

TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E. *P.V.S.*
DIRECTOR OF ENGINEERING
AND OPERATIONS

DATE: JULY 5, 2013



**SERVICE REQUEST
697 WEST TEFFT STREET, APN 092-577-008
SINGLE PARCEL COMMERCIAL DEVELOPMENT**

ITEM

Consider request for water, sewer and solid waste service (Intent-to-Serve Letter) for 697 West Tefft Street, APN 092-577-008, a single parcel commercial development [RECOMMEND CONSIDER INTENT TO SERVE LETTER AND APPROVE, DENY OR CONTINUE].

BACKGROUND

The District received an application for water, sewer and solid waste service for a single commercial parcel located at 697 West Tefft Street (APN 092-577-008) on June 26, 2013. The application was submitted by the property owner, Ahmad Mashayekan. The application is for a commercial business (2900 square foot medical office building) on the referenced 2.83 acre parcel. The parcel is not currently served with District water, sewer or solid waste services.

The District issued an Intent-to-Letter to the previous owner, Terrence Flatley, dated January 11, 2012, for a mixed use project. The current property owner plans to only build a single commercial building at this time and not subdivide the property. In accordance with District code, the existing Intent-to-Serve letter for the property will be rescinded if the Board approves the applicant's request for the new Intent-to-Serve letter for the single commercial building.

The project will be required to obtain water, sewer and solid waste service in compliance with current District standards. Any existing well(s) on the property will not be utilized to provide domestic water service to any part of the project. In addition, any water and sewer improvements installed by the previous property owner as part of the abandoned project that will not be utilized for the current project will need to be disconnected or otherwise isolated from the improvements that will be dedicated to the District. Isolation of installed but not utilized infrastructure is necessary to protect water quality in the water distribution system and prevent overflows in the sewer collection system as well as reduce potential for illegal connections to the District's infrastructure.

Water and sewer demand for the project was estimated by the applicant's architect to be 9400 gallons per year, not including landscape irrigation. Commercial projects that submit a landscape plan consistent with best management practices are exempt from District Code Chapter 3.05, Water Service Limitations (annual allocation limits). The District accounts for increased water demand resulting from commercial growth by reducing the water allocation reservation for residential projects by 5%. The applicant will be required to submit an irrigation plan, a plant material layout plan, a plant material list, and a hardscape plan, if there are any water features (such as fountains and swimming pools) included in the project, to the District for review and approval prior to issuance of the Will-Serve letter for the project.

FISCAL IMPACT

Water and sewer capacity fees will be based on the domestic meter size and irrigation meter size as shown on the District approved improvement plans for the final County approved project as well as CAL FIRE's fire service requirements. Assuming one (1) 1-inch domestic meter, one (1) 1-inch irrigation meter, and one (1) 6-inch fire connection, as well as one (1) sewer connection based on the domestic water meter size, the estimated fee deposit for the project is \$117,228 based on the current District fee schedule.

RECOMMENDATION

Staff requests the Board provide staff with direction to approve, deny or continue the application. If the Board desires to approve the project, then staff should be directed to issue an Intent-to-Serve letter for the project with the following conditions:

- The Intent-to-Serve Letter issued to the previous property owner, Terrence Flatley, dated January 11, 2012, is rescinded.
- The project shall obtain solid waste, sewer and water service.
- The project shall be served by a single 1 inch meter and backflow assembly for indoor use. Water meter capacity charges will be applicable.
- The project shall be served by a single 1 inch meter and backflow assembly for outdoor use. Irrigation meter capacity charges will be applicable.
- The project shall be served by a single 6 inch fire service and backflow assembly as required by CAL FIRE of SLO County. CAL FIRE of SLO County must approve the development plans prior to District approval. Fire service capacity charges will be applicable.
- Record a restriction, subject to District approval, on the property prohibiting the use of well(s) to provide water service to any parcel within the Project.
- Properly abandon any existing groundwater wells and provide documentation to District.
- Record a restriction, subject to District approval, on the property prohibiting use of self-regenerating water softeners.
- Comply with District water conservation program.
- Pay all appropriate District fees associated with this development.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Enter into a Plan Check and Inspection Agreement and provide a deposit.
- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed project configuration. Any water and sewer improvements installed by the previous property owner as part of the abandoned project that will not be utilized for the current project will need to be disconnected or otherwise isolated from the improvements that will be dedicated to the District.
- Discharge of fats, oils and grease to the sanitary sewer system shall be prohibited.
- Any easements required for water and sewer improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- Any easements required for private water and sewer laterals shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All water and sewer improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name prior to issuance of Will-Serve letter.

- An irrigation plan, a plant material layout plan, a plant material list (if not included in the plant material layout plan), and a hardscape plan, if there are any water features (such as fountains and swimming pools) included in the project, shall be submitted for review and approval prior to issuance of Will-Serve letter.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.
- Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.
- Construct the improvements required and submit the following:
 - Reproducible "As Builts" - A mylar copy and digital format disk (AutoCAD) which includes engineer, developer, tract number and water and sewer improvements
 - Offer of Dedication
 - Engineer's Certification
 - Summary of all water and sewer improvement costs
- The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo, the District's acceptance of improvements to be dedicated to the District, if applicable, and the final payment of all charges and fees owed to the District.
- This letter is void if land use is other than commercial use as defined by the District.
- Intent-to-Serve letters shall automatically terminate on the first to occur:
 - Failure of the Applicant to provide District with written verification that County application for the Project has been deemed complete within two hundred forty (240) calendar days of the date the Intent-to-Serve Letter is issued; or
 - Three (3) years, from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
 - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
 - Applicant provides proof of reasonable due diligence in processing the Project.
 - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- This Intent-to-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District.
- This Intent-to-Serve letter may be revoked, or amended, as a result of conditions imposed upon the District by a court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- The District reserves the right to revoke this "Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

ATTACHMENTS

- A. Application
- B. Proposed Site Plan
- C. Estimated Water Demand
- D. County Building Permit Application Summary

JULY 10, 2013

ITEM E-1

ATTACHMENT A



NIPOMO COMMUNITY SERVICES DISTRICT

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

Office use only:
Date and Time
RECEIVED
Complete
Application and
fees received:
JUN 26 2013
NIPOMO COMMUNITY
SERVICES DISTRICT

INTENT-TO-SERVE APPLICATION

BASED ON REVIEW OF COUNTY RECORDS, ADDRESS IS 697 W. TEFFT AND APN IS 092-577-008.

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

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

- Project location: 691 W. TEFFT ST. NIPOMO, CA, 93444
- Assessor's Parcel Number (APN) of lot(s) to be served: 092 132 011
- Owner Name: Ahmad MASHAYEKAN 92037
- Mailing Address: 9850 GENESSEE AVE #160, LA JOLLA, CA,
- Email: d.mashayekan@att.net
- Phone: 760 835 0720 FAX: 858 622-1811
- Agent's Information (Architect or Engineer):
Name: MATT CEBULLA 93433
Address: 171 N. 13th St. #B GROVER BEACH, CA,
Email: mtceb@yahoo.com
Phone: 805 473 1298 FAX: _____
- Type of Project: (check box) (see Page 3 for definitions)

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

- Total Number of Dwelling Units 1 Number of Low Income Units _____
- Does this project require a sub-division? Yes No
If yes, number of new lots created _____
- Site Plan:

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

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

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

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

15. Water Demand Certification:

A completed Water Demand Certification, signed by project engineer/architect, must be included for all residential and the residential portion of mixed-use projects.

16. Commercial Projects Service Demand Estimates:

Provide an estimate of yearly water (AFY) and sewer (gallons) demand for the project prepared by a licensed Engineer/Architect. **Please note:** All commercial projects are required to use low water use irrigation systems and water conservation best management practices.

17. Agreement:

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

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

Application Processing Fee.....See Attached Fee Schedule

Date 6/25/13

Signed

Mashayekhan

(Must be signed by owner or owner's agent)

Print Name

DAVID AHMAD MASHAYEKHAN

APPLICATION FEES AND CHARGES
 Effective July 1, 2012

PROJECT SIZE/TYPE	TOTAL AMOUNT DUE**	NON-REFUNDABLE AMOUNT DUE AT TIME OF SUBMITTING APPLICATION PURSUANT TO A & B(1) BELOW	BALANCE DUE PURSUANT TO B(2) BELOW
Residential <3 units	\$1,038.89	\$1,038.89	\$0.00
Residential 4-20 units	\$1,427.02	\$356.76	\$1,070.26
Residential > 20 units	\$1,680.12	\$420.03	\$1,260.09
Commercial <1 acre	\$1,427.02	\$356.76	\$1,070.26
→ Commercial 1-3 acres	\$1,680.41	\$420.03	\$1,260.09
Commercial > 3 acres	\$2,321.35	\$580.34	\$1,741.01
Mixed Use with less than 3 Dwelling Units	\$1,680.12	\$420.03	\$1,260.09
Mixed Use with four or more Dwelling Units	\$2,321.35	\$580.34	\$1,741.01
*Outside Consulting and Legal fees will be billed to the Applicant at direct rate.			

Timing of Fee

A. For residential projects with less than three (3) units the Application Fee is due and payable with the application for service.

B. For residential units that exceed three (3) units and all commercial projects and mixed use projects, the Application fee is due and payable as follows:

1. Twenty-five percent (25%) as a non-refundable deposit with the application for service.
2. The remainder of the Application Fee, plus charges for District consultants in processing the application, is due and payable prior to the District issuing a "Will-Serve Letter" or entering into a Plan Check and Inspection Agreement, whichever occurs first.

**Commencing on July 1, 2008 and each year thereafter the Application Fees shall be adjusted by a Consumer Price Index formula.

JULY 10, 2013

ITEM E-1

ATTACHMENT B

CEBILLA ASSOCIATES
PO BOX 40
FROSTBURN CA 95888
FAX (925) 472-2523
www.cebillainc.com

PROJECT: 0196, 84599
ARCHITECT: CHUBBIS, CEBILLA
DESIGNER: MATT CEBILLA

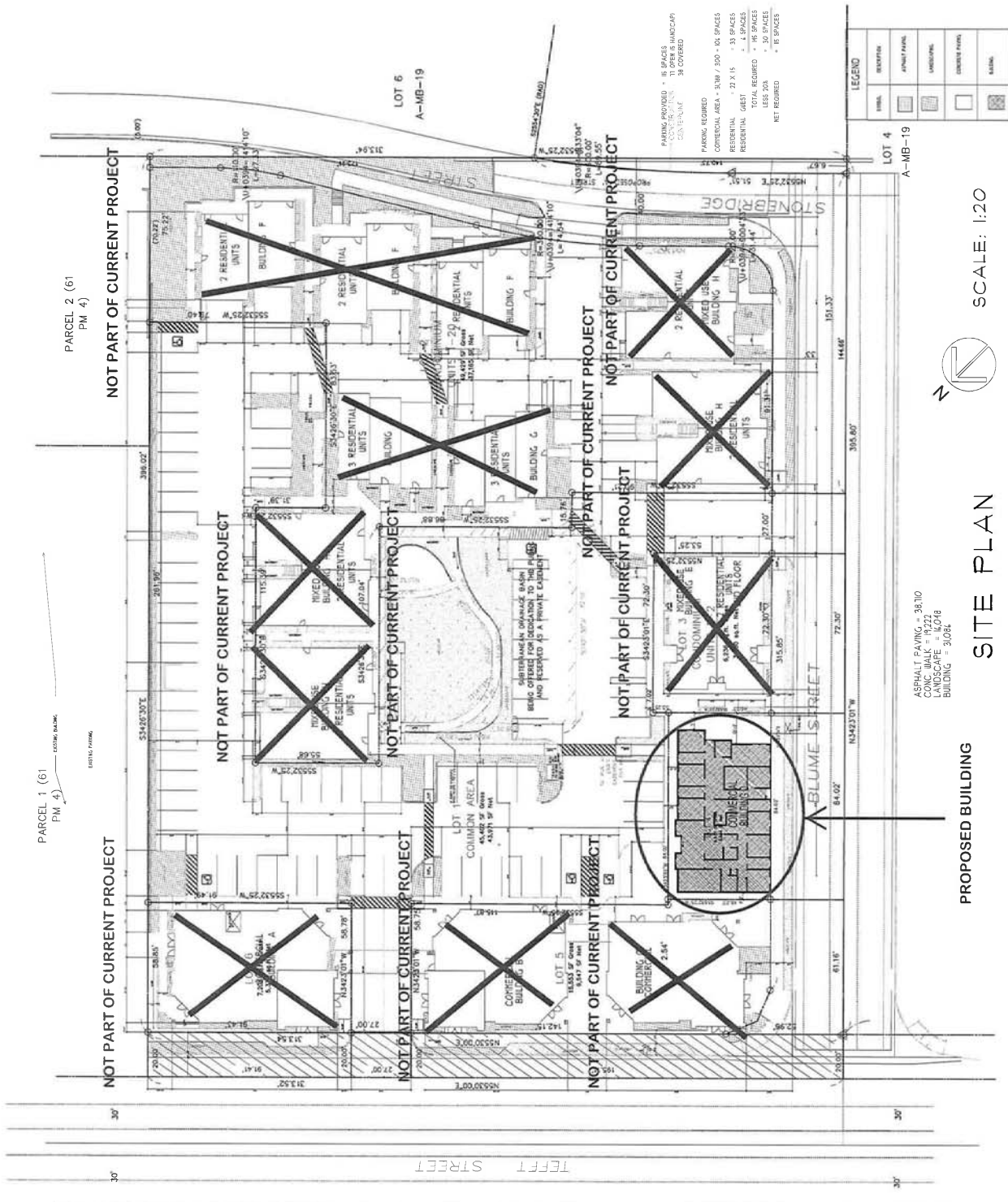


OWNER:
DAVID ABRAMOVICH
9540 GREASE AVE #100
LA JOLLA, CA 92037
760-857-0720

REVISIONS:
PLAN CHECK 04-01-13
PLAN CHECK 05-14-13

JOB # 19-H3
DATE: December 26, 2012

SHEET
1



ASPHALT PAVING = 18.710
CONC WALK = 19.222
LANDSCAPE = 11.016
BUILDING = 3.084



SCALE: 1:20

SITE PLAN

PROPOSED BUILDING

LEGEND	
[Symbol]	WALKWAY
[Symbol]	ASPHALT PAVING
[Symbol]	LANDSCAPE
[Symbol]	CONCRETE FLOOR
[Symbol]	BUILDING

PARKING PROVIDED - 8 SPACES
CONVERTIBLE - 18 SPACES
TOTAL REQUIRED - 26 SPACES

PARKING REQUIRED
COMMERCIAL AREA - 5'00" / 100' - 04 SPACES
RESIDENTIAL - 22' X 15' - 33 SPACES
RESIDENTIAL GUEST - 4 SPACES
TOTAL REQUIRED - 46 SPACES
LESS 20A - 30 SPACES
NET REQUIRED - 16 SPACES

JULY 10, 2013

ITEM E-1

ATTACHMENT C



ARCHITECTURE / DESIGN

P.O. Box 42
Pismo Beach, CA 93448
PH. (805) 473-1298
Fax (805) 473-8203

www.cebullaassociates.net

June 26, 2013

David Mashayeken
9850 Genesee Ave. #160
La Jolla, CA 92037

Re: Medical Building, 691 West Tefft, Nipomo, CA

Dear Sir:

Here is my estimate of water use for the above mentioned project.

Exam sinks - (8) 5 gal. per day = 1300 gal per year

Lab sink - (1) 2 gal per day = 520

Break Room sink - (1) 5 gal per day = 1300

Toilet room lav - (2) 4 gal per day = 1040

Water closets - (2) 20 gal per day = 5200

Total = 9360 gal per year

Sincerely,

A handwritten signature in cursive script that reads 'Charles Cebulla'.

Charles Cebulla, Architect

JULY 10, 2013

ITEM E-1

ATTACHMENT D

[[Staff Log On](#)]



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County of San Luis Obispo, Department of Planning and Building

Permit - PMT2012-01438 Review

Permit Info	Build	Activities	Fees	Conditions
Valuations				

Office, Bank, & Professional

MEDICAL OFFICE BUILDING (2,916 SF),
BUILDING D

Parcel: [092-577-008](#)
Address: 00697 WE TEFFT ST NIPO
Application Date: 2/20/2013
Issued Date:
Expiration Date:
Finaled Date:
Community:
Planning Area:
Coastal Zone: No
Staff Assigned:
Status: Review

Zoom In || Zoom Out

No data found for this search or region
Please try again

Scale : 1 pixel = Infinity ft

[Search For Another Permit](#)



TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E. *P.V.S.*
DIRECTOR OF ENGINEERING
AND OPERATIONS

DATE: JULY 2, 2013

AGENDA ITEM

E-2

JULY 10, 2013

**AUTHORIZE CHANGE ORDER FOR
SOUTHLAND WASTEWATER TREATMENT FACILITY PHASE 1
IMPROVEMENT PROJECT**

ITEM

Consider authorizing Change Order for construction of additional disposal facilities as part of Southland Wastewater Treatment Facility (WWTF) Phase 1 Improvement Project [RECOMMEND AUTHORIZE STAFF TO ISSUE CHANGE ORDER IN THE AMOUNT OF \$876,900 TO CUSHMAN CONTRACTING CORPORATION FOR CONSTRUCTION OF ADDITIONAL DISPOSAL FACILITIES AS PART OF SOUTHLAND WWTF PHASE 1 IMPROVEMENT PROJECT].

BACKGROUND

The Southland WWTF Phase 1 Improvement Project that is currently under construction will replace the current 0.9 million gallon per day (MGD) pond plant with a new treatment plant that will include an influent metering manhole, influent lift station, influent screening system, grit removal system, Biolac® aeration basin, two clarifiers, a gravity belt thickener, two concrete lined sludge drying beds, controls & blower building, and a non-potable plant water system.

The construction contract was awarded to Cushman Contracting Corporation in June 2012. The Southland WWTF Phase 1 Improvement Project bid documents included an additive alternate bid item for a Clarifier #2 (Alternate X) and an additive alternate bid item for additional on-site disposal facilities (Alternate Y). While sufficient funding may have been available to award the construction of both additive alternates, in order to maintain some available contingency for construction, staff recommended that only Alternate X, Clarifier #2, be awarded at the time.

Construction is now approximately 50% complete. To date, anticipated change order costs are less than 1% of the overall construction contract cost. In addition, the South Frontage Road Trunk Sewer Project was completed in 2012 and was \$300,000 below budget. Thus, sufficient funding currently exists to construct additional disposal facilities at the Southland WWTF. The additional disposal facilities would provide additional surface area for disposal and would provide the District with more time to develop off-site disposal facilities.

Cushman has offered to complete the work for \$837,900, which is 5% more than the original bid price, since it was not awarded at the time, to account for increases in the cost of the work, fuel, material and taxes. In addition, the fencing cost, in the amount of \$39,000, around the new percolation ponds, that was included in the base bid and credited to the District in a Change Order at the beginning of the project since Alternate Y was not originally awarded, needs to be added back to the contract. Thus, total cost to implement the work is \$876,900.

ENVIRONMENTAL REVIEW

The Project Final EIR was certified by the District in November 2011. In December 2011, the Board adopted a resolution making CEQA project findings, adopting a statement of overriding considerations, adopting a project mitigation monitoring plan, approving the Southland WWTF Phase 1 Improvement Project and directing staff to file a Notice of Determination with the County in compliance with CEQA.

The appropriate mitigation requirements related to the construction of the Southland WWTF Phase 1 Improvement Project, including construction of the additional disposal facilities, have been incorporated into the final design and the construction contract documents.

FISCAL IMPACT

Funding for the additional disposal facilities is included in the FY 2013-2014 District budget as part of the overall project budget for the Southland WWTF Phase 1 Improvement Project.

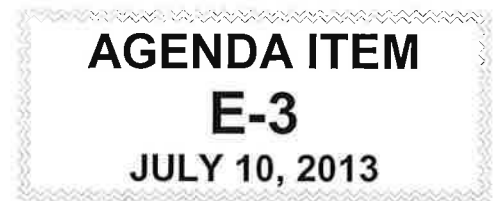
STRATEGIC PLAN

Strategic Plan Goal 2.2 – Upgrade and Maintain Collection and Treatment Works
Strategic Plan Goal 2.3 – Select Disposal Solution for Southland Effluent and Implement
Strategic Plan Goal 2.5 – Comply with State and Federal Regulations and Mandates

RECOMMENDATION

Staff recommends that the Board authorize the General Manager to approve a change order in the amount of \$876,900 with Cushman Contracting Corporation for the construction of additional disposal facilities as part of the Southland WWTF Phase 1 Improvement Project.

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MGL*
GENERAL MANAGER
DATE: JULY 3, 2013



AUTHORIZE REQUEST FOR WATER FUND RATE AND CAPACITY CHARGE STUDY PROPOSALS

ITEM

Consider a draft request for proposals to develop a water fund rate and capacity charge study [RECOMMEND CONSIDER DRAFT REQUEST, AMEND AS NECESSARY, AND AUTHORIZE STAFF TO CIRCULATE THE REQUEST FOR PROPOSALS].

BACKGROUND

The District's last Water Fund Rate Study was completed in 2009. The District's last Water Fund Capacity Study was completed in 2007. The District entered into a Wholesale Agreement to purchase water from the City of Santa Maria in 2013 and on June 20, 2013, awarded contracts to construct a pipeline to deliver water from the City. The District is scheduled to complete the pipeline construction project in late 2014 and receive water from the City shortly thereafter.

The pipeline construction project represents a significant investment in water supply infrastructure and the purchase of water from the City will impact water rates.

The draft Request for Proposals is intended to result in a comprehensive study of Water Fund rate and capacity charges necessary to support the continued operation and maintenance of the water supply system.

FISCAL IMPACT

Budgeted staff time to prepare these agenda materials. Funds for preparation of the report by a consultant are included in the Water Fund 2013-2014 professional services budget.

STRATEGIC PLAN

Strategic Plan Goal 6.1 – Operate all enterprise funds to be financially sound.

RECOMMENDATION

Consider draft request, amend as necessary and by motion and roll call vote, approve and authorize staff to circulate the request for proposals.

ATTACHMENT

- A. Draft Request for Proposals

JULY 10, 2013

ITEM E-3

ATTACHMENT A

NIPOMO COMMUNITY

BOARD MEMBERS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
DAN GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR
CRAIG ARMSTRONG, DIRECTOR



SERVICES DISTRICT

STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUA, FINANCE DIRECTOR
PETER SEVCIK, P.E., DIRECTOR OF ENG & OPS
MIKE SEITZ, GENERAL COUNSEL

Serving the Community Since 1965

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

July 12, 2013

Mail Merge

SUBJECT: REQUEST FOR PROPOSAL FOR WATER RATE STUDY AND WATER CAPACITY CHARGE STUDY

GENERAL INFORMATION

Nipomo Community Services District ("District") was formed in 1965 and provides potable water to an estimated service area population of 12,000 customers via approximately 4,300 water service connections. The District is primarily a residential semi-rural community comprised of single-family and multi-family residences with a small commercial corridor. The District operates under a governing body of five elected members on a Board of Directors. The District employs administrative and operations staff of sixteen employees, including the General Manager.

Currently, the District's water supply is 100% local groundwater pumped via District owned wells. In fall 2014, the District is scheduled to complete an interconnection with the City of Santa Maria and purchase water from the City in accordance with a Wholesale Water Agreement. The District expects to sell 33% of the water it purchases from the City to three other area purveyors in accordance with a Court ordered Stipulation.

PURPOSE OF RFP

The purpose of this Request for Proposal (RFP) is to obtain the services of a qualified rate practitioner to complete a Water Rate Study and Water Capacity Study for the District's Water Enterprise.

SCOPE OF SERVICES

The anticipated basic Scope of Services will include, but are not limited to the following:

A. Basic Study Objectives

1. Develop a fair and equitable water rate structure that will allow the District to meet its financial, contractual, and legal obligations, while ensuring long-term financial stability of the Water Fund.
2. Study must support a rate structure that will meet the requirements of Proposition 218 rate setting.
3. Analyze methods of integrating cost of Santa Maria water into District rate structure and billing.

4. Assess the equity of recommended water rates for all types of property ownership to include residential, multi-family, commercial, irrigation, agriculture, fire standby charge, and construction uses.
5. Assess the sensitivity of the interaction between water conservation elements of the recommended tiered rate structures and their impacts on the ability to fund water operations as well as their impact on the economic well-being of the community.
6. Assess the impact of mandatory groundwater production limitations and recommend methods to address and mitigate these impacts.
7. Develop a Water Capacity Charge (Buy-In) to the District's water system, including the Santa Maria Supplemental Water Project and provide a mechanism by which new users can pay for the cost of facilities to serve them without burdening existing users. The Capacity Charge must be consistent with AB 1600.

B. Study Requirements

1. The tiered rate structures shall be based primarily on water consumption and shall be compliant with CUWCC best management practices for conservation rate structures.
2. The rate structure shall treat cost of Santa Maria water as a 'pass-through' cost or otherwise avoid triggering a Proposition 218 rate increase process when the City's rates are increased.
3. The recommended rate structure shall be based on cost of service and shall be sufficient to meet the short and long-term revenue requirements of the District's Water Fund.
4. The rate study shall recommend rates that consider and make provision for the following factors:
 - a) Current and future cost of providing water in accordance with established and anticipated standards, regulations, and court orders
 - b) Projected demands, while considering goal of water conservation
 - c) Mandatory 30% and 50% reduction in groundwater production June – September
 - d) Age and condition of water system and the need to fund long-term capital improvement/replacements of infrastructure
 - e) Funding requirements for all current debt service obligations
 - f) Rate stability in lowest rate Tier
5. The recommended rate structures shall provide direct identification of revenues appropriated for major funded activities and infrastructure such as:
 - a) Operation & Maintenance (O & M) expenses
 - b) Capital and Replacement expenses
 - c) Bond coverage requirements
 - d) Water purchase from outside sources
6. Analyze and develop a recommendation for establishing a rate for selling imported water in accordance with the Court ordered Stipulation.

7. Analyze and develop a recommendation regarding what level of adequate reserves would be necessary to meet the District's needs. Discuss and compare recommendation for reserves to the District's current reserve policy for the Fund.
8. Assess existing customer service fee structure and identify other potential areas for service and system charges (including, but not limited to water shut-offs, back-flow devices, meter set fees, after-hours calls, etc.).
9. Recommend water capacity charges (including fire system fees) that consider and make provisions for the following factors:
 - a) The District's current infrastructure as well as infrastructure currently under construction
 - b) Proposed projects based on the most recent Water Master Plan, projects included in the adopted budget and input from Staff
 - c) Funding requirements for all current debt service obligations
10. Escalation clauses shall be included to adjust future water capacity charges.
11. Other impacts as identified.
12. Any recommended rate structure or rate model should take into consideration the ease of administration and understanding by the rate payers.
13. Any proposed water fees and charges schedule must consider the District's utility billing system capabilities.
14. It is of the utmost importance that the study methodology be fully transparent, understandable by the general public.

C. Study Elements

In making its rate structure recommendations, the Final Report shall explicitly include the following elements:

1. **Current Rate Structure:** Assess the current rate structure's performance as a baseline for comparing recommend changes.
2. **Equity:** Assess the equity of recommended water rates for all types of property ownership within the District.
3. **Conservation Impacts:** Assess interaction between water conservation elements of the recommended rate structure and their impacts on the ability to fund water operations.
4. **Sensitivity Analysis:** Assess the ability of the revenue stream generated by the recommended rate structures to continue to fully fund water system costs and other costs under the impacts of future standards, regulations and court orders. Assessment to include a sensitivity analysis where the long-term revenue generated under each alternative as well as the current rate structure shall be illustrated when confronted with the impacts of growth, drought, extreme rain, and mandated requirements. Specifically analyze the impact to fund stability from a mandatory 50% reduction in production/sales between June and September.
5. **Impact of Other Costs:** Assess impacts on recommended rate structures due to the purchase of water from the City of Santa Maria pursuant to the Wholesale Water Agreement.

6. Comprehensive Summary of Recommended Rate Structure: Assess performance of each studied rate structure against current rate structure performance as baseline and provide recommendation on preferred five-year rate structure.
7. Supporting Data: Provide data supporting conclusions and observations made for each of the areas above and site within study.
8. Provide a comparison of current water system costs (operations, capital, and bonded debt) against appropriate industry benchmarks.
9. Provide a calculation of the bi-monthly water bill for the average District customer, customers who use half the average, and customers who use twice the average (as determined by water consumption) for each rate structure included in the analysis.
10. Provide a comparison of applicable San Luis Obispo County and Santa Barbara County water agencies (public and private) water rates. Include in the comparison a sampling of water rates of other California water agencies that are similar in size to the District.
11. Provide an easy-to-use electronic rate model for the District's use.
12. It is of the utmost importance that the study methodology be fully transparent; understandable by the general public.

SERVICES TO BE PROVIDED BY THE CONSULTANT

1. Meet and confer with Staff to discuss the Scope of Work and background information, and gain a general familiarity with the District.
2. Conduct analyses as required to address the Scope of Work.
3. Work Product #1 (electronic format acceptable):
 - a. Water Rate Study -List plan assumptions and five year projections of revenue requirements to meet operations and maintenance, capital investment, funded replacement, debt service and reserve requirements
 - b. Water Capacity Study-List plan assumptions and five year projections
4. Work Product #2 (electronic format acceptable):
 - a. Water Rate Study-Proposed water rate structures, including two alternative rate structures for each classification of customer
 - b. Water Capacity Study-Proposed water capacity charges
 - c. Propose method for equitably and efficiently assessing cost of imported water
 - d. Participate in Board Meeting prior to preparing Work Product #3
5. Work Product #3 (electronic format and 10 copies):
 - a. Administrative Draft Comprehensive Water Rate and Water Capacity Study projecting new rates and charges
 - b. Participate in up to two public meetings to present and discuss Administrative Draft Study
 - c. Participate in one meeting with San Luis Obispo County Staff to review County Ordinance 3090 In Lieu Fee for Nipomo Mesa Water Conservation Area

6. Work Product #4 (electronic format and 10 copies):
 - a. Draft Final Report
 - b. Participate in up to two Board Meetings to finalize report
7. Work Product #5 (electronic format and 10 copies):
 - a. Edit and review draft and publish approved Report
 - b. Assist in drafting Proposition 218 Notice
 - c. Participate in up to two meetings regarding Proposition 218 consideration

SERVICES TO BE PROVIDED BY THE DISTRICT

1. Furnish all reasonably available records and information, including financial reports, budgets, water production and consumption data, water purchase agreements and related court orders, in a timely manner.
2. Provide staff support and assistance as required to advance completion of Report.

PROPOSAL REQUIREMENTS

1. Proposal Due Date

Three Copies and one electronic format of the firm's proposal must be submitted no later than 3:00 p.m. on Friday August 30, 2013 at the District's Office located at 148 South Wilson, Nipomo, CA 93444 in a sealed envelope. Faxes, emails, proposals not enclosed in a sealed/labeled envelope and proposals received after 3:00 p.m. on Friday August 30, 2013, will not be considered.

2. Inquiries

Inquiries concerning the request for proposal should be made to:

Lisa Bognuda, Finance Director

Nipomo Community Services District

148 South Wilson Street

Nipomo, CA 93444

lbognuda@ncsd.ca.gov

805-929-1133

3. Proposal Submission and Content

The Proposal shall include, as a minimum, the following:

- a) Transmittal Letter, including a brief statement of understanding of the scope of services to be performed, a commitment to perform the services specified within this RFP and the name of the persons authorized to represent the proposing firm.
- b) Profile of the Proposing Firm including background information such as firm size, client base and firms capability to perform analysis and services as outlined in Scope

of Work as well as provide the names and telephone numbers of three (3) clients for whom your firm has performed similar services.

- c) Work Plan and Schedule – The work plan shall include time estimated for each phase of the work outlined above.
- d) Compensation. Estimate the total hours and estimated out-of-pocket costs anticipated to achieve the Scope of Work. Submit an all-inclusive maximum fee with subtotal by Work Product. Include a schedule of professional fees and expenses by staff level that support the total all-inclusive fees.

EVALUATION AND SELECTION PROCESS

The District will screen the proposals during September 2013. The Board is tentatively scheduled to select a firm at its September 25, 2013 meeting. The District may conduct interviews during the screening process.

The proposals will be evaluated on the following:

1. Responsiveness to Request for Proposal
2. Experience of the team
3. Qualifications of personnel
4. Cost including fees and reimbursables (Not-to-Exceed Expenditure Limits)

This is a time-sensitive project.

The District reserves the right to reject any and all submittals and/or solicit new proposals at its discretion. The District reserves the right to negotiate with a lesser ranked firm if the negotiation with the top ranked firm is unsuccessful. The submitter retains no interest in the proposal once received by the District. Proposers are responsible for all costs associated with the proposal.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Michael S. LeBrun,
General Manager

NIPOMO COMMUNITY

BOARD MEMBERS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
DAN GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR
CRAIG ARMSTRONG, DIRECTOR



Serving the Community Since 1965

SERVICES DISTRICT

STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
PETER SEVCIK, P.E., DIRECTOR OF ENG & OPS
MIKE SEITZ, GENERAL COUNSEL

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

WATER RATE AND WATER CAPACITY STUDY QUOTE SHEET

Date _____

Name of Firm _____

Work Product #1 cost \$ _____

Work Product #2 cost \$ _____

Work Product #3 cost \$ _____

Work Product #4 cost \$ _____

Work Product #5 cost \$ _____

Contract Price, including reimbursables (Not-to-Exceed) \$ _____

(Note: The cost breakdown by Work Product is meant to provide insight to proposal reviewers on the time allotted for each Work Product. The total contract price is the only set 'Not-to-exceed' value.)

Signature of Principal Authorized to sign for Firm

Date

This quote shall be valid for 90 days from the date of Signature

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

DATE: JULY 3, 2013

AGENDA ITEM

E-4

JULY 10, 2013

**CONSIDER DISTRICT RESPONSE TO WATER SUPPLY CONCERNS
STEMMING FROM LOW RAINFALL AND DEPRESSED
GROUNDWATER LEVELS**

ITEM

Discuss current groundwater/supply conditions and District response and actions [RECOMMEND DISCUSS RESOURCES CONCERNS AND DISTRICT RESPONSE, DIRECT STAFF].

BACKGROUND

The Spring Groundwater Index (District developed index representing local basin health) and Spring Key Well Index (NMMA Technical Group developed index representing local basin health) are near or at their historic lows following a winter which saw area rainfall levels well below normal.

Currently the District relies entirely on area groundwater for potable supply. The groundwater supply is shared by thousands of other area users (water companies, private well owners including residential, agriculture, and commercial). The District accounts for ~20% of the annual groundwater production in the area and has no direct authority over the other users.

The District awarded contracts to construct a pipeline to interconnect with the City of Santa Maria and deliver supplemental (City water) to the Mesa. Pipeline construction is expected to take eighteen months.

FISCAL IMPACT

Budgeted staff time to prepare these agenda materials.

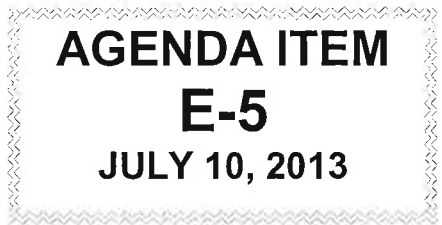
STRATEGIC PLAN

Strategic Plan Goal 1.1 – Protect, Enhance and Assess available Water Supplies

RECOMMENDATION

Discuss resources concerns and District response, direct staff.

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: JULY 5, 2013



REVIEW DISTRICT POLICY ON WATER SALES VIA HYDRANT

ITEM

Review District policy on water sales via fire-hydrant for use on property within and outside District boundary. [RECOMMEND – CONSIDER INFORMATION AND DIRECT STAFF]

BACKGROUND

On June 26, 2012, your Board requested a review of District policy regarding water sales via fire hydrant.

Metered sales via fire hydrant connection are routinely facilitated in accordance with Code Section 3.20 Fire Hydrant – specifically:

3.20.030 - Permits for temporary water service for construction and other purposes.

- A. All temporary water service shall be supplied through a fire hydrant designated by the district. A permit for the use of the fire hydrant shall be obtained from the Nipomo Community Services District prior to the use of water from the fire hydrant. The rates for such temporary service shall be established from time to time by resolution of the board. (See Section 3.20.035.)*
- B. If temporary water service is required for more than two consecutive days, a fire hydrant water meter shall be required. The amount of deposit and rent for a fire hydrant water meter shall be set from time to time by resolution of the board.*
- C. An administrative fee per permit request shall be added to the fees for temporary water service. The administrative fees shall be set from time to time by resolution of the board.*

(Ord. 95-79 § 2 (part), 1995)

3.20.035 - Temporary water service rates.

- A. The charge for water pursuant to district code Section 3.20.030(A) of this chapter shall be charged at the then current water rate for nonresidential water users as stated in Appendix B of Chapter 3.03 of this code.*
- B. The rental of a fire hydrant water meter pursuant to district code Section 3.20.030(B) of this chapter shall be a five hundred dollar deposit with rent at ten dollars for the first day and one dollar per day thereafter.*
- C. The administrative fee provided for in Section 3.20.030(C) of this chapter shall be twenty-five dollars per permit.*

(Ord. 2005-103 § 4, 2005; Res. 95-550, 1995)

3.20.040 - Immediate termination of temporary water service.

Any temporary water service connection used for construction or other purposes may be immediately terminated by the district, without prior notice, if such action is necessary to maintain the adequate minimum pressure of the district's distribution system to protect the quality of the district's water supply.

(Ord. 95-79 § 2 (part), 1995)

Water sold via hydrants is charged the Agricultural and Construction rate for water (higher than Tier II residential). Most routinely, hydrant meters are placed at construction sites. A standing meter is set at a hydrant adjacent to the District Offices at 148 South Wilson to facilitate truck sales to County and individuals.

The point of use for the water is documented in the hydrant use application. Staff does not actively verify point of use for hydrant sales unless use is routine or prolonged and suspected of being out of the District boundary.

Outside water sales (hydrant water sold for use on parcels outside District service boundary) are allowed by current District policy – as follows:

District Code section 3.16, Water Service Outside the District provides:

3.16.010 - When allowed.

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

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

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

In response to drought conditions prevailing in the area back in 1990, your Board adopted Resolution No. 419 (Attached), providing for emergency outside water sales.

If the above stated and referenced conditions for outside sales are met, and in accordance with District policy, water sales to outside users are charged twice the customer rate (double the Agricultural and Commercial rate).

FISCAL IMPACT

Staff time to prepare report.

STRATEGIC PLAN

Strategic Plan Goal 1.1 – Protect, Enhance, and Assess available Water Supplies

RECOMMENDATION

Consider information and provide direction to staff.

ATTACHMENTS

- A. Resolution No. 419

JULY 10, 2013

ITEM E-5

ATTACHMENT A

RESOLUTION NO. 419

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

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

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

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

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

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

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

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

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

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

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: JULY 3, 2013

AGENDA ITEM
E-6
JULY 10, 2013

REVIEW BROWN ACT AND DISTRICT BYLAWS WITH GENERAL COUNSEL

ITEM

District General Counsel will conduct a review of the Ralph M. Brown Act and District Bylaws [RECOMMEND REVIEW AND DISCUSS BROWN ACT AND BYLAWS].

BACKGROUND

Your Board requested General Counsel provide an overview of the Ralph M. Brown Act and District Bylaws.

FISCAL IMPACT

Budgeted staff time to prepare these agenda materials.

RECOMMENDATION

Discuss and ask questions as appropriate

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: JULY 3, 2013

AGENDA ITEM

E-7

JULY 10, 2013

CONSIDER COMMISSIONING A PLAQUE RECOGNIZING FOUNDING DIRECTORS

ITEM

Consider commissioning a plaque to recognize the District's founding Directors [CONSIDER PROPOSAL AND DIRECT STAFF].

BACKGROUND

In 1965, the core Nipomo area experienced significant health issues due to contaminated drinking water supplies. It is reported that more than eighty private supply wells existed in the residential area immediately adjacent to the Tefft Road/Thompson Road intersection. There were no sewer services in the area.

A group of local leaders came together to form the Nipomo Community Services District for the purpose of developing a safe potable community water supply that would be overseen and governed by District customers and property owners.

Thanks to the vision of these Founding Directors, the citizens of the District have benefited from safe reliable drinking water since 1965.

FISCAL IMPACT

A 12" X 12", ¼" thick brass plaque suitable for exterior mounting, as shown in the attached example, would cost approximately \$1,000. Mounting the plaque on the exterior of the District offices would cost approximately \$350.

A wood and metal plaque suitable for interior mounting would cost considerably less – in the \$50-\$200 range depending on materials and wording.

RECOMMENDATION

Discuss concept of commemorative plaque and direct staff.

ATTACHMENT

- A. Depiction of example plaque

JULY 10, 2013

ITEM E-7

ATTACHMENT A

**IN RECOGNITION OF THE
FOUNDING DIRECTORS
OF
NIPOMO COMMUNITY SERVICES DISTRICT
FORMED JANUARY 18, 1965**



**JIM O. MILLER, PRESIDENT
CECIL E. DAVIS, VICE PRESIDENT
WILLIAM C. BLACK
JAMES A. KITCHEN
JOHN R. MYLAN**

**THANKS TO THE VISION OF OUR FOUNDING DIRECTORS, THE
CITIZENS OF OUR DISTRICT HAVE BENEFITED FROM SAFE AND
RELIABLE DRINKING WATER SINCE 1965**