


TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS   
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF ENGINEERING  
AND OPERATIONS  
DATE: DECEMBER 5, 2017

**AGENDA ITEM  
E-1  
DECEMBER 13, 2017**

**FIRE SERVICE REQUEST  
335 SUMMIT STATION ROAD, ARROYO GRANDE**

**ITEM**

Consider request for a private fire service (Intent-to-Serve Letter) for a proposed Dog Kennel, 335 Summit Station Road, Arroyo Grande [RECOMMEND CONSIDER INTENT TO SERVE LETTER AND APPROVE WITH CONDITIONS].

**BACKGROUND**

On November 7, 2017, the Nipomo Community Services District (District) received an application for a private fire service for 335 Summit Station Road, APN 091-131-059, Arroyo Grande. Blair Sandberg, the applicant, is requesting a private fire service connection for a dog kennel. The fire service is necessary in order for the project to comply with CAL FIRE commercial fire sprinkler requirements. The application is attached to the staff report as Attachment A.

The project location currently receives residential water service from the District. No change to the existing residential water service is planned except that a backflow will be required to be installed. Thus, the request does not conflict with the current Stage IV District Water Shortage Response and Management Plan implementation requirements.

The applicant estimates a 4-inch fire service connection will be required. The applicant will be required to construct the fire service connection in compliance with current District standards. An analysis of the District's existing water distribution system ability to meet the project demands will be conducted as part of the project review process.

**FISCAL IMPACT**

District fire capacity fees are based on the connection size. Fire service capacity charges are equal to 12.5% of the District's Water Capacity Charge. The estimated capacity charge for the project is \$21,471 based on the current District fee schedule and a 4-inch fire service connection. Once the project is completed and accepted by the District, a bimonthly fire protection charge will apply. The bimonthly charge is currently \$24.69 for a 4-inch connection.

The applicant will also be required to enter into a Plan Check and Inspection Agreement with the District and pay a deposit to cover all of the District's administrative, engineering and legal costs incurred processing the project.

## **RECOMMENDATION**

Staff recommends that the Board approve the Applicant's request for an Intent-to-Serve letter for a fire service for the project with the following conditions:

### **PROJECT SPECIFIC CONDITIONS**

- Applicant shall install an appropriately sized backflow assembly on the existing domestic water service in accordance with District standards.
- Private fire service shall be designed and certified by a California registered civil engineer with accordance with District Ordinance Code 3.04.140.B.
- Applicant shall install a single four (4) inch fire service and backflow assembly for the project.
- CAL FIRE of SLO County must approve the fire service plans prior to District approval.

### **STANDARD CONDITIONS**

- Enter into a Plan Check and Inspection Agreement and provide a deposit to cover all District costs to process project.
- Pay all appropriate District fees associated with this project.
- Fire service connection fees will be based on size of required water service.
- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed project consistent with the County project conditions of approval.
- Any easements required for improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- Any easements required for private fire service shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name prior to issuance of Will-Serve letter.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.
- Fees for Connection shall be calculated and owing as of the date the connection to District facilities is completed and accepted by the District from which the amount of the Deposit shall be deducted.
- Construct the improvements required and submit the following:
  - Reproducible "As Builts" - A mylar copy and digital format disk (PDF) which includes engineer, developer, and sewer improvements
  - Offer of Dedication
  - Engineer's Certification
  - Summary of all improvement costs
- The District will begin fire service upon the District's acceptance of improvements to be dedicated to the District and the final payment of all charges and fees owed to the District.

- This letter is void if project is other than a fire service for a dog kennel.
- Intent-to-Serve letters shall automatically terminate three (3) years, from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
  - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
  - Applicant provides proof of reasonable due diligence in processing the Project.
  - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- This Intent-to-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District.
- This Intent-to-Serve letter may be revoked, or amended, as a result of conditions imposed upon the District by a court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- The District reserves the right to revoke this Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

**ATTACHMENTS**

- A. Application

December 13, 2017

ITEM E-1

ATTACHMENT A



# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET  
POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932  
Website: ncsd.ca.gov

Office use only:  
Date and Time  
Complete  
Application and  
fees received:

RECEIVED

NOV 07 2017

NIPOMO COMMUNITY SERVICES DISTRICT

## INTENT-TO-SERVE APPLICATION

- This is an application for: \_\_\_\_\_ Sewer and Water Service  Water Service Only
- SLO County Planning Department/Tract or Development No.: \_\_\_\_\_
- Attach a copy of SLO County application.

**Note:** District Intent-to-Serve letters expire eight (8) months from date of issue, unless the project's County application is deemed complete.

- Project location: 335 Summit station road Arroyo Grande CA 93420
- Assessor's Parcel Number (APN) of lot(s) to be served: 091131059
- Owner Name: Blair Sandberg
- Mailing Address: 335 Summit station road Arroyo Grande CA 93420
- Email: bstingerx1@gmail.com
- Phone: (805) 894-0339 FAX: (805) 473-9128

- Agent's Information (Architect or Engineer):  
Name: Collings and Associates  
Address: 260 Maple Court, suite 241 ventura, CA 93003  
Email: Ptrutner@collingsandassociates.com  
Phone: (805) 658-0003 FAX: (805) 658-0044

11. Type of Project: (check box) (see Page 3 for definitions)

<input type="checkbox"/> Single-family dwelling units	<input type="checkbox"/> Multi-family dwelling units
<input checked="" type="checkbox"/> Commercial	<input type="checkbox"/> Mixed Use (Commercial and Residential)

- Total Number of Dwelling Units 0 Number of Low Income Units 0
- Does this project require a sub-division?  Yes  No  
If yes, number of new lots created \_\_\_\_\_

14. Site Plan:

For projects requiring Board approval, submit six (6) standard size (24" x 36") copies and one reduced copy (8½" x 11"). Board approval is needed for the following:

- more than four dwelling units
- property requiring sub-divisions
- higher than currently permitted housing density
- commercial developments

**All other projects**, submit three (3) standard size (24" x 36") and one reduced copy (8½" x 11").

Show parcel layout, water and sewer laterals, and general off-site improvements, as applicable.

**Note: NCSD only provides one domestic meter per Assessor Parcel Number**

**15. RESIDENTIAL SERVICE**

Single Family Residential (SFR)

Number of APN's created		Number of SFR to be built	
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Multi-Family Residential (MFR)

Number of APN's created			
Number of Domestic Meter(s)		Estimated Meter Size(s)	
Number of Landscape Meter(s)		Estimated Meter Size(s)	
Number of Fire System(s)		Estimated Meter Size(s)	

**16. Commercial Projects Service Demand Estimates:**

Commercial and Mixed Use

Number of APN's created			
Number of Domestic Meter(s)		Estimated Meter Size(s)	
Number of Landscape Meter(s)		Estimated Meter Size(s)	
Number of Fire System(s)		Estimated Meter Size(s)	

Provide an estimate of yearly water (AFY) and sewer (gallons) demand for the project prepared by a licensed Engineer/Architect.

**Agreement:**

**The Applicant agrees that in accordance with generally accepted construction practices, Applicant shall assume sole and complete responsibility for the condition of the job site during the course of the project, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Applicant shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgments or liabilities resulting from the negligence or willful misconduct of the District.**

**Nothing in the foregoing indemnity provision shall be construed to require Applicant to indemnify District against any responsibility or liability or contravention of Civil Code §2782**

**Application Processing Fee.....See Attached Fee Schedule on Page 4**

The District will only accept cashier's check or bank wire for the payment of Water Capacity, Sewer Capacity and other related development fees.

Date 11/6/17 Signed   
(Must be signed by owner or owner's agent)  
Print Name Blair Sandberg



November 3, 2017

Mr. Blair Sandberg  
Sandberg Kennels  
335 Summit Station Rd.  
Arroyo Grande, CA 93420

Re: Fire Protection Engineering Services Proposal  
Site Fire Protection Water Supply Evaluation  
Sandberg Kennels, 335 Summit Station Rd.

Dear Mr. Sandberg:

Per your request, we have developed preliminary fire sprinkler system hydraulic calculations to determine the estimated fire sprinkler system water demand for the Sandberg Kennel project at 335 Summit Station Road in Arroyo Grande, CA. The purpose of this analysis is to provide the required fire sprinkler system demand so the owner, in conjunction with the water purveyor, can determine the minimum required fire service connection from the Nipomo Community Services District in support of the projects required NCSO Intent to Serve Application.

Based on a preliminary fire sprinkler layout performed by Collings and Associates, a hydraulic calculation was performed to determine the fire sprinkler system demand that would be required at the base of the fire sprinkler riser. The parameters and assumptions of the hydraulic model and calculations performed are as follows:

- Calculations provided for a Light Hazard system per NFPA 13, 2016 Edition: 0.10 gpm / ft<sup>2</sup> over a 1,500 ft<sup>2</sup> design area.
- A sample water supply utilized for the calculations is as follows: 60 psi static, 55 psi residual at 1000 gpm flowing. Actual site supply will likely vary.
- The following piping was utilized for the hydraulic calculations:
  - 2" fire sprinkler riser
  - 2" schedule 40 steel fire sprinkler main
  - 1-1/4" schedule 40 steel branch lines
- The required hose stream of 100 gpm per NFPA 13 Table 11.2.3.1.2 was not provided in the hydraulic calculations as a site hydrant is not required per Cal Fire. The hose demand will be provided at an existing hydrant adjacent to the property.

Based on the above assumptions, the hydraulic model developed, and the hydraulic calculations performed, the fire protection water demand at the base of the fire sprinkler riser is **219 gpm at 46.2 psi.**

**260 Maple Court, Suite 241    Ventura, California 93003    (805) 658-0003**



Summary Recommendations:

- Provide a water supply connection to the NCSD that is capable of providing the estimated fire sprinkler system demand of 219 gpm at 46.2 psi at the building. Underground fire service piping and backflow assembly pressure losses at the required sprinkler demand must be added to confirm that the required pressure will be available at the base of the sprinkler riser.
- Based on the hydraulic model performed and the sample water supply utilized for the hydraulic calculations, a 4" dedicated fire service connection would be generally required for the dedicated fire service connection.

*Note: The dedicated fire service connection may be able to be reduced to 3" or smaller pending confirmation from the NCSD with respect to the available site pressures and flows at the project location for the estimated 219 fire sprinkler system demand.*

Please contact our office with any questions.

Sincerely,

A handwritten signature in black ink that reads 'Paul Trutner'.

Paul Trutner, F.P.E.  
Fire Protection Engineer



TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER 

DATE: DECEMBER 5, 2017

**AGENDA ITEM**

**E-2**

**DECEMBER 13, 2017**

**APPROVE NEWTON GEO-HYDROLOGY  
2018 CONSULTING SERVICES CONTRACT SCOPE AND BUDGET**

**ITEM**

Consider scope and budget for calendar year 2018 for Newton Geo-Hydrology Consulting Services [RECOMMEND APPROVE SCOPE AND \$90,000 BUDGET FOR NEWTON GEO-HYDROLOGY CONSULTING SERVICES]

**BACKGROUND**

Dr. Brad Newton has provided litigation support services and general hydrologic consulting services to the District throughout the groundwater adjudication process. Dr. Newton represents the District on the Nipomo Mesa Management Area Technical Group.

The contracts for Dr. Newton's services are reviewed by your Board each calendar year. The attached scopes of work from Newton Geo-Hydrology present the proposed scope of services and budget for 2018.

The proposal covers two tasks, General Consultation (not to exceed limit of \$10,000) and Santa Maria Groundwater Adjudication support (not to exceed limit of \$80,000).

**FISCAL IMPACT**

The approved FY 17-18 Budget includes funding for six months of Dr. Newton's services. The remaining six months of services will be included in the FY 18-19 Budget.

**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.

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

**RECOMMENDATION**

Staff recommends the Board of Directors by motion and roll-call vote, approve the 2018 Support Services Contract with Newton Geo-Hydrology Consulting Services, LLC for a not to exceed amount of \$90,000.00 and direct staff to issue Task Order 2018-1 in the amount of \$10,000 and Task Order 2018-2 in the amount of \$80,000.

**ATTACHMENTS**

- A. Newton Geo-Hydrology Consulting Services, LLC 2018 Task Orders and Exhibits

December 13, 2017

ITEM E-2

ATTACHMENT A

**ATTACHMENT #1 To EXHIBIT "A"**

**to  
AGREEMENT FOR PROFESSIONAL SERVICES**

**Between  
NIPOMO COMMUNITY SERVICES DISTRICT  
and  
NEWTON GEO-HYDROGEOLOGY CONSULTING SERVICES, LLC**

**January 01, 2018**

**"REQUEST FOR SERVICES – TASK ORDER # 2018-1**

**AUTHORIZATION FOR SERVICES:**

At the request of the Nipomo Community Services District, Engineer Consultant is to provide services as described herein. The terms and conditions of the Agreement for Professional Engineering Services, dated January 01, 2018 are incorporated herein by this reference. The scope of services requested along with the schedule and fees for said services are set forth below as follows:

**SCOPE OF SERVICES REQUESTED (Additional information may be attached as an Exhibit.):**

General consultation as further described in the January 2018 Proposal for Services attached as Exhibit A.

**TIME FOR PERFORMANCE (Additional information may be attached as an Exhibit.):**

Continuing

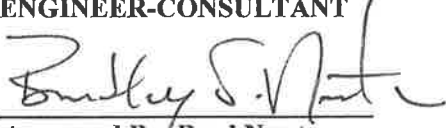
**ENGINEERING FEES:**

The Engineering fees for these services is not to exceed \$10,000.

**NIPOMO COMMUNITY SERVICES**

\_\_\_\_\_  
Approved By: Mario E. Iglesias  
Title: General Manager  
Date: December \_\_\_\_, 2017

**ENGINEER-CONSULTANT**

  
\_\_\_\_\_  
Approved By: Brad Newton  
Title: Manager  
Date: December 1, 2017



## Newton Geo-Hydrology Consulting Services, LLC

### **Exhibit A for Task Order # 2018-1**

Task Order #2018-1, General Consultation, is to allow for Newton Geo-Hydrology Consulting Services (Consultant) to provide the following services, on an as-requested basis, that are not included within the scope of other Task Orders. Such services include Part A and Part B as follows:

- A. Preparation of Spring and Fall Ground Water Index (GWI) technical memoranda and presentation thereof to the District Board of Directors. It is understood that reports will, in whole or in part, be based on confidential information obtained in confidence from landowners related to private wells, (see specifically Section 26 of the Agreement related to confidential information). The estimated cost for the GWI technical memorandum and presentation at NCSB Board of Directors meeting under Task Order #2018-1 Part A is eight thousand (\$8,000) dollars, which accounts for forty (40) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs.
- B. Preparation of other technical memorandums at the request of either the General Manager or the District Board of Directors. The estimated budget for other technical memorandums under Task Order #2018-1 Part B is two thousand dollars (\$2,000).

### **Budget**

The total budget for Task Order #2018-1 Parts A and B, through December 31, 2018, is ten thousand (\$10,000) dollars to be billed on a time and material basis in accordance with the Agreement.

**ATTACHMENT #1 To EXHIBIT "A"**

**to  
AGREEMENT FOR PROFESSIONAL SERVICES**

**Between  
NIPOMO COMMUNITY SERVICES DISTRICT  
and  
NEWTON GEO-HYDROGEOLOGY CONSULTING SERVICES, LLC**

**January 01, 2018**

**"REQUEST FOR SERVICES – TASK ORDER # 2018-2"**

**AUTHORIZATION FOR SERVICES:**

At the request of the Nipomo Community Services District, Engineer Consultant is to provide services as described herein. The terms and conditions of the Agreement for Professional Engineering Services, dated January 01, 2018 are incorporated herein by this reference. The scope of services requested along with the schedule and fees for said services are set forth below as follows:

**SCOPE OF SERVICES REQUESTED** (Additional information may be attached as an Exhibit.):

General consultation related to Santa Maria Groundwater Adjudication as further described in the January 2018 Proposal for Services attached as Exhibit A.

**TIME FOR PERFORMANCE** (Additional information may be attached as an Exhibit.):

Continuing


**ENGINEERING FEES:**

The Engineering fees for these services is not to exceed \$80,000.

**NIPOMO COMMUNITY SERVICES**

**ENGINEER-CONSULTANT**

\_\_\_\_\_  
Approved By: Mario E. Iglesias  
Title: General Manager  
Date: December \_\_, 2017

  
\_\_\_\_\_  
Approved By: Brad Newton  
Title: Manager  
Date: December 6, 2017



## Newton Geo-Hydrology Consulting Services, LLC

### **Exhibit A for Task Order # 2018-2**

Task Order # 2018-2 is to allow for Newton Geo-Hydrology Consulting Services (Consultant) to provide the following litigation support services related to the Groundwater Adjudication presented in Part A through Part D as follows:

- A. Preparation for, travel, and attendance/participation at Nipomo Mesa Management Area (NMMA) Technical Group (TG) regular monthly meetings. The estimated cost for each of NMMA TG fourteen (14) regular meetings under Task Order # 2018-2 is three thousand (\$3,000) dollars, which accounts for fourteen (14) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs. The estimated budget for Task Order # 2018-2 Part A is forty-two thousand dollars (\$42,000).
- B. Preparation for, travel, and attendance/participation at Management Areas (MAs) Subcommittee ad hoc meetings, including meetings with the NCMA and SMVMA representatives. The estimated cost for each of MAs Subcommittee four (4) regular meetings under Task Order # 2018-2 is one thousand five hundred (\$1,500) dollars, which accounts for six (6) hours of Dr. Newton's efforts plus budget for travel. The estimated budget for Task Order # 2018-2 Part B is six thousand dollars (\$6,000).
- C. Preparation of the Annual Report to the Court pursuant to the Final Judgment of the Santa Maria Groundwater Litigation. The estimated budget for Task Order # 2018-2 Part C, which accounts for one hundred seventy (170) hours of Dr. Newton's efforts plus budget for travel, plus materials and other direct costs, is thirty-two thousand dollars (\$32,000).
- D. Preparation of reports and technical memorandums related to NMMA TG functions with the prior approval of either the District General Manager or District Legal Counsel, and other opinions requested by District Legal Counsel. It is understood that reports will, in whole or in part, be based on confidential information obtained in confidence from landowners related to private wells. (see specifically Section 26 of the Agreement related to confidential information). The estimated budget for Task Order # 2018-2 Part D is unknowable in advance of a specific scope and schedule for said reports, technical memorandums, or other opinions.

### **Budget**

The total budget for Task Order # 2018-2 Part A, Part B, and Part C through December 31, 2018, is eighty thousand (\$80,000) dollars to be billed on a time and material basis in accordance with the Agreement.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: DECEMBER 7, 2017

**AGENDA ITEM**

**E-3**

**DECEMBER 13, 2017**

**INTRODUCE AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
NIPOMO COMMUNITY SERVICES DISTRICT ADDING SECTION  
3.05.080 TO THE NIPOMO COMMUNITY SERVICES DISTRICT CODE  
REQUIRING THE ABANDONMENT OF WATER WELLS UNDER  
CERTAIN CIRCUMSTANCES**

**ITEM**

Introduce an ordinance of the Board of Directors of the Nipomo Community Services District ("Nipomo CSD") adding Nipomo CSD District Code Sections 3.05.080 [RECOMMEND INTRODUCE ORDINANCE BY READING TITLE ONLY AND WAIVING FULL READING (BY MOTION AND ROLL CALL VOTE), AND SET ORDINANCE FOR SECOND READING AND ADOPTION AT NEXT REGULAR BOARD MEETING ON JANUARY 10, 2018]

**BACKGROUND**

In order to protect and preserve the sustainability of Nipomo Mesa Management Area ("NMMA") groundwater resources, the Court specified that the District purchase and transmit to the NMMA a prescribed amount of supplemental water pursuant to an agreement with the City of Santa Maria. The Nipomo Community Services District ("District") customers continue to pay for the capital investment costs of the project needed to accomplish this and continue to pay the City of Santa Maria for water brought into the NMMA in order to meet the Court's demands. The positive impact of the project to NMMA groundwater resources would be diminished if the District's water recipients also were able to produce well water on property benefitted by the application of District water.

All district ratepayers financially support the supplemental water supply project through their rates and, arguably, should not be allowed to increase the need and demand for supplemental water by supplementing their existing demand with groundwater. The proposed ordinance takes into consideration those individuals who utilized both sources of supply prior to the ordinance. These individuals invested in both sources of supply and may logically be able to continue to use both sources in consideration of prior investment based expectations.

The Courts, through the 2008 Judgment, requires a person who proposes new urban uses within the District to obtain water to meet that demand from the District rather than satisfying that demand through independent well water production. The District requires water service applicants to abandon all wells on their parcel prior to receiving District water service. This has been the District's practice since 2013. The proposed ordinance is consistent with the District's current practice and provides clarity to applicants and staff by identifying specific, logical exemptions. The ordinance also defines the consequence for any parcel or parcels of property found to be in violation.

**FINANCIAL IMPACT**

Minor staff time administrating Ordinance and preparing Board materials.

**STRATEGIC PLAN**

**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.

**Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.**

6.4 Periodically review, update and reaffirm District policies and procedures.

**RECOMMENDATION**

Recommend introduce Ordinance by reading title only and waiving full reading (by motion and roll call vote), and set Ordinance for second reading and adoption at next Regular Board Meeting on January 10, 2018.

Suggested motion:

“I move that we introduce the Ordinance, AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT ADDING SECTION 3.05.080 TO THE NIPOMO COMMUNITY SERVICES DISTRICT CODE REQUIRING THE ABANDONMENT OF WATER WELLS UNDER CERTAIN CIRCUMSTANCES, waive the full reading of the ordinance, and set it for second reading and adoption at our next regular Board meeting on January 10, 2018.”

**ATTACHMENTS**

A. Ordinance 2018-XXX Adding Subsection in Chapter 3.05



December 13, 2017

ITEM E-3

ATTACHMENT A

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF  
NIPOMO COMMUNITY SERVICES DISTRICT ADDING  
SECTION 3.05.080 TO THE NIPOMO COMMUNITY  
SERVICES DISTRICT CODE REQUIRING THE  
ABANDONMENT OF WATER WELLS UNDER CERTAIN  
CIRCUMSTANCES**

WHEREAS, the Nipomo Mesa Management Area (“NMMA”) is the subject of water management requirements imposed and maintained by the Court pursuant to the Judgment in effect in *Santa Maria Water Conservation District v. City of Santa Maria, et al* (“the Judgment”);

WHEREAS, in order to protect and preserve the sustainability of NMMA groundwater resources, the Judgment specifies that this District purchase and transmit to the NMMA a prescribed amount of supplemental water pursuant to an agreement with the City of Santa Maria;

WHEREAS, the positive impact of the above-referenced project to NMMA groundwater resources would be diminished if this District’s water recipients also were able to produce well water on Property benefitted by the application of District water;

WHEREAS, the Judgment requires a person who proposes new urban uses within the District to obtain water to meet that demand from the District rather than satisfying that demand through independent well water production; and

WHEREAS, in accordance with the above stated facts, this Board desires to adopt this Ordinance No. \_\_\_\_\_ to preclude well production from property which benefits or will benefit from District water service.

NOW, THEREFORE, the Board of Directors of Nipomo Community Services District does hereby find, determine and ordain as follows:

**SECTION 1.** This Board finds and determines that all of the facts stated above in this ordinance are true and correct.

**SECTION 2.** Section 3.05.080 hereby is added to the Nipomo Community Services District Code to read as follows:

A. 3.05.080. District Water Users Required To Abandon Water Wells. Upon being directed to do so by this District’s General Manager or his or her designee, any person who owns a parcel or parcels of real property which receives District water service, or may receive District water service in accordance with an application filed or authorized to be filed by that owner, shall abandon and is precluded from drilling any and all water wells located on that parcel or parcels of real property.

B. The abandonment of any well pursuant to this section shall be commenced and completed no more than six (6) months after the District has set a meter to serve the

parcel or parcels and shall be accomplished in conformance with all applicable state, county, and District statutes, ordinances, resolutions, rules, and regulations.

C. The District shall not be required to serve any parcel or parcels of property with District water until the required water well abandonments are properly completed pursuant to this section.

D. Any parcel or parcels of property found to be in violation of this ordinance shall be disconnected from the District's water supply system and subject to all applicable fees and charges as defined in the District Code for disconnecting and reconnecting the service.

E. Exceptions. This section shall not apply to the following:

1. A parcel with both a connection to the District's water supply system and an operating well as of the effective date of this ordinance, for so long as the well remains operational.
2. The re-drilling of a well in existence and in use as of January 25, 2008, so long as the re-drilled well will not enable more water to be drawn from the well than was historically drawn prior to January 25, 2008, as determined by the District General Manager.
3. Any wells owned or operated by the District.

**SECTION 3.** This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the tenth (15<sup>th</sup>) day after passage, this Ordinance shall be published once with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation with the District.

INTRODUCED at its regular meeting of the Board of Directors held on \_\_\_\_\_, 2017 and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District and its regular meeting on the \_\_\_\_ day of \_\_\_\_\_, 2017, by the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

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DAN GADDIS  
President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND LEGAL  
EFFECT

---

MARIO IGLESIAS  
General Manager and  
Secretary to the Board

---

WHITNEY G. McDONALD  
District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: December 4, 2017

**AGENDA ITEM**

**E-4**

**DECEMBER 13, 2017**

## **REVIEW 2018 SOLID WASTE RATE ADJUSTMENT PROPOSED BY SOUTH COUNTY SANITARY SERVICES**

### **ITEM**

Consider requested solid waste rate adjustment [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 Nipomo Community Services District ("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 Consumer Price Index ("CPI") adjustment of 1.6% across its service area. SCSS will be establishing a new base year in 2019. If at that time the rate adjustment request from SCSS is greater than the CPI the District will need to undertake a Proposition 218 process. The 1.6% adjustment being sought represents an increase of approximately .35 cents per month for solid waste collections for District customers. The requested rate adjustment is to cover increases in the cost of services and landfill expansion.

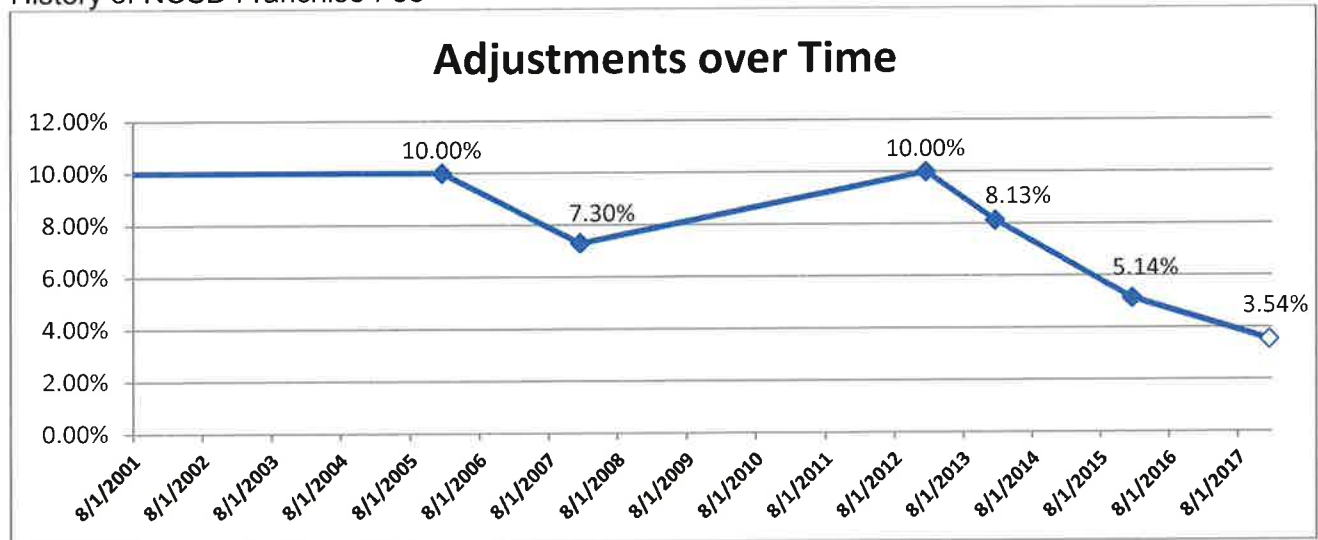
The District first entered into a franchise agreement with South County Sanitary Services, Inc. in 2001. The term of the agreement was 6 years and the franchise fee paid to the District was 10% of annual gross receipts collected by SCSS. In 2006, the District extended the agreement through August 2008 with the condition that there would be no rate increase and no other adjustments to fees and charges including the 10% franchise fee paid to the District.

In August of 2008, the District signed an amended and restated solid waste collection franchise agreement with SCSS with an automatic termination date of August 31, 2023. Within that agreement the franchise fee was set at 7.3% of annual gross receipts collected by SCSS. The fee was reduced from 10% to 7.3% to avoid service fee increases to District customers.

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's requested 3.2% increase, eliminated a 5% rate increase deferral payment, and raised the District's franchise fee from 7.3% back to the original 10% identified in the 2001 agreement. Then in 2014, Resolution 2014-1343 reduced the franchise fee from 10% down to 8.13% in order to avoid a 2.05% increase in SCSS fees to NCSD customers.

The District's Board of Directors last took action in response to a SCSS rate adjustment request in 2016 by passing Resolution 2015-1393 ("Resolution"). The Resolution reduced the District's percentage of the franchise fee from 8.13% to 5.14%.

History of NCSD Franchise Fee



The estimated annual gross collection for services within the District boundaries by SCSS for calendar year 2017 is \$1.5 mil. At the current 5.14% franchise fee collected by the District there is approximately \$78,000 annually to pay for programs and cover administration of the solid waste enterprise. If the District's Board of Directors chose to reduce the franchise fee by the 1.6% to pay the requested rate adjustment by SCSS, the District would be collecting 3.54% or approximately \$53,000 annually.

The District's Board of Directors could choose to pay the cost of the 1.6% rate adjustment of \$25,000 annually using the cash balance in the Solid Waste Fund #300. Solid Waste Fund #300 has a cash balance of approximately \$338,000. The cash reserve goal for the Fund #300 is \$115,000. Paying the cost of the rate adjustment would draw down the cash reserve balance.

The District has provided or continues to provide solid waste services to the community that includes:

- 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
- Solid waste holidays – District used franchise fees to pay one month's charges for garbage collection services within the District's boundaries.

Current solid waste commitments, including District administrative fee, are approximately \$27,000 annually. The District suspended a \$35,000 grant that provided the community with a

community-wide clean-up program for the past four years and has future plans to restart the program in 2018.

Staff seeks direction from your Board on how the requested rate increase should be addressed. Your Board may choose to:

- Proceed to adopt the 1.6% increase
- Defer the requested increase by making monthly payments of approximately \$2,100 (\$25,000 annually) to SCSS
- Lower the District franchise fee by 1.6% to 3.54%

**FINANCIAL IMPACT**

Solid waste related expenditures have increased in recent years. However, expenditures do not exceed revenue levels and solid waste reserves are strong. If the rate increase is not passed, monthly franchise fees will drop by approximately \$2,100/month (\$25,000 annually) – 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 1.6% to cover the requested increase, then direct staff to prepare a resolution 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 1.6% to 3.54% and direct staff to prepare a resolution and return to your Board for review and approval, or
  - make \$2,100/monthly (\$25,000 annually) deferral payments to SCSS.

**ATTACHMENTS**

- A. October 9, 2017 SCSS Request for Increase

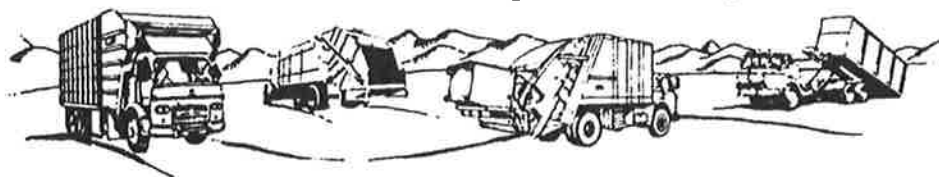
December 13, 2017

ITEM E-4

ATTACHMENT A



# South County Sanitary



4388 Old Santa Fe Road • San Luis Obispo, CA 93401  
(805) 543-0875

RECEIVED

OCT 12 2017

NIPOMO COMMUNITY  
SERVICES DISTRICT

Nipomo CSD  
Mario Iglesias  
148 S. Wilson Ave  
Nipomo, CA 93444

October 9, 2017

Dear Mario,

The purpose of this letter is to inform the CSD of the pre-approved interim year rate adjustment for customers of South County Sanitary. The price increase, effective January 1, 2018, will be 1.60% which is the June 30, 2017 Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers U.S. City Average published by the U.S. Department of Labor. A visual supporting the price increase has been included with this letter on the next page.

In prior years, price increases included a component relating to the Cold Canyon Landfill ratemaking expansion. This is the county approved \$2.25/ton tipping fee increase to South County Sanitary. For 2018, it was decided the landfill will not seek the increase. With that said, the overall price increase will be the 1.60% and customers will be notified of the increase via verbiage at the bottom on their January 2018 bill.

Please call with any questions or concerns.

Thanks,

A handwritten signature in black ink, appearing to be 'Patrick Fenton'. The signature is fluid and cursive, with a large loop at the end.

Patrick Fenton

District/General Manager

# Consumer Price Index (CPI) Urban Wage Earners and Clerical Workers U.S. City Average

Data extracted on: August 23, 2017 (12:07:31 AM)

## CPI-All Urban Consumers (Current Series)

### 12-Month Percent Change

Series Id: CUSR0000SA0

Seasonally Adjusted

Series Title: All items in U.S. city average, all urban consumers, seasonally adjusted

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

Download: [XLS](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.3	1.9	2.8	3.6	4.4	4.1		
2008	4.3	4.1	4.0	3.9	4.1	4.9	5.5	5.3	5.0	3.7	1.1	0.0		
2009	-0.1	0.0	-0.4	-0.6	-1.0	-1.2	-2.0	-1.5	-1.4	-0.2	1.9	2.8		
2010	2.6	2.2	2.3	2.2	2.0	1.1	1.3	1.2	1.1	1.2	1.1	1.4		
2011	1.7	2.1	2.6	3.1	3.5	3.5	3.6	3.8	3.8	3.5	3.5	3.1		
2012	3.0	2.9	2.6	2.3	1.7	1.7	1.4	1.7	1.9	2.2	1.8	1.8		
2013	1.7	2.0	1.5	1.1	1.4	1.7	1.9	1.5	1.1	0.9	1.2	1.5		
2014	1.6	1.2	1.6	2.0	2.1	2.0	1.9	1.7	1.6	1.6	1.3	0.7		
2015	-0.2	-0.1	0.0	-0.1	0.0	0.2	0.2	0.2	0.0	0.1	0.4	0.7		
2016	1.4	1.0	0.9	1.1	1.0	1.0	0.9	1.1	1.5	1.6	1.7	2.1		
2017	2.5	2.8	2.4	2.2	1.9	1.6	1.7							

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS  
GENERAL MANAGER

DATE: DECEMBER 8, 2017

**AGENDA ITEM  
E-5  
DECEMBER 13, 2017**

**ELECTION OF 2018 BOARD PRESIDENT AND VICE PRESIDENT**

**ITEM**

Election of Board President and Vice President for 2018 [RECOMMEND DIRECTORS ELECT BOARD OFFICERS FOR 2018 CALENDAR YEAR]

**BACKGROUND**

Section 1.4 of the Board By-Laws requires the Board of Directors elect a President and a Vice President for the upcoming year at the last regular meeting of the calendar year. The term of office for the President and Vice President shall commence on January 1 and end on December 31, annually.

**RECOMMENDATION**

At your Board's direction, the General Manager will administer the election of officers of the Board of Directors as follows:

- Nominations taken for the President of the Board
- Public Comment is taken
- Voice vote taken for the President, if by acclamation
- If there are two or more candidates, Staff will distribute ballots
- Staff will announce the results of the ballots – both the voting Director and vote cast.
- Nominations taken for the Vice President of the Board
- Public Comment is taken
- Voice vote taken for the Vice President, if by acclamation
- If there are two or more candidates, Staff will distribute ballots
- Staff will announce the results of the ballots – both the voting Director and vote cast.

TO: BOARD OF DIRECTORS  
FROM: MARIO E. IGLESIAS  
GENERAL MANAGER *[Signature]*  
DATE: DECEMBER 8, 2017

**AGENDA ITEM  
E-6  
DECEMBER 13, 2017**

**APPROVE 2018 BOARD MEETING SCHEDULE**

**ITEM**

Review and approve 2018 schedule of Regular Board Meetings. [RECOMMEND APPROVE SCHEDULE]

**BACKGROUND**

Section 2.1 of the Board By-Laws states:

*Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month in the Board Room at the District Office located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director Meetings due to scheduling conflicts and holidays.*

Proposed Regular Board Meeting Schedule for 2017

<b>1<sup>st</sup> Meeting of Month</b>	<b>2<sup>nd</sup> Meeting of Month</b>
January 10	January 24
February 14	February 28
March 14	March 28
April 11	April 25
May 9	May 23
June 13	June 27
July 11	July 25
August 8	August 22
September 12	September 26
October 10	October 24
November 14	November 28
December 12	Cancelled – Holiday Season

Special Meetings will be called subject to Section 2.2 of the Board By-Laws as follows:

*Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice.*

All meetings will be noticed pursuant to the Brown Act.

**RECOMMENDATION**

Staff recommends that your Board by motion and roll call vote approve the 2018 Board Meeting Schedule as presented above.