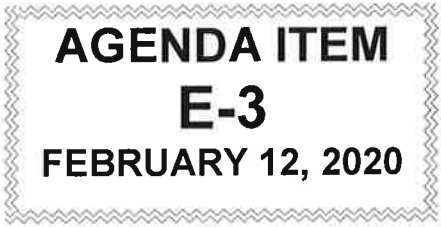


TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: FEBRUARY 6, 2020



**ADOPT RESOLUTION AMENDING THE
NIPOMO COMMUNITY SERVICES DISTRICT
SCHEDULE OF MISCELLANEOUS FEE TO INCLUDE
ANNEXATION APPLICATION FEE**

ITEM

Adopt resolution amending the Nipomo Community Services District's Schedule of Miscellaneous Fees (District Code 2.07.020) to include an annexation application fee to recover the cost of preparing annexation applications for Board review. [RECOMMEND, BY MOTION AND ROLL CALL VOTE, ADOPT RESOLUTION AMENDING NIPOMO COMMUNITY SERVICES DISTRICT SCHEDULE OF MISCELLANEOUS FEES]

BACKGROUND

At your Board's January 22, 2020 Board Meeting, staff presented for your consideration a resolution revising the Nipomo Community Services District's ("District") annexation policy. Included in staff's presentation of the item was a proposal to amend the District's Schedule of Miscellaneous Fees to include an annexation application filing fee. Currently the District does not recover the initial cost to process an annexation application. At the conclusion of your Board's discussion of this annexation amendment, your Board directed staff to prepare a resolution to be considered for adoption at the next Board Meeting that would amend the Schedule of Miscellaneous Fees to include an annexation application fee.

Under direction of your Board and in accordance with Government Code 66016, District staff posted the proposed annexation application fee on its website and at the District office for public review on February 3, 2020. The annexation application fee is a nonrefundable cost of the applicant seeking annexation into the District's service boundary. Attached to the resolution as Exhibit A, the calculation sheet is an estimate of the time needed by District staff to develop the information your Board will need to make an initial determination of the merits of a proposed annexation as stated in an annexation application.

FISCAL IMPACT

As estimated in the annexation calculation sheet [Exhibit A of the attached resolution], adopting the resolution to amend the District's Schedule of Miscellaneous Fees to include an annexation application fee of \$1,500 will fund the cost of preparing the information needed by your Board to evaluate any subsequent annexation applications. Not passing a resolution to recover these costs would result in unrecovered costs to process the initial annexation application from the applicant and those costs would be funded directly from the Water Fund #125.

STRATEGIC PLAN

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

4.b. Ongoing activities

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.

RECOMMENDATION

It is recommended your Board, by motion and roll call vote, adopt a resolution amending the District's Schedule of Miscellaneous Fees to include an annexation application fee.

ATTACHMENTS

- A. Resolution 2020-XXXX, Amending the Schedule of Miscellaneous Fees by Adopting an Annexation Application Fee

FEBRUARY 12, 2020

ITEM E-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2020-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE SCHEDULE OF MISCELLANEOUS FEES TO
INCLUDE AN ANNEXATION APPLICATION FEE**

WHEREAS, it is the responsibility of the Nipomo Community Services District (“District”) to maintain adequate levels of revenue, equitably collected from all classes of utility customers and applicants for services, to meet the District’s financial commitments; and

WHEREAS the District does not currently charge a fee for processing applications for annexation into the District. Such applications create costs to the District, at an initial stage, for processing and reviewing the initial application. The District’s Annexation Policy, as amended in 2020, provides that applicants shall bear the full costs of each application through a combination of an application fee, reimbursement of the District’s processing and technical study costs, and an Annexation Agreement if the application is approved; and

WHEREAS, Government Code Sections 61115 and 66016, Nipomo Community Services District Code Sections 2.07.020 and 2.09.010 authorize the District to adopt fees and charges for services by Resolution; and

WHEREAS, District staff prepared an analysis of the District’s cost of initial processing of an application for annexation, a copy of which is attached to this Resolution as Exhibit A. The analysis was posted on the District’s website and at the District offices for at least ten days prior to the public meeting at which this Annexation Application Fee was considered by the Board of Directors, as required by Government Code Section 66016(a). No requests for mailed notice have been received by the District;

WHEREAS, based upon the staff analysis as presented and public testimony received, the Board of Directors finds:

- A. The Annexation Application Fee established by this Resolution does not exceed the estimated reasonable cost of providing the services for which the fees and/or charge or charges are imposed;
- B. The District should recover the full cost of providing services from applicants for annexation through this fee and the other mechanisms set forth in the District’s Annexation Policy.

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

Section 1. Incorporation of Recitals

The Recitals above are true and correct and incorporated herein by this reference.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2020-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE SCHEDULE OF MISCELLANEOUS FEES TO
INCLUDE AN ANNEXATION APPLICATION FEE**

Section 2. Miscellaneous Fee Schedule Amended

The Annexation Application Fee of \$1,500.00 is hereby adopted, to be paid at the time an application for annexation is filed. The District's Miscellaneous Fee Schedule is hereby amended accordingly.

Section 3. Effect on Other Fees and Charges

Any and all existing District fees and charges that are not specifically amended by this Resolution shall remain in effect unless and until expressly amended or repealed by the District Board.

Section 4. CEQA Findings

The Board of Directors of the District finds that the fees and charges adopted by this Resolution are exempt from the California Environmental Quality Act pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines Section 15273. The District General Manager is directed to prepare and file appropriate notices.

Section 5. Severance Clause

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

Section 6. Effective Date

This Resolution shall take effect immediately.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2020-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE SCHEDULE OF MISCELLANEOUS FEES TO
INCLUDE AN ANNEXATION APPLICATION FEE**

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

**AYES:
NOES:
ABSENT:
ABSTAIN:**

the foregoing resolution is hereby adopted this 12th day of February, 2020.

DAN ALLEN GADDIS
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO IGLESIAS
General Manager and Secretary to the Board

CRAIG A. STEELE
District Legal Counsel


**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2020-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING THE SCHEDULE OF MISCELLANEOUS FEES TO
INCLUDE AN ANNEXATION APPLICATION FEE**

EXHIBIT A

**NIPOMO COMMUNITY SERVICES DISTRICT
ANNEXATION APPLICATION FEE
DISTRICT EMPLOYEE RATES
EFFECTIVE JULY 1, 2019**

	<u>General Manager</u>	<u>Finance Director</u>	<u>Administrative Supervisor</u>	<u>Secretary/ Clerk</u>	<u>Billing Clerk</u>	<u>Attorney</u>	<u>Director of Eng and Operations</u>	<u>Assistant Engineer</u>
Hourly Rate	\$77.23	\$60.01	\$32.95	\$22.06	\$26.82	\$269.00	\$84.54	\$32.60
Billing Factor X	2	2	2	2	2	1	2	2
Billing Rate	\$154.46	\$120.01	\$65.91	\$44.12	\$53.64	\$269.00	\$169.07	\$65.20
Hours	2	1		2		2	2	2
Total	\$308.91	\$120.01	\$0.00	\$88.25	\$0.00	\$538.00	\$338.15	\$130.41
Application Fee:	\$1,500							

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER 
 DATE: February 7, 2020

**AGENDA ITEM
 F
 FEBRUARY 12, 2020**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is January 19, 2020 through February 8, 2020.*

DISTRICT BUSINESS

Administrative

The District encourages residents to provide reports of any observed water waste. The District keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks as well as tracking late fee waivers. For CY 2019, the District approved 82 Late Fee Waivers totaling \$3,418 and 22 Leak Adjustments totaling \$6,449. The table below provides January 2020 data for all Office Activities.

Office Activities

	Jan 20	Jan 20 - Jan 2020
Reports of Water Waste	0	0
Leak Adjustments	3	3
Leak Adjustment Amount	\$389	\$389
Late Fee Waivers	2	2
Late Fee Waiver Adjustment Amount	\$127	\$127

Water Resources

Table 1. Total Production Acre Feet (AF)

	Jan-20	Jul 19 - Jan 20
Groundwater Production	31.1	607.0
Supplemental Water Imported	<u>78.1</u>	<u>576.1</u>
Total Production	<u>109.2</u>	<u>1,183.1</u>

NCSD imported 78.1 AF of water over the 31 day period in January averaging 570 gallons per minute for an average total of 820,934 gallons per day. For fiscal year 2019-20 the District must import at least 800 AF of supplemental water to meet its contractual obligation with the City of Santa Maria. On average, the District must import an average of 67 AF per month. For the seven month period, July 1, 2019 through January 31, 2020, a total of 469 AF would indicate the District was positioned to meet its import water obligation. Compared to the 576 AF imported in this time period (July through January), the District has reached 123% of its import water obligation.

The District's total combined production, including groundwater production wells and supplemental water imported at the Joshua Road Pump Station, registered 109.2 AF for the month and 1,183.1 AF for the first seven months of FY 2020 compared to 1,161.7 AF in FY 2019 for the same period – a 2% increase year over year.

NCSD GW Reduction

Table 2 compares the District’s total water production for the month of January and the fiscal year to-date (July 2019 through January 2020) total against the same period for 2013 (pre-drought production). The Department of Water Resources (“DWR”) designated 2013 as the pre-drought production year. The pre-drought production data is included in the monthly water production report and compared to current usage, all of which is submitted by water purveyors statewide to DWR. There is no mandated by DWR at this time for the District to reach a particular conservation level. For January 2020, the community’s water conservation effort reached approximately 12% when compared to December 2013 consumption. The District’s year-to-date conservation effort reached 24% for the fiscal year.

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

	Jan-20	July – Jan 2020
Total Production (AF) for FY 2019-20	109.2	1,183.1
Total Production (AF) for 2013	<u>124.0</u>	<u>1,562.2</u>
Reduction (AF)	<u>14.8</u>	<u>379.1</u>
Percentage Reduction	<u>12.0%</u>	<u>24.3%</u>

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

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

	Jan-20	Jul 19 - Jan 20
NCSD GW Well Production	31.1	607.0
Purveyor Customer Credit (33.3% of Import Water)	<u>26.0</u>	<u>191.9</u>
NCSD Total Calculated GW Production	57.1	798.9
Average GW Production for 2009-2013	<u>142.1</u>	<u>1,526.7</u>
NCSD Percentage of GW Reduction	60%	48%

Taking into consideration the above referenced purveyor customer credit, the District can claim a groundwater pumping reduction of 60% for the month of January compared to the 5-year average from 2009 to 2013 (NMMA-TG assigned comparator). For Fiscal Year 2020, the total groundwater pumping reduction for the District is 48%. At the current Stage IV level of NMMA’s Water Shortage Condition and Response Plan, the District is short of achieving its targeted groundwater pumping reduction level of 50% for the year. However, early fiscal year months are typically higher water use months and it is not uncommon to balance out water use in the second half of the fiscal year. Table 4 below projects that the District’s groundwater reduction target level of 50% is still achievable.

2020 Fiscal Year Groundwater Pumping Forecast

Table 4 projects the District’s groundwater pumping reduction effectiveness for Fiscal Year 2020. The targeted groundwater pumping reduction as stated above is 50%. At current usage through in January 2020, and with the last year’s production values for the remaining 5 months inserted, the District is on-track to reach its pumping reduction goals for the fiscal year. This exercise demonstrates that there would be 7.17 acft of water in excess of the 50% target. Each year, water use trends slightly differ depending upon the weather – a major factor that drives consumer water demand. Table 4 is a forecasting tool.

Table 4. Projected Groundwater Pumping

	Year-to-Date		Target	Over/(Under)	AcFt
	Jan-20	Jul-Jun 2020			
NCSD GW Well Production	31.1	905.2			
Purveyor Customer Credit (33.3% of Import Water)	26.0	322.1			
NCSD Total Calculated GW Production	71.7	1,273.2	1,266.0	(7.17)	
Average GW Production for 2009-2013	142.1	2,533.3	2,533.3		
NCSD Percentage of GW Reduction	60%	50%	50.0%		

Table 5. FY 2019 v. FY 2020 Groundwater Pumping

	Jan-20	Jul 19-Jan 20	Jan-19	Jul 18-Jan 19
NCSD GW Well Production	31.1	607.0	27.0	581.9
Purveyor Customer Credit (33.3% of Import Water)	26.0	191.9	26.0	167.6
NCSD Total Calculated GW Production	57.2	798.9	53.0	749.5
Average GW Production for 2009-2013	142.1	1,526.7	142.1	1,526.7
NCSD Percentage of GW Reduction	60%	48%	63%	51%

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

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
January 2020 Total	0.91	0.36
July-2019 through January-2020 (Seasonal Total)	7.13	5.28
Feb. 1, 2020 to Feb 7, 2020	0.0	0.0
Total Rainfall to date	7.13	5.28
Average Annual Year Rainfall	18.0 ¹	14.0 ²

Note 1: SLO County Website

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

Note 2: SLO County Website

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

Safety Program

No items to report.

Other Items and News of Interest

No Items to report.

Supplemental Water Capacity Accounting

Summary Since January 25, 2008

		Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation		947	500
Supplemental Water Reserved (Will Serve Letter Issued)		-120	-63.4
Subtotal Net Supplemental Water Available for Allocation		827	436.6
Supplemental Water Assigned (Intent-to-Serve Issued)		-62.4	-32.4
Total Remaining Supplemental Water Available for Allocation		764.6	404.2

As of February 6, 2020

Connection Report

Nipomo Community Services District
Water and Sewer Connections

END OF MONTH REPORT

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Water Connections (Total)	4441											
Sewer Connections (Total)	3208											
New Water Connections	0											
New Sewer Connection	1											
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	476											

The Connection Report is current through February 1, 2020.

Meetings (January 19, through February 8)

Meetings Attended (telephonically or in person):

- Jan 20, MLK Holiday
- Jan 22, Rotary
- Jan 22, Regular NCSD Board Meeting
- Jan 22, Exec. Team After-Board Meeting
- Jan 23, NMMA-TG
- Jan 23, City of Santa Maria – Annual Review
- Jan 24, SLO County-wide Water Action
- Jan 27, Janitorial Service Review
- Jan 28, SLO County Board of Supervisor Mtg.

- *Jan 29, NCSD Eng/Admin Team Mtg.*
- *Jan 30, CSDA Annual Meeting*
- *Feb 1, BLMA Annual Meeting*
- *Feb 3, NCSD Management Team*
- *Feb 3, Board Officer Meeting*
- *Feb 4, MKN Eng. – ADU Review*
- *Feb 4, Sensus – Distr. Leak Detection Syst.*
- *Feb 5, Rotary*

Meetings Scheduled (February 9 through February 15):

Upcoming Meetings (telephonically or in person):

- *Feb 11, NCSD Assessment District Team Mtg.*
- *Feb 11, NCSD Eng/Admin Mtg.*
- *Feb 12, Rotary*
- *Feb 12, Regular NCSD Board Meeting*
- *Feb 12, Exec. Team After-Board Meeting*
- *Feb 13, NMMA Manager's Meeting*

Upcoming Water Resource and Other Meetings

Upcoming Standing Meetings:

- *NMMA-TG: February 27th (Thursday) @ 10:00 AM, NCSD Board Room*
- *RWVG: March 4th @ 10:00 AM, SLO County Library*
- *WRAC: March 4th @ 1:30 PM, SLO County Library*
- *NMMA Purveyor Meeting: February 13th @ 10:00 AM, NCSD Conf. Rm.*
- *NCSD Board Officer Meeting: February 18th @2:00 PM, NCSD Conf. Rm.*

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

None