

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: JANUARY 19, 2023



AGENDA ITEM
E-1
JANUARY 25, 2023

**AUTHORIZE TASK ORDER WITH R. BAKER INC., FOR
OLD TOWN DISTRICT VALVE REPLACEMENT PROGRAM**

ITEM

Authorize the General Manager to enter into a negotiated contract with R. Baker Inc., to replace water distribution valves in the Old Town District of Nipomo [RECOMMEND ADOPT RESOLUTION AUTHORIZING NIPOMO COMMUNITY SERVICES DISTRICT GENERAL MANAGER EXECUTE A TASK ORDER WITH R. BAKER INC. IN THE AMOUNT OF \$45,200 AND AUTHORIZE A CHANGE ORDER CONTINGENCY OF \$4,500]

BACKGROUND

District staff is seeking Board authorization to assign a negotiated contract with R. Baker in the amount of \$45,200.00 to complete work on District water distribution valves in the area of an impending road paving project. Under Chapter 2.43 of the District's Code and Public Contracts Code Sections 22000, *et seq.*, the General Manager is permitted to enter into informal negotiated contracts for public works projects in an amount less than \$60,000. The work included in this proposed contract consists of:

	Qu.	Description	Cost/Unit	Total Cost
1.	1	Vintage and Avocado Tee	12,300.00	12,300.00
2.	1	Mallagh and Dana Cross	12,500.00	12,500.00
3.	1	Dana and Wilson Valve	8,100.00	8,100.00
4.	1	Avocado (School Connection)	12,300.00	<u>12,300.00</u>
		Total		45,200.00

The District was recently made aware that the San Luis Obispo County Public Works Department ("County") is preparing to conduct paving work within the District's service boundary. The County has targeted roadways in the Nipomo community that are on the east side of Highway 101; an area that is included in the District's service boundary where District infrastructure is located. There are distribution water mains and isolation valves under the roadways in this area. These are some of the original water distribution facilities that were installed in the late 1960s.

There are several valve clusters in the area that need replacing as the valves are no longer operational. Distribution valves are critical components of a water distribution system as they provide the mechanical means of isolating section of pipelines during emergency water main repairs. Without operating water distribution valves, greater numbers of customers are left without water during emergency events such as water main breaks. In addition to the inconvenience, the effort to isolate and repair water mains during emergency events also extends the time needed to make repairs and this, in turn, increases the likelihood of violating water quality regulations.

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It is best to replace water distribution valves prior to the County's repaving work. Roadways are better maintained, and have a longer service life when they are not disturbed by underground utility repairs. Paving costs are a significant factor when calculating the cost to cut into roadways for this type of maintenance work.

Under the Uniform Public Construction Cost Accounting Act ("Act"), adopted by the District in Chapter 2.43 of the District Code, public agencies can employ certain informal contracting processes for contracts below specified dollar thresholds. In this case, the District may enter into a negotiated contract through an informal process because the total cost of the work being considered cannot exceed \$60,000. Use of the informal procedure and a negotiated contract will help the District complete the work promptly, before the County's paving work makes replacing the valves more difficult and expensive.

Staff is recommending the District utilize the informal contracting authorizations under the District Code and the Act due to the late notice from the County. There is insufficient time to accomplish a more formal bid process. There is funding for water main valve replacement in the current year budget. In addition to the \$45,200 plus contingency that is dedicated to the contractor's efforts, an additional \$10,000 in materials will be needed to complete the work will be supplied by the District. The overall cost of the project has been reduced by District staff purchasing the materials directly, thereby eliminating the contractor's markup. The contractor has agreed to this condition.

FISCAL IMPACT

Overall, the costs of the project will be \$55,200 plus any contingency funds used. There are funds available and dedicated to water main valve replacement in the District's #805 Water Fund and are sufficient to address the cost of this project. Failure to replace valves prior to the County's planned paving work will increase the District cost and diminish the life cycle of a newly paved roadway.

STRATEGIC PLAN

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

RECOMMENDATION

Staff recommends that the Board adopt a resolution authorizing the District's General Manager execute a Task Order contract with R. Baker Inc., in the amount of \$45,200 and authorize a change order contingency of \$4,500.

ATTACHMENTS

- A. Resolution 2023-XXXX, Authorize General Manager to enter into Task Order with R. Baker for Replacement of Water Distribution Valves
- B. R. Baker Inc., Proposal to Replace Valves

JANUARY 25, 2023

ITEM E-1

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2023-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO
ENTER INTO A TASK ORDER CONTRACT WITH R. BAKER INC. IN THE AMOUNT OF \$45,200
AND AUTHORIZE A CHANGE ORDER CONTINGENCY OF \$4,500 FOR REPLACEMENT OF
WATER DISTRIBUTION VALVES**

WHEREAS, the District has the need to replace a significant number of water distribution valves ("Project") prior to a street paving project that San Luis Obispo County plans to carry out in the District; and

WHEREAS, Chapter 2.43 of the District Code and the provisions of Public Contract Code Section 22000, et seq. permit the District to enter into informal, negotiated contracts for projects with a value less than \$60,000.00; and

WHEREAS, R. Baker, Inc. is a qualified contractor and has submitted a bid for the Project in the amount of \$45,200.00.

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

1. The negotiated contract for the Project with R. Baker, Inc., in the amount of \$45,200.00 is hereby approved and the General Manager is authorized to execute the construction agreement.
2. The Board further approves a contingency amount, and the General Manager is authorized to issue Change Orders, in an amount not to exceed \$4,500.
3. The above recitals and findings are incorporated herein by this reference.

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 25th day of January, 2023.

RICHARD MALVAROSE
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

JANUARY 25, 2023

ITEM E-1

ATTACHMENT B

R. BAKER, INC.
PIPE LINE AND UTILITY CONSTRUCTION
Post Office Box 419
Arroyo Grande, California 93421
Contractors License No. 372751 DIR#1000004631
Phone 805-489-8711 Fax 805-489-1653
email:pat@rbakerinc.com

Date: 1/6/2022

Co: Mario Iglesias; NCSD
Re: Valve Replacement Work

In response to your invitation to bid on the installation of underground utilities, we are pleased to make the following proposal to furnish all labor, equipment, material, and insurance for the unit prices listed below:

OLD TOWN					
1.	1	LS	Vintage and Avacado Tee	12,300.00	12,300.00
2.	1	LS	Mallagh and Dana Cross	12,500.00	12,500.00
4.	1	LS	Dana and Wilson Valve	8,100.00	8,100.00
15.	1	LS	Avacado (School Connection)	12,300.00	12,300.00
				Total	45,200.00

These prices do not include any pipe or fittings, NCSD will supply all of the necessary pipe and fittings.

These prices include all other material per SLO County specs, sand, slurry, hma, and concrete thrust collars.

These prices do not include new concrete collars on the valves in the county overlay project in Old Town. Papich will perform this scope of work per county contract.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: JANUARY 19, 2023

**AGENDA ITEM
E-2
JANUARY 25, 2023**

**APPROVE TASK ORDER WITH MICHAEL K. NUNLEY & ASSOCIATES
FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE
BLACKLAKE SEWER CONSOLIDATION FORCE MAIN PROJECT**

ITEM

Approve Task Order with MICHAEL K. NUNLEY & ASSOCIATES ("MKN") for construction management services for the Blacklake Sewer Consolidation Project [RECOMMEND BY MOTION AND ROLL CALL APPROVE TASK ORDER WITH MKN IN THE AMOUNT OF \$451,312 AND AUTHORIZE STAFF TO EXECUTE TASK ORDER].

BACKGROUND

MKN submitted a competitive and responsive services proposal to oversee the construction management element of the Blacklake Sewer Consolidation Force Main Project. There are three task categories in the proposal: Project Management Services, Construction Management Services, and Project Closeout. The Scope of Work provided to MKN is attached for review Board [Attachment A].

Cost estimates for construction management services of a project range from 8% to 13% of the cost of constructing the project depending on the complexity of the project. The Blacklake Sewer Consolidation Project involves construction of a force sewer main, work that includes excavating, surveying, pipeline placement with joint connections and, in this project, directional boring. The work is not simple, but is on the lower scale of complexity when compared to construction of a lift station or a gravity sewer main and therefore construction management cost would be expected to range between 9% and 11%.

Staff requested that MKN provide a proposal for construction management services for the Blacklake Sewer Consolidation Project. MKN submitted the attached proposal to perform the work for a not to exceed amount of \$451,312 or 9.5% of the construction cost of the project. Their proposal includes full-time inspection, materials testing, and environmental monitoring required for the project and is within the construction management cost are within the expected cost range for the work.

FISCAL IMPACT

The estimated Project cost to consolidate the Blacklake sewer system with the Town sewer System is \$10,300,000. The construction cost for the Force Sewer Main element of the sewer consolidation project is \$4,705,801 with an approved contingency of \$470,000.

As with the construction costs, construction management costs are funded from Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation)

bond proceeds. The District included a 30% contingency for each element analyzed in the engineer's consolidation report for the Force Sewer Main element, which equates to \$1,200,000. The District included a 30% Engineering and Construction Management cost equaling an additional \$1,200,000 to add to the total cost of the project. All total, the Engineer's estimate for the project is \$6,600,000.

Total project costs, "Estimate" verses "Bid" are as follows:

<i>Item</i>	<i>Estimate</i>	<i>Bid</i>
Construction	\$4,200,000	\$4,705,800
Construction Contingency	\$1,200,000	\$ 470,000
Construction Management and Inspection	\$1,200,000	\$ 451,300
Total	\$6,600,000	\$5,627,100

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 Blacklake Sewer Consolidation Project Construction Management Services with MKN in the amount of \$451,312 and authorize the General Manager to execute the Task Order.

ATTACHMENTS

- A. Construction Management Scope of Work: Blacklake Sewer Consolidation Force Main Project
- B. MKN proposal dated January 19, 2023

JANUARY 25, 2023

ITEM E-2

ATTACHMENT A

SCOPE OF WORK

Blacklake Sewer System Consolidation Project - Force Main

CONSTRUCTION PHASE

TASK 1 – PROJECT MANAGEMENT SERVICES

1.1 Project Oversight

Provide the services of a principal-in-charge to provide overall project supervision and assure that contractual obligations and client concerns are consistently met.

1.2 Ongoing Project Management

Provide pre-construction phase and construction phase project management as necessary for the project by providing a Construction Manager to perform the following project functions:

1.2.1 Administration of Consultant Obligations - Provide task schedules; coordination with District staff, utilities, and other contractors; maintenance of quality control and report preparation as part of the regular project management duties.

1.2.2 Construction Engineering - Provide construction engineering to facilitate coordination for review of shop and working drawings, submittals, safety and accident prevention plans. We will perform contract drawing and specification interpretation as part of the regular project management duties.

1.2.3 Construction Coordination Meetings - Conduct weekly meetings as part of the regular construction engineering duties. Additionally, meeting minutes will be written and distributed to all attendees and others as designated by the District.

1.2.4 Schedule - Assure the Contractor maintains up to date computerized schedules in critical path format. Review the Contractors' baseline and monthly schedule updates, coordinate changes, and forward written conclusions to the District.

1.2.5 Anticipation and Avoidance of Problems and Claims - Regularly review upcoming contract work to anticipate phasing or scheduling concerns, changed conditions, or operational conflicts.

TASK 2 – CONSTRUCTION MANAGEMENT SERVICES

2.0 Pre-Construction

Pre-Construction Meeting - Arrange for and manage a pre-construction conference with the contractor prior to the start of work. The pre-construction conference will include representatives from the design engineering firm, the District, and any other stake holders who may be involved based upon the design and permit conditions. Any questions or apparent issues that may be present at this time will be discussed and resolved prior to the contractor's mobilization. An agenda, action items and meeting minutes will be prepared and distributed.

2.0.1 Pre-Construction Training - Work with the contractor and environmental consultant to provide any required training.

2.0.2 Pre-Construction Photo and Video Documentation - Photograph all areas of construction just prior to actual construction. Each photograph will record the date and time and will be made available to the District upon request during construction and turned over to the District with project files after construction.

2.1 Contract Administration

Provide Construction Contract Administration Services as required to maintain accurate documentation of the construction and utilize CMIS electronic construction management and documentation control software.

2.1.1 Construction Management Plan - Prepare a Construction Management Plan that outlines the roles and responsibilities of the CM team during construction. The CM Plan will establish the protocol and procedures to be followed during construction such as submittal and RFI review; CCO review and approval; correspondence; contract administration and documentation requirements. The Plan will be submitted to the District for review prior to construction.

2.1.2 Correspondence and Reports – As part of the Construction Administration, manage all correspondence including tracking submittals, RFIs, CCOs, progress pay estimates, meeting minutes, testing reports, and furnishing reports on a regular basis as required by the District. Other correspondence will be produced as appropriate to the project status.

2.1.3 Submittal Review and Coordination - Prior to beginning the submittal process, work with the design engineer to develop a list of the required submittals. This will be used to ensure all items are submitted and done so in a reasonable amount of time prior to the work they pertain to. The majority of the submittals will be seen at the start of the project. This list can be reviewed at progress meetings and used proactively to help the contractor make submittals with a reasonable amount of time for sufficient review and acceptance without delay to construction. Coordinate with the design engineer for the efficient review and processing of all submittals including shop drawings, product data, and project specific plans. An updated submittal log will be maintained to accurately track review and approval of all submittals.

- 2.1.4 RFI Review** - Review and coordinate with the design engineer (if needed) the resolution of contractor requests for information (RFIs) and other requests in a timely manner. Maintain a running log.
- 2.1.5 Contract Time/Delays** - Track all working days and non-working days including weather days, CCO days, and other delays and will provide a weekly update of contract time at the weekly meeting. Review any contractor requests for time extension and will make a recommendation to the District. Such requests will be cross referenced with the Contractor's baseline schedule.
- 2.1.6 Material Substitutions** - Submittals which are non-standard or substitute alternatives for items specified, will be forwarded to the design engineer for review.
- 2.1.7 Weekly Meetings** - Hold a weekly construction meeting. The meetings are a valuable tool utilized to discuss project issues and concerns, discuss upcoming work items, coordination with operations, potential contract change orders, cost and schedule impacts, permit requirements, submittals, RFIs, and quality of work. The Contractor will prepare a three week look ahead schedule to be reviewed and discussed at the meeting. Discussion on the Contractor's upcoming schedule is important to anticipate any potential conflicts. Prepare and distribute meeting minutes.
- 2.1.8 Reports** - Prepare a monthly report which summarizes the construction cost and progress. The report will include contract progress, costs including change orders, submittal log, RFI log, change order log, updated progress payments, photos depicting work performed that month, summary of work performed, and discussion of project issues and any unique construction techniques being performed.
- 2.1.9 Certified Payroll Review** - Review the Contractor's certified payroll for completeness, accuracy, and prevailing wage compliance. Perform periodic employee interviews to verify Contractor's labor compliance and employees are being paid correctly in accordance to their duties. Any discrepancies will be brought to the Contractor's attention and the District will be notified.
- 2.1.10 Permits** - Verify that Contractor is adhering to and has maintained all permits applicable to the project including Storm Water and Regional Water Quality Control Board.

2.2 Photo Record Maintenance

Regularly photograph construction activity in digital format and deliver in electronic format.

2.3 Inspection

Provide a full-time onsite inspector. The inspectors' primary duties will be to inspect and verify that all work in place meets the requirements of the contract plans and specifications, shop drawings, change orders, and O & M manuals as well as maintenance of project documentation. Inspection procedures will be outlined in the Project Management Plan.

- 2.3.1 Daily Inspection Diaries** - The project inspector will maintain daily written records of work, including notation of such things as weather, personnel and equipment on-site,

sub-contractors on site, discussions held with contractor and others, project issues that arise, material and equipment received for on-site storage, etc. The inspector will maintain photo documentation as discussed previously.

2.3.2 Special Inspections - Coordinate with the design engineer to determine and provide special inspections that may be required for construction.

2.3.3 Record Drawing Maintenance - Regularly review the Contractor's record set for completeness and accuracy as well as keeping a separate As-Built set throughout the project.

2.3.4 Verification of Material and Equipment - As material arrives on site, inspector will verify that the delivered items conform to the project specifications and approved submittals, prior to approving them for use on the project.

2.3.5 Acceptance/Performance Testing - The project inspector will coordinate acceptance and performance testing of each system or piece of equipment in conformance with the requirements of the written specifications, industry standards and controlling codes.

2.3.6 Off-Site Inspections – Schedule and coordinate all off-site inspections.

2.4 Quality Assurance

Review and inspect all work in progress to assure that it meets the requirements and quality of work outlined in the contract documents. Any deficient work will be rejected.

2.5 Site Visits

The Construction Manager will visit the work site on a daily basis to stay abreast of the ongoing work and monitor the progress of the work. The CM will coordinate with the on-site inspector to assure construction quality.

2.6 Safety

Review and ensure compliance of contractor's safety plan as well as Cal OSHA requirements. Notify the contractor of safety problems immediately and direct the contractor to suspend work if imminent hazard is not immediately remedied or a dangerous condition persists.

2.7 Construction Materials Testing

Coordinate with Earth systems to assure all material meets the project documents. All tests will be logged and copies of all test reports will be maintained in the project files.

2.8 Progress Payments

The tracking of contract item payments and quantities is incorporated into the progress payment spreadsheet. Tracking of contract change order payments, extra work, and supplemental work will utilize electronic spreadsheet tracking. The project monthly and overall cost as well as the contingency balance will be verified as part to the monthly progress pay request review and submission. Upon our review and approval of the contractor's payment

request, we will forward a copy of the Monthly Payment Report form to the District for final approval and payment.

2.9 Schedule

Assure that the contractors maintain an up to date schedule. Review the contractors' baseline and monthly schedule updates, coordinate changes, and forward written conclusions to the District. Review to ensure milestone dates and any shutdown dates for tie-in's are realized in the schedule. The schedule will be used as the basis of determination for granting extra days relative to change orders. Should a contractor start to fall behind schedule, we will request a Recovery schedule and discuss methods to expedite the work.

2.10 Change Order Processing and Review

Prior to the start of construction, meet with the District to establish change order procedures. During construction review and evaluate contractor change order requests, recommend solutions, verify costs, negotiate change orders, prepare change order form, and maintain a log of all change orders and costs. Coordinate design related changes with the design engineer or other affected agencies and check to make sure all pertinent information is provided for timely review. All changes are reviewed against the project schedule to determine any time impact. Upon evaluation of any changes, make a recommendation to the District.

2.11 Claims Management

The main objective relating to claims on any project is to avoid them when possible. Good tools toward accomplishing this are to anticipate and address any potential problems before they occur, provide timely response to RFIs, promptly process change orders, thoroughly review the contractor's schedule and provide experienced review of the project work. If unforeseen conditions occur, work to identify and resolve cost & schedule related issues to keep the project on schedule and within budget. During construction work to assure that conflicts in the field are identified ahead of the scheduled work the conflict could affect, work to reduce or minimize third party impacts to the work, and notify the contractor in a timely manner such that his schedule is not disrupted.

Notices of Potential Claims submitted by the contractor will be acted on and processed in a timely manner in accordance with the Contract Documents. Detailed record keeping throughout the project is paramount in evaluating the validity and costs associated with any notice of potential claim (NOPC). The objective is to resolve any potential claims at the job level prior to becoming actual claims.

2.12 SWPPP Support

Review the Contractor's SWPPP and will provide storm water oversight throughout the project. Monitor to verify the Contractor is complying with the SWPPP requirements such as BMP maintenance and routine reporting.

TASK 3 – PROJECT CLOSEOUT

Be proactive during the close out of the Contract.

3.1 "Punchlist" Inspection

The project inspector and Construction Manager will administer the specifications' final acceptance requirements and develop a deficiency list (punch-list) for the work performed, notify the contractor, and re-inspect the completed work. Conduct a final inspection in presence of District representatives and the contractor.

3.2 Record Drawing

Review the contractors' record set for completeness and accuracy and compare with field copy. Submittal of Final Record Drawings will be required prior to recommending final completion.

3.3 Closeout

Upon satisfactory completion of all contract work, perform a final inspection, compile final invoices, assemble and submit contract closeout packages, prepare project closeout files and reports and recommend final acceptance of the project. A certificate of completion will be submitted to the District.

3.4 Final Report

Prepare a final construction report for the project. At a minimum the report shall contain the following:

- Final costs of the project (items, change orders and settled claims)
- Summary of key dates (advertisement, bid opening, award, pre-construction meeting, first working day, completion date)
- Summary of working days, non-working days, change order days, weather days, and other days
- Summary of change orders (approved costs and final costs)
- Final progress pay estimate spreadsheet with final contingency balance
- Discussion of significant issues or problems encountered or addressed during construction

JANUARY 25, 2023

ITEM E-2

ATTACHMENT B



MKN
530 Paulding Circle, Suite B
Arroyo Grande, CA 93420

January 19, 2023

Mario Iglesias
General Manager
Nipomo Community Services District
(Submitted Electronically)

RE: Proposal for Construction Management Services – Blacklake Consolidation Project Force Main

Mr. Iglesias,

MKN & Associates, Inc., (MKN) is pleased to provide this proposal to perform construction management and inspection services for Nipomo Community Services District (District). Our proposed scope of work and budget are attached for your consideration.

MKN proposes to complete this work on a time and materials basis with a budget not to exceed \$451,312 as provided in the Scope and Fee document (**Exhibit A**), and based on MKN's rate schedule, included as **Exhibit B**. The budget table in **Exhibit A** includes our assumptions regarding construction schedule and number of labor hours per month. The budget will not be exceeded unless prior written authorization is granted by the District. Rates are attached but may be revised annually. Other direct expenses (ODCs) are included as 3% of total labor costs.

Thank you for providing MKN the opportunity to propose on this work for the District. If you have any questions regarding this proposal, please contact me at mnunley@mknassociates.us.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Nunley". The signature is written in a cursive style.

Michael Nunley, PE
Principal in Charge

Enclosures:

- Exhibit A – Scope and Fee
- Exhibit B – Budget Summary

Exhibit A
Nipomo CSD
Blacklake Consolidation Project – Force Main

Owner's Representative Inspection and Construction Management Scope of Services

MKN will provide a Construction Manager (CM) and full time inspector as needed to provide the required level of construction management and quality assurance for the project. The CM's primary duties will be to manage construction and to inspect and verify that all work in place meets the requirements of the contract plans and specifications and to coordinate and manage document control.

Preconstruction Meeting

The MKN team will organize and conduct a preconstruction meeting with District staff, the contractor, subcontractors and any other key project stakeholders. Roles and responsibilities will be discussed. Lines of communication and decision-making procedures will be explained and clarified. Emergency contact information for all parties will be collected. MKN will generate an agenda prior to the meeting for review and acceptance by the District prior to the meeting. MKN will generate meeting minutes and distribute them to all interested parties.

Daily Inspection Diaries

The project inspector will maintain daily written records of work, including notation of such items as weather, personnel and equipment on-site, sub-contractors on site, discussions held with contractor and others, project issues that arise, material and equipment received for on-site storage, etc.

Photo Record Maintenance

MKN will regularly photograph construction activity in digital format and deliver in electronic format to the District.

Record Drawing Maintenance

MKN will regularly review the contractor's record drawing set for completeness and accuracy as well as keeping a separate As-Built set throughout the project.

Special Inspections

MKN will coordinate with the specialty inspection firm to provide geotechnical and other special inspections that may be required for the work.

Document Control

MKN will provide the software Procore for document management on the project. MKN will coordinate processing of all project documents including contractor RFIs and Submittals. MKN will ensure that contractor generated documents are routed to the appropriate parties for review and response. MKN will track and review document responses from the owner and engineer. MKN will forward all document responses to the Contractor. Throughout the process MKN will ensure that document correspondence is handled in a timely and efficient manor so as not to unnecessarily delay the project.

Schedule Review

MKN will review the contractor's baseline schedule submittal and all monthly schedule updates to ensure compliance with the contract requirements.

Pay Request Processing

MKN will review the Contractor's monthly pay request for completeness and accuracy. MKN will make recommendations and forward the pay request to the District for processing in accordance with the District's pay procedures.

Change Order Review

MKN will assist the District in review and processing any Contractor change order requests. MKN will make recommendations to the District as to the validity of any Change order requests. MKN will keep track of any time and material pricing for extra work as needed.

Progress Meetings

MKN will hold weekly, or as needed, virtual or on site progress meetings to review the progress of the work. Progress meetings will review, safety, submittal and RFI status, progress of the work, the three week look ahead schedule, extra work and change orders, quality issues and any other pending issues. MKN will prepare meeting minutes and distribute them to all interested parties.

Verification of Material and Equipment

As material arrives on site, the inspector will verify that the delivered items conform to the project specifications and approved submittals prior to approving them for use on the project.

Quality Assurance

MKN will inspect all work in progress to assure that it meets the requirements and quality of work outlined in the contract documents. Any deficient work will be rejected.

Acceptance/Performance Testing

The project CM will coordinate acceptance and performance testing of each system or piece of equipment in conformance with the requirements of the written specifications, industry standards and controlling codes.

Project Closeout

MKN will be proactive during the close out of the contract to assure that all work is completed to the satisfaction of the District, and to assure that all required documents, manuals, and warranties are properly submitted prior to final project closeout.

Punchlist Inspection

The project inspector and Construction Manager will administer the specifications' final acceptance requirements and develop a deficiency list (punch-list) for the work performed, notify the contractor, and re-inspect the completed work. MKN will also conduct a final inspection in the presence of the owner and the contractor.

O&M Manual and Warranty Coordination

MKN will coordinate with contractor to ensure that all required equipment O&M manuals are submitted; and will review vendor operation and maintenance manuals for conformance with the specifications. MKN will also assure that the contractor submits all warranty information and assist the owner during this period if corrective work is needed by the contractor.

Startup and Operator Training

MKN will review the project specifications to ascertain startup and training requirements for each system and piece of equipment to ensure that these requirements are satisfied.

Start-Up and Commissioning

MKN will coordinate with the contractor and the District for the commissioning of all new equipment and facilities. MKN will assist with troubleshooting and addressing any corrective action that may be required.

Closeout

Upon satisfactory completion of all contract work, MKN will perform a final inspection, compile final invoices, assemble and submit contract closeout packages, prepare project closeout files and reports and recommend final acceptance of the project.

Final Report

MKN will prepare a final construction report for the project. The report shall contain at a minimum the following:

- Final costs of the project (items, change orders and settled claims)
- A summary of key dates (advertisement, bid opening, award, pre-construction meeting, first working day, completion date)
- A summary of working days, non-working days, change order days, weather days, and other days
- Discussion of significant issues or problems encountered or addressed during construction
- A copy of the approved final acceptance form

**Construction Management and Inspection Services for
Nipomo CSD Blacklake Sewer System Consolidation Project - Force Main**



PROJECT SCHEDULE		2023													
PHASE		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
	Construction Management														
	Project Closeout														

PHASE		2023												Total Hours	Hourly Rate	Total Cost		
Role	Staff	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec					
Construction Management																		
Project Manager	Kim Lindbury		24	24	80	80	80	80	80	80					528	\$205	\$ 108,240	
Construction Inspector	Staff		16	16	172	172	172	172	172	172					1064	\$179	\$ 190,456	
Scheduler	Staff			8	4	4	4	4	4	4					32	\$160	\$ 5,120	
	Subtotal	0	40	48	256	256	256	256	256	256	0	0	0	0	1624		\$ 303,816	
Project Closeout																		
Project Manager	Kim Lindbury										40				40	\$205	\$ 8,200	
Construction Inspector	Staff										24				24	\$179	\$ 4,296	
	Subtotal	0	0	0	0	0	0	0	0	0	64	0	0	0	64		\$ 12,496	
	TOTAL HOURS	0	40	48	256	256	256	256	256	256	64	0	0	0	1688		\$ 316,312	
Direct Expenses																	\$5,000	
Subconsultants																		
As-Needed Surveying - MBS																	\$20,000	
Materials Testing - Earth Systems																	\$110,000	
Grand Total																		\$ 451,312



Exhibit B

**2023 FEE SCHEDULE FOR
PROFESSIONAL SERVICES**

ENGINEERS AND TECHNICAL SUPPORT STAFF

Engineering Technician	\$90/HR
Administrative Assistant	\$100/HR
CAD Technician I	\$118/HR
CAD Design Technician II	\$140/HR
Senior Designer	\$155/HR
Assistant Engineer I	\$125/HR
Assistant Engineer II	\$145/HR
GIS Specialist	\$150/HR
Planner	\$170/HR
Senior Planner	\$190/HR
Project Engineer I/ Senior Scientist	\$170/HR
Project Engineer II	\$180/HR
Senior Project Engineer I	\$195/HR
Senior Project Engineer II	\$200/HR
Project Manager	\$205/HR
Principal Engineer	\$230/HR
Project Director	\$255/HR

CONSTRUCTION MANAGEMENT SERVICES

Scheduler	\$160/HR
Assistant Resident Engineer	\$169/HR
Resident Engineer	\$184/HR
Construction Inspector	\$179/HR
Construction Manager	\$205/HR
Principal Construction Manager	\$236/HR

Routine office expenses such as computer usage, software licenses and fees, telephone charges, office equipment and supplies, incidental postage, copying, and faxes are included as a 3% fee on labor cost.

DIRECT PROJECT EXPENSES

Outside Reproduction	Cost + 10%
Subcontracted or Subconsultant Services	Cost + 10%
Travel & Subsistence (other than mileage)	Cost
Auto Mileage	Current IRS Rate - \$.62.5/mi.

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: January 20, 2023



**AGENDA ITEM
 F
 JANUARY 25, 2023**

GENERAL MANAGER’S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is January 8, 2022 through January 21, 2023.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District also 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 December data and Calendar Year-to-date data for these items.

OFFICE ACTIVITIES

	Dec 22	Jan 22 - Dec 22
Reports of Water Waste	0	1
Leak Adjustments	0	19
Leak Adjustment Amount	\$721	\$6,813
Late Fee Waivers	12	53
Late Fee Waiver Adjustment Amount	\$202	\$1,347

Water Resources

For the first five months of the 2022-23 Fiscal Year, the District’s total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 870.6 AF. As has been the trend of late, imported water through the Joshua Road Pump Station was greater than the groundwater production. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal.

	Dec - 22	Jul 22 - Dec 22
Groundwater Production	17.5	380.9
Supplemental Water Imported	<u>90.2</u>	<u>597.4</u>
Total Production	107.7	978.3

NCSD GW Reduction

The District’s purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each are responsible for 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 1,000 AF minimum imported water from the City of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – 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 2 captures this data.

Table 2. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

	Dec -22	Jul 21 – Dec 22
NCSD GW Well Production	17.5	380.9
Purveyor Customer Credit (33.3% of Import Water)	30.1	199.1
NCSD Total Calculated GW Production	47.6	580.0
Average GW Production for 2009-2013	141.4	1,384.6
NCSD Percentage of GW Reduction	66%	58%

2022 Fiscal Year Groundwater Pumping Forecast

Table 3 projects the District’s groundwater pumping reduction for the 2022-23 Fiscal Year. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the District’s targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of 2009-2013 average District GW Pumping). The five months of fiscal year 2022-23 actual – July through November – are combined with historic production from December 2021 through June 2021 to provide a projected estimate year end status.

Table 3. Projected Groundwater Pumping

	Dec-22	Year-to-Date Jul-Jun 2023	Target	Over/(Under)	
NCSD GW Well Production	17.5	783.5			
Purveyor Customer Credit (33.3% of Import Water)	30.1	380.1			
NCSD Total Calculated GW Production	47.6	1,163.6	1,266.7	103	AcFt
Average GW Production for 2009-2013	141.4	2,533.4	2,533.4		
NCSD Percentage of GW Reduction	66%	54.1%	50.0%		

As demonstrated in Table 3 above the District will achieved its 50% groundwater pumping reduction target by 103 AcFt under the conditions stated in the previous paragraph.

Below, Table 4 compares groundwater pumping for the same periods in 2022 and 2021.

Table 4. FY 2022 vs. FY 2021 Groundwater Pumping

	Dec-22	Jul 22 - Dec 22	Dec-21	Jul 21 - Dec 21
NCSD GW Well Production	17.5	380.9	35.6	376.8
Purveyor Customer Credit (33.3% of Import Water)	30.1	199.1	28.1	129.8
NCSD Total Calculated GW Production	47.6	580.0	63.8	506.6
Average GW Production for 2009-2013	141.4	1,384.6	141.4	1,384.6
NCSD Percentage of GW Reduction	66.3%	58.1%	54.9%	63.4%

Table 4 view of the data provides operations personnel with insight into year-end water production values and assists operational personnel in their efforts to balance import and groundwater

production with the purpose of reducing groundwater pumping to meet the self-imposed 50% pumping groundwater reduction – the current stage IV objective.

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
Dec. 2022 Total	7.17	4.42
July-2022 through Nov-2022 (Season Total)	9.88	8.07
Jan 1, through Jan 19, 2023	10.75	7.24
Total Rainfall to date	20.63	15.31
County Reported Avg. Ann. Year Rainfall ¹	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall ¹	15.39	13.30
2006 - 2020 Median Ann. Rainfall ¹	12.64	11.30

Note:

1. Data from County website

Connection Report

Nipomo Community Services District
Water and Sewer Connections

END OF MONTH REPORT

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Water Connections (Total)	4500	4500	4500	4501	4501	4501	4501	4505	4505	4505	4505	4506
Sewer Town connections (1)	2730	2730	2730	2731	2731	2731	2731	2735	2735	2737	2737	2738
Sewer Blacklake connections	559	559	559	559	559	559	559	559	559	559	559	559
Subtotal	3289	3289	3289	3290	3290	3290	3290	3294	3294	3296	3296	3297
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	481	481	481	481	482	482	482	482	482	482	483	484
Sewer Connections (Total)	3770	3770	3770	3771	3772	3772	3772	3776	3776	3778	3779	3781
New Water Connections	4	0	0	1	0	0	0	4	0	2	0	1
New Sewer Connection	4	0	0	1	0	0	1	3	0	0	0	1
New Sewer Connection-Galaxy and PSH	0	0	0	0	1	0	0	0	0	0	1	1

The Connection Report as of January 6, 2023

Supplemental Water Capacity Accounting

Summary Since January 25, 2008

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500.0
Supplemental Water Reserved (Will Serve Letter Issued)	149	-78.1
Subtotal Net Supplemental Water Available for Allocation	798	421.9
Supplemental Water Assigned (Intent-to-Serve Issued)	185.6	-98.0
Total Remaining Supplemental Water Available for Allocation	612	323.9

Updated January 6, 2023

Safety Program

No Reportable Safety Issues

All-Staff Quarterly Safety Meeting Scheduled for March 24, 2023

Other Items

- COVID19 NCSD Response Plan Update [Attachment A]
- Dana Reserve – Schedule [Attachment B]
- LAFCO Response Letter [Attachment C]
- County DESAL Committee Meetings [Attachment D]

Meetings (January 8 through January 21)

Meetings Attended (telephonically or in person):

- Jan 9, Staff Evaluation – Admin Supervisor
- Jan 9, NCSD Engineering Meeting
- Jan 10, Operations/Admin Weekly Meeting
- Jan 10, Eng/Oper Coordination Meeting
- Jan 10, SLO County CWAT Mtg. – Desal
- Jan 11, Rotary
- Jan 11, NCSD Regular Board Meeting
- Jan 11, After-Board Exec. Team Meeting
- Jan 12, Engineering Meeting – Ashcraft/Villanueva
- Jan 12, Asset Management Mtg – Pro-West
- Jan 12, SLO County CWAT Mtg. – Desal
- Jan 13, Staff Mtg. – Customer Service Specialist Mtg.
- Jan 13, Foothills Tank Appraisal Meeting
- Jan 13, Employee Recognition Meeting (20-yr Anniversary)
- Jan 13, RWG – Personnel Discussion
- Jan 13, NCSD Board Officer Meeting
- Jan 13, Developer Meeting – Dana Reserve
- Jan 16, MLK Holiday
- Jan 17, Operations/Admin Weekly Meeting
- Jan 17, Eng/Oper Coordination Meeting
- Jan 17, SLO County CWAT Mtg. – Desal
- Jan 18, Rotary
- Jan 18, Dr. Newton – Prep for GWI Presentation
- Jan 19, NMMA-TG Meeting
- Jan 19, SLO County CWAT Mtg. – Desal
- Jan 19, Developer Meeting – Dana Reserve
- Jan 20, Staff Mtg. – Customer Service Specialist Mtg.

Meetings Scheduled (January 8 through January 14):

Upcoming Meetings (telephonically or in person):

- Jan 23, Staff Mtg. - Admin Supervisor Mtg.
- Jan 23, Water Operations Wkly Meeting
- Jan 23, NMMA-TG Manager's Meeting
- Jan 23, Sundale Well – Analyzer Design Meeting

- Jan 23, SCAC Meeting
- Jan 24, Sewer Dept. Weekly Update Meeting
- Jan 24, Engineer Consultant Ashcraft/Villanueva
- Jan 24, Branch Stree Waterline Improv. Preconstr Meeting
- Jan 25, Rotary
- Jan 25, Regular Board Meeting
- Jan 25, After-Board Exec. Team Meeting
- Jan 26, Blacklake Sewer Consolidation Engineering Progress/Update
- Jan 26, FOG Program New Year Kick-off – Wallace Group
- Jan 27, Staff Mtg. - Cust. Service Specialist
- Jan 27, NCSD Board Officer Meeting

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- NMMA-TG: February 23rd (Thursday) @ 10:00 AM, Zoom Meeting
- RWMG: No Meeting Scheduled for November
- WRAC: No Meeting Scheduled for November
- NMMA Manager's Meeting: January 23rd (Monday) @ 10:00 AM, Zoom Meeting
- NCSD Board Officer Meeting: January 27th (Friday) @ 4:30 pm, NCSD Conf. Rm.

RECOMMENDATION

Staff seeks direction and input from your Board

ATTACHMENTS

- A. COVID19 - NCSD Response Plan (Updated)
- B. Dana Reserve Schedule (Updated)
- C. LAFCO Response Letter
- D. Desal Meeting Schedule

JANUARY 25, 2023

ITEM F

ATTACHMENT A

Date: January 25, 2023 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

DISTRICT RESPONSE TO COVID-19, Updated January 6, 2023

New Actions

Nipomo CSD Wastewater Data on County Website [see attached]

California Governor Plans end to COVID19 Emergency Declaration: February 28, 2023

Personnel on Quarantine (Change from January 11, 2023 Report)

Office Personnel: 0

Operational Personnel: 2 – (one water operator, one wastewater operator, each out 1 week)

Vaccine Update: No Change

Ongoing Actions

1. Testing available for Employees to test (Voluntary)
2. Following SLO Co. Masking guidelines (Voluntary)
3. Following Cal/OSHA guidelines

Previous Actions

1. For the Month of September, District Staff Tested 44 times (all negative results)
2. Mask Mandate Requirement Update – As of September 1, 2021, masks must be worn indoors at public facilities.
3. COVID19 Rapid Test Kits secured from SLO County at no cost to provide weekly work-place testing.
4. NCSO Board Passes Resolution Declaring Emergency in District [Res. 2020-1550, Mar. 24, 2020]
5. Admin Office Closed to the Public
 - a. Meetings are virtual – Conference Calls
6. Discontinued: Split staff into two teams
 - a. See schedule on Response Plan
7. Received directions for FEMA Public Assistance – Cost Tracking Guidance
8. Governor's Executive Order – No Water Turn-offs
 - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
9. Wipe-down between shifts
10. Each operator in separate designated vehicle.
11. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
12. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4th. County opened up construction sites.
13. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
14. Trailers for quarantine have been returned – May 1
15. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
16. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1

Date: January 25, 2023 Board Meeting
Response Activities to COVID19 Health Emergency
Prepared by: Mario Iglesias, General Manager

17. Lobby Modifications: Glass is equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
18. Board Meetings open to the public.
19. County Offices Continued Closed with Appointments provided to some departments as needed.
20. June 18, 2020, Governor Order issued requiring face masks be worn in public places. District management purchased disposable face masks for staff, Board Members, and any public that attends District Board Meetings and lack a face mask.
21. The customer counter window modifications at the office are completed.
22. Capital Improvement Projects continue to be impacted and schedules for completion continue to be pushed back due to material delivery delays.
23. Administrative Office open to public – April 19, 2021
24. Mask Mandate in SLO County (reinstated on September 1st) will be lifted when:
 - a. The county reaches the yellow, “moderate” level of COVID-19 community transmission, as defined by the Centers for Disease Control and Prevention (CDC), and stay there for at least 10 days, and
 - b. Public Health Officer Dr. Penny Borenstein determines that COVID-19 hospitalizations are low and stable and area hospitals are able to meet the needs of patients.
25. County Health provided COVID19 Rapid Test that will get us through January 2022. NCSO requesting additional tests for February and March. The District has sufficient tests to sustain routine testing practices through January 2022.
26. February 16, 2022, Indoor Mask Mandate Lifted in San Luis Obispo County for vaccinated individuals.

Mask Mandate Status:

- Effective March 1, 2022, the requirement that unvaccinated individuals mask in indoor public settings will move to a strong recommendation that all persons, regardless of vaccine status, continue indoor masking.
- Universal masking shall remain required in specified high-risk settings.
- After March 11, 2022, the universal masking requirement for K-12 and Childcare settings will terminate. CDPH strongly recommends that individuals in these settings continue to mask in indoor settings when the universal masking requirement lifts.

September 23, 2023: Masks in California are required when:

Taking effect Friday (September 23,2022) is the end of state-ordered mandatory masking in jails and prisons, homeless shelters, and emergency and cooling centers located in counties with a low COVID-19 community level, as defined by the U.S. Centers for Disease Control and Prevention.

October 2022: COVID-19 State of Emergency will end on February

Governor Gavin Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023. It is anticipated that San Luis Obispo County will follow suite shortly thereafter, and that would provide a setting for the Nipomo Community Services District to end its Emergency Declaration issued in Resolution 2020-1550.

JANUARY 25, 2023

ITEM F

ATTACHMENT B

Process & Timeline of Events for the Annexation of Dana Reserve into Nipomo Community Service District

KEY
LAFCO
NCS D
COUNTY
APPLICANT

- **APPLICANT SUBMITTED THEIR APPLICATION TO NCS D FOR ANNEXATION** | 6/24/20
 - o Application contents as required by the NCS D
 - o NCS D conducts specialized studies on the impact to the NCS D

- **APPLICANT SUBMITTED APPLICATION TO LAFCO THROUGH PETITION OF APPLICATION** | 10/12/22
 - o Application contents submitted to LAFCO

- **30-DAY REVIEW PERIOD** | Concluded 11/10/22

- **30-DAY REVIEW / INFORMATION HOLD LETTER** | Sent 11/8/22
 - o Given the circumstances of the situation wherein the application is coming in before the project is entitled, it is expected the project will remain on hold until the Board of Supervisors has taken action. Items that can be prepared/provided prior to Board of Supervisors approval were requested, including the District prepared Plan for Services as required by gov code 56653.

- **NOTICE OF PETITION OF APP TO THE LAFCO COMMISSION** | 11/17/22
 - o At the next available Commission Meeting a notice was given to the Commission for an application submitted to LAFCO through Petition of Application and not by the Agency

- **NCS D PHASING PLAN MEETINGS** | Nov 2022

- **NCS D Ad Hoc COMM** | Dec 2022

- **NCS D & APPLICANT ANNEXATION AGREEMENT** | Jan 2023

- **NCS D – PREPARES PLAN FOR SERVICES** | TBD

- **60-DAY NOTICE TO NCS D FOR AN OPPORTUNITY TO TERMINATE** | Concludes 1/16/23
 - o NCS D received a notice from LAFCO commencing the 60 days to terminate the request if they do not wish to annex the area
 - If no termination is requested, then LAFCO may continue processing the Application

- **COUNTY PLANNING COMMISSION APPROVAL** | Feb / March 2023

- **COUNTY BOARD OF SUPERVISORS APPROVAL | May / June 2023**
 - o General Plan amendment(s)
 - o Specific Plan
 - o Conditional Use Permit
 - o EIR
 - o Developer Agreement
 - o Vesting Tract Map

- **APPLICANT SUBMITS REVISED PROJECT INFORMATION BASED ON APPROVED PROJECT | July 2023**
General Plan amendment(s), etc as listed above

- **NOTICE OF FILING TO COUNTY ASSESSOR & COUNTY AUDITOR | Right after the above mentioned**
 - o This step cannot occur until the Board of Supervisors has taken action

- **LAFCO STUDY SESSION | At a minimum one study session will occur**
 - o This step will occur once the BOS has approved the project, staff will present the item as approved, and detail other pertinent items related to annexation and the District

- **LAFCO 2ND REVIEW OF APPROVED APPLICATION / POSSIBLE 2ND INFO HOLD LETTER**
 - o if necessary, more studies and/or information can be requested

- **REQUEST FOR COUNTY ASSESSOR REPORTS | within 30 days of the above**
 - o LAFCO prepares a referral to the County Assessor requesting Assessor's data

- **NOTICE OF FILING TO AFFECTED AGENCIES (NCSD & COUNTY) | Within 45 Days after the Above**
 - o LAFCO prepares draft Notice to Commence Property Tax Negotiations and sends to the County Auditor/ Property Tax Manager
 - o County Property Tax Manager will use Assessor's Reports to identify Tax Rate Areas (TRAs) associated with the jurisdictional change and allocates the 1% of assessed values to the affected taxing agencies on the Notice to Commence Negotiation form. Returns completed form/worksheet to LAFCO

- **PROPERTY TAX NEGOTIATIONS (NCSD & COUNTY) | Within 60 days – OPPORTUNITY TO EXTEND BY 30 DAYS**
 - o LAFCO sends filled out Notice to Commence Negotiation form to County Administrator Office & NCSD (if they would wish to negotiation for themselves Rev & Tax Code 99 (5) and 99.01)
 - o Local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies
 - o Opportunity to extend negotiations by 30 days for a total of 90 days if all parties are in agreement and notified in writing

- Property Tax Agreement shall be conducted pursuant to revenue and taxation code 99
 - Once there is an agreement the Admin Office will prepare the negotiated property tax agreement resolution and BOS agenda items for approval. Local agency may also prepare and submit a companion resolution for their board's approval
 - Board of Supervisors approves or denies the negotiated agreement. If denied, LAFCO can take no further action until an agreement is reached by the affected taxing agencies. Approvals are sent to LAFCO for the process to resume
- **CERTIFICATE OF FILING | Sep 2023**
 - Once the applicant has met all submission requirements and all items in the Information Hold letter, including Tax Exchange Agreement, LAFCO will issue a Certificate of filing accepting the application for filing
 - Hearing will be within 90 days of the Certificate of Filing
- **LAFCO HEARING | Oct / Nov 2023 (within 90 days of the above mentioned)**
 - Staff will prepare a staff report and supporting documents for the hearing
 - 21-day notice of Hearing & Additional noticing would be conducted per gov code section 56660, 56661, & 56665
- **30-DAY RECONSIDERATION PERIOD | Dec 2023**
 - Following a 30-day period during which any person may request the Commission to reconsider its action approving a proposal per gov code section 56895
- **NOTIFICATION OF COMMISSION ACTION FORM | Right After the Above mentioned**
 - Applicant should submit the signed Checklist for Completion of LAFCO Proceedings with the Evidence of Compliance with LAFCO Conditions Form (if applicable)
- **CERTIFICATE OF COMPLETION | TBD (based on Condition Compliance, If Any)**
 - After all Commission Conditions of Approval have been met LAFCO may file the certificate of Completion with the County Clerk Recorder
 - **Annexation is not completed until the Certificate of Completion is filed**
 - If a certificate of completion has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to the expiration of that year the commission authorizes an extension of time for that completion per gov code section 57001
- **LAFCO FILING WITH THE STATE BOARD OF EQUALIZATION | After Certificate of Completion is filed**

JANUARY 25, 2023

ITEM F

ATTACHMENT C



San Luis Obispo Local Agency Formation Commission

SENT VIA E-MAIL ONLY

COMMISSIONERS

Chairperson
ED WAAGE
City Member

Vice-Chair
DEBBIE ARNOLD
County Member

VACANT
County Member

MARSHALL OCHYLSKI
Special District Member

ROBERT ENNS
Special District Member

STEVE GREGORY
City Member

HEATHER JENSEN
Public Member

ALTERNATES

DAWN ORTIZ-LEGG
County Member

ED EBY
Special District Member

CHARLES BOURBEAU
City Member

David Watson
Public Member

STAFF

ROB FITZROY
Executive Officer

IMELDA MARQUEZ
Analyst

Morgan Bing
Clerk Analyst

BRIAN A. PIERIK
Legal Counsel

DATE: JANUARY 17, 2023

TO: MARIO IGLESIAS, GENERAL MANAGER NCS
CRAIG STEELE, LEGAL COUNSEL NCS

FROM: ROB FITZROY, EXECUTIVE OFFICER *RF*

CC: MEMBERS OF THE COMMISSION
BRIAN PIEIRK, LAFCO LEGAL COUNSEL
NICK TOMPKINS, APPLICANT

SUBJECT: DANA RESERVE 60 DAY NOTICE REPOSE FROM NCS

Mr. Iglesias,

Thank you and your Board for taking the time to review the November 17, 2022, Notice of Landowner Petition Letter sent to Nipomo Community Services District (NCS) and presented to the LAFCO Commission. We are taking this opportunity to respond to information contained in your January 11, 2023, staff report and response letter sent to LAFCO on January 11, 2023. We are responding because there appears to be a fundamental misunderstanding about the purpose of LAFCO's Notice of Petition staff report and it is necessary to correct erroneous information currently contained in the record in the NCS staff report and response letter.

1. The NCS staff report and response letter states the Notice of Petition was premature, untimely, and potentially illegal. The Notice of Petition of Landowner initiated application is a legally required step in the process pursuant to Government Code Section 56857. Please note this is a state law, not a policy of LAFCO. Nor, as stated in your response letter was it a discretionary decision of LAFCO to send the notice. Section 56857(A) and (B) of the government code states and directs what is required of LAFCO:

56857(a) Upon receipt by the commission of a proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, the executive officer shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any district to which an annexation of territory is requested. (b) No later than 60 days after the date that the proposal is on the commission's meeting agenda in accordance with subdivision (a), any district to which annexation of territory is proposed may adopt and transmit to the commission a resolution requesting termination of the proceedings. The resolution requesting

termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern....

LAFCO received the application of landowner to annex into NCS D on October 13, 2022, we sent NCS D a copy of the proposal on October 20, 2022, we sent the agenda to NCS D on November 10, 2022, the proposal was presented at the next available LAFCO meeting on November 17, 2022, and the Notice of Petition was directly transmitted to you via email on November 21, 2022. With regard to timing and Section 56857(A), LAFCO staff appropriately noticed the Commission and NCS D in accordance with applicable provisions of the law as stated above. Please note that Notice of Petition per 56857(A) is legally required by that code section and occurs any time an annexation request is directly submitted to LAFCO by a landowner for any city or district within the County. This process occurs frequently. Based on the NCS D response letter provided, LAFCO is in receipt of confirmation that NCS D will not be submitting a resolution to request termination of proceedings.

2. The January 11, 2023 NCS D staff report and letter state our Notice of Petition is premature because the project has not been deemed complete. However, regardless of whether the project is deemed complete for processing, Section 56857 sets forth the process and timing which was followed by LAFCO. Please note for the record, LAFCO has not deemed the annexation application complete for processing, this will not occur until all items listed in our Information Hold letter are submitted, dated November 8, 2022, see Attachment 1.
3. Based on the staff report and NCS D response letter, NCS D staff appear to be under the impression that LAFCO prematurely required NCS D to make a decision on the project. Please note, no decisions or responses were required of NCS D pursuant to Government Code Section 56857. NCS D had the option to state if it wishes to continue evaluating the project and will make a decision at a later time consistent with NCS D's January 2020 annexation policies. Please note, the intent and request in front of NCS D is narrow and specific, and does not require NCS D to take any action. The primary intent is notification to the affected district. The question before NCS D is; does NCS D wish to terminate the application based on known substantial evidence in the record at the time of notice? See Government Code section 56857(b) stated above.

As detailed in our November 17, 2022, letter to NCS D, the 60 day termination period is a window of time allowed by state law wherein an agency affected by an annexation has the *opportunity* to terminate a request based on substantial evidence known at that time, if it exists. The intent is to discontinue an annexation proposal early in the process to reduce time and expense on an annexation that could or should be denied based on information already known. For example, if it is widely known and documented in the record at the time of submittal of an annexation application that an existing deficiency in service exists and that there is no ability for a district to serve a project, a district can request that it be terminated. If financial or service related concerns were to arise after the 60 day period after further evaluation, then that would be documented throughout LAFCO's processing of the application and would likely lead to an outcome consistent with the district's capabilities. Not providing a response within 60 days does not indicate support or lack of support for the project. It is often the case that agencies need more than 60 days to evaluate a request. It is expected that NCS D will continue to evaluate the project consistent with NCS D's January 2020 annexation policies. Further, the January 11, 2023 NCS D staff report and January 13, 2023 response letter

acknowledge that financial or service related concerns do not exist at this time. This is also supported by the February 16, 2022 Dana Reserve Water and Wastewater Service Study and May 17, 2022 Dana Reserve Rate Impact Study prepared by NCSO.

4. The NCSO response letter states that the November 17, 2022, Notice of Petition “unfairly and likely illegally precludes NCSO from realistically considering its legal right to terminate the petition at this stage”. We do not agree with this statement. As per the above Government Code section, LAFCO complied with state law by providing notice to the district. NCSO will have ample opportunity in the future to participate in the process, of which a critical component is the Plan for Services prepared by NCSO, the tax negotiation process, and an annexation agreement that would need be to the satisfaction of the NCSO. In addition NCSO’s January 2020 annexation policies state that the NCSO Board will consider “approval” of the annexation request once critical items have been prepared, similar to those mentioned above. LAFCO’s compliance with Government Code 56857 does not preclude these actions from occurring. Moreover, our November 17, 2022, letter stated and recognizes that NCSO has the right to continue to evaluate the request in context to their policies for annexation. Should NCSO wish to support the annexation, that information will be conveyed to LAFCO who will then ultimately decide whether to approve the annexation. Should the NCSO not wish to support the project, similarly, NCSO can convey that information to LAFCO. As shared with you and your legal counsel via email on December 29, 2022, per Section 56668.3 (5) (b):

The commission shall give great weight to any resolution raising objections to the action that is filed by a city or a district. The commission’s consideration shall be based only on financial or service related concerns expressed in the protest. Except for findings regarding the value of written protests, the commission is not required to make any express findings concerning any of the other factors considered by the commission.

As such, we disagree that complying with Government Code section 56857(b) has deprived NCSO of any consideration or ability to participate in the process or comply with its own policies or be a position wherein LAFCO will not consider the District’s position on the project.

Lastly, we would like to express our continued desire to work collaboratively with NCSO. The NCSO staff report and response letter do not reflect the collaboration that has occurred between LAFCO and NCSO to date. LAFCO staff have collaborated with NCSO staff on numerous occasions, via email, in person, and via Zoom of which began as early as July 2022. Discussions throughout those meetings centered on a variety of topics including those discussed herein. Please note in the future if there are any concerns, comments, or questions, we will gladly answer any questions you, your counsel or your Board may have. If you wish to discuss this matter at this time, we are available to participate in a meeting with you which can be attended by our respective legal counsels. If you do wish to meet, please advise us of your availability. We look forward to continued collaboration on this regionally significant project.

Attachments:

1. **30-Day Information Hold Letter November**
2. **LAFCO 60 Day Notice of Petition Staff Report November 17, 2022**
3. **NCSO Staff Report January 11, 2023**
4. **NCSO Response Letter Regarding 60 Day Notice of Application January 13, 2023**

JANUARY 25, 2023

ITEM F

ATTACHMENT D

Update: January 20, 2023

Mario Iglesias

County Water Action Team (CWAT)

County DESAL Meetings

Date	Speaker	Item/Issue/discipline	Company
1/10/2023	Dmitry Semenov	Financing Projects	Ridgeline Municipal Strategies, LLC
1/12/2023	Eric Miller	Fisheries Biologist	Miller Marin Science Consultants
1/17/2023			
1/19/2023	Tim Hogan	Biologist	TWB Environmental Research Consulting
2/6/2023			
2/7/2023			
2/9/2023			