "project" which may result in potentially significant physical impacts on the environment as described in State CEQA Guidelines Section 15378(b)(4); and the activity is being undertaken for the furtherance of an on-going project which has had substantial funds already expended and which will not result in new significant effects on the environment as described in State CEQA Guidelines Section 15261(a).
11. Neither the County nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by Cold Canyon under or in connection with this Agreement. Cold Canyon shall defend, indemnify and hold harmless the County, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, liabilities or other losses that may be

asserted by any person or entity that arise out of or are made in connection with any acts or omissions by Cold Canyon under or in connection with this Agreement.

12. Any change, modification or amendment to this Agreement shall be in writing and signed by each party hereto. This Agreement may be executed in one or more facsimile or original counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
13. This Agreement shall be effective as of the day it is fully executed by both parties and is conditioned upon the County and each Franchised Hauler entering into an Amendment No. 3 to Solid Waste Collection Franchise Agreement. In addition to certain other modifications, each such Amendment No. 3 modifies Section 8.3.3 of its respective Franchise Agreement to exclude the Tipping Fees approved herein from the Section 8.3.2 rate change calculation in such Franchise Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

COUNTY OF SAN LUIS OBISPO

Chairperson of the Board of Supervisors
County of San Luis Obispo
State of California

ATTEST:

County Clerk and Ex-Officio Clerk
of the Board of Supervisors,
County of San Luis Obispo, State of
California

APPROVED AS TO FORM AND LEGAL
EFFECT:
RITA L. NEAL, County Counsel

By: _____

Deputy County Counsel

Dated: 5-1-2014

Cold Canyon Land Fill, Inc.:

By: _____

Dated: 4/30/2014

Print Name: RONALD MITTELSTAEDT

Title: CEO

EXHIBIT A

Franchise Agreements

Title of Agreement	Date	Franchisee	Counterparty
* Amended and Restated Solid Waste Collection Franchise Agreement	December 9, 2008	San Luis Garbage Company	County of San Luis Obispo
Amended and Restated Solid Waste Collection Franchise Agreement	December 9, 2008	South County Sanitary Service, Inc.	County of San Luis Obispo
* Amended and Restated Solid Waste Collection Franchise Agreement	December 9, 2008	Mission Country Disposal	County of San Luis Obispo

* Not included for 5/14/14 NCSD; E-2

**AMENDMENT NO. 3 TO SOLID WASTE COLLECTION
FRANCHISE AGREEMENT**

This Amendment No. 3 to Solid Waste Collection Franchise Agreement ("Amendment") is entered into by and between the County of San Luis Obispo, a political subdivision of the State of California ("County"), and South County Sanitary Service, Inc., a California corporation ("Franchisee") (collectively, "Parties").

WHEREAS, on December 9, 2008, the County entered into an Amended and Restated Solid Waste Collection Franchise Agreement with Franchisee to provide solid waste collection, transportation and disposal service in certain unincorporated areas of San Luis Obispo County under terms which became effective December 9, 2008 and could be extended until June 30, 2026 ("Franchise Agreement"); and

WHEREAS, Cold Canyon Land Fill, Inc. ("Cold Canyon") operates the Cold Canyon Landfill in San Luis Obispo County ("Landfill"); and

WHEREAS, Franchisee utilizes the Landfill for, among other things, the disposal of solid waste collected under the Franchise Agreement; and

WHEREAS, on November 20, 2012, the County Board of Supervisors approved a conditional use permit for the expansion of the Landfill (Permit No. DRC2005-00170); and

WHEREAS, the County and Cold Canyon intend to enter into a Rate Setting Agreement whereby the County will approve certain annual increases to the tipping fee charged by Cold Canyon to Franchisee for disposal of solid waste collected under the Franchise Agreement over a nine (9) year period to allow Cold Canyon to recover the costs of the first two (2) phases of the expansion under the terms and conditions specified therein ("Rate Setting Agreement"); and

WHEREAS, the Franchise Agreement permits the County to terminate the Franchise Agreement if Franchisee requests a rate increase that, if granted, would result in a rate increase that exceeds the cumulative cost of living increases, when compared to the rate as of the effective date of the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that any increase in Franchisee costs resulting from an increase in the pass-through costs associated with the disposal of solid waste shall be included when comparing the resulting rate increase to the cumulative cost of living increases, with limited exception, not including tipping fees; and

WHEREAS, the Franchise Agreement also provides that the Board of Supervisors shall adjust the collection rates charged by Franchisee to correspond with any Board approved tipping fee increase; and

WHEREAS, the County and Franchisee desire to amend the Franchise Agreement to exclude tipping fees charged by Cold Canyon and incurred by Franchisee from the rate change calculation described above provided that said fees are expressly approved in or in accordance with the Rate Setting Agreement; and

WHEREAS, the County and Franchisee desire to further amend the Franchise Agreement to permit the Board of Supervisors to cap any one time annual corresponding collection rate increase attributable to the tipping fee increases approved in the Rate Setting Agreement at 1.5%, as further described below.

NOW THEREFORE, in light of the above recitals, which the Parties hereto agree are true and correct and are incorporated herein by this reference, the Parties agree as follows:

1. Paragraph 8.3.3 of Section 8.3 (Rate Review) of the Franchise Agreement is hereby amended and restated in its entirety and shall hereafter be and read as follows:

8.3.3. When calculating the change in rate described in Paragraph 8.3.2, costs resulting from Article 7 Payments to County, Section 4.5 County Request to Direct Changes, new mandated regulatory costs and the per ton tipping fee charged by Cold Canyon Land Fill, Inc. to Franchisee for delivery of solid waste collected under this Agreement to the Cold Canyon Landfill that has been approved in or in accordance with a Rate Setting Agreement between Cold Canyon Land Fill, Inc. and the County Board of Supervisors in connection with the expansion of the Cold Canyon Landfill (the "Rate Setting Agreement") will not be included. However, any other increase resulting from an increase in the pass-through costs associated with the processing and/or disposal of Solid Waste and Recyclable Materials including greenwaste shall be included in the rate change calculation, unless a disposal or processing facility has been designated by County.

2. Paragraph 8.4.2.2 of Section 8.4 (Special Interim Rate Review) of the Franchise Agreement is hereby amended and restated in its entirety and shall hereafter be and read as follows:

8.4.2.2. If during the performance term of this Agreement, County approves an adjustment in the tipping fee at a solid waste disposal facility that Franchisee uses, collection rates for residential and commercial customers shall be adjusted

correspondingly by the Board of Supervisors. Notwithstanding the foregoing, for tipping fee increases under the Rate Setting Agreement effective on or after January 1, 2015, the Board of Supervisors shall have the discretion to deny any portion of any one time annual corresponding collection rate increase that would be greater than 1.5% and that is attributable to the tipping fees approved in accordance with the Rate Setting Agreement. The 1.5% threshold shall be measured against the quotient obtained by dividing the product of (a) (i) the tipping fee increase per ton under the Rate Setting Agreement and (ii) the number of tons collected by the Franchisee during the immediately preceding calendar year, by (b) the Franchisee's total annual gross revenues for the immediately preceding calendar year, and then dividing that quotient by one minus the franchise fee percentage. The Board of Supervisors intends to make a reasonable effort to adjust Franchisee's collection rates at the same time as the facility rate. In the event that there is a delay greater than 90 days between the tipping fee increase and the corresponding collection rate adjustment such that Franchisee cannot contemporaneously pass along to the ratepayer the costs of the tipping fee increase, Franchisee may, if Franchisee so requests and the request is submitted within a reasonable time of the tipping fee increase, subsequently bill the ratepayers pro rata for the amount of the uncollected tipping fee caused solely by the delay.

3. Except as specifically amended herein, all of the terms, provisions, requirements and specification contained in the Franchise Agreement shall remain in full force and effect.

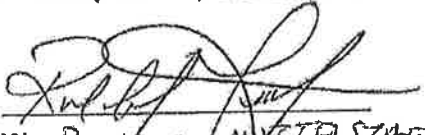
4. This Amendment shall be effective as of the day it is fully executed by both Parties.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of latter of the dates set forth below.

FRANCHISEE

South County Sanitary Service, Inc.

By: 
Name: RONALD MITTELSTAEDT
Title: CEO

Date: 4/30/2014

SAN LUIS OBISPO COUNTY

By: _____
Chairperson of the Board
San Luis Obispo County
State of California

Date: _____

ATTEST:

By: _____
County Clerk of the Board of Supervisors
San Luis Obispo County
State of California

Date: _____

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: 
Deputy County Counsel

Date: 5-1-2014

{00061927.DOCX.3}

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *msl*
GENERAL MANAGER

DATE: MAY 9, 2014

**AGENDA ITEM
E-3**

MAY 14, 2014

CONSIDER WATER FUND RATE SETTING PROCESS AND SCHEDULE

ITEM

Receive presentation by rate consultant and staff regarding water fund rates and schedule for rate setting [RECOMMEND RECEIVE PRESENTATION AND PROVIDE DIRECTION]

BACKGROUND

In July 2013, your Board directed staff to circulate a request for proposals to prepare a water rate and capacity charge study including a review of rate increases necessary to fund the purchase of supplemental water. In October, your Board awarded a contract to conduct the rate study to Tuckfield and Associates.

In December 2013, after fall groundwater reports indicated historic low groundwater levels and continued drought conditions, the rate project with Tuckfield and Associates was expanded to include preparation of water shortage rates.

In February of this year, your Board's Finance and Audit Committee received a presentation on the preliminary Water System Financial Plan and Capacity Charges. The Committee also reviewed drought rate setting process and gave direction to staff.

Nipomo's sole source of water—the groundwater basin—has declined below sustainable levels. The unprecedented drought is one important cause, and continued growth and increased water demand are additional causes. Declining groundwater levels threaten to begin allowing ocean saltwater to infiltrate and contaminate our freshwater supply and permanently damage our aquifer.

On April 9, your Board adopted a Water Shortage Response Plan to address this serious issue. A summary table of the Plan is attached. The Response Plan a five stage water shortage response including a commitment to reduce District groundwater pumping in advanced stages of water shortage.

To reduce customer demand and in turn groundwater pumping, the Plan includes a list of recommended conservation measures and envisions drought rate schedules to facilitate customer response.

New charges to pay for supplemental water purchased from the City of Santa Maria are also being considered. The supplemental pipeline project is scheduled for completion in summer 2015. When this needed water begins flowing, supplemental water charges will be applied to regular District customers and charged to area water suppliers who are purchasing a portion of the supplemental water.

On April 9, your Board received an update and presentation on drought and supplemental water rate approaches. At that meeting your Board directed staff to:

- Use rate-induced voluntary methods to meet the target groundwater reduction goals in the Shortage Response Plan

- Focus drought rates on above average and high water use
- Provide additional analysis of fixed versus volume based supplemental water rates that consider:
 - Fund stability
 - fairness and equity across the classes.
- conduct public outreach meetings to solicit customer and community input, and
- return to the Board for further discussion and direction.

On May 5, 2014, staff and Mr. Clayton Tuckfield conducted two town hall meetings in the community and provided an overview of water supply conditions, drought rates, and supplemental water rates.

At today's meeting staff and Mr. Tuckfield will discuss feedback received from the community on May 5 and provide additional analysis of supplemental water rate setting methods.

FISCAL IMPACT

Proper rate setting is critical to the operational solvency of all District enterprises. Adopting new rate schedules can take six months or more.

Setting multi-year water rate schedules is challenging, especially when multiple factors exist – such as prolonged drought conditions and new water supply with a variable delivery volume.

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

- 1.3 Develop water shortage response and management plan to respond to drought and other supply emergencies.
- 1.6 Continue to be a leader in management of area water resources.

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

Receive the presentation and provide direction to staff.

ATTACHMENT

- A. Water Shortage Response Plan Summary Table

MAY 14, 2014

ITEM E-3

ATTACHMENT A

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Key Features of the Proposed Plan

	Stage I	Stage II	Stage III	Stage IV	Stage V
TRIGGER ON	No trigger	Potentially Severe Water Shortage exists	Severe Water Shortage declared	Severe Water Shortage for more than 1 year OR is triggered by both Key Wells Index and Coastal Criterion	Severe Water Shortage for more than 2 years AND is triggered by both Key Wells Index and Coastal Criterion
TRIGGER OFF	Normal usage	Potentially Severe Water Shortage ends	Two years after Severe Water Shortage end	Severe Water Shortage ends	
CONSERVATION	Ongoing conservation education	More intensive education	Target 30% reduction in District ground water production	Target 50% reduction in District GW production	Target 60% reduction in District GW production
WATER RATES	Four Tier escalating		Stage III Drought rates	Stage IV Drought rates	Stage V drought rates
RECOMMENDED CUSTOMER CONSERVATION MEASURES	<ul style="list-style-type: none"> • Fix plumbing and irrigation leaks • Irrigate 8PM to 9AM only. • Check irrigation systems monthly • Avoid excessive run off • Recirculate water in water features 	<ul style="list-style-type: none"> • All Stage I Measures • Cover Swimming Pools and spas • Do not use water on exterior surfaces 	<ul style="list-style-type: none"> • All Stage I and II measures • Turn off irrigation systems. Minimum irrigation to preserve high-value landscape. • Do not fill swimming pools or spas. Drain ornamental water features • No water for dust control, construction. • No water to wash cars or equipment 	<ul style="list-style-type: none"> • All Stage I, II, and III measures. • No District water for irrigation or any outdoor uses. • All customers are asked to use the minimum amount of water necessary. 	
APPLICATIONS FOR WATER SERVICE	Applications are accepted and processed		New applications NOT accepted. Existing applications processed with supplemental water	New applications NOT accepted. Suspend processing existing applications	
SUPPLEMENTAL WATER	Allocated to All New Projects			No Water Allocated to Projects in the application process.	
NEW SERVICE CONNECTIONS	New service connections are made			New connections Only to completed commitments	No new service connections are made

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

DATE: MAY 9, 2014

AGENDA ITEM

E-4

MAY 14, 2014

**CONSIDER REQUEST TO PURCHASE DISTRICT WATER FOR
CONSTRUCTION USE OUTSIDE THE DISTRICT BOUNDARY**

ITEM

Consider request to purchase water for use on construction outside District services boundary
[RECOMMEND CONSIDER REQUEST DIRECT STAFF]

BACKGROUND

On April 22, 2014 the District received a request from Viola Construction to purchase approximately 8,000 gallons of water for construction of a project "... not located in your jurisdiction". See the attached request.

Water service outside the District is governed by District Code 3.16.010 and 3.16.020 as follows:

3.16.010 - When allowed.

It is the general policy of the district that district water service is limited to parcels within the district boundaries. The district board of directors may authorize water service to parcels outside the district boundaries upon a finding that:

- A. There exists an extreme hardship and there is excess capacity within the district system to serve such parcel; or*
- B. There is a benefit to the district or the community, such as the applicant providing the district with a water resource.*

(Ord. 98-87 22 (part), 1998; Ord. 16 2, 1973)

3.16.020 - Rates/Conditions.

The water usage rates and conditions for district water services outside the district boundaries shall be determined by resolution of the board of directors.

(Ord. 98-87 22 (part), 1998; Res. 163, 1980)

Additionally, Resolution 1990-419 adopted by your Board in July 1990 (attached) may be considered as well.

Staff contacted the requestor and made them aware of the time and place for today's meeting of your Board, the estimated costs, and existing Board policy.

FISCAL IMPACT

The estimated costs would break down as follows:

- \$500 meter deposit (if individual meter set) – this would not apply if truck is filled at the hydrant meter installed on West Dana Street.
- \$25 set up
- \$78/month meter rental/access
- \$.008/gallon water (~\$64 for 8,000 gallons)

RECOMMENDATION

Consider the request and direct staff.

ATTACHMENTS

- A. April 22, 2014 Request, Viola Construction
- B. Resolution 1990-419

MAY 14, 2014

ITEM E-4

ATTACHMENT A

VIOLA CONSTRUCTION, INC.

*P.O Box 198
Arroyo Grande, CA 93421
(805)474-9745
(805)474-1522 - Fax
violaconstructioninc@gmail.com*

Mr. LeBrun,

We are requesting a construction water meter from the city of Nipomo CSD for a project not located in your jurisdiction and it is not located in any other jurisdiction. The estimated water needed would be less than 8,000 gal. Approximate date of usage would be May 12-15 2014.

*Sincerely,
Tami White*

VIOLA CONSTRUCTION, INC.

P.O Box 198
Arroyo Grande, CA 93421
(805)474-9745
(805)474-1522 - Fax
violaconstructioninc@gmail.com

Date: 4-22-14

To: Nipomo CSD

Attn: Michael LeBrun

From: Viola Construction, Inc.

Re:

Request for construction
water meter. Thank you

MAY 14, 2014

ITEM E-4

ATTACHMENT B

NIPOMO COMMUNITY SERVICES DISTRICT

Regular Meeting - July 11, 1990

BOARD PRESENT

David Manriquez
Steven Small
Kathleen Furness
Gordon Gracia

STAFF PRESENT

Art Shaw, General Counsel
W. Ryder Ray, General Manager

ABSENT

Alex Mendoza

CALL TO ORDER AND FLAG SALUTE

President Manriquez called the Regular Meeting to order and led the flag salute.

APPROVAL OF MINUTES

1. REGULAR MEETING - JUNE 20, 1990

On the motion of Director Small, seconded by Director Furness the Board unanimously approved the minutes.

BOARD ADMINISTRATION

Manager Ray asked to have 'Offers of Dedication' for Tract 1491 and CO 89-225 placed on the agenda. On the motion of Director Small, seconded by Director Furness to place the two items on the agenda after item 14. Unanimously approved by the Board.

2. RESOLUTION AUTHORIZING SALE OF WATER FOR CONSUMPTION OUTSIDE THE DISTRICT FOR SPECIFIED EMERGENCY PURPOSES ONLY. COMMITTEE REPORT

Legal Counsel Shaw read in title only, Resolution No. 419, 'A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING THE SALE OF DISTRICT WATER FOR CONSUMPTION OUTSIDE THE DISTRICT FOR SPECIFIED EMERGENCY PURPOSES ONLY'.

On the motion of Director Furness, seconded by Director Gracia and on the following roll call vote:

AYES: Directors Furness, Gracia, Small, Manriquez

NOES: None

ABSENT: Director Mendoza

the resolution was adopted.

RESOLUTION NO. 419

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING THE SALE OF DISTRICT WATER
FOR CONSUMPTION OUTSIDE THE DISTRICT
FOR SPECIFIED EMERGENCY PURPOSES ONLY

WHEREAS, District ordinances prohibit the sale generally of District water for consumption outside the District; and

WHEREAS, the District has been advised and recognizes that the current multi-year drought is causing some wells utilized for domestic and small farm purposes to go dry on rural single-family parcels in the Nipomo area, but outside the District boundaries; and

WHEREAS, one such family has already requested the District to sell potable water which the family can haul to their residence outside the District; and

WHEREAS, this Board finds and declares that the District policy against sale of water for consumption outside the District is appropriate and necessary for the protection of the District's water supply and service capability for taxpayers within the District; and

WHEREAS, this Board also finds and declares that short term emergency water assistance for persons outside the District would not be incompatible with established District policy, but that the terms and restrictions regarding any such assistance must be specifically established to be sure that no person receiving such assistance would tend to become dependent upon the District's water supply.

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

- A. The District hereby authorizes the sale of District water for emergency use outside the District subject to each and all of the following restrictions and limitations:
 - 1. The need for water must be the direct and un-anticipated result of the current long-term drought. Those seeking such water must appear before the Board and explain to the satisfaction of the Board what measures the applicant has taken to remedy the water deficiency problem before seeking District water.
 - 2. District water will be provided only for single-family domestic purposes. The water shall not be used for irrigation or commercial husbandry or crop growing purposes.

3. The maximum amount of water to be sold shall average no more than 80 gallons per day for each resident on the premises receiving the water.
4. The applicant shall obtain the water from District water sources designated by the General Manager.
5. Water provided pursuant hereto for the benefit of any one residence shall be limited in duration to no more than one period of thirty or fewer consecutive days in any twelve month period of time.
6. No water supply authorized hereunder for a particular residence or family shall be sold, given, or otherwise transferred or delivered to any other premises.
7. The District will deliver normal potable District water to the tanks or containers provided by the applicant. The District will not be responsible for the appropriateness of the water for domestic use or human consumption once it leaves the District's supply system. Applicant will sign an agreement to defend and hold harmless from any and all claims arising from or concerning water quality, purity, health or safety deficiencies occurring after the water is delivered to applicant.

- B. The geographical area eligible to purchase District water pursuant to this Resolution shall be limited as described and depicted upon Exhibit "A" map and diagram attached hereto, and incorporated herein; provided that no regular customer of California Cities Water Company or any other operating public utility or entity shall be provided emergency water service pursuant hereto.
- C. The General Manager shall establish procedures as necessary and appropriate to assure that the program authorized herein is not abused.
- D. The General Manager shall personally provide a certified copy of this Resolution to the County Health Officer or his designee.
- E. This Resolution shall be reviewed annually by the Board, with the objective of repealing it as soon as normal groundwater replenishment begins.

AGENDA No. 2

LIMIT OF EMERGENCY SERVICE

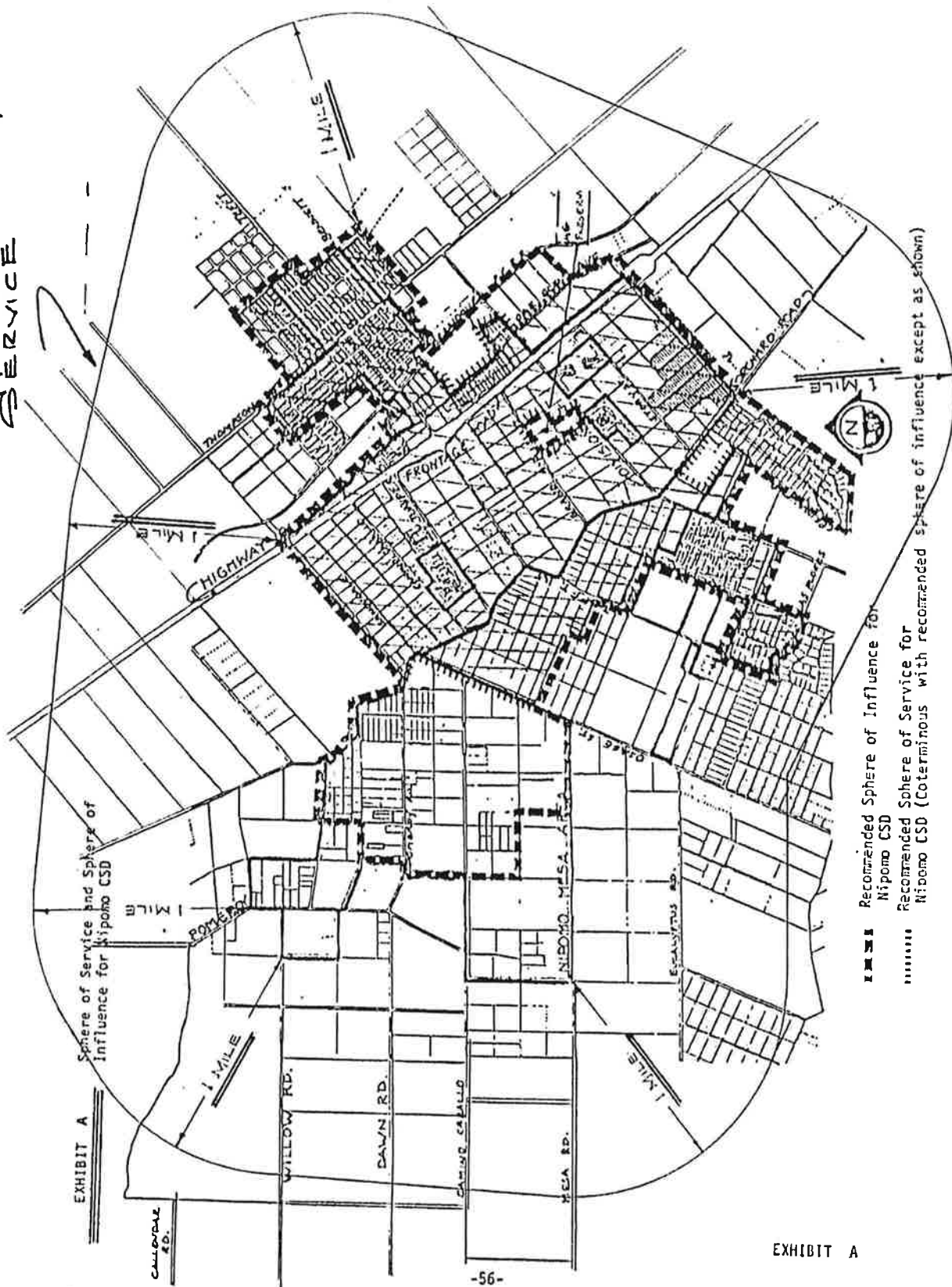


EXHIBIT "A"
RESOLUTION No.

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *msl*
GENERAL MANAGER

DATE: MAY 9, 2014

AGENDA ITEM

E-5

MAY 14, 2014

CONSIDER REQUEST TO PURCHASE DISTRICT WATER FOR ANIMAL HUSBANDRY USE OUTSIDE THE DISTRICT BOUNDARY

ITEM

Consider request to purchase water for animal husbandry use outside District services boundary [RECOMMEND CONSIDER REQUEST DIRECT STAFF]

BACKGROUND

On April 8, 2014 the District received a request from Steve Soares Trucking to purchase approximately water for animal husbandry use outside the District services boundary. See the attached request.

Water service outside the District is governed by District Code 3.16.010 and 3.16.020 as follows:

3.16.010 - When allowed.

It is the general policy of the district that district water service is limited to parcels within the district boundaries. The district board of directors may authorize water service to parcels outside the district boundaries upon a finding that:

- A. There exists an extreme hardship and there is excess capacity within the district system to serve such parcel; or*
- B. There is a benefit to the district or the community, such as the applicant providing the district with a water resource.*

(Ord. 98-87 22 (part), 1998: Ord. 16 2, 1973)

3.16.020 - Rates/Conditions.

The water usage rates and conditions for district water services outside the district boundaries shall be determined by resolution of the board of directors.

(Ord. 98-87 22 (part), 1998: Res. 163, 1980)

Additionally, Resolution 1990-419 adopted by your Board in July 1990 (attached) may be considered as well.

Staff contacted the requestor and made them aware of the time and place for today's meeting of your Board, the estimated costs, and existing Board policy.

FISCAL IMPACT

The estimated costs would break down as follows:

- \$500 meter deposit (if individual meter set) – this would not apply if truck is filled at the hydrant meter installed on West Dana Street.
- \$25 set up
- \$78/month meter rental/access
- \$.008/gallon water (~\$64 for 8,000 gallons)

RECOMMENDATION

Consider the request and direct staff.

ATTACHMENTS

- A. April 08, 2014 Request
- B. See Attachment B. Item E-4, this Agenda packet.

MAY 14, 2014

ITEM E-5

ATTACHMENT A

RECEIVED

APR - 8 2014

NIPOMO COMMUNITY
SERVICES DISTRICT

Fire Hydrant Meter Set

Have Cattle on Herick Rd. North of Big Water tank
Hauling water from Santa Maria, Need to buy
water from the Nipomo district to be more efficient
We Have 4500 gallon water truck 3 Axle water truck
and all the gear for a pump willing to pay down
payment on a Hydrant and pay by month or
however payment is needed to the district

- Steve Sowers trucking

office # (805) 928-7863

cell # (805) 598-4546

Property belongs to Mel Shawe

Borders Freeway & Willow on Herick

SSToffice@aol.com

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: MAY 9, 2014

AGENDA ITEM
E-6
MAY 14, 2014

CONSIDER AND VOTE PROPOSED CSDA BYLAWS UPDATE

ITEM

Consider proposed CSDA Bylaws Update [RECOMMEND CONSIDER PROPOSED UPDATE AND VOTE BALLOT]

BACKGROUND

On April 25, 2014, California Special Districts Association provided a proposed set of Bylaw updates and ballot materials (Attached).

RECOMMENDATION

Consider the recommend updates and vote the District ballot. Direct staff to file the completed ballot no later than June 13, 2014.

ATTACHMENTS

- A. April 25, 2015 CSDA Memorandum w/ Attachments

MAY 14, 2014

ITEM E-6

ATTACHMENT A



**California Special
Districts Association**
Districts Stronger Together

RECEIVED

APR 28 2014

N/POW/COMMUNITY
SERVICES DISTRICT

MEMORANDUM

DATE: April 25, 2014

TO: California Special Districts Association (CSDA) Voting Members

FROM: Noelle Mattock, CSDA Board President
Neil McCormick, CEO

SUBJECT: Proposed CSDA Bylaws Updates

The CSDA Board of Directors has approved the attached recommended updates to the CSDA Bylaws to bring forward to CSDA voting members for consideration.

Highlights to the recommended updates include:

- General clean-up to reflect updates and organizational changes over the last 3 years
- Clarifying language to the CSDA Board nomination and election process
- Updates to various committee definitions and titles
- CSDA affiliated chapter clarification

The full proposed changes to CSDA's Bylaws are indicated in mark-up form for your review and can be found online at www.csda.net/bylaws.

As a voting member in good standing, once your district has reviewed the proposed CSDA Bylaws updates, please use the enclosed official ballot to cast your vote by mail in favor or not in favor of the changes.

Completed ballots must be received by Friday, June 13, 2014 at 5:00 pm to be counted. Only official and fully completed ballots returned via regular mail to the CSDA office will be counted. The results of the Bylaws ballot will be announced in the CSDA e-News and on the CSDA website. If approved by the membership, the updated Bylaws will take effect on July 1, 2014.

If you have any questions or require printed copies, please contact Charlotte Lowe, Executive Assistant at charlottel@csda.net or (916) 442-7887.

Thank you for your participation and continued support of CSDA!

California Special Districts Association

1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
www.csda.net

A proud California Special Districts Alliance partner

Special District Risk Management Authority
1112 I Street, Suite 300
Sacramento, CA 95814
toll-free: 800.537.7790
f: 916.231.4111

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, CA 95814
toll-free: 877.924.2732
f: 916.442.7889



California Special
Districts Association
Districts Stronger Together

MAIL BALLOT FOR PROPOSED
BYLAWS AMENDMENT

Shall the 2014 Proposed CSDA Bylaws Amendments be Adopted?

- ☐ Yes
☐ No

CSDA Member District Name: _____

Authorized Signature: _____
(GM or Board President)

View current CSDA Bylaws and proposed new bylaws at csda.net/bylaws
Must be received by June 13, 2014. CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814
(If you require a hard copy of either of the above listed bylaws or have questions, please call Charlotte Lowe,
CSDA Executive Assistant at (877) 924-CSDA.) If approved, bylaws will become effective July 1, 2014.



BYLAWS

California Special Districts Association

Approved Bylaw Revision Dates:

Revised 1996

Revised 1999

Revised 2004

Revised October 1, 2009

Revised August 2, 2010

Revised August 1, 2011

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ARTICLE I – GENERAL

Section 1. Purpose:

In addition to the general and specific purposes set forth in the Articles of Incorporation of the California Special Districts Association (CSDA), CSDA will provide outreach, education, and member services, and shall generate legislative advocacy for member interests. CSDA will interact with the government associations and groups that support or oppose its membership's interests.

Section 2. CSDA Regions/Networks:

The state of California shall be divided along county boundaries into six ~~(6)~~-voting regions/networks. The areas of the regions/networks have been determined by the Board of Directors of CSDA.

Exhibit A.....Map of the six (6) regions/networks of CSDA.

Exhibit B.....Names of the counties within the six ~~(6)~~ regions.

Section 3. Principal Office:

The principal business office of CSDA shall be located in Sacramento, California.

ARTICLE II – MEMBERSHIP

Section 1. Qualification of Membership:

There may be several classes of membership in the CSDA, as determined by the Board of Directors. The following classes have been adopted:

A. Regular Voting Members:

Regular voting members shall be any public agency formed pursuant to either general law or special act for the local performance of governmental and/or proprietary functions within limited boundaries, and which meets any one of the following criteria:

1. Meets the definition of “independent special district” set forth in Government Code Section 56044 by having a legislative body all of whose members are elected, or which members are appointed to fixed terms; or
2. A public agency whose legislative body is composed of representatives of two or more other public agencies. Such representatives may be either members of the legislative body or designated employees of such other public agencies. Public agencies which qualify as regular members pursuant to these criteria include, but are not limited to the following public agencies: (a) air quality management districts; (b) air pollution control districts; (c) county water agencies or authorities; (d) transit or rapid transit districts, or transportation authorities; (e) metropolitan water districts; (f) flood control and/or water conservation districts; (g) sanitation agencies.

Regular voting members do not include the state, cities, counties, school districts, community college districts, dependent districts, or joint powers authorities. Dependent districts are defined as those special districts whose legislative body is composed exclusively of members of a Board of Supervisors of a single county or city council of a single city, LAFCOs, joint powers authorities or the appointees of such legislative bodies with no fixed terms.

Regular voting members have voting privileges and may hold seats on the Board of Directors.

B. Associate Non-Voting Members:

Shall be those organizations such as dependent districts, cities, mutual water companies, and those public agencies that do not satisfy the criteria for regular voting membership specified in Section A above.

Associate members have no voting privileges and may not hold a seat on the Board of Directors.

C. Business Affiliate Members:

Shall be those persons or organizations that provide services to special districts and/or have evidenced interest in the purposes and goals of CSDA. Business Affiliates have no voting privileges and may not hold a seat on the Board of Directors.

D. ~~Liaison Representatives:~~

~~Members of CSDA, who hold memberships in other organizations which have shown an interest in the purposes of CSDA, may request the Board of Directors to appoint a non-voting liaison representative from the interested organization to participate in activities conducted by CSDA. Non-inclusive examples of said organizations are recreation and park, fire, cemetery, and mosquito abatement/vector control.~~

~~The Board of Directors may invite the non-voting liaison representatives to attend CSDA meetings and participate in CSDA committees at the discretion of the Board. Liaison representatives have no voting privileges and may not hold a seat on the Board of Directors.~~

Section 2. Membership Application:

Application for membership to CSDA will be directed to staff, who will determine if the applicant's interest and purpose is in common with CSDA. If the applicant meets the requirements of membership, the Board of Directors shall approve the new member by a majority vote of the Board. Acceptance to membership shall authorize participation in CSDA activities as specified in these Bylaws.

Section 3. Membership Dues:

The membership dues of CSDA shall be established annually by a majority vote of the Board of Directors at a scheduled Board meeting. Authority to adjust the dues shall remain with the Board of Directors.

Section 4. Membership Voting:

Matters to be voted upon by the membership shall be determined by the Board of Directors in accordance with these Bylaws. Only those matters of which proper notice was given by CSDA may be voted upon.

A. Voting Designee:

In accordance with these Bylaws, regular voting members in good standing shall have voting privileges. The governing body of each regular voting member shall designate by resolution, one representative from their respective district who shall have the authority to exercise the right of the regular voting member to vote. Such voting designee shall be a Board member or managerial employee of the member regular voting member. ~~Each regular voting member shall file such resolution with CSDA.~~

B. Voting Authorization:

Those regular voting members who have paid the required dues as set by the Board of Directors are members in good standing. Each regular voting member in good standing

shall be entitled to one vote on all matters brought before the membership for vote at any meeting or mail ballot.

Section 5. Membership Quorum:

A. Meeting Quorum:

Twenty-five (25)-voting designees, as defined in Article II, Section 4, officially designated by each regular voting member present at any annual or special meeting of the CSDA shall constitute a quorum. Absentee ballots ~~shall~~ will not be accepted.

B. Mailed Ballot Quorum:

Mail ballots received from ~~twenty-five (25)~~ voting designees shall constitute a quorum.

Section 6. Membership Meetings:

A. Annual Business Meeting:

The annual business meeting of the members shall be held at the Annual CSDA Conference at such time and place as determined by the Board of Directors. Written notice of the annual business meeting shall include all matters that the Board intends to present for action and vote by the members.

Written notice of any annual meeting of the members of CSDA, via mail and/or electronic delivery, and/or facsimile shall be sent to each regular voting member in good standing, at least 45 days in advance of the designated date of such meeting. The notice shall include the time and place, and all matters the Board of Directors intends to present for action and vote by the members.

B. Special Meetings:

Special meetings of the members may be called at any time by the President, by a majority of the Board of Directors, or by a majority of at least a quorum of the members. Written notice shall include all matters the Board of Directors intends to present for action and vote by the members.

Written notice of any special meeting of the members of CSDA, via mail and/or electronic delivery, and/or facsimile shall be sent to each regular voting member in good standing, at least ten days in advance of the designated date of such meeting. The notice shall include the time and place, and all matters intended to be presented for action and vote by the members.

C. ~~Notice of Meetings:~~

~~Written notice of any annual or special meeting of the members of CSDA, via mail and/or electronic delivery, and/or facsimile shall be sent to each regular voting member in good standing, not later than forty-five (45) days in advance of the designated date of such meeting. The notice shall include the time and place, and all matters the Board of Directors intends to present for action and vote by the members.~~

D.C. Mail Ballot:

The Board of Directors may at its discretion authorize the voting upon any issue, by written ballot mailed to each regular voting member in good standing. Such ballot shall be mailed by first class mail, at least ~~not later than forty-five (45)~~ days in advance of the date the CSDA has designated for the return of the ballot by each member to CSDA.

E.D. Majority Vote:

A majority ~~of votes cast or ballots received~~ vote of all regular voting members voting shall be necessary to carry any matter voted upon, provided a quorum of members has voted in person or by mail ballot. Voting by proxy shall ~~will~~ not be allowed.

Section 7. Termination of Membership:

Any member delinquent in the payment of dues for a period of three ~~(3)~~ months after said dues are due and payable, shall be notified in writing of such arrearage, and shall be given written notice of possible termination. If such delinquent dues remain unpaid ~~for forty-five (45)~~ days after said notice, the delinquent member shall automatically cease to be a member of CSDA.

A delinquent member may be restored to membership by making written application to the Board of Directors of the CSDA. Such reinstatement shall be at the discretion of the Board.

ARTICLE III – DIRECTORS

Section 1. Number of Directors:

The authorized number of elected directors to serve on the Board of Directors shall be ~~eighteen~~ (18). Each regular voting member agency shall be limited to one seat on the Board.

There shall be three ~~(3)~~ directors elected from each of the six ~~(6)~~ CSDA regions/networks. Directors elected from each of the six ~~(6)~~ regions/networks shall hold staggered three ~~(3)~~ year terms. The three directors serving a term of office from a region/network shall be elected from three ~~(3)~~ different regular voting member agencies located in that region/network.

Section 2 Term of Office:

Directors elected from each of the six ~~(6)~~ regions/networks shall hold staggered three ~~(3)~~ year terms. After the annual election of directors, a meeting of the Board shall be held to ratify the election results. The term of office of the newly elected persons shall commence on the following January 1 and shall terminate in three ~~(3)~~ years.

Section 3. Nomination of Directors:

Nomination shall be by region/network. Any regular voting member in good standing is eligible to nominate one person from their district to run for director of CSDA. The director nominee shall be a board member of the district or a managerial employee as defined by that district's Board of Directors. Nomination of the director designee shall be made by a resolution or minute action of the regular voting member's~~ss~~ Board of Directors. Only one individual from each regular voting member district may be nominated to run at each election. In the event an incumbent does not re-run for his/her seat, the nomination period for that region/network shall be extended by ten days.

The CSDA staff, in conjunction with the Elections and Bylaw Committee, will review all nominations received and accept all that meet the qualifications set by these Bylaws. A slate of each region's/network's qualified nominees will be submitted by mail ballot, to that region's/network's regular voting membership for election pursuant to Article III, Section 4

Section 4. Election of Directors:

The Election and Bylaws Committee shall have primary responsibility for establishing and conducting elections. The Committee may enforce any regulation in order to facilitate the conduct of said elections. Voting for directors shall be by the regular voting members from the region/network from which they are nominated. ~~six (6) regions and shall be conducted by mail.~~

The Election and Bylaws Committee shall meet each year to review, with staff, the regions/networks where election of directors will be necessary. The Committee will coordinate, with staff, the dates nomination requests shall be mailed to the regular voting members, the and officially date for the nomination requests to be received at the CSDA office, and ~~will set the~~ date of the election.

A. Written Notice:

Written notice requesting nominations of candidates for election to the Board of Directors shall be sent first class mail to each regular member on the date specified by the Election and Bylaws Committee, which shall be at least ~~one hundred and twenty (120)~~ days prior to the election. The nominations must be received by the CSDA before the established deadline which shall be no later than ~~sixty (60)~~ days prior to the election. Nominations received after the deadline date shall be deemed invalid.

B. Balloting and Election:

Voting for directors shall be by mail.

After the nomination period for directors is closed, a mailed ballot specifying the certified nominees in each region/network shall be distributed to each regular voting member in that region/network~~good standing~~ by first class mail. Each such regular member in each region/network shall be entitled to cast one vote for each of that region's/network's open seats on the Board.

The ballot for each region/network shall contain all nominations accepted and approved by CSDA staff. In the event there is only one nomination in a region/network, the nominee shall automatically assume the Seat up for election and a ballot shall not be mailed. Staff will execute a Proof of Service certifying the date upon which all regular voting members of each region/network were mailed a ~~mail~~ ballot.

Ballots shall be returned by mail to the principal business address of CSDA prior to the close of business (5:00 pm) on the designated election date, which shall be at least ~~forty-five (45)~~ days prior to the ~~annual business meeting of the members held at the~~ Annual Conference. Ballots received after the specified date shall not be counted.

All ballots shall remain sealed until opened in the presence of the Election and Bylaws Committee chairperson or his/her designee.

Section 5. Event of Tie:

In the event of a tie vote, a supplemental mail ballot containing only the names of those candidates receiving the same number of votes shall be mailed to each regular voting member in the region/network where the tie vote occurred.

Those mail ballots received prior to the close of business (5:00 pm) on the date designated by the Election and Bylaws Committee shall be considered valid and counted. All supplemental mail ballots received after the designated date will be deemed invalid. All ~~such~~ ballots shall remain sealed until opened in the presence of the Committee chair or his/her designee.

In the event the supplemental mail ballot results in a tie vote, the successful candidate will be chosen by a drawing by lot.

Section 6. Director Vacancy:

In the event of a director vacating his/her seat on the Board of Directors, an individual who meets the qualifications as specified in these Bylaws may be appointed or elected to complete the director's unexpired term.

A. Two or Three Vacant Seats in the Same Region/Network:

In the event more than one seat on the CSDA Board of Directors in any one region/network is vacant at the same time, such vacancies shall be filled by election. A mail ballot shall be prepared; listing all nominees for that region/network accepted and approved pursuant to Article III, Section 4 of these Bylaws

Regular Mmembers of each region/network shall be entitled to cast one vote for each open seat in that region/network. The candidate receiving the most votes will be elected to the vacant seat with the longest remaining term. The candidate receiving the second highest number of votes will be elected to fill the vacant seat with the second longest remaining term. The candidate receiving the third highest number of votes will be elected to fill the vacant position with the third longest remaining term.

B. Vacancy During Nomination Period:

In the event of a vacancy occurring "during" the nomination period ~~prior to the annual election~~, the vacancy shall be filled by election. Written notification of the vacancy and request for nominations shall be sent to each regular member in the region/network in which the vacancy occurred. Nominations will be accepted for ~~the such~~ vacant seat ~~and which~~ shall be placed on the mail ballot for election in that region/network.

C. Vacancy After Nomination Period:

In the event of a vacancy occurring "after" the nomination period has closed, at the discretion of the CSDA Board, the vacancy may remain unfulfilled until the next regularly scheduled election or may shall be filled by appointment. Should the CSDA Board choose to fill the vacancy by appointment, Notification of the vacancy and request for nominations shall be sent to all regular members in the region/network in which the vacancy occurred.

The region's/network's existing directors sitting on the CSDA Board shall interview all interested candidates of that region/network and bring a recommendation to the CSDA Board of Directors of the CSDA. The Board shall make the appointment to fill the unexpired term of the vacated Board position.

Section 7. Director Disqualification:

- A. A director shall become disqualified from further service upon the occurrence of the following:

A director's district is no longer a member of the CSDA; a director is no longer a board member or an employee of a member district; and/or a director shall resign.

Any officer or director may resign at any time by giving written notice to the President or CEO~~Executive Director~~. Any such resignation shall take effect at the date of the receipt of such notice or at any time specified therein.

- B. The position of a director may be declared vacant by a majority vote of the CSDA Board of Directors when a director ~~shall fail~~ to attend three (3) consecutive meetings of the Board, ~~without prior notice to the Board President~~.

Section 8. Powers of Directors:

Subject to the limitations of these Bylaws, the Articles of Incorporation, and the California General Nonprofit Corporation Law, all corporate powers of the CSDA shall be exercised by or under the authority of the Board of Directors.

ARTICLE IV – DIRECTOR MEETINGS

Section 1. Place of Meetings:

Meetings of the Board of Directors shall be held in the state of California, at such places as the Board may determine.

Section 2. Ratification Meeting:

Following the election of Directors, the Board shall hold a meeting at such time and place as determined by the Board for the purpose of ratifying the newly elected directors and to transact other business of the CSDA.

Section 3. Organization Meeting:

After the ratification meeting, an organizational meeting of the Board shall be held at such time and place as determined by the Board for the purpose of electing the officers of the Board of Directors and the transaction of other business of the CSDA.

Section 4. Planning Session:

As directed by the Board of Directors ~~Before the end of each calendar year~~, a special Strategic Planning Meeting shall be held by the Board of Directors to review and evaluate the plans, policies and activities related to the business interests of CSDA.

Section 5. Regular Meetings:

The dates of the regular meetings of the Board of Directors shall be ratified at the ~~last~~^{first} Board meeting of the ~~previous~~ year. The meetings shall be held at such time and place as the Board may determine. The dates and places of the Board meetings shall be published in the CSDA's publications for the benefit of the members.

Section 6. Special Meetings:

A special meeting of the Board of Directors, for any purpose, may be called at any time by the President or by any group of seven ~~(7)~~ directors.

Such meetings may be held at any place designated by the Board of Directors. In the event directors are unable to personally attend the special meeting, teleconferencing means will be made available.

Notice of the time and place of special meetings shall be given personally to the directors, or sent by written or electronic communication. All written notices shall be sent at least ten ~~(10)~~ days prior to the special meeting and electronic notices ~~at least~~^{not less than} five ~~(5)~~ days prior.

Section 7. Quorum:

A quorum of the Board of Directors for the purpose of transacting business of the CSDA shall consist of ten ~~(10)~~ directors. A majority vote among at least ten ~~(10)~~ directors present at a duly noticed meeting shall constitute action of the Board of Directors.

Section 8. Official Records:

All official records of the meetings of the CSDA shall be maintained at the principal business office of the CSDA.

ARTICLE V – OFFICERS

Section 1. Number and Selection:

The officers of the CSDA shall be the President, Vice President, Secretary, Treasurer and the Immediate Past President. The officers shall be elected annually from the then current members of the Board of Directors without reference to regions/networks. All officers shall be subordinate and responsible to the CSDA Board of Directors and shall serve the CSDA without compensation.

Each shall hold office for the term of one ~~(1)~~-year, or until resignation or disqualification.

The Board of Directors may appoint such other officers as the business of the CSDA may require. Each of the appointed officers shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may determine.

Section 2. Duties of the President:

The President shall be the chief officer of the CSDA and shall, subject to the approval of the Board of Directors, give supervision and direction to the business and affairs of the CSDA.

The President shall preside at all Board of Director and membership meetings. The President shall be an ex-officio member of all Standing Committees. The President and shall recommend appoint appointment of committee chairs and vice-chairs and members of the Standing Committees. ~~Such appointments are subject to ratification confirmation~~ by the Board of Directors.

The President shall have the general powers, duties and management usually vested in the office of the president of a corporation. The President shall have such other powers and duties as may be prescribed by these Bylaws or by the vote of the Board of Directors.

Section 3. Duties of the Vice President:

In the absence of, or disability of the President, the Vice President shall perform all of the duties of the President. When so acting, the Vice President shall have all the powers of the President, and be subject to all the restrictions upon the President.

The Vice President shall be ~~the chair of the Planning Committee and an ex-officio member of all~~ of the Standing Committees.

Section 4. Duties of the Secretary:

The Secretary or a designee appointed by the Board of Directors shall give notice of meetings to the Board of Directors, and notices of meetings to the members as provided by these Bylaws.

The Secretary or such designee shall record and keep all motions and resolutions of the Board. A record of all meetings of the Board and of the members shall be maintained. All written records of the Secretary shall be kept at the business office of the CSDA.

A list of the membership of the CSDA shall be maintained by the Secretary or such designee. Such record shall contain the name, address and type of membership, of each member. The date of membership shall be recorded, and in the event the membership ceases, the date of termination.

The Secretary or such designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 5. Duties of the Treasurer:

The Treasurer or a designee appointed by the Board of Directors shall keep and maintain adequate and correct accounts of the properties and the business transactions of the CSDA, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any director or member of the CSDA.

The Treasurer or such designee shall be responsible to cause the deposit of all moneys of the CSDA, and other valuables in the name and to the credit of the CSDA, with such depositories as may be designated by the Board of Directors.

The Treasurer or such designee, shall disburse, or cause to be disbursed by such persons as authorized by resolution of the Board of Directors, the funds of the CSDA, as ordered by the Board of Directors.

The Treasurer or such designee shall serve as chair of the CSDA Fiscal Committee. The Treasurer shall render to the President and the Board of Directors an account of all financial transactions and the financial condition of the CSDA at each Board meeting and on an annual basis, or upon request of the Board.

The Treasurer or such designee shall, after the close of the fiscal year of the CSDA, cause an annual audit of the financial condition of the CSDA to be done.

The Treasurer or such designee shall perform such other duties as may be required by law, by these Bylaws, or by the Board of Directors.

Section 6. Disbursement of Funds:

No funds shall be disbursed by the CSDA unless ~~at the~~ check, draft or other evidence of such disbursement ~~has been~~ shall be executed on behalf of the CSDA by such persons authorized by resolution of the Board of Directors.

Section 7. Removal of Officers:

Officers of the Board may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of the Board of Directors present at such meeting.

ARTICLE VI – COMMITTEES

Section 1. Creation of Committees Structure:

~~The Board of Directors by a majority vote may create one or more committees to serve at the pleasure of the Board, and have such authority as provided by the Board of Directors.~~

~~Each committee shall have a chair and a vice-chair who shall be directors of the Board of Directors. Appointment of two (2) or more directors to the committees shall be by a majority vote of the Board. Each committee shall have at least two Board members and no more than nine Board members. Directors may be appointed as alternate members of a committee, in the event of an absent committee member.~~

~~Other members of any committee may include designees of regular, associate or professional Business Affiliate members, and liaison representatives from other organizations pursuant to Article II, Section 1 to be approved by majority vote of the CSDA Board of Directors.~~

Section 2. Committee Actions:

All actions of any committee of the CSDA shall be governed by and taken in accordance with the provisions of these Bylaws. All committees shall serve at the pleasure of the Board and have such authority as provided by the Board of Directors. Minutes of each committee meeting shall be kept and each committee shall present a report to the Board of Directors at each scheduled Board meeting.

No committee may take any final action on any matter that, under these Bylaws, or under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members of the CSDA.

All committees, regardless of Board resolution, are restricted from any of the following actions as imposed by the California Nonprofit Public Benefit Corporation Law

No committee may: Fill vacancies on the Board of Directors or on any committee that has authority of the Board; create any other committees of the Board or appoint the members of the committees of the Board.

No committee may fix compensation of the directors for serving on the Board or on any committee; ~~Expend corporate funds to support a nominee for director; or approve any contract or transaction to which CSDA is a party and in which one or more of its directors has a material financial interest.~~

No committee may amend or repeal Bylaws or adopt new Bylaws or amend or repeal any resolution of the Board that by its express terms is not subject to amendment or repeal.

Section 3. Committee Meetings:

~~Meetings of the committees of the CSDA shall be held in accordance with the provisions of these Bylaws. The time and place for regular meetings of such committees may be determined~~

by the Board or by such committees. Special meetings of the committees may be called by the chair of such committee, or by the Board of Directors.

Section 4. Standing Committees:

Standing Committees of the CSDA shall be advisory in nature except for the Finance Corporation (see Section 4D). The Standing Committees are: Executive, Education~~Professional Development~~, Elections and Bylaw, Finance Corporation, Fiscal, Legislative, ~~Membership Recruitment~~Member Services and ~~Planning and Audit~~.

The President shall recommend the appointment of committee officers and members of each Standing Committee except the Executive Committee. All committee members are subject to ratification by the Board of Directors.

A. Executive Committee:

The Executive Committee shall consist of all officers of the CSDA. Members shall include the President, Vice President, Secretary, Treasurer and the ~~immediate Ppast P~~resident of the CSDA. If the ~~immediate Ppast P~~resident is no longer a member of the Board of Directors, a previous past president may be appointed. If there are no directors who have served as president in the past, the President shall appoint a current director to serve as a member of the Executive Committee.

Subject to these Bylaws and approval of the Board of Directors, the Executive Committee shall have full power, authority and responsibility for the operation and function of the CSDA.

B. Professional Development~~Education~~ Committee:

The ~~Education Professional Development~~ Committee shall plan, organize and direct ~~CSDA the education professional development programs and events of the CSDA~~. The Committee shall organize the Annual Conference and the Special District Legislative Days. A public relations program shall be maintained by the Committee.

C. Election and Bylaws Committee:

The Election and Bylaws Committee shall be responsible for conducting all elections ~~for~~ of the CSDA Board of Directors as provided in these ~~B~~ylaws. The Committee shall annually review the ~~B~~ylaws and shall be responsible for membership vote on any bylaw changes and approval of election materials.

D. Finance Corporation Committee:

The Finance Corporation Committee shall serve as the Board of Directors of the CSDA Finance Corporation a California non profit public benefit corporation organized to provide financial assistance to CSDA members in acquiring, constructing and financing various public facilities and equipment for the use and benefit of the public. The Finance Corporation Committee is not an advisory committee, but has all of the powers described in the CSDA Finance Corporation Bylaws, which are incorporated herein by this reference. Such powers include the powers to manage and control the business affairs of the corporation, to approve policies for the corporation's operations, and to

enter into all contracts necessary to provide financial assistance to CSDA members and be responsible for oversight of the programs of the CSDA Finance Corporation.

E. Fiscal Committee:

The Treasurer shall serve as the chair of the Fiscal Committee and shall, with the Committee, be responsible for oversight of all the financial transactions of the CSDA. An annual budget shall be prepared reviewed by the committee and shall be ratified by the Board of Directors.

~~The Fiscal Committee shall assist the Planning Committee in the continuing development of the CSDA's "Strategic Plan".~~

F. Legislative Committee:

The Legislative Committee shall be responsible for the development of the CSDA's legislative agenda. The Committee shall review, direct and assist the CSDA Advocacy and Public Affairs ~~Legislative Department~~ with legislative and public policy issues.

G. Member Services~~Membership and Recruitment~~ Committee:

~~The Membership and Recruitment~~ Member Services Committee shall be responsible for recruitment and recommendation of new members to the CSDA Board of Directors. All new members shall be ratified by the Board of Directors.

H. Planning Committee:

~~The Planning Committee in conjunction with the Fiscal Committee shall be responsible for the continuing development of the "Strategic Plan" of the CSDA. The "Strategic Plan" shall be reviewed and monitored. The Committee shall recommend revisions and/or additions to the Board of Directors for ratification.~~

I.H. Audit Committee:

The Audit Committee is responsible for maintaining and updating internal controls. The Committee selects the Auditor for Board of Director approval and provides guidance to the auditors on possible audit and fraud risks. The Committee reviews the audit and management letter and makes recommendation to the Board of Directors for action.

Section 5. Ad Hoc Committees:

The President may appoint other Ad Hoc Committees and their officers as may be determined necessary for the proper operation of the CSDA. The Standing Committees and the Ad Hoc Committees shall plan and authorize such programs as may be directed by the Board of Directors.

The Ad Hoc Committees shall be advisory in nature and shall be composed of at least two ~~(2)~~ members of the Board of Directors. Other members of such committees may include designees of regular, associate or professional members, ~~liaison representatives of other organizations, or~~ members of the public, as approved by the Board of Directors.

Section 6. Special Committee of the Board:

A Special Committee may be granted authority of the Board as a Committee of the Board, as required by the California Nonprofit Public Benefit Corporation Law, provided by a specific resolution adopted by a majority of the Board of Directors then in office. In such case, the Special Committee shall be composed exclusively of two (2) or more directors, but less than a quorum of the Board of Directors.

ARTICLE VII – INDEMNIFICATION

Section 1. Right of Indemnity:

To the fullest extent permitted by law, the CSDA shall defend, indemnify and hold harmless both its past and present directors, officers, employees and other persons described in Section 5238(a) of the California Corporations Code, against any and all actions, expenses, fines, judgments, claims, liabilities, settlements and other amounts reasonably incurred by them in connection with any “proceeding”, as that term is used in the Section 5238(a) of the California Corporations Code.

“Expenses”, as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 2. Approval of Indemnity:

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met, and if so, the Board shall authorize indemnification.

If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the Board shall promptly call a meeting of the members.

At the request for indemnification meeting, the members shall determine under Section 5238(e) of the California Corporations Code whether the applicable standard or conduct set forth in Section 5238(b) or Section 5238(c) has been met, and, if so, the members present at the meeting in person or by proxy shall authorize indemnification.

Section 3. Insurance:

The CSDA shall have the right to purchase and maintain insurance to the full extent permitted by law, on behalf of its officers, directors, employees, and agents, against any liability asserted against or incurred by any officer, director, employee or agent in such capacity, or arising out of the officer's, director's, employee's, or agent's status as such.

Section 4. Liability:

No member, individual, director, or staff member of the CSDA shall be personally liable to the CSDA's creditors, or for any indebtedness or liability. Any and all creditors shall look only to the CSDA's assets for payment.

ARTICLE VIII – LOCAL CHAPTERS

Section 1. Purpose:

The purpose of local chapters is to provide a local forum of members for the discussion, consideration and interchange of ideas concerning matters relating to the purposes and powers of special districts and the CSDA.

The local chapters may meet to discuss issues bearing upon special districts and the CSDA. The chapters may make recommendations to the CSDA's Board of Directors.

Section 2. Organization:

The regular voting members of the CSDA are encouraged to create and establish local chapters. In order to be recognized as a CSDA Chapter, each Chapter must approve and execute a Chapter Affiliation Agreement in order to obtain the right to use the CSDA name, logo, membership mailing list, intellectual property, endorsements, and CSDA staff support and technical assistance in conducting Chapter activities. The terms and conditions of the Chapter Affiliation Agreement are incorporated herein by this reference.

Each chapter formed prior to August 1, 2011, including but not limited to of the following existing chapters must have at least one ~~(1)~~ CSDA member in their membership at all times: Alameda, Butte, Contra Costa, Kern, Marin, Monterey, Orange (ISDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. ~~These existing chapters are strongly encouraged to have all district members as CSDA members, however the existing local chapter may include members of~~ Such existing chapters may include as members local organizations, districts and professionals who are not members of the CSDA.

New chapters formed after August 1, 2011, are required to have 100 percent of their special district members ~~as be current members of~~ CSDA members in order to be a chapter affiliate of CSDA. ~~The existing~~ Such local chapters may include members of local organizations and professionals who are not members of CSDA.

Local chapters shall be determined to be affiliates of the CSDA upon approval and execution of the Chapter Affiliation Agreement by the local chapter and approval and ratification of the Chapter Affiliation Agreement by the CSDA Board of Directors of the CSDA. The chapters shall be required to provide updated membership lists to the CSDA at least annually.

CSDA and its local chapters shall not become or be deemed to be partners or joint ventures with each other by reason of the provisions of these Bylaws or the Chapter Affiliation Agreement.

Section 3. Rules, Regulations and Meetings:

Each local chapter shall adopt such rules and regulations, meeting place and times as the membership of such local chapter may decide by majority vote. Rules and regulations of the local chapter shall not be inconsistent with the Articles of Incorporation or Bylaws of the CSDA.

Section 4. Financing of Local Chapters:

No part of the CSDA's funds shall be used for the operation of the local chapter affiliates. The CSDA is not responsible for the debts, obligations, acts or omissions of theits local chapters.

Section 5. Legislative Program Participation:

Local chapters may function as a forum in regard to federal, state and local legislative issues.
The chapters may assist the CSDA in the distribution of information to their members.

ARTICLE IX – AMENDMENTS TO THE BYLAWS

Section 1. Amendment Proposals:

Any regular voting member in good standing may propose changes to these Bylaws. The proposed amendments shall be reviewed by the Board of Directors and submitted to the Election and Bylaws Committee for their study.

After examination by the Election and Bylaws Committee and upon resolution of the Board of Directors the amendment proposals may be submitted for vote at the Annual Business meeting of the members held by the CSDA, at a specially called meeting, or by a mailed ballot.

Section 2. Amendment Membership Meeting:

Prior notice in writing of the proposed amendment/s to these Bylaws shall be given by the Board of Directors to the regular voting members, not later than ~~forty-five (45)~~ days in advance of the amendment meeting.

Electronic copies of the proposed amendment/s shall be available on the CSDA website for the regular voting members prior to the meeting. Copies of the proposed amendments shall be available for the voting members at the amendment meeting, ~~upon advance requests.~~

Section 3. Mailed Amendment Ballot:

When a mailed ballot is utilized to amend these Bylaws, the ballot shall include all amendments and matters the Board of Directors intends to present for action and vote by the members and shall be mailed by the CSDA to all regular voting members in good standing. ~~The~~ Such ballot shall be mailed by first class mail, not later than ~~forty-five (45)~~ days in advance of the date the CSDA has designated for the receipt of the ballot.

The amendment ballot must be received by the CSDA, no later than the established deadline date and time. Ballots received after the specified deadline will be deemed invalid

Section 4. Amendment Ratification:

A. Membership Meeting:

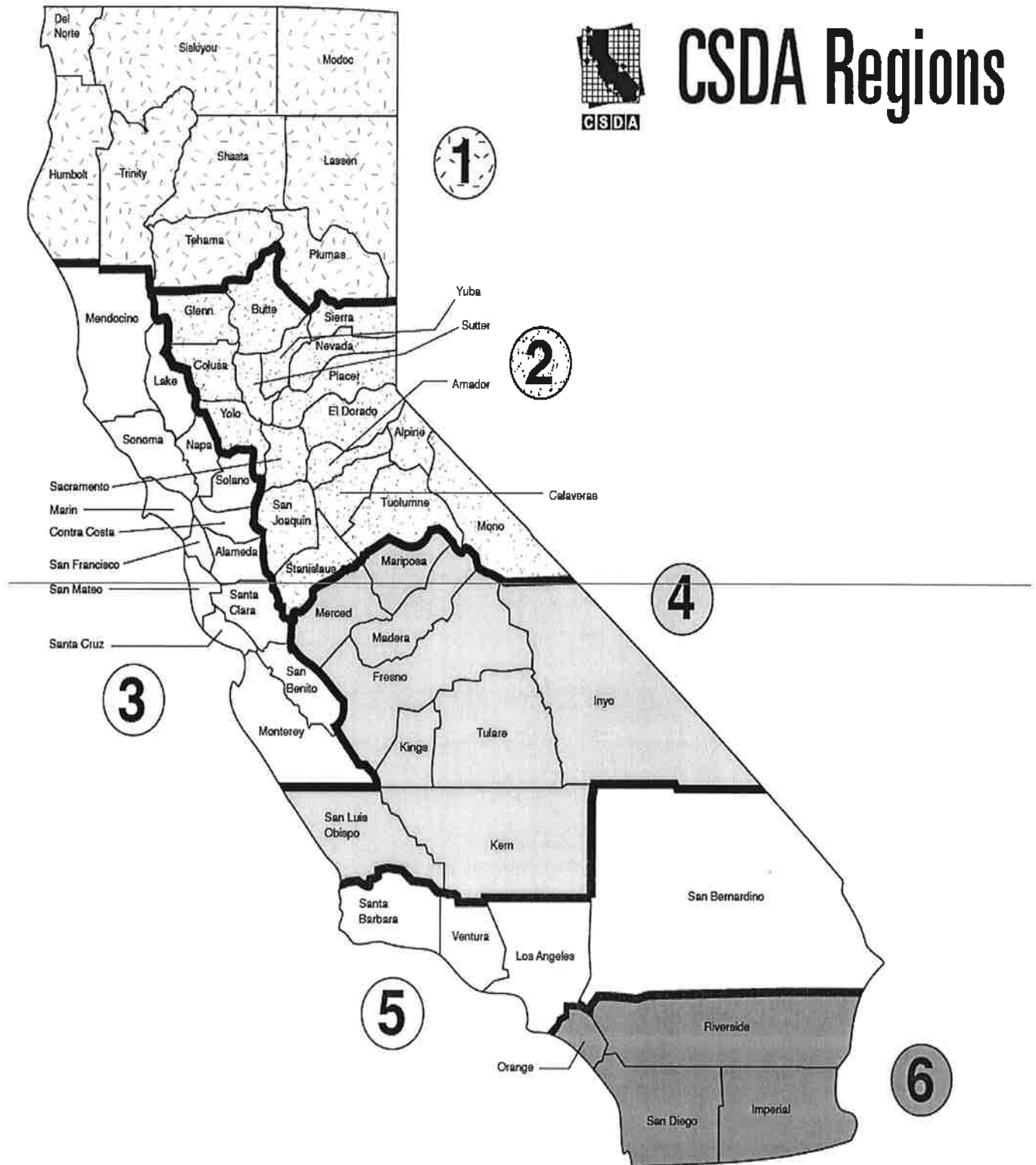
The proposed Bylaw amendments shall be deemed adopted by a majority vote of all regular voting members present at a membership meeting, at which a quorum, as defined in Article 2, Section 5 of these Bylaws, of the members is present.

B. Mailed Ballot:

The proposed Bylaw amendment/s shall be deemed adopted when ballots have been returned by a quorum of the regular voting members, and have been approved by a majority vote of the mail ballots returned.



CSDA Regions





2015 Regions/Networks



TO: MICHAEL S. LEBRUN
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF ENGINEERING
& OPERATIONS

DATE: MAY 9, 2014

AGENDA ITEM
E-7
MAY 14, 2014

**CONSIDER OFFER OF WATER AND SEWER IMPROVEMENTS
FOR 697 WEST TEFFT STREET**

ITEM

Consider offer of water and sewer improvements for 697 West Tefft Street, a one lot commercial development on Tefft Street in Nipomo [RECOMMEND CONSIDER OFFER].

BACKGROUND

Upon completion of a developer's project, the District accepts improvements for the project after all requirements have been met. David Mashayekan, the developer for 697 West Tefft Street, APN 092-577-008, a one lot commercial development on Tefft Street, has installed water and sewer improvements.

The Developer has met these District's standard conditions:

- Installed the improvements
- Paid associated capacity fees

As of Agenda production, staff is not certain on the status of the following requirement:

- Provided the necessary paperwork, including the Offer of Dedication, the Engineer's Certification, and project as-built drawings.

A large submittal was made on the Developer's behalf at 4:28 PM on Thursday May 8. Final testing of the water system to be offered is scheduled for May 9. Staff is not able to make a recommendation to your Board until the submittals can be reviewed and evaluated and final testing data is available.

Regarding the Plan Check and Inspection Fees, the developer may owe the District for inspection and other costs that have yet to be billed to the District. Historically, the District has recovered these costs after the Board accepts the project as part of staff's project close out procedure. Staff will not physically set water meters until all of these costs are paid.

FISCAL IMPACT

The developer paid District Capacity Fee Charges in the amount of \$152,576 for the project.

RECOMMENDATION

Staff will review available information prior to the meeting and make a recommendation to your Board at the meeting.

ATTACHMENTS

None