

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: DECEMBER 5, 2019

**AGENDA ITEM
E-5
DECEMBER 11, 2019**

**AWARD CONSTRUCTION CONTRACT FOR SOUTHLAND
WASTEWATER TREATMENT FACILITY STORAGE BUILDING
PROJECT TO PWS CONSTRUCTION INC.**

ITEM

Award construction contract for Southland Wastewater Treatment Facility Storage Building Project to PWS Construction Inc. [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ADOPT RESOLUTION AWARDDING CONTRACT TO PWS CONSTRUCTION INC. IN THE AMOUNT OF \$175,000, AUTHORIZE STAFF TO EXECUTE CONTRACT, AUTHORIZE CHANGE ORDER CONSTRUCTION CONTINGENCY IN THE AMOUNT OF UP TO \$15,000, AND APPROVE BUDGET ADJUSTMENT].

BACKGROUND

The Southland Wastewater Treatment Facility (WWTF) Storage Building Project involves the construction of a 1,440 square foot metal building that will be used to store spare parts for the Southland WWTF and an integral 960 square foot lean-to that will provide a covered storage area for equipment utilized at the Southland WWTF. The project will be constructed within the footprint of the existing Southland WWTF.

The Board authorized staff to bid the project at the March 13, 2019 Board meeting. On November 14, 2019, bids for the Project were opened from five (5) contractors as listed below:

Contractor	Total Bid Price
PWS Construction Inc.	\$175,000
Rarig Construction	\$247,978
Taylor Jane Construction, LP	\$266,172
BC Construction and Electric	\$286,299
Buildings Unlimited	\$341,575

The apparent low bidder was PWS Construction Inc. with a bid of \$175,000. Staff reviewed the bid and determined that the bid is responsive and the bidder is responsible. The engineer's estimate for construction of the project was \$200,000.

SCHEDULE

The tentative schedule is as follows:

- Contract Award – December 2019
- Construction – January 2020 to July 2020

FISCAL IMPACT

Funding in the amount of \$200,000 is available for the project in the FY 2019-2020 budget. Total project costs are estimated as follows:

Construction	\$ 175,000
Construction Contingency	\$ 15,000
Construction Management and Inspection	\$ 40,000
Total	\$ 230,000

Thus, a transfer from Fund #710, Wastewater Capital Improvement Reserves, in the amount of \$30,000 is required to provide adequate funding for the project.

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.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2019-XXXX Southland WWTF Storage Building Project Bid Award to:

1. Award the bid for the Southland WWTF Storage Building Project to PWS Construction Inc. in the amount of \$175,000 and authorize the General Manager to execute the construction agreement.
2. Authorize the General Manager to issue Change Orders for construction of the project with an aggregate total amount not to exceed \$15,000.
3. Transfer \$30,000 from Fund #710, Wastewater Capital Improvement Reserves, to provide additional funding for the project in the FY 2019-2020 Budget.

ATTACHMENTS

- A. Resolution 2019-XXXX Southland WWTF Storage Building Project Bid Award

DECEMBER 11, 2019

ITEM E-5

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDING THE BID FOR THE
CONSTRUCTION OF SOUTHLAND WWTF STORAGE BUILDING PROJECT TO
PWS CONSTRUCTION INC. IN THE AMOUNT OF \$175,000,
AUTHORIZING CONSTRUCTION CONTINGENCY OF \$15,000,
AND AMENDING FY 2019/2020 BUDGET**

WHEREAS, the Southland Wastewater Treatment Facility (WWTF) Storage Building Project involves the construction of a 1440 square foot metal building that will be used to store spare parts for the treatment facility and an integral 960 square foot lean-to that will provide a covered storage area for equipment utilized at the WWTF; and

WHEREAS, the design drawings and technical specifications for the Southland WWTF Storage Building Project, dated September 2019, were developed by District staff and Cannon Corporation; and

WHEREAS, the Board authorized staff to solicit bids for the project on March 13, 2019; and

WHEREAS, the Southland WWTF Storage Building Project was advertised for bids in accordance with State of California Public Contracts Code requirements; and

WHEREAS, based on the staff report, staff presentation and public comment, the Board makes the following findings:

1. The project was advertised for bids in accordance with State of California Public Contracts Code requirements.
2. The District received five (5) bids for the project.
3. Staff has reviewed the project bids and has determined that PWS Construction Inc., the apparent low bidder, submitted a responsive bid and is a responsible bidder.

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

1. The bid for the Southland WWTF Storage Building Project is hereby awarded to the lowest responsive and responsible bidder, PWS Construction Inc., in the amount of \$175,000, and the General Manager is authorized to execute the construction agreement.
2. The General Manager is authorized to issue Change Orders for construction of project with an aggregate total amount not to exceed \$15,000.
3. The Board authorizes transfer of \$30,000 from Fund #710, Wastewater Capital Improvement Reserves, to provide additional funding for the project in the FY 2019-2020 Budget.
4. The above recitals and findings are incorporated herein by this reference.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AWARDED THE BID FOR THE
CONSTRUCTION OF SOUTHLAND WWTF STORAGE BUILDING PROJECT TO
PWS CONSTRUCTION INC. IN THE AMOUNT OF \$175,000,
AUTHORIZING CONSTRUCTION CONTINGENCY OF \$15,000,
AND AMENDING FY 2019/2020 BUDGET**

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 11th day of December 2019.

ED EBY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:

MARIO IGLESIAS
General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

TO: BOARD OF DIRECTORS
REVIEWED: MARIO IGLESIAS
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: DECEMBER 6, 2019

AGENDA ITEM
E-6
DECEMBER 11, 2019

**APPROVE TASK ORDER WITH CANNON CORPORATION
FOR CONSTRUCTION MANAGEMENT SERVICES FOR
SOUTHLAND WASTEWATER TREATMENT FACILITY STORAGE
BUILDING PROJECT**

ITEM

Approve Task Order with Cannon Corporation for construction management services for Southland Wastewater Treatment Facility Storage Building Project [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE TASK ORDER WITH CANNON CORPORATION IN THE AMOUNT OF \$39,690 AND AUTHORIZE STAFF TO EXECUTE TASK ORDER].

BACKGROUND

The Southland Wastewater Treatment Facility (WWTF) Storage Building Project involves the construction of a 1,440 square foot metal building that will be used to store spare parts for the Southland WWTF and an integral 960 square foot lean-to that will provide a covered storage area for equipment utilized at the Southland WWTF. The project will be constructed within the footprint of the existing Southland WWTF.

Cannon Corporation was selected by the District to provide design and bid phase services for the Southland WWTF Storage Building Project in 2017. The project design was completed in September 2019, bids for construction were opened in November 2019 and construction is pending award of the construction contract.

Staff requested that Cannon Corporation provide a proposal for construction management services for the Southland WWTF Storage Building Project. Cannon submitted the attached proposal to perform the work for a not to exceed amount of \$39,690. The proposal includes inspection, materials testing, and survey control required for the project.

FISCAL IMPACT

Funding for the Southland WWTF Storage Building Project is available in the FY 2019-2020 amended budget.

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.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, approve a Task Order for Southland WWTF Storage Building Project Construction Management Services with Cannon Corporation in the amount of \$39,690 and authorize the General Manager to execute the Task Order.

ATTACHMENTS

- A. Cannon Corporation proposal dated December 3, 2019

DECEMBER 11, 2019

ITEM E-6

ATTACHMENT A



December 3, 2019

Mr. Peter Sevcik, PE
Director of Engineering and Operations
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444

PROJECT: NCSD SOUTHLAND METAL STORAGE BUILDING – CONSTRUCTION MANAGEMENT SERVICES

Dear Mr. Sevcik:

The Nipomo Community Services District (NCSD) has completed the design phase for a metal storage building to be constructed within the Southland Wastewater Treatment Plant. This building is to be a premanufactured metal storage building on a concrete slab foundation with a lean-to covered area, concrete landings, bollards, and class II aggregate base drive approaches. This building is to be used primarily for maintenance tool and equipment storage.

Based on discussions with you and your staff, we have prepared this proposal to perform Construction Management Services for the construction phase of the Southland Metal Storage Building project.

Should you have any questions regarding our proposed scope of services, please contact me. Please note that the fees quoted in this proposal are based upon current California Prevailing Wages.

Sincerely,

A handwritten signature in blue ink, appearing to read "Anthony J. Severy".

Anthony J. Severy, PE
Senior Associate Civil Engineer
C 82551



PROJECT UNDERSTANDING AND APPROACH

The proposed metal storage building is to be a prefabricated metal building structure that is needed by the District to provide a storage area for maintenance tools and equipment within the Southland Wastewater Treatment Plant. The building location is immediately west of the existing electrical building within the Wastewater Treatment Plant site. The dimensions for the storage building are 40'x36' comprised of an enclosed sheet metal-type structure with a concrete slab foundation. The structure shall have 15.5'-high walls, two roll-up doors on the west-facing wall, one pass-through roll-up door, one man door on the east facing wall, and a lean-to covered area on the north facing wall. The structure also includes 5-ft concrete landings, bollards, class II aggregate base drive approaches, and grading to match the existing grade.

At this time, the District is seeking a consultant to provide Construction Management Services for the construction and installation of the metal storage building. In general, the work will entail representing the District on-site to observe activities and take photos, ensure special inspections are completed by certified inspectors, review pay requests in relation to work complete, review change orders, and coordinate with the design engineer and construction Contractor on behalf of the District.

SCOPE OF WORK

Task 1.1 Construction Management, Inspection, and Observation

We will implement guidelines for construction management, inspection, and observation for monitoring the quality of the construction work. A two to three trips a week, part-time construction observer, for an estimated two-month construction period, will be available on-site to implement these guidelines and perform the following tasks when necessary:

- Attend Pre-bid meeting
- Bidding Support
- Coordinate and chair a Pre-Construction Meeting with the Contractor and the District
- Conduct field observation and prepare documentation of construction tasks shown in the construction documents.
- Maintain periodic on-site project reports for inspections, observations and construction activities.
- Prepare a photographic log of construction activities to provide to the District bi-weekly.
- Provide timely RFI review and written response to Contractor and maintain the RFI log and records.
- Provide timely submittal review and acceptance including review of material and equipment submittals for compliance with contract documents. We will maintain the submittal log and records.
- Issue a Non Conformance Report to the Contractor when we witness materials, erection, or installation process, or inadequate quality that does not meet the requirements of the construction contract documents. The report will be issued to the Contractor and notify the Contractor of such deviation and inquire as to the Contractor's proposed corrective action.
- Obtain delivery slips and tickets for materials delivered to the job site to use when checking payment requests and certificates of compliance where applicable.
- Evaluate the Contractor's pay applications and verify the quantities claimed are true and accurate through the use of field measurements, materials tickets, extra work reports, and visual confirmation.



- Final Inspection and compile detailed "punch lists" with the Engineer, Owner, and Project Manager.
- Evaluate Contractor's final payment application and provide approval and recommendation for final payment.
- Coordinate Issuance of a Notice of Completion.

Task 1.2 Survey

Cannon will set local control as required and provide one set of stakes for the following:

- Rough Grade (onsite)
- Building Corners

Task 1.3 Materials Testing

Our Subconsultant, Earth Systems Pacific, will provide material testing and special inspection services. We will review the results of the materials testing and manage special inspections. Special inspections are assumed to include foundation rebar, concrete placement, and building and foundation bolting. Following our review, we will make recommendations for the acceptance of work in general compliance of the contract documents, or make recommendations if remedial actions are needed to correct unacceptable portions of the Contractor's work.

We understand that we will not be responsible for site safety, including but not limited to, OSHA and traffic control requirements, as well as safety inspection, evaluation or supervision. We understand the Contractor has sole responsibility for compliance of safety requirements on the construction contract.

EXCLUSIONS

The following exclusions apply to this proposal:

- Field verification and/or determination of property boundaries, easements, and public right-of-way, right-of-way dedications, and easement acquisitions.
- Survey monumentation, records of survey, and legal descriptions and exhibits.
- Project meetings (other than those described in the Scope of Work), local agency liaison, and application and permit processing and tracking.
- NPDES compliance reporting, Storm Water Pollution Prevention Plans (SWPPP), and erosion and sediment control drawings.
- Archeological, botanical, biological, geotechnical, and landscaping project services.
- Negotiation and coordination of the implementation of contract change orders during the construction process can be provided as an additional service.



FEEs

Fees are based on the rates per the enclosed fee schedule and do not include Agency checking or recording fees, or title company fees. It is our understanding that this project qualifies for California Prevailing Wages.

<i>Task 1.1 Construction Management, Inspection, and Observation</i>	<i>\$ 27,650</i>
<i>Task 1.2 Survey</i>	<i>\$4,530</i>
<i>Task 1.3 Materials Testing</i>	<i>\$7,510</i>
T&M Not to Exceed:	\$ 39,690



Nipomo Community Services District
 Southland Metal Storage Building
 Construction Management Services

Cannon
 1050 Southwood Drive
 San Luis Obispo, CA 93401
 805.544.7407

Staffing Plan and Cost Estimate

Dec 3rd, 2019

Task 1.1	Role	Name	Rate	2020												Est. Hours	Estimated Cost	
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
Pre-Construction																		
	Resident Engineer/Construction Manager	Pat Riddell, P.E.	\$175		8												8	\$1,400
	Assistant Resident Engineer/Inspector	Anthony Severy, P.E.	\$135		20												20	\$2,700
Construction																		
	Resident Engineer/Construction Manager	Pat Riddell, P.E.	\$175							18	16						34	\$5,950
	Assistant Resident Engineer/Inspector	Anthony Severy, P.E.	\$135							52	52						104	\$14,040
Project Close-out																		
	Resident Engineer/Construction Manager	Pat Riddell, P.E.	\$175														8	\$1,400
	Assistant Resident Engineer/Inspector	Anthony Severy, P.E.	\$135														16	\$2,160
Total Estimated Hours																		
28																		
Total Estimated Cost of Labor																		
\$27,650																		
Direct Expenses																		
Description																		
Basis																		
Task 1.2	Survey Staking	Cannon Survey															8	\$4,530
Task 1.3	Materials Testing and Inspection	Earth Systems Pacific															16	\$7,510
Total Estimated Direct Expenses																		
\$12,040																		
Total Estimated Cost of CM Services																		
\$39,690																		



2019 Fee Schedule

Bill Rate Ranges
Subject to change.

Accounting Specialist	\$ 45 - \$ 65
Business Services Administrator I - III	\$ 60 - \$ 70
Business Services Coordinator I - II	\$ 50 - \$ 55
Assistant Resident Engineer	\$ 130 - \$ 145
Associate Construction Engineer	\$ 110 - \$ 120
Associate Engineer	\$ 140 - \$ 175
Associate Landscape Architect	\$ 135 - \$ 145
Associate Land Surveyor	\$ 165 - \$ 180
Associate Planner	\$ 140 - \$ 150
Automation Analyst	\$ 100 - \$ 110
Automation Design/Project Engineer	\$ 110 - \$ 130
Automation Specialist	\$ 135 - \$ 145
Automation Technician	\$ 95 - \$ 105
CAD Tech	\$ 85 - \$ 95
CAD Manager	\$ 100 - \$ 110
Chief Planner	\$ 155 - \$ 175
Chief Surveyor	\$ 175 - \$ 195
Clerical Assistant I - II	\$ 50 - \$ 65
Construction Inspector I - III	\$ 105 - \$ 125
Construction Manager	\$ 135 - \$ 165
Controller	\$ 70 - \$ 110
Design Engineer	\$ 110 - \$ 130
Electrical Design Engineer	\$ 120 - \$ 130
Engineer Tech	\$ 90 - \$ 100
Engineering Assistant I - II	\$ 70 - \$ 90
Engineering Manager	\$ 210 - \$ 220
GIS Specialist	\$ 140 - \$ 150
GIS Tech	\$ 115 - \$ 125
Grant Funding Manager	\$ 125 - \$ 140
I&E Construction Coordinator I - II	\$ 90 - \$ 110
I&E Services Coordinator	\$ 80 - \$ 90
Information Systems Admin/Manager	\$ 70 - \$ 115
Land Surveyor I - V	\$ 145 - \$ 185
Landscape Architect	\$ 105 - \$ 115
Landscape Architect CADD Tech I - II	\$ 55 - \$ 65
Landscape Designer I - II	\$ 70 - \$ 115
Lead Automation Analyst	\$ 116 - \$ 126
Lead Automation Specialist	\$ 147 - \$ 157
Lead Automation Technician	\$ 105 - \$ 115
Lead Designer	\$ 100 - \$ 118
Marketing Manager / Director	\$ 120 - \$ 140
Office Engineer / Construction I - III	\$ 95 - \$ 130
Plan Check Engineer I - III	\$ 115 - \$ 160
Planner I - IV	\$ 80 - \$ 115
Planning Assistant I - II	\$ 55 - \$ 70
Principal Construction Engineer	\$ 185 - \$ 195
Principal Designer	\$ 105 - \$ 129
Principal Engineer	\$ 160 - \$ 195
Programmer I - II	\$ 140 - \$ 165

Project Coordinator I - IV	\$ 85 - \$ 115
Project Designer I - IV	\$ 80 - \$ 120
Project Engineer	\$ 120 - \$ 145
Project Manager / Sr. Principal	\$ 195 - \$ 220
Resident Engineer	\$ 155 - \$ 165
Sr. Associate Engineer	\$ 150 - \$ 175
Sr. Automation Analyst	\$ 126 - \$ 136
Sr. Automation Specialist	\$ 163 - \$ 170
Sr. Automation Technician	\$ 126 - \$ 136
Sr. CAD Tech	\$ 90 - \$ 110
Sr. Construction Engineer	\$ 175 - \$ 195
Sr. Construction Manager	\$ 175 - \$ 200
Sr. Consultant / Principal-in-Charge	\$ 185 - \$ 250
Sr. Land Surveyor	\$ 160 - \$ 185
Sr. Landscape Architect	\$ 153 - \$ 163
Sr. Planner	\$ 153 - \$ 163
Sr. Principal Designer	\$ 110 - \$ 145
Sr. Principal Engineer	\$ 175 - \$ 230
Sr. Project Designer	\$ 105 - \$ 130
Sr. Project Engineer	\$ 130 - \$ 150
Sr. Project Manager	\$ 190 - \$ 210
Sr. Resident Engineer	\$ 165 - \$ 175
Structures Representative	\$ 145 - \$ 165
Survey Engineering Assistant I - II	\$ 90 - \$ 100
Survey Manager	\$ 185 - \$ 220
Survey Technician I - VI	\$ 95 - \$ 155
Technician	\$ 115 - \$ 125
Technical Writer I - III	\$ 80 - \$ 120
3D HDS Data Modeling I - III	\$ 100 - \$ 120

Survey Crew Rates - Regular

One-Man Field	\$ 160 - \$ 185
Two-Man Field	\$ 230 - \$ 285
Three-Man Field	\$ 295 - \$ 330
One-Man - HDS	\$ 200 - \$ 220
Two-Man - HDS	\$ 265 - \$ 285
Three-Man - HDS	\$ 355 - \$ 375

Survey Crew Rates - Prevailing Wage

One-Man Field	\$ 190 - \$ 220
Two-Man Field	\$ 305 - \$ 325
Three-Man Field	\$ 395 - \$ 425

Electrical - Prevailing Wage

Electrician	\$ 110 - \$ 165
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CM - Prevailing Wage

BCI Construction Inspector	\$ 125 - \$ 135
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Forensics Engineering / Expert Testimony Fee Schedule Available Upon Request.

All of the above hourly rates include all direct labor costs and labor overhead, general and administrative expenses and profit. If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the above rates for weekdays and 2.0 for weekends and holidays.



2019 Fee Schedule

Bill Rate Ranges
Subject to change.

Other Direct Charges		Black Line Plots	\$2.00 per page
		Color Plots	\$5.00 per page
In-House Reproduction			
Printing/Copies 8 ½ x 11	\$0.05 per page		
Printing/Copies 11 x 17	\$1.00 per page		
Outside Reproduction	Cost + 15%		
Travel and Related Subsistence	Cost + 15%		
Mileage Reimbursement	IRS Rate per mile		
Automation & Electrical Materials	Cost + 25% (+tax)		
Subconsultant Fees	Cost + 10%		

All direct expenses, such as special equipment, shipping costs, travel other than by automobile, parking expenses, and permit fees will be billed at the actual cost plus 15%.

If the client requests, or the client's schedule requires work to be done on an overtime basis, a multiplier of 1.5 will be applied to the stated rates for weekdays for daily hours in excess of 8 as well as weekends and a multiplier of 2.0 for daily hours in excess of 12 and holidays.

If the client requests field services to be provided outside of normal working hours (between 6:00 p.m. and 6:00 a.m.), a multiplier of 1.5 will be applied to the stated rates. For prevailing wage projects, if the client requests field services to be provided on any given Sunday, a multiplier of 2.0 will be applied to the stated rates and on or around an observed holiday, other rates may be applied.

Survey Crews and Automation Field staff are billed portal to portal, and mileage charges are included in the hourly rate. A minimum charge of 4 hours will be charged for any Automation Field Service calls outside of normal working hours (between 6:00 p.m. and 6:00 a.m.).

The stated rates are subject to change, typically on an annual basis.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER 

DATE: DECEMBER 6, 2019

AGENDA ITEM

E-7

DECEMBER 11, 2019

**ADOPT ORDINANCE AMENDING CHAPTER 3.03
OF THE DISTRICT CODE AND
ADOPT RESOLUTION APPROVING DISTRICT'S
DISCONTINUANCE OF RESIDENTIAL WATER SERVICE POLICY**

ITEM

Adopt ordinance amending Nipomo Community Services District Code Chapter 3.03 and adopt resolution approving District's Discontinuance of Residential Water Service Policy [RECOMMEND ADOPT ORDINANCE AMENDING CHAPTER 3.03 OF THE DISTRICT CODE AND ADOPT RESOLUTION APPROVING DISTRICT'S DISCONTINUANCE OF RESIDENTIAL WATER SERVICE POLICY]

BACKGROUND

Senate Bill 998 ("SB 998") was approved by the Governor on September 28, 2018, and requires community water systems with more than 200 service connections, which includes the Nipomo Community Services District ("District"), to comply with the bill's provisions on and after February 1, 2020. SB 998 is only applicable to residential water service and does not apply to all other types of District water service customers (i.e. commercial, landscape, agriculture and construction water accounts).

The bill requires the District to have a written policy on discontinuance of residential water service for nonpayment that meets certain requirements. The bill also requires that the policy be translated and made available in a number of prescribed languages. SB 998 also prohibits residential service from being discontinued under specified circumstances.

District Ordinances currently comply with all government codes applicable to community services districts and water suppliers with respect to discontinuance of residential water service. However, SB 998 will supersede some but not all of the District's current policies.

District Staff has prepared amendments to Chapter 3.03 of the District Code and a written policy on discontinuance of residential water service for adoption. The policy will take effect when the amendments to Chapter 3.03 become effective (30 days following adoption of the proposed ordinance). The most significant change to the District policies involves the length of time the District must provide a residential customer to pay before discontinuance. Currently, the interval of time from the date the District mails a bill, assesses a penalty, provides a 48-hour notice, and discontinues service is approximately 40 days. With SB 998, this interval will be approximately 85 days.

Because the District uses an unified billing process, including both water and sewer charges on one bill, the entire bill will be subject to the new timelines and other procedural changes required by SB 998. This will mean that delinquent sewer charges will also be subject to the 60-day waiting period for residential customers who also receive water service from the District.

In order to comply with SB 998:

- The written discontinuance policy must be provided in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean, and any other language spoken by 10% or more of the customers.
- The discontinuance policy must be available on the District's web site in all required languages.
- The District shall report the number of annual discontinuations of residential service for inability to pay on the District's web site and to the State Water Resources Control Board.

Based on the past three years of customer data, approximately 88% of all District customers pay in a timely manner and approximately 12% do not pay within the prescribed time and are assessed a penalty. Of the 12% who are assessed a penalty, less than 1% of those customers are subject to discontinuance for nonpayment.

The Finance and Audit Committee met on November 12, 2019, and reviewed the proposed Ordinance changes and draft Discontinuance Policy. At the November 27, 2019 Board Meeting, the Ordinance was introduced and the proposed policy were reviewed. One addition has been made to the discontinuance policy since the last meeting. Section 4(b)(5) has been added to the paragraph, "(5) a description of the procedure to petition for bill review and appeal."

RECOMMENDATIONS

1. It is recommended that your Board adopt the ordinance by reading the full title, waive further reading of the ordinance, and order publication of a ¼ page display ad describing the ordinance, utilizing the following language: "I move that we adopt AN ORDINANCE OF BOARD OF THE DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING NIPOMO COMMUNITY SERVICES DISTRICT CODE CHAPTER 3.03, waive further reading of the ordinance, and order publication of a ¼ page display ad regarding the ordinance in accordance with Government Code section 25124(b)(2)."
2. It is recommended that your Board adopt the Resolution approving Discontinuance of Residential Water Service Policy.

ATTACHMENTS

- A. SB 998
- B. 2019-130 Ordinance Amending District Code Chapter 3.03
- C. Discontinuance of Residential Water Service Policy

DECEMBER 11, 2019

ITEM E-7

ATTACHMENT A


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SB-998 Discontinuation of residential water service: urban and community water systems. (2017-2018)

SHARE THIS:



Date Published: 09/28/2018 09:00 PM

Senate Bill No. 998

CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal poverty line. The bill would require an urban and community water system

A1

that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

SEC. 2. Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. Discontinuation of Residential Water Service

116900. This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

116902. For the purposes of this chapter, the following definitions apply:

- (a) "Board" means the State Water Resources Control Board.
- (b) "Public water system" has the same meaning as defined in Section 116275.
- (c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.
- (d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.
- (e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

116904. (a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

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(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

116906. (a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

(1) A plan for deferred or reduced payments.

(2) Alternative payment schedules.

(3) A formal mechanism for a customer to contest or appeal a bill.

(4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

(b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585 and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

116908. (a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

(i) The customer's name and address.

(ii) The amount of the delinquency.

(iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.

(iv) A description of the process to apply for an extension of time to pay the delinquent charges.

(v) A description of the procedure to petition for bill review and appeal.

(vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

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(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.

(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

116910. (a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

116912. An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

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116914. (a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

116916. (a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

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116918. An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

116920. (a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

116922. All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

116924. Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

116926. This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.

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DECEMBER 11, 2019

ITEM E-7

ATTACHMENT B

ORDINANCE NO. 2019-130

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING CHAPTER 3.03 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE**

The Board of Directors of the Nipomo Community Services District ordains as follows:

SECTION 1. Chapter 3.03 of the Nipomo Community Services District Code, referenced herein as "District Code," shall be amended and replaced in its entirety to read as shown in Exhibit A, attached hereto and incorporated herein by reference.

SECTION 2. Any sections, portions of sections, or subsections of the District Code not specifically amended and replaced herein shall remain in full force and effect.

SECTION 3. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause, or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

SECTION 4. The Board of Directors of the District finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) because it constitutes general policy and procedure making and government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The Board of Directors further finds that the adoption of this Ordinance is not a project as defined in CEQA Guidelines Section 15378 because it can be seen with certainty that it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

SECTION 5. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage, this Ordinance shall be published, in accordance with Government Code section 25124(b)(2), with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation within the District.

INTRODUCED at its regular meeting of the Board of Directors held on November 27, 2019, and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on the _____ day of December, 2019, by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

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THE NIPOMO COMMUNITY SERVICES DISTRICT
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CONFLICTS:

ED EBY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
General Manager and
Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

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Exhibit A

Chapter 3.03 – WATER AND SEWER FEES AND CHARGES AND COLLECTION PROCEDURES

3.03.010 – Purpose and scope.

This chapter is enacted pursuant to Sections 61060, 61115, and 60371 through 60375.5, of the Government Code and sets forth the rates, charges, rules, regulations and procedures governing the use of the district's sewer and water facilities.

3.03.020 – Application for service.

- A. Applications for service shall be made by the property owner or a bona fide nonresident property manager (authorized agent), in writing on a form provided by the district. All applications shall include a nonrefundable account set up fee and payment of outstanding accrued fees and charges, if applicable, pursuant to District Code Section 3.03.040. The account set up fee shall be established by resolution.
- B. Applications for service are non-transferable and upon change of ownership, as defined in subsection C, below, the new owner, as a condition to district service, shall apply for district services prior to close of escrow and/or recording a deed acknowledging a transfer of ownership.
- C. "Change of ownership" means a transfer of a present interest in real property. Every transfer of property shall qualify as a "change of ownership", except transfer of title from one spouse to another, whether the transfer is voluntary, involuntary, by operation of law, by grant, gift, devise, inheritance, trust, contract of sale, addition or deletion of an owner, property settlement, or any other means. "Change of ownership" affected other than by a contract of sale shall be deemed to occur at the time of actual transfer of title.

3.03.030 – District billing procedure.

- A. Except as otherwise provided herein and in subsection B of this section, water meters are to be read and statements for water and sewer services are to be mailed once every month or every two months.
- B. The general manager, at his/her discretion, may cause a meter reading to be made at any time and thereafter bill the customer for water and sewer used since the previous reading.
- C. Meters will be read, as nearly as possible, on the same day of the month as determined by the district.
- D. Meter Read Surcharge. Customers shall have the water meter accessible at all times to district personnel. Meters shall be free of items including, but not limited to, parked vehicles, debris, guard animals, overgrown landscaping, fences, and locked gates. At no charge, the district will notify the owner, in writing, of an initial accessibility issue. A fee will be assessed for each subsequent unsuccessful attempt to access the meter. The fee will be placed on the next regularly scheduled utility billing. In addition, the district will

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estimate water usage for billing purposes. The meter read surcharge fee shall be established by resolution.

- E. Where both water and sewer service are being provided at a given service address, both water and sewer service charges shall appear on one bill. The district will not bill water and sewer service charges separately for service addresses receiving both services.
- F. Billing statement. All billing statements shall be mailed to the person designated in the application.
- G. Duplicate billing statement. The person designated in the application may request in writing on a form provided by the district to have a duplicate bill and late notice mailed to the service address, provided a mail receptacle is available. The duplicate billing fee shall be established by resolution.
- H. In the event of a transfer of ownership of property receiving water and/or sewer service, all fees and charges accrued up to the date of close of escrow and/or the date of recording of a deed acknowledging the transfer of ownership will become due and payable immediately and a closing bill will be provided to the customer of record. If the district is not notified of the pending transfer of ownership by either the buyer or seller, the district will prepare the closing bill upon notification of the transfer of ownership and all accrued charges up to that date will be included in the closing bill to the customer of record.

3.03.040 – Responsibility of property owner.

The owner of the property which is furnished services is the customer and shall be responsible for the payment of all rates, charges, and fees, including penalties, thereon regarding such furnished services, except as otherwise provided in this Chapter or as required by state law. Unpaid obligations shall run with the land and shall lead to delinquency and termination of service for the residential unit or other real property involved without regard to any changes of residency or occupancy by persons different than the persons shown on district records as obligated to pay said bill, except as otherwise required by the district's Discontinuation of Residential Water Service Policy.

3.03.050 – Delinquency and Penalty.

- A. Delinquency. Utility bills are due and payable upon presentation. Accounts not collected in full by 4:30 p.m. on the due date stated in the bill, which shall be not earlier than 19 days from the date of mailing the district's bill for services, are delinquent. Postmarks are not accepted.
- B. Penalty. Delinquent accounts shall incur a penalty on the total current charges owing. A notice that includes the penalties assessed and the final due date prior to discontinuance of service will be generated and mailed to the billing address. The penalty shall be established by resolution.
- C. Small Balance Accounts. Any balance on a bill totaling \$40.00 or less may be carried over and added to the next billing period without being assessed a penalty. Any such

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small balances not paid during the next billing period will be subject to all otherwise applicable penalties, fees, and discontinuation of service procedures.

3.03.060 – Discontinuance of service.

- A. Water and sewer service may be discontinued for any one of the following reasons:
1. Delinquency in the payment of any water and/or sewer service rate or charge;
 2. The unauthorized taking of water or the taking of water in excess of the amount paid for;
 3. Failure of the customer to maintain their facilities in a suitable condition to prevent waste of water;
 4. Failure of the customer to pay district connection fees for water and/or sewer service;
 5. The existence of any unprotected cross connections on the customer's premises or the lack of adequate backflow protection at the service connection;
 6. To protect the district against fraud or abuse;
 7. Any violation by the customer of any rules, regulations, or fees of the district governing water and/or sewer service.
- B. Non-Payment Fee. Commencing at 4:30 p.m. on the due date stated in the notice described in District Code section 3.03.050.B, a non-payment/reconnection fee will be charged to the account regardless of whether the meter has been physically turned off. The non-payment/reconnection fee shall be established by resolution.
- C. Services discontinued pursuant to this section shall not be restored until all fees and charges are paid in full. The district will restore service as soon as is practicable, but at a minimum, will restore service no later than the end of the next regular business day following receipt of payment in full. Restoration of service that has been discontinued for non-payment will not be made after-hours or during non-regular business hours.

3.03.070 – Discontinuance of residential service for nonpayment.

Prior to any proposed discontinuance of residential water and/or sewer service for nonpayment of a delinquent account respecting such service, the district shall comply with the district's Discontinuation of Residential Water Service Policy, including but not limited to compliance with all notice requirements contained therein and/or as required by applicable state law. The district's Discontinuation of Residential Water Service Policy shall be adopted by resolution.

3.03.080 – [Reserved.]

3.03.090 – Discontinuance of nonresidential services for nonpayment.

- A. At least ten days before discontinuing nonresidential water and/or sewer service, the district shall provide a written notice to the customer. The notice shall specify the reason for the proposed discontinuance and inform the customer of the opportunity to discuss

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the reason for the proposed discontinuance with the district general manager, or his/her designee consistent with the district's code. The name and phone number of the district general manager, or his or her designee, shall be included in any such notice of proposed discontinuance given to a nonresidential customer. Forty-eight (48) hours before a nonresidential customer's service will be discontinued for nonpayment, the district will generate and post a shut-off notice (door hanger) in conspicuous location at the service address. A fee will be added to every account for which a shut-off notice (door hanger) is generated. The fee will be added to the account and will be payable upon the presentation of the next regularly scheduled bill. This fee is in addition to any past due balance and penalty. The shut-off notice (door hanger) fee shall be established by resolution.

- B. A nonresidential customer may request to amortize or make alternative payment arrangements for the balance of an unpaid bill for water and/or sewer service by filing a written request with the district at least two business days prior to the discontinuance date stated in the notice required by subsection A of this section. Any amortization or alternative payment arrangement shall provide for payment of all charges, fees, and penalties owed on the account within twelve months. The district will only permit one amortization every eighteen months.

3.03.100 – Discontinuance of service on weekends, holidays or after hours.

- A. District services will not be discontinued to any customer or user because of any delinquency in payment on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the district are not open to the public.
- B. Water on/off after hours fee. Any customer who requests a meter to be turned on or off for any reason, other than for non-payment, on any Saturday, Sunday, legal holiday, or at any time during which the business office of the district is not open to the public shall be assessed a fee for each request. The fee(s) shall be placed on the next regularly scheduled utility bill. The turn on/off after hours fee shall be established by resolution.

3.03.110 – Investigation and resolution of disputes.

- A. The general manager, or his or her designee, is authorized to investigate complaints and disputes pertaining to any matters for which the water or sewer service may be discontinued, and to rectify errors and settle controversies pertaining to such disputes.
- B. Any complaint or request for investigation by a nonresidential customer related to a disputed bill, charge, fee, or penalty for water and/or sewer service must be made in writing, which must identify the disputed bill, charge, fee or penalty, and state the reason for the complaint or request, and must be filed with the district within five days of receiving the disputed bill. The general manager, or his or her designee, shall review and investigate the complaint and issue a final decision to the customer. Complaints and requests for investigation by residential customers related to disputed bills, charges, fees, or penalties are governed by the district's Discontinuation of Residential Water Service Policy.

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3.03.120 – Leak adjustments.

- A. Leak adjustments for district water customers. A written request for relief may be made by a water service customer receiving a high bill for water service. The written request must be received by the district no later than 4:30 p.m. on the due date of the bill in question. The general manager or his or her designee shall investigate such complaint in the following manner:
1. The district manager or his or her designee shall first determine whether or not the increase in water consumption is related to a leak occurring on the customer's side of the water service connection and that the leak has been remedied.
 2. The district manager or his or her designee shall review the customer's water bills for the same time period in the previous five years to determine whether or not there is a significant differential in terms of water use that was evidenced by a leak. Where there is a significant difference as determined by the general manager or his or her designee, water usage for the billing period shall be billed as follows:
 - i. The average normal usage will be billed at the rates in place at the time of the high bill.
 - ii. All excess usage (over and above the average normal usage) will be billed at a rate equivalent to the otherwise applicable water rates minus the portion of the rate associated with supplement water, as established by resolution.
 - iii. Leak adjustments will only be processed if the adjustment is greater than one hundred dollars.
- B. For water service customers who have not established a five-year history of water usage, the general manager shall determine equivalent water services using similar billings with a five-year history to make the appropriate findings as set forth in subsections A(2)(i) and (ii) above. The customer shall then be charged according to Section A(2)(ii) above.
- C. The relief provided by this section is available, upon written request, for a District water service customer once during a three year period. A water service customer may not apply for relief under this ordinance if relief had been sought and granted any time during the previous three years.
- D. If a leak adjustment is approved, the customer must sign an acknowledgement of the leak adjustment prior to the adjustment being made to the customer's account. Within fifteen days of the original due date of the water bill, the customer is responsible for completing the leak adjustment process and paying the adjusted bill. If the customer fails to execute the leak adjustment acknowledgement and pay the adjusted bill prior to the above-referenced due date, no leak adjustment will be granted and the customer will be responsible for the paying the full, original water bill plus all additional fees and charges assessed through the date of payment.

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- E. Leak adjustments will not be considered for previous billing cycles and adjustments will not be made retroactively.
- F. Leak adjustments are for a specific billing cycle and cannot be spread over two billing cycles.
- G. The general manager or his or her designee may consider whether the customer shall be permitted to amortize the amount equal to the excess usage over a reasonable period of time, not to exceed twelve months.

3.03.130 – Public nuisance, abatement.

During any period of non-connection or disconnection of water and/or sewer service, habitation of premises by human beings shall constitute a public nuisance, whereupon the district may cause proceedings to be brought for the abatement of the occupancy of said premises by human beings during the period of such disconnection. The district may request the county health officer to commence proceedings to be brought for the abatement of the occupancy of the premises by human beings. In such event, and as a condition of reconnection, there shall be paid to the district a reasonable attorney's fee and costs of suit arising in said action.

3.03.140 – Partial payment spread.

In the case of partial payment by a customer, the payment will be applied to the account in the following order:

- A. Penalties and restoration charges;
- B. Late charge;
- C. Sewer charge;
- D. Water charge.

3.03.150 – Returned checks.

A fee will be charged against any account whose check or electronic payment is returned by the bank for any reason. Following receipt of a returned check or returned electronic payment, all amounts owed must be paid in cash, money order, or credit card. Returned checks or returned electronic payments are treated as nonpayment and any otherwise applicable penalties and/or discontinuance procedures shall apply as if no payment had been made to the account. If the account is otherwise subject to discontinuance pursuant to the requirements of this Chapter, upon receipt of a returned check or returned electronic payment, the district will post a twenty-four (24) hour notice of imminent discontinuance at a conspicuous location at the property pursuant to this section. The twenty-four (24) hour notice will state the total amount due in order to avoid discontinuance of service and the requirements for reconnection. The returned check/returned electronic payment fee shall be established by resolution.

3.03.160 – Meter malfunction.

- A. Meter Calibration Deposit. A customer who questions the accuracy of a meter serving the premises may request in writing a test of meter registration. A deposit equal to the

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water meter calibration check charge and any calibration charges shall be required in advance when a test is requested. The water meter calibration charge fee shall be established by resolution.

- B. If a meter is found to over-register more than five percent, the district shall return the charge for the test and the customer shall be entitled to a refund based on adjustment made by the district manager. Such adjustment shall be calculated by taking the difference between the normal use and the incorrect reading. In no case shall refunds cover more than two consecutive months prior to the discovery of meter malfunction.
- C. When a meter is found to under-register by more than five percent, the charge for water will be based, at the option of the district, either on previous consumption for the same period in the preceding year during which the meter is known to have registered correctly, or on the consumption as registered by a "substitute meter."

3.03.170 – Tampering.

- A. No person, other than an authorized district employee, shall at any time or in any manner, operate, or cause to be operated, any valve in or connected to a water main or sewer main, service connection or fire hydrant, or tamper or otherwise interfere with any water meter, meter valve, backflow prevention device, detector check valve, or other part of the district's water or sewer system.
- B. Tampering fee. In addition to other district fees and charges, a tampering fee will be charged to the customer in all situations where a person has tampered with district services or privately restores water service without district permission. Such fee shall be added to the account for the property affected by the illegal tampering. The tampering fee shall be established by resolution.
- C. Repair Authorization fee. If a person's actions result in damage to the district's water or sewer systems, the cost of repair and/or replacement will be charged to the customer. The repair authorization fee shall be established by resolution.
- D. Staff shall prepare and keep complete and accurate records concerning tampering with district's service systems. The manager shall review such records and shall decide whether or not to seek a criminal complaint through the sheriff's office. If there is more than one such tampering violation for the same property within any five-year period, the board shall hold a public hearing to consider permanent disconnection of water service to the property, or such other remedies as the board deems appropriate.

3.03.180 – District rates and charges.

- A. Water rates shall be charged as follows:
 - 1. Minimum Charges. A minimum bi-monthly or monthly charge shall be paid by each customer for each bi-monthly or monthly billing period during which a service connection exists even if the meter is locked. Such charge for any billing period in which a service connection has existed for less than the whole of a billing period shall be prorated. Minimum bi-monthly or monthly charges vary with the size of the

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meter. The minimum bi-monthly or monthly charge for service shall be established by resolution.

2. Water Rates. The metered rate for water sold, supplied, distributed, or transported to customers shall be established by resolution.

B. Sewer rates shall be charged as follows:

1. For new customers, sewer charges shall commence on the date the water meter is set. For existing water customers, sewer charges shall commence when sewer service is connected or thirty (30) days from the date of issuance of the will-serve letter, whichever occurs first.
2. District sewer charges shall be established by resolution.

3.03.190 – Collection of delinquent charges on the tax roll or by recorded certificate and lien.

- A. The board of directors adopts the procedures for the collection of rates, charges, fees, and penalties for nonpayment of delinquent bills established in Government Code Section 61115 or any successor statute.
- B. The general manager or his/her designee is authorized to record a certificate and lien for the amount of charges, fees, and penalties owed, and the name and address of the persons liable therefor, sixty days after the payment becomes delinquent, pursuant to Government Code Section 61115 or any successor statute.
- C. Remedies for collection and enforcement for nonpayment of delinquent rates, charges, fees, and penalties are cumulative and may be pursued alternatively or consecutively by the district.

3.03.200 – Judicial relief and attorney's fees.

In the event that any customer fails to timely pay a billing statement, the customer shall be deemed to be in default and in such case, the district may declare the balance or remaining balances due and payable. In the event that the district is required to bring action to collect any sum in default, the customer shall pay any attorney's fees, court costs, or other costs incurred by the district to bring such action.

3.03.210 – Means of enforcement.

The district declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules, and regulations, and not as a penalty.

3.03.220 – Cumulative remedies.

All remedies set forth herein for the collection and enforcement of charges, rates, fees, and penalties are cumulative and may be pursued alternatively or consecutively.

DECEMBER 11, 2019

ITEM E-7

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-_____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING A
DISCONTINUATION OF RESIDENTIAL WATER SERVICE POLICY
IN ACCORDANCE WITH SB 998**

WHEREAS, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.) and provides water service within its water service area pursuant to Govt. Code §61100(a) of the Community Services District Law; and

WHEREAS, on September 28, 2018, the Water Shutoff Protection Act, Senate Bill No. 998 was signed into law (Health & Safety Code § 116900, et seq. ("SB 998")); and

WHEREAS, SB 998 requires urban water supplies such as the District to adopt, by February 1, 2020, written policies governing the discontinuance of water service to residential customers for nonpayment; and

WHEREAS, pursuant to existing law in effect prior to the enactment of SB 998, the District's policies governing discontinuance of water service to residential customers were adopted by ordinance and codified within the District Code; and

WHEREAS, in order to comply with and implement the requirements of SB 998, the District Board of Directors intends to adopt a Discontinuation of Residential Water Services Policy and to amend District Code, Chapter 3.03 - Water and Sewer Fees and Charges and Collection Procedures, consistent with all applicable legal requirements; and

WHEREAS, the District's Finance and Audit Committee considered the proposed Discontinuation of Residential Water Services Policy, as well as proposed amendments to District Code, Chapter 3.03 - Water and Sewer Fees and Charges and Collection Procedures, at its November 12, 2019 special meeting and recommended adoption of the policy and District Code amendments.

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

1. The facts and findings stated above are true and correct and incorporated herein.
2. The Discontinuation of Residential Water Services Policy, attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted.
3. The Discontinuation of Residential Water Services Policy, attached hereto as Exhibit "A," shall become effective upon the effective date of Ordinance No. _____.
4. The General Manager is hereby directed to cause the Discontinuation of Residential Water Services Policy and all notices required under SB 998 to be translated into the languages listed in Civil Code section 1632 consistent with SB 998 and any amendments thereto.
5. The District Board of Directors finds that this action is not subject to and is exempt from the California Environmental Quality Act, Public Resources Code section 21000, et seq., because it constitutes the making of general policy and procedure, it is not a project undertaken or authorized by the District that will have a reasonably

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-_____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
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IN ACCORDANCE WITH SB 998**

foreseeable impact on the environment, and it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment. (Pub. Res. Code § 21065; 14 Cal. Code Regs. §§ 15061(b)(3), 15378(b).)

6. This Resolution does not affect prosecutions for violations of any District code or resolution committed prior to the effective date of this Resolution, does not waive any fee or penalty due and unpaid on the effective date of this Resolution, and does not affect the validity of any amounts owed, posted, filed, or deposited pursuant to the requirements of any prior resolution or ordinance.

7. If any section, subsection, sentence, clause or phrase of this Resolution or the Discontinuation of Residential Water Services Policy attached hereto as Exhibit "A" is for any reason held to be unconstitutional, ineffective, or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution and the Discontinuation of Residential Water Services Policy adopted hereby. The District Board of Directors hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

the foregoing resolution is hereby passed and adopted this ____ day of _____, 2019.

ED EBY
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO E. IGLESIAS
General Manager and Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

Nipomo Community Services District
Discontinuation of Residential Water Service Policy

Prior to discontinuing the water service of any residential customer on account of nonpayment of duly-owed water rates, charges, fees, or penalties, the Nipomo Community Services District ("District") will comply with the procedures and requirements of this Policy. This Policy is only applicable to the discontinuance of residential customer accounts based on nonpayment and does not preclude the District from discontinuing service for other unauthorized customer actions.

1. Contact Information. A residential customer may call the following phone number during normal business hours to discuss options to avert a service discontinuation: (805) 929-1133.
2. Account Delinquency. As provided in the District Code, a water/sewer bill is due and payable upon presentation to the customer. Account balances not collected in full by 4:30 p.m. on the due date stated in the bill are delinquent and subject to an applicable penalty, as stated in the District Code. The due date stated in the bill will not be earlier than 19 days from the date that the bill is mailed.
3. Delinquency Period Causing Discontinuation. Residential water service may be discontinued for nonpayment if a required customer payment has been delinquent for at least sixty (60) days.

Water service will not be discontinued on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the District are not open to the public.

4. Procedure for Discontinuing Service for Nonpayment.
 - a. At least seven (7) business days before discontinuing the customer's service for nonpayment, the District will contact the customer in writing to warn of the impending service discontinuation, make available and explain the terms of this Policy, discuss options to avoid the service discontinuation, and provide other information required by law.
 - b. The written notice described in Section 4(a) above will contain the following: (1) the customer's name and address; (2) the delinquent amount; (3) the date by which payment or arrangement for payment is required in order to avoid service discontinuation; (4) a description of the process to apply for an extension of time to pay the delinquent rates, charges, or fees; (5) a description of the procedure to petition for bill review and appeal; and (6) a description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges consistent with this Policy.
 - c. If the written notice described in Section 4(a) is returned as undeliverable, the District will post at a conspicuous location at the premises a notice of discontinuation of service at least 48 hours prior to discontinuation.

5. Bill Review and Appeal. Any customer in receipt of a notice of impending service discontinuation may appeal the delinquent rates, charges, fees, or penalties giving rise to the discontinuation notice, unless an appeal of the same rates, charges, or fees has previously been received and resolved. The customer shall file the appeal within five (5) business days of receiving the notice of delinquency by delivering a written notice of appeal that explains the basis for the appeal, including an explanation of any alleged errors in the District's billing practices, the date of the appealed bill, and the amount of the bill that is being appealed. The appeal will be reviewed, heard, and resolved in accordance with the following procedure:
 - a. The District General Manager ("Review Manager") will review the appeal form and all materials submitted in support of the appeal and will issue a decision regarding the appeal within ten (10) business days from the date of receipt of the appeal.
 - b. The Review Manager may grant the appeal and adjust or rescind the delinquent rate, charge, or fee under the following circumstances:
 - i. The rate, charge, fee, or penalty was erroneously calculated and therefore imposed in error;
 - ii. The customer qualifies for an adjustment pursuant to District Code section 3.03.120; or
 - iii. The customer qualifies for an adjustment pursuant to District Code section 3.03.160.
 - c. The Review Manager will mail the decision to the appellant.
 - d. The customer may appeal an adverse determination by the Review Manager to the District Board of Directors by filing an appeal within ten (10) business days of the date of the decision by the Review Manager.
6. Deferred or Reduced Payments and Alternative Payment Schedules. The District may allow customers to defer, reduce, or enter into an amortization or alternative payment schedule for delinquent rates, charges, fees, or penalties, in accordance with the terms of this Section.
 - a. Reductions in delinquent rates, charges, fees, or penalties may be granted only in accordance with District Code sections 3.03.120 or 3.03.160, or for the reasons stated in in Section 5(b) of this Policy.
 - b. Late fees and penalties may be waived in accordance with the District's Policy Governing the Exercise of the General Manager's Authority to Waive Fees Assessed on Customer Utility Accounts as a Result of a Delinquent Utility Bill, adopted by District Board of Directors Resolution No. 2019-1505.
 - c. Delinquent rates, charges, or fees may be deferred or amortized using an alternative payment schedule that complies with the following:

- i. Requests for deferral, amortization, or alternative payment schedules must be made in writing and received by the District no less than two business days prior to the discontinuation date stated in the notice required by Section 4 of this Policy.
- ii. Any payment plan will result in repayment of the delinquent amount within twelve (12) months.
- iii. If the customer breaches the agreed-upon plan or does not pay their current residential services charges for sixty (60) days or more, then service may be discontinued no sooner than five (5) business days after the District posts a final notice of intent to discontinue service in a prominent and conspicuous location at the customer's property.
- iv. No more than one amortization, deferral, or alternative payment schedule is allowed every eighteen months, unless the customer otherwise meets the requirements of Section 7(d) of this policy.

7. Prohibitions on Discontinuation. Water service will not be discontinued for nonpayment under any of the following situations:

- a. During any appeal of the District's decision to discontinue service.
- b. During the pendency of an investigation by the District of a customer dispute or complaint.
- c. During any period where the customer is in compliance with a duly authorized alternative payment schedule or a plan for deferred or reduced payment in accordance with Section 6 of this Policy.
- d. In situations where the customer satisfies all of the following three conditions, as declared in a form provided by the District (the "Need-Based Exemption"):
 - i. The customer, or the customer's tenant, submits a certification of a primary care provider that discontinuation of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises serviced by the delinquent account;
 - ii. The customer demonstrates that he or she is financially unable to pay for residential water service within the normal billing cycle by declaring in writing that one of the following circumstances applies: a member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that his or her household's annual income is less than 200 percent of the federal poverty level. If one or more of these circumstances is demonstrated, then the customer is considered a "Low-Income Customer"; and


- iii. The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment for all delinquent charges in accordance with Section 6 of this Policy.

- 8. Special Considerations for Low-Income Customers. For a Low-Income Customer that qualifies for the Need-Based Exemption, the District will offer one or more of the following options for repayment of the delinquent rate, charge, or fee: (1) amortize the unpaid balance; (2) participate in an alternative payment schedule; or (3) temporarily defer payment. The terms of the payment option will be in accordance with Section 6 of this Policy and is expected to result in repayment within twelve (12) months, unless additional time is required and granted by the District Review Manager in order to avoid undue hardship. If the customer breaches the agreed-upon plan or does not pay his or her current residential services charges for sixty (60) days or more, then service may be discontinued no sooner than five (5) business days after the District posts a final notice of intent to discontinue service in a prominent and conspicuous location at the customer's property.

- 9. Landlord-Tenant Relationships. The provisions of this Section apply where the District furnishes service through a master meter, or furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in California Health & Safety Code Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record. In addition to providing notice to the property owner consistent with Section 4 of this Policy, the District will implement the following measures:
 - a. At least ten (10) days prior to discontinuing service, the District will make a good faith effort to inform the residential occupants in writing that the dwelling unit's account is delinquent and that service will be terminated.
 - b. The written notice will inform the occupants that they may become a customer of record and accept bills for the unit's water service and that the occupants will not be held responsible for delinquent amounts owed by the existing customer of record. The written notice shall be in English and in the languages listed in Civil Code section 1632.
 - c. The District is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of applicable law and the District's rules. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District's General Manager, or if there is a physical means legally available to the District of selectively terminating service to those residential occupants who have not met the requirements of the District's rules, the District shall make service available to those residential occupants who have met those requirements.
 - d. Notwithstanding the foregoing, if the dwelling unit is a detached single-family dwelling unit, then the District will: (1) give notice to the occupant of service discontinuation at least seven (7) days prior to the proposed discontinuation; and (2) require the occupant to verify that the delinquent account customer was the

landlord, manager, or agent of the dwelling unit. Verification may include a lease or rental agreement, rent receipts, or other government document.

10. Restoring Service. The District will promptly provide information regarding the procedures for restoring service to customers once their service is discontinued, including the payment of applicable reconnection service fees (i.e. Non-Payment Fee identified in the District's Schedule of Miscellaneous Fees). For Low-Income Customers, the reconnection service fee will not exceed the District's actual cost to reconnect water service, up to a maximum of \$50 for reconnection during normal business. The fee may be annually adjusted for changes in the Consumer Price Index beginning January 1, 2021, if provided for in the Districts Miscellaneous Fee Schedule adopted by Resolution of the Board of Directors.
11. Reporting. The District will report the number of annual discontinuations of residential service for nonpayment on the District's website and to the State Water Resources Control Board.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER 
 DATE: December 6, 2019

**AGENDA ITEM
 F
 DECEMBER 11, 2019**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is December 1, 2019 through December 14, 2019.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks as well as tracking late fee waivers. The table below provides November and Fiscal Year-to-date data of these items.

Office Activities

	Nov-19	July 19 - Nov 2019
Reports of Water Waste	0	0
Leak Adjustments	1	10
Leak Adjustment Amount	\$469	\$2,556
Late Fee Waivers	12	53
Late Fee Waiver Adjustment Amount	\$704	\$2,413

Water Resources

Table 1. Total Production Acre Feet (AF)

	Nov-19	Jul 19 - Nov 19
Groundwater Production	81.3	548.7
Supplemental Water Imported	<u>82.2</u>	<u>419.9</u>
Total Production	163.5	968.5

NCSD imported 82.2 AF of water over the 30 day period in November averaging 620 gallons per minute for an average total of 892,832 gallons per day. For fiscal year 2019-20 the District must import at least 800 AF of supplemental water to meet its contractual obligation with the City of Santa Maria. On average, the District must import an average of 67 AF per month. For the five month period, July 1, 2019 through November 30, 2019, a total of 335 AF would indicate the District was positioned to meet its import water obligation. Compared to the 420 AF imported in this time period, the District has reached 125% of its import water obligation.

The District's total combined production, including groundwater production wells and supplemental water imported at the Joshua Road Pump Station, registered 163.5 AF for the month and 968 AF for the first five months of FY 2020 compared to 945 AF in FY 2019.

Table 2 compares the District’s total water production for the month of November and the fiscal year to-date (July 2019 through November 2019) total against the same period for 2013 (pre-drought production). The Department of Water Resources (“DWR”) designated 2013 as the pre-drought production year. The pre-drought production data is included in the monthly water production report and compared to current usage, all of which is submitted by water purveyors statewide to DWR. There is no mandated by DWR at this time for the District to reach a particular conservation level. For November 2019, the community’s water conservation effort reached approximately 17% when compared to November 2013 consumption. The District’s year-to-date conservation effort reached 23% for the fiscal year.

Table 2. FY 2020 Total Demand To-date Compared to 2013

	Nov-19	July – Nov 2019
Total Production (AF) for FY 2019-20	163.5	968.5
Total Production (AF) for 2013	<u>198.4</u>	<u>1,259.7</u>
Reduction (AF)	<u>34.9</u>	<u>291.2</u>
Percentage Reduction	<u>17.6%</u>	<u>23.1%</u>

NCSD GW Reduction

The District’s purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 800 AF minimum imported water from the City of Santa Maria, 266.6 AF will be credited to these two purveyor customers. The credited amount must be added to the District’s groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 3 below demonstrates the calculus for determining the District’s groundwater pumping reduction.

Table 3. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

	Nov-19	Jul 19 - Nov 19
NCSD GW Well Production	81.3	548.7
Purveyor Customer Credit (33.3% of Import Water)	<u>27.4</u>	<u>139.9</u>
NCSD Total Calculated GW Production	137.8	688.6
Average GW Production for 2009-2013	<u>223.6</u>	<u>1,064.2</u>
NCSD Percentage of GW Reduction	39%	45%

Taking into consideration the above referenced purveyor customer credit, the District can claim a groundwater pumping reduction of 39% for the month of November compared to the 5-year average from 2009 to 2013 (NMMA-TG assigned comparator). For Fiscal Year 2020, the total groundwater pumping reduction for the District is 45%. At the current Stage IV level of NMMA’s Water Shortage Condition and Response Plan, the District is short of achieving its targeted groundwater pumping reduction level of 50% for the year. However, early fiscal year

months are typically higher water use months and it is not uncommon to balance out water use in second half of the fiscal year. Table 4 below projects that the District’s groundwater reduction target level of 50% is still achievable.

2020 Fiscal Year Groundwater Pumping Forecast

Table 4 projects the District’s groundwater pumping reduction effectiveness for Fiscal Year 2020. The targeted groundwater pumping reduction as stated above is 50%. At current usage through in November 2019, and with the last year’s production values for the remaining 7 months inserted, the District is on-track to reach its pumping reduction goals for the fiscal year. This exercise demonstrates that there would be 10.75 acft of water in excess of the 50% target. Each year, water use trends slightly differ depending upon the weather – a major factor that drives consumer water demand. Table 4 is a forecasting tool.

Table 4. Groundwater Pumping

	Year-to-Date		Target	Over/(Under)
	Nov-19	Jul-Jun 2020		
NCSW GW Well Production	81.3	903.4		
Purveyor Customer Credit (33.3% of Import Water)	27.4	323.3		
NCSW Total Calculated GW Production	108.7	1,276.7	1,266.0	(10.75) AcFt
Average GW Production for 2009-2013	179.1	2,533.3	2,533.3	
NCSW Percentage of GW Reduction	39%	50%	50.0%	

Table 5. FY 2019 v. FY 2020 Groundwater Pumping

	Nov-19	Jul 19-Nov 19	Nov-18	Jul 18-Nov 18
NCSW GW Well Production	81.3	548.7	85.3	525.3
Purveyor Customer Credit (33.3% of Import Water)	27.4	139.9	27.8	140.4
NCSW Total Calculated GW Production	108.7	688.6	113.1	665.7
Average GW Production for 2009-2013	179.1	1,243.3	179.1	1,243.3
NCSW Percentage of GW Reduction	39%	45%	37%	46%

Table 5 compares the previous year’s groundwater pumping with the current year’s groundwater pumping for the same period. The District’s overall water demand is up slightly for the current year. However, the community is close to achieving the same level of groundwater pumping reduction year over year. This indicator supports staff’s conclusion that, all things being equal, the District will reach its groundwater pumping reduction target for the fiscal year.

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
November 2019 Total	2.31	2.05
July-2019 through November-2019 (Seasonal Total)	2.31	2.05
Dec. 1, 2019 to Dec. 3, 2019	0.59	0.47
Total Rainfall to date	2.90	2.52

Average Annual Year Rainfall 18.0¹ 14.0²

Note 1: SLO County Website

https://wr.slocountywater.org/site.php?site_id=3&site=935e7af7-0e94-4042-bc11-e02906d5ba44

Note 2: SLO County Website

https://wr.slocountywater.org/site.php?site_id=2&site=878bfdbf-5c40-4398-8226-418372e4039b

Safety Program

No items to report.

Other Items and News of Interest

No Items to report.

Supplemental Water Capacity Accounting

Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500
Supplemental Water Reserved (Will Serve Letter Issued)	-120	-63.4
Subtotal Net Supplemental Water Available for Allocation	827	436.6
Supplemental Water Assigned (Intent-to-Serve Issued)	-62.4	-32.9
Total Remaining Supplemental Water Available for Allocation	764.6	403.7

As of December 3, 2019

Connection Report

Nipomo Community Services District
Water and Sewer Connections

END OF MONTH REPORT

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Water Connections (Total)	4434	4434	4437	4437	4437	4437	4438	4438	4440	4441	4441	
Sewer Connections (Total)	3197	3197	3199	3199	3200	3201	3206	3206	3207	3208	3208	
New Water Connections	0	0	3	0	0	0	1	0	2	1	0	
New Sewer Connection	0	0	2	0	1	1	5	0	1	1	0	
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	475	475	475	475	475	475	475	475	475	475	475	

The Connection Report is current through December 1, 2019.

Meetings (November 24, through December 7)

Meetings Attended (telephonically or in person):

- Nov 25, LAFCO – Annexation Policy Review
- Nov 26, Rate Consultant – Pass-through Rate Development
- Nov 27, Rotary

- Nov 27, Regular NCSD Board Meeting
- Nov 27, Exec. Team After-Board Meeting
- Dec 2, Management Team
- Dec 2, Board Officers Mtg.
- Dec 3, BLMA Monthly Meeting
- Dec 5, General Counsel
- Dec 5, Eng/Admin

Meetings Scheduled (December 8 through December 14):

Upcoming Meetings (telephonically or in person):

- Dec 10, MKN – ADU Data Meeting
- Dec 11, Rotary
- Dec 11, Regular NCSD Board Meeting
- Dec 11, Exec. Team After-Board Meeting
- Dec 12, Blacklake Assessment Planning Team

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: December 12th (Thursday) @ 10:00 AM, NCSD Board Room
- RWMG: Unscheduled
- WRAC: February 6th @ 1:30 PM, SLO City Council Chambers
- NMMA Purveyor Meeting: January 16th @ 10:00 AM, NCSD Conf. Rm

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

None