

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS  
GENERAL MANAGER

DATE: October 8, 2020

**AGENDA ITEM**  
**E-1**  
**OCTOBER 14, 2020**

**CONSIDER AUTHORIZING THE GENERAL MANAGER TO  
DISPENSE WITH COMPETITIVE SOLICITATION REQUIREMENTS  
FOR THE PURCHASE AND INSTALLATION OF  
THE SENSUS DISTRIBUTION LEAK DETECTION AND  
AUTOMATED METER READING SYSTEM**

**ITEM**

Consider authorizing the sole-source purchase and installation of a Sensus distribution leak detection and automated meter reading system that monitors the Nipomo Community Services District ("District") water distribution system for leaks and remotely monitors and reads customer water meters. [RECOMMEND ADOPT RESOLUTION AUTHORIZE THE GENERAL MANAGER TO DISPENSE WITH COMPETITIVE SOLICITATION REQUIREMENTS FOR THE PURCHASE AND INSTALLATION OF THE SENSUS DISTRIBUTION LEAK DETECTION AND AUTOMATED METER READING SYSTEM AND ENTER INTO AN PROFESSIONAL SERVICES AGREEMENT WITH AQUA METRICS FOR THE PURPOSE THERE OF]

**BACKGROUND**

Water loss through leaks in the District's water distribution system make up the majority of the non-revenue water ("NRW") reported on the District annual Water Loss Audit Report ("WLAR"). Since 2016, the District has been required to complete a WLAR and submit a validated copy of this report to the Department of Water Resources ("DWR"). The purpose of the WLAR is to assist water purveyors in identifying economic strategies that focus on reducing NRW by developing a strong understanding of what elements drive water loss in their systems and the costs associated with not taking actions to address these losses.

Reducing the percentage of water lost through leaking water mains will save water and money. Over the last 4 years, the District's NRW has averaged 10%. The American Water Association ("AWWA") and the International Water Association ("IWA") are industry standards development organizations recognized around the world as the water industry leaders. According to extensive research from these organizations, water distribution systems average 7 to 15 percent of non-revenue water and much of that is due to water loss through leaking distribution water mains, customer service lines, and meter inaccuracy. Incorporating a leak detection system on the District water distribution system will give the water operations team a significant tool for tracking down water leaks and getting them repaired.

A complete automated Leak Detection System ("LDS") and Automatic Meter Reading ("AMR") system is comprised of two distinct elements, a wireless network for communication and field devices or nodes that monitor pipelines and meters. Examples of nodes are water meters, pressure sensors, and leak detection devices. The wireless network used for systems communication can be carried on a licensed or unlicensed frequency.

**Leak Detection Saves Water**

Failures in the water distribution and delivery systems result in lost water. The water distribution system is made up of water mains, valves, and service lines. The water delivery system consists

of water meters and customer service lines. All these facilities are underground and out of sight. Water loss through leaks in these underground water pipelines can go undetected for significant periods of time. Detecting leaks when they happen will save water that can be put to beneficial use.

#### Leak Detection Saves Money

The proposed leak detection system is capable of monitoring District distribution systems and customer delivery systems. Water lost through the District distribution system increases the amount of purchased water imported onto the Nipomo Mesa and increases energy costs for pumping additional ground water. The proposed leak detection system saves customers' money by reducing the percentage of non-revenue water lost to leaks as they are more readily identified and repaired.

#### The Leak Detection System ("LDS") Automated Meter Reading ("AMR") Work Together

The District reads each customers' water meter every other month. This provides a limited view of water use on the property. This frequency of meter reading is intended only to determine the user's consumption level for billing purposes. Should the customers' system develop a water leak shortly after its bimonthly read, it could be 60 days before the leak is detected.

The operating platform for the proposed LDS and AMR system is able to integrate with the District's Sensus water meters. With an AMR solution, customers receive a proactive monitoring system that allows for ongoing leak detection at their water meter. The District will be able to provide consumers with a leak alert and an hour-by-hour history of their water usage. This tool can alert customers of unintended usage such as irrigation systems that are left on during winter months, leaking underground water lines, or unauthorized water use on their property. With over 600 of the District's 4,600 water meter registers already equipped to accept a Sensus radio, the District will be able to utilize the AMR portion of the system for about 15% of the Districts customer base with the adaptation and installation of a Sensus End-Point (radio).

An AMR system gives value to and enhances the customers' service experience by providing information and service that helps to educate and empower customers. The proposed LDS fully supports an AMR implementation strategy for the District. Part of the overall leak detection strategy is to provide an online web-based portal that provides customers with access to help monitor their own water usage and set alarms they control. The District can set general usage alarms and automatically watch over possible leaks through the built-in alarm features. The customer portal option would be evaluated for a future phase deployment and a measure of customer acceptance of the technology would need to be demonstrated before the District commits to the cost of the customer portal feature. However, regardless of the customer portal, the District will be able to take advantage of these leak monitoring services from the beginning.

#### Phased in Approach

The District is looking to institute a full range of leak detection technology, starting first with the intent of monitoring the water distribution system and a limited number of meters that are ready to accept a Sensus End-Point. The first phase includes setting up the communications network and installing a limited number of monitoring nodes – distribution leak detection devices and AMR capable water meters. With completion of this first phase, an ongoing meter aging program will migrate non-AMR water meters out of the District's meter inventory and replace them with new AMR capable water meters over the course of time. Staff will evaluate energy and resource grant program opportunities that would accelerate full deployment of the AMI system and will bring these opportunities to your Board for consideration when available.

### Sole-source Purchase

A sole-source purchase option is being proposed by staff for the Sensus system for several reasons. First, the Sensus system is the only system in the industry that communicates on a licensed radio frequency. The licensed frequency is protected by regulations and so the frequency is protected from interference from other users making for a more secure and dependable communications platform. Second, the Sensus system only needs two towers to reach all the District's water meters. All other LDS and AMR technology systems require towers every square mile at a minimum. These multiple towers require site acquisition and power to support them, making the cost and the logistics higher and more difficult to obtain full coverage of a service area.

The LDS and AMR project described above is the first phase of a multiphase program that establishes a communication platform for leak detection of the District's distribution water mains and the customer's meter and service lines. As stated above, the proposed system exceeds the limits of simply reading water meters – it is a comprehensive water distribution leak detection solution. The LDS and AMR system together combines monitoring hardware, controlling software, and a wireless communication network that provides the District and its customers with a package of sophisticated analytical tools that are presented in a user friendly web-based environment. AMR is a customer service tool that proactively reduces the cost of service by eliminating man-hours for meter reading and reducing man-hours for meter service calls.

Staff seeks approval from your Board to advance the LDS and AMR framework. As expressed above, staff would ask your Board to authorize the purchase and installation of a licensed fixed base radio network ("Fixed Base") manufactured by Sensus. Staff is recommending a sole-source purchase agreement for a licensed Sensus Fixed Base system as it provides unique and essential features advantageous to the District not available from other manufacturers. Specifically, those features are:

### Licensed Frequency

Sensus is the only Fixed Base LDS and AMR manufacturer that has a licensed frequency based communication network. Other manufacturers use unlicensed frequencies that are shared by a host of technologies from garage door openers, local wireless networks to cordless telephones. The interference from these devices can hamper the data through-put speed and quality compromising the capability of AMI.

Licensed frequencies are permitted to transmit at a higher power output. With higher power outputs, a licensed frequency system is more reliable and reaches field nodes shadowed by trees and structures. Licensed frequencies are protected by the Federal Communications Commission.

### Limited Collectors

The Sensus Fixed Base system only requires two radio transmit/receive stations ("Collectors") to cover the District's service area. Non-licensed systems will require more than a dozen Collectors to cover the same area. Non-licensed systems must be within a line of sight from one another and in the absence of District owned street light stances or other antenna, it would be challenging to install a non-licensed systems. The District would need to enter into long term agreements with private property owners and/or the County for right-of-ways to install a host of antennas in the District's service area.

### Compatibility

There are Fixed Base compatibility advantages in Sensus products. The District's water meter inventory has developed over twenty years to include water meters from various meter

manufacturers with no one manufacturer's product specified by the District. The District has nearly 600 Sensus meters currently deployed that are adaptable with the addition of a plug-and-play radio to Sensus communication platform.

**Proven Reliability**

The City of Santa Maria has been utilizing Sensus AMI for over nine years. The Utility Department Manager is satisfied with the product from the licensed frequency designed, customer support, collector reliability, and to the meters and transmitters attached to the meters. There are hundreds of scaled up Sensus AMR deployments that have proven reliability. No other AMR manufacturer has more active systems than Sensus.

**FISCAL IMPACT**

Staff has included \$165,000 in the current year budget. The price quote from the vendor is \$173,390.72. There is sufficient funding in the Water Fund to make up the \$8,000 difference. Staff time to manage and oversee the project is included in the budget – there is no construction management agent or fee for this project.

**STRATEGIC PLAN**

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

A.2 Ensure billing processes are efficient, cost-effective and fair. Evaluate the potential costs and benefits of monthly compared to bi-monthly billing.

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

A.1 Ensure efficiency and effectiveness in operations, including evaluating Automated Meter Reading.

A.2 Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance.

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

B.1 Utilize technology to maximize productivity and communications.

B.2 Provide excellent customer service.

**RECOMMENDATION**

Recommend your Board discuss the implementation of the proposed Leak Detection System and Automated Meter Reading system, and authorize the General Manager to enter into a professional services agreement with Aqua Metrics, dispensing with the competitive solicitation required for the purchase and installation of said systems.

**ATTACHMENTS**

A. Resolution 2020-XXXX, Authorize General Manager to Dispense with Competitive Solicitation

B. Professional Service Agreement between NCSD and Aqua Metrics

OCTOBER 14, 2020

ITEM E-1

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2020-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO  
DISPENSE WITH COMPETITIVE SOLICITATION REQUIREMENTS FOR THE PURCHASE  
AND INSTALLATION OF THE SENSUS DISTRIBUTION LEAK DETECTION AND  
AUTOMATED METER READING SYSTEM**

**WHEREAS**, following best practices as a public entity, Nipomo Community Services District ("NCSD") has a purchasing policy and procedures for obtaining goods and services; and

**WHEREAS**, NCSD's purchasing policy and procedures ensure that NCSD obtains goods and services on the open market, where possible, pursuant to rules that ensure transparency, fairness to all bidders and suppliers, and decisions that are made free from conflicts of interest; and

**WHEREAS**, NCSD's current Purchasing Policy and Procedures ("Policy"), as updated in 2020, generally requires competitive solicitations for the purchase of goods and services, depending on the amount of the proposed purchase; and

**WHEREAS**, Section 3.4 of the Policy permits the Board, by Resolution, to authorize staff to dispense with competitive solicitation processes in specialized circumstances.

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

1. The facts and findings stated above are true and correct to the best of its knowledge and incorporated herein.
2. Pursuant to Section 3.4 of the Policy, the General Manager is hereby authorized to dispense with competitive solicitation requirements for the District's purchase of the Sensus Distribution Leak Detection and Automated Meter Reading System ("System") based on the following findings, to the best of the its knowledge based on information provided in the staff report:
  - a) The purchase price is reasonable; and
  - b) The System is the only one that will properly meet the needs of the NCSD because the item is unique and available only from one source, in that Sensus is the only Fixed Base Leak Detection System and Automated Meter Reading manufacturer that has a licensed frequency based communication network. Other manufacturers use unlicensed frequencies that are shared by a host of technologies from garage door openers, local wireless networks to cordless telephones. The interference from these devices can hamper the data through-put speed and quality; and
  - c) The System is unique in that it only requires two radio transmit/receive stations ("Collectors") to cover the District's service area. Non-licensed systems will require more than a dozen Collectors to cover the same area. Non-licensed systems must be within a line of sight from one another and in the absence of District owned street light stances or other antenna, it would be challenging to install a non-licensed system.

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2020-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING THE GENERAL MANAGER TO  
DISPENSE WITH COMPETITIVE SOLICITATION REQUIREMENTS FOR THE PURCHASE  
AND INSTALLATION OF THE SENSUS DISTRIBUTION LEAK DETECTION AND  
AUTOMATED METER READING SYSTEM**

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

the foregoing resolution is hereby passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
**DAN A. GADDIS**  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MARIO E. IGLESIAS**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**Craig A. Steele**  
District Legal Counsel

OCTOBER 14, 2020

ITEM E-1

ATTACHMENT B



## **PROFESSIONAL SERVICES AGREEMENT**

### **(Sensus Leak Detection System)**

This Professional Services Agreement ("Agreement"), is made and effective as of [\_\_\_\_], between the Nipomo Community Services District ("District"), a California special district, and [Aqua Metric], a California corporation ("Consultant"). Individually and collectively, District and Consultant are referenced herein as "Party" or "Parties," respectively. In consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

#### **1. TERM**

This Agreement shall commence on [\_\_\_\_] and shall remain and continue in effect until tasks described herein are completed, but in no event later than [\_\_\_\_], unless sooner terminated pursuant to the provisions of this Agreement.

#### **2. SERVICES**

Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full ("Scope of Work"). Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. To the extent that Exhibit A is a proposal from Consultant, such proposal is incorporated only for the description of the scope of services and the schedule of performance, and no other terms and conditions from any such proposal shall apply to this Agreement unless specifically stated herein.

#### **3. PERFORMANCE**

Consultant represents that it has the skills, expertise, and licenses necessary to perform the services required under this Agreement. Consultant shall perform all such services in the manner and according to the standards observed by professionals experienced in providing the services identified in Exhibit A. All documents and services of whatsoever nature that Consultant delivers to District pursuant to this Agreement shall conform to the standards of quality normally observed by professionals experienced in providing services identified in Exhibit A. Consultant shall promptly correct or revise any errors or omissions in its performance of the services identified in Exhibit A at District's request without additional compensation. Licenses required to perform such services shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement.

**4. DISTRICT MANAGEMENT**

District's General Manager ("General Manager") shall represent District in all matters pertaining to the administration of this Agreement, including review and approval of all products submitted by Consultant but not including the authority to enlarge the Scope of Work or to change the compensation due to Consultant except as provided in Section 5 hereof.

**5. PAYMENT**

- A. The District agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the Scope of Work. This amount shall not exceed [One-hundred-seventy-two thousand, one-hundred and sixty-five ] dollars (\$172,165) ("Not-To-Exceed Amount") for the total term of the Agreement, unless additional payment is approved as provided in this Agreement.
- B. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the District. The General Manager may approve additional work not to exceed ten-thousand dollars (\$10,000.00). Any additional work in excess of this amount shall be approved by the District Board of Directors. In order for District to increase the Not-To-Exceed Amount, Consultant must timely, and prior to sixty percent (60%) completion of the Scope of Work, identify and document how circumstances beyond its reasonable control have increased the time and/or costs of performing the Services beyond the amounts identified in Exhibit B. The District, in its sole discretion, may deny in part or in whole a request to increase the Not to Exceed Amount, modify the Scope of Work, or modify the schedule for completion of the Scope of Work. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by the General Manager and Consultant at the time District's written authorization is given to Consultant for the performance of said services.
- C. Consultant will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the District disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of the invoice that includes the disputed fees.

- D. Payment of an invoice by District shall not constitute acceptance of defective performance, and District's failure to discover or object to any unsatisfactory services, performance, or billing prior to payment will not constitute a waiver of District's right to require Consultant to correct such work or billings or to seek any other legal remedy.
- E. District may withhold, or on account of subsequently discovered evidence nullify, the whole or a part of any payment to such extent as may be necessary to protect District from loss, including costs and attorneys' fees, on account of (1) defective or deficient work product not remedied; (2) subsequently discovered errors in invoices previously paid; (3) claims filed or reasonable evidence indicating probable filing of a claim or claims; (4) failure of Consultant to make payments properly to its employees or sub-consultants; or (5) Consultant's failure to adhere to the schedule of performance or to achieve sufficient progress with the Scope of Work such that Consultant is unlikely to achieve timely completion.

**6. MODIFICATIONS, AMENDMENTS AND CHANGE ORDERS.**

No modification or amendment to this Agreement or the work herein shall be binding upon either party hereto unless such amendment is set forth in writing and duly executed by an authorized representative of each party. District and Consultant each acknowledge additional product and services not detailed or described herein may be required to complete the Work. Either party may initiate a request to modify, add or remove additional product or services. No additional product or service will be inclusive unless upon written amendment to this Agreement duly executed by an authorized representative from both parties. Unless otherwise agreed upon, all additional product or services rendered will be quoted at current market values at the time of request.

**7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

- A. The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by providing written notice to Consultant at least ten (10) days prior to the effective date of the suspension or termination. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the District suspends or terminates a portion of this Agreement, the remainder of this Agreement shall remain in full force and effect.
- B. In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, including the applicable portion of the annual fees charged by Consultant to District for software and services necessary to operate and maintain the Sensus FlexNet system, provided that the work performed is of value to the District. Upon termination of the

Agreement pursuant to this Section 6, the Consultant will submit an invoice to the District pursuant to Section 5.

**8. DEFAULT OF CONSULTANT**

- A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In addition, if Consultant at any time refuses or neglects to perform the Services in a reasonably timely fashion in accordance with the schedule referenced in Exhibit A, or is adjudicated bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without District's written consent, or fails to make prompt payment to persons furnishing labor, equipment, or materials, or fails in any respect to properly and diligently prosecute the Scope of Work, or otherwise fails to perform fully any and all of the Agreements or terms herein contained, Consultant shall be in default.
- B. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to Consultant. If such failure by Consultant to make progress in the performance of work hereunder arises out of causes beyond Consultant's control, and without fault or negligence of Consultant, it shall not be considered a default.
- C. Notwithstanding the foregoing, neither party shall be held liable to the other for delay in fulfilling or failure to fulfill its obligations under this Agreement, if such delay or failure is caused by:
  - a. Force majeure events beyond the reasonable control of such party, including, without limitation, natural calamity, acts of God, terrorist events, pandemic, or delays in product shipment caused by any of the preceding events, provided payment obligations shall not be so excused. The party claiming its performance is delayed by such an event shall promptly notify the other in writing of the nature and extent of a situation that may delay or prevent performance under the terms and conditions of this Agreement; or
  - b. An unexpected delay related to the setup and configuration of the RNI/Sensus Analytics, and integration with the District's billing software provider.
  - c. If Consultant fails to perform as a result of an occurrence described in this Section 8(C), the termination provisions of Section 7(B) shall apply.
- D. The Parties agree to reasonably extend the completion date as necessary to accommodate for any planned or unplanned delay(s) or suspension(s)

resulting from the events set forth in Section C above. The number of days extended to the Completion Date shall not exceed the total number of days delayed or suspended.

- E. If the General Manager or his/her designee determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time or, if appropriate as determined by District, fails to present the District with a written plan for the cure of the default, the District shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity, or under this Agreement.

## **9. DOCUMENTS**

- A. Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.
- B. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying, and/or printing computer files. Consultant hereby grants to District all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys,

notes, and other documents prepared by Consultant in the course of providing the services under this Agreement.

**10. INDEMNIFICATION**

**A. Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless District and any and all of its officials, employees, and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs, caused in whole or in part by any negligent or wrongful act, error, or omission of Consultant, its officers, agents, employees, or subconsultants in the performance of professional services under this Agreement.

**B. Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless District, and any and all of its employees, officials, and agents from and against any liability, claim, suit, action, arbitration proceeding, administrative proceeding, regulatory proceeding, loss, expense, or cost of any kind, whether actual, alleged, or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees, arising out of, a consequence of, or in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees, or subcontractors of Consultant.

**C. Duty to defend**

In the event the District, its officers, employees, agents, and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by District, Consultant shall have an immediate duty to defend the District at Consultant's cost or at District's option, to reimburse District for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters. Payment by District is not a condition precedent to enforcement of this obligation. In the event of any dispute between Consultant and District as to whether liability arises from the sole negligence of the District or its officers, employees, or agents, Consultant will be obligated to pay for District's defense until such time as a final judgment has been entered adjudicating the District as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense

costs, including but not limited to attorney's fees, expert fees, or costs of litigation.

**D. Survival**

The duty to defend and indemnify the District and each of the obligations contained in this Section 9 shall survive termination or expiration of this Agreement.

**11. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this Agreement.

**12. INDEPENDENT CONTRACTOR**

- A. Consultant is and shall at all times remain as to the District a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.
- B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

**13. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State, Federal, and local laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Consultant shall (and shall cause its agents and sub-contractors), at its sole cost and expense, to comply with all State, Federal, and local laws, ordinances, and regulations now in force or which may hereafter be in force with regard to the services referenced in Exhibit A and with regard to this Agreement including, without limitation, the

payment of prevailing wages as required by California Labor Code Section 1770, et. seq. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether District be a party thereto or not, that Consultant has violated any such law shall be conclusive of that fact as between Consultant and District. Any corrections to Consultant's services which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at Consultant's expense. The District, and its officers and employees, shall not be liable at law or in equity by failure of the Consultant to comply with this Section.

**14. NON-LIABILITY OF DISTRICT OFFICERS AND EMPLOYEES**

No officer or employee of District will be personally liable to Consultant in the event of any default or breach by District or for any amount that may become due to Consultant.

**15. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or will be used against or in concert with any officer or employee of the District in connection with the award, terms, or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the District has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

**16. NON-DISCRIMINATION**

Consultant shall not discriminate in any way against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with, or related to, the performance of this Agreement.

**17. TAXES**

Consultant shall pay all taxes, assessments, and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.



**18. RELEASE OF INFORMATION**

- A. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the General Manager or unless requested by the District's attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives District notice of such court order or subpoena.
- B. Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement or the work performed hereunder or with respect to any project or property located within the District, unless the District is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless Consultant is prohibited by law from informing the District of such Discovery. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless District is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

**19. CONFLICTS OF INTEREST**

Consultant covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the study area and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property

owner(s) and/or firm(s) and/or partnership(s) owning property in the study area prior to the completion of the work under this Agreement.

**20. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District:	Nipomo Community Services District 148 South Wilson Street Nipomo, CA 93444 Attention: General Manager
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To Consultant:	<u>Aqua-Metric Sales Company</u> <u>Attn: Tommy Thirkettle</u> <u>4050 Flat Rock Drive</u> <u>Riverside, CA 92505</u>
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**21. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the District. Because of the personal nature of the services to be rendered pursuant to this Agreement, only Consultant shall perform the services described in this Agreement. Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide District with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include the same indemnity provision as the one provided herein identifying District as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from District for such insurance.

**22. LICENSES AND PERMITS**

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses and permits required of it by federal, state, or local laws or regulations for the performance of the services described in this Agreement.

**23. GOVERNING LAW AND VENUE**

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the Parties to this Agreement and also govern the interpretation of this Agreement. The venue for any litigation concerning this Agreement shall be in San Luis Obispo County.

**24. ATTORNEY'S FEES AND COSTS**

The prevailing party in any action between the Parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other Party.

**25. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**26. TIME OF THE ESSENCE**

District and Consultant agree that time is of the essence in this Agreement and for each and every term herein.

**27. WAIVER AND REMEDIES**

Any deviation from, or waiver of, any provision of this Agreement, shall not be deemed a continuing deviation or waiver nor a waiver of any other provision of this Agreement. Any actual or alleged failure on the part of the District to inform Consultant of non-compliance with any requirement of this Agreement imposes no additional obligations on the District nor does it waive any rights hereunder. No remedy conferred by and specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

**28. SUCCESSORS AND ASSIGNS**

All representations, covenants, and warranties set forth in this Agreement by, on behalf of, or for the benefit of any or all of the Parties hereto shall be binding upon and inure to the benefit of such Party, its successors and assigns.

**29. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL**

Contractor is bound by the District's Request work and the contents of the proposal submitted by the contractor, Exhibit "D" hereto. The incorporation of the contractor's proposal shall be for the scope of services to be provided only, and any other terms and conditions included in such proposal shall have no force and effect on this Agreement or the relationship between contractor and/or District, unless expressly agreed to in writing.

**30. SEVERABILITY**

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

**31. SECTION HEADINGS**

The headings of the several sections, and any table of contents or exhibits appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect hereof.

**32. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of the Parties warrants and represents that he/she has the authority to execute this Agreement on behalf of the respective Party and has the authority to bind the Party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

Consultant: Aqua Metrics

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

NIPOMO COMMUNITY SERVICES DISTRICT  
A California special District

\_\_\_\_\_  
Mario Iglesias, General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Craig A. Steele, District Counsel

Attachments:	Exhibit A	Scope of Work
	Exhibit B	Payment Schedule
	Exhibit C	Insurance Requirements
	Exhibit D	Consultant's Proposal

**EXHIBIT A**  
**SCOPE OF WORK**

**1. OBJECTIVE**

This Scope of Work ("SOW") is intended to provide a general understanding and document the initial planning efforts by and between Aqua-Metric Sales Company ("Consultant") and Nipomo Community Services District ("District") necessary to facilitate a functional FlexNet Advanced Metering Infrastructure ("AMI") system.

This SOW shall be used to reach a satisfactory level of mutual agreement between Consultant and District with respect to the objectives and requirements of the Project.

The parties hereto acknowledge and agree the SOW may adjust as necessary without formal Change Order to accommodate changes in the project which do not impact the overall Project cost or timeline. Any significant change(s) to the SOW that would otherwise cause a change in the Project cost or timeline shall be executed upon written change order, pursuant to Section 6 of the Professional Services Agreement, duly signed by an authorized representative of each party.

**2. General Responsibilities**

**a. Consultant Responsibilities**

- i. Designate a primary point of contact to oversee the project deployment.
- ii. Coordinate kickoff meeting with core project personnel to review the project plan, deliverables, and timeline.
- iii. Develop a project plan and timeline to use as general guidelines for all project deliverables.
- iv. Coordinate deliverables with suppliers and subcontractors to ensure project is executed timely.
- v. Manage product and material acquisition with product supplier(s).
- vi. Manage the installation, setup and configuration of local network infrastructure.
- vii. Assist the District during the deployment and integration of District's billing software ("CIS").

**b. District Responsibilities**

- i. Appoint a primary point of contact to coordinate with Consultant throughout the overall delivery of the solution described herein.
- ii. Designate any additional District personnel who will be available to participate throughout the project.

- iii. Establish a communication and activity plan with reporting requirements during project deployment.
- iv. Provide a secure and suitable location to install Base station hardware.
- v. Engage with and coordinate with District's utility billing software provider's ("CIS Provider") tasks and responsibilities during all phases of deployment.
- vi. Develop and implement the System Acceptance Testing (SAT) criteria to use as guidelines for formal acceptance of the network infrastructure, Regional Network Interface ("RNI") head end system and Sensus Analytics Software.

### **3. Network Deployment**

#### **a. Network Infrastructure**

- i. Consultant will coordinate and conduct a site visit with District at the proposed location prior to installation. Concluding the site survey, Consultant and District will coordinate target dates for Base station installation.
- ii. Consultant will furnish and install one (1) Sensus M400 Base stations ("Base station"), one (1) each Base station antenna (if required), and one (1) each cellular backhaul modems and install.

#### **1. Treatment Plant**

- a. Install new OMNI antenna and coaxial
- b. Install base station on footing
- c. Install grounding for tower and equipment
- d. Install new 120V circuit from junction point provided by the District at footing
- e. Sweep Test

#### **2. Water Tank**

- a. Install new antenna on railing
- b. Install new coaxial attached to vertical fill pipe
- c. Install base station to tank footing
- d. Ground equipment to tank steel
- e. Install new 120V circuit and ½" rigid conduit (approximately 60 feet along the base of the tank)
- f. Sweep Test

- iii. The District will be required to run electricity to each Base station, as well as provide an electrical base, mounting racks, and/or antenna mounts, as

needed. At minimum, the District will be responsible for providing the following at each Base station site:

1. Unistrut H-Frame on the inside of the tower leg which the ladder is attached;
  2. 120V single phase service with 15-amp breaker;
  3. 3-wire flex conduit pigtail from the breaker to the Base station
  4. RJ-45 Ethernet Connection
  5. Cellular data plan for the backhaul communication device
- iv. Consultant shall install and commission the Base station, antenna, and communications backhaul at the proposed site.
- b. Head End System
- i. Consultant will provide the technical resources and identify the detailed steps of the standard integrations to support the implementation, configuration, and integration of the Regional Network Interface (“RNI”) with FlexNet Base stations, Sensus Analytics Software, and the District’s utility billing software (“CIS”).
  - ii. Sensus will setup and configure the hosted RNI environment within Sensus’ data centers. Consultant and Sensus will configure the RNI for various Sensus systems and acceptance of third-party application integrations. When applicable, Consultant will provide guidance to District on various application configurations when different options are available.
  - iii. The District will contract with the CIS Provider exclusively and provide Consultant with the CIS Provider assigned technical resource who will serve as the primary contact during system integrations. Consultant will provide CIS Provider with the requirements needed to facilitate a nightly sync file, interface to receive read data within the CIS.
- c. System Acceptance Testing (“SAT”)
- i. The District shall draft and provide SAT acceptance criteria. The Consultant and District will coordinate and resolve any issues identified during SAT.
  - ii. The District shall perform SAT to verify all integrations between the AMI System and the CIS have been satisfactorily completed to support “go-live” and full deployment.
  - iii. The District shall complete all testing within thirty (30) days of commencing SAT and provide written completion notice of the SAT to Consultant upon successful completion.



d. Production Go-Live

- i. Consultant will work with the District to determine the Production Go-Live date and timeline. Once proper validation and testing has been performed on the network and software as described above, go-live will commence and Consultant shall work with the District to conclude the network deployment. Consultant and District will coordinate to facilitate and complete all go-live activities. Upon completion of all go-live activities, District shall provide written acceptance of the network deployment.

e. Product Acquisition

- i. Consultant will procure and furnish the product(s) and material(s) detailed in Exhibit D. Consultant assumes all product(s) and material(s) will be delivered and stored within a District provided facility which such address shall be indicated on District's purchase order to Consultant. The District shall grant access to Consultant's authorized personnel as necessary during normal business hours to carry out daily operations throughout deployment of the project.

f. Training

- i. Consultant will train the District's key personnel on use and troubleshooting of the AMI System and Field Assets (defined below). Consultant will provide the District with relevant network, software, and product documentation in a digital format.

g. Deployment of Field Assets

- i. The District will be responsible for installing and activating all PermaLog+ Leak Detection Loggers and Sensus SmartPoint radio transceivers ("Field Assets") in desired locations throughout the District's service area; however, within transmission range of the local area Base station. Consultant's technical resource will provide guidance to determine acceptable locations for Field Assets.

**4. Project Close-Out**

a. Consultant and District will prepare punch-list items to complete prior to Project Close-Out.

- i. Consultant will coordinate with Consultant's technical resources and/or Sensus to address and resolve any action items related to network Base stations, RNI, and Sensus Analytics.
- ii. Consultant will assist the District in developing a list of action items for the CIS provider as it relates to the AMI System. The District shall be responsible for communicating any punch-list with the CIS Provider and coordinating with Consultant to ensure all items are resolved.

b. Project Acceptance Documentation

- i. Consultant will provide a final project reconciliation and provide a final invoice for any outstanding items, including any additions or deductions made by authorized Change Order.
- ii. Consultant will furnish a Project Acceptance Sign-Off outlining all deliverables which have been furnished and fulfilled under this Agreement.
- iii. Consultant will provide District with standard unconditional waiver and release documents from Consultant and any supplier or subcontractor.

c. Transfer Responsibilities

- i. Upon execution of the Project Acceptance Sign-Off, Consultant will transfer support and troubleshooting relating to the Sensus FlexNet AMI Network, RNI, and Field Assets to Consultant's technical resources as part of Consultant's on-going Annual Support.

**5. Assumptions and Clarifications**

- a. Additional parts, materials, or labor not previously agreed upon will be quoted at current market values or cost plus fifteen percent (15%) and include all applicable sales taxes and made effective upon duly authorized Change Order.
- b. This Scope of Work is limited to the all parts, materials, and labor necessary to supply and install the planned Sensus FlexNet infrastructure as proposed in Consultant's proposal, attached hereto as Exhibit D and incorporated herein by this reference. Consultant will not be responsible for any expansion of service area, or additional infrastructure requirements to cover areas or additional field modules (including but not limited to water meters, electric meters, gas meters, lighting modules, etc.). Any request for additional modules, further system enhancements, integrations or ongoing management/maintenance of the system, will be priced accordingly at current market values at the time of request, subject to a duly-authorized Change Order approved by the District.
- c. Consultant has provided costs for integrating Sensus FlexNet with the District's CIS; however, the CIS Provider may impose separate fees for extract and meter swap integration with Sensus FlexNet. Consultant is unable to ascertain additional fees as they are facilitated independently and directly between the CIS Provider and the District. The District will be responsible for any additional cost(s) or increased fee(s) imposed by CIS Provider directly.

**EXHIBIT B**  
**PAYMENT SCHEDULE**

1. Per Proposal (Exhibit D)
2. Net 30 on work accomplished

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's defense and indemnification obligations to District, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to District.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and \$2,000,000 in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000).

Consultant shall submit to District, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of District, its officers, agents, employees and volunteers.

#### **Other provisions or requirements**

**Proof of insurance.** Consultant shall provide certificates of insurance to District as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement. Insurance certificates and endorsements must be approved by General

Manager prior to commencement of performance. Current certification of insurance shall be kept on file with District at all times during the term of this contract. District reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by Consultant, his agents, representatives, employees, or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by District shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of District before the District's own insurance or self-insurance shall be called upon to protect it as a named insured.

**District's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the General Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against District, its elected or appointed officers, agents, officials, employees, and volunteers. Consultant hereby waives its own right of recovery against District and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Exhibit are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the District requires and shall be entitled to

coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

**Notice of cancellation.** Consultant agrees to oblige its insurance agent or broker and insurers to provide to District with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that District and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved in writing.

**Separation of insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass through clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to District for review.

**Agency's right to revise specifications.** The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by District. District reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by District.

**Timely notice of claims.** Consultant shall give District prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance

under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

**EXHIBIT D**

**CONSULTANT'S PROPOSAL**





**Aqua-Metric Sales Company**

Kristy Segarra - Manager, Bids and Proposals

16914 Alamo Parkway, Building 2 | Selma, TX 78154

Phone: (210) 967-6300 | Facsimile: (210) 967-6305

Quote for: Nipomo Community Services District

Attention: Mario Iglesias, General Manager

Address: PO Box 326

City, State, ZIP: Nipomo, CA 93444

Quantity	Description	Unit Price	Line Total
2	M400 Basestation <sup>9</sup>	\$30,000.00	\$60,000.00
1	M400 Basestation Installation at Water Tank Site <sup>9,10</sup>	\$12,750.00	\$12,750.00
1	M400 Basestation Installation at Treatment Plant <sup>9,10</sup>	\$10,650.00	\$10,650.00
1	Communication Backhaul <sup>9,11</sup>	\$1,000.00	\$1,000.00
1	Juniper Archer3 Handheld	\$4,369.95	\$4,369.95
1	Juniper Archer3 Single Ethernet Dock	\$938.01	\$938.01
1	CommandLink	\$533.55	\$533.55
<b>Setup and Configuration</b>			
1RNI	SaaS Setup		Included
1RNI	Core Education		\$2,000.00
	1Sensus Analytics System Setup	\$2,000.00	Included
	1Sensus Analytics Basic Integration <sup>9,12</sup>		\$4,000.00
	1Sensus Analytics Training	\$4,000.00	\$2,500.00
1AMI	Network Implementation <sup>9</sup>	\$2,500.00	\$5,000.00
<b>Recurring</b>	<b>Annual Subscriptions <sup>7,8</sup></b>	\$5,000.00	
	1Annual Hosted RNI Software-as-a-Service, Water Only <sup>8</sup>		\$8,240.00
	1Annual Sensus Analytics Enhanced, Water Only <sup>8</sup>	\$8,240.00	\$7,950.00
	1Annual Acoustic Monitoring Application Fee <sup>7,8</sup>	\$7,950.00	\$3,125.00
	2Annual M400 Basestation Extended Warranty <sup>7</sup>	\$3,125.00	\$3,538.00
	1Annual Aqua-Metric VAR Support <sup>7</sup>	\$1,769.00	\$3,400.00
		\$3,400.00	
<b>Leak Detection Product</b>			
25	PermaLog+ AMR Leak Detection Loggers, Tiered Pricing for 1-25 Loggers	\$1,061.98	\$26,549.50
25	520M Single Port SmartPoint, Wired Units	\$159.29	\$3,982.25

This quote for the product and services named above is subject to the following terms:

Subtotal	\$160,526.26
Shipping & Handling	
Sales Tax	\$11,638.15
<b>Total</b>	<b>\$172,164.41</b>

This quote for the product and services named above is subject to the following terms:

1. All quotes are subject to the Aqua-Metric Terms of Sale.
  2. Quote is valid for thirty days.
  3. Freight allowed on single orders exceeding \$10,000.00.
  4. Net Thirty Days to Pay
  5. Returned product may be subject to a 25% restocking fee.
  6. Sales Tax and/or Freight charges are approximated and may vary on final invoice. Sales tax rate estimated at 7.25%.
  7. Annual 3% price increase for support services.
  8. Minimum five year term for SaaS Model with Annual 3% price increase.
  9. Pricing based on 1,000 Water Services.
- Please refer to the enclosed project clarifications page for additional information.

OCTOBER 14, 2020

ITEM D-9

ATTACHMENT A

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: OCTOBER 9, 2020

**AGENDA ITEM**  
**E-2**  
**OCTOBER 14, 2020**

**ADOPT ORDINANCE AMENDING CHAPTER 4.12  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE  
TO ADD PROVISIONS RELATING TO SEWER SERVICE FEES  
FOR ACCESSORY DWELLING UNITS**

**ITEM**

Adopt ordinance amending CHAPTER 4.12 OF THE NIPOMO COMMUNITY SERVICES DISTRICT CODE to add provisions relating to sewer service fees for Accessory Dwelling Units ("ADU") [RECOMMEND CONDUCT SECOND READING OF THE ORDINANCE, READ BY TITLE ONLY, WAIVE FURTHER READING OF THE ORDINANCE, AND DIRECT DISTRICT COUNSEL AND STAFF TO PREPARE AND PUBLISH SUMMARY OF ORDINANCE PER GOVERNMENT CODE SECTION 25124].

**BACKGROUND**

At your Board's September 23, 2020 Board Meeting, an Ordinance amending Chapter 4.12 of the Nipomo Community Services District Code to add provisions relating to sewer service fees for Accessory Dwelling Units was introduced. Your Board is required to have a second reading of the proposed ordinance amendment per Government Code Section 25131. This staff report addresses the Government Code requirement.

Review from September 23, 2020 Board Meeting:

The State of California ("State") has an interest in reducing rules and regulations governing the permitting and construction of accessory dwelling units ("ADU") as a means of increasing the State's housing stock. On October 9, 2019, California Governor Gavin Newsom signed several bills to further facilitate the development of accessory dwelling units (ADUs). Specifically, the signing of SB 13, AB 68, and AB 881 made significant changes to State ADU Law. The County of San Luis Obispo implemented the provisions of the new State ADU Law when the three (3) bills became effective on January 1, 2020.

District staff has reviewed its Ordinance relative to sewer service fees and charges and is proposing to amend Chapter 4.12 of the District Code ("Chapter"). Staff is proposing to add language to the Chapter that addresses ADU fees and charges in accordance with State and County changes. The amendments have been reviewed by District General Counsel and do comply with State and County laws and regulations. The changes address how and when the District sets and collects appropriate fees and charges from District customers who add ADUs to their property.

Specifically, the Ordinance amendments as proposed would define:

- the term "Accessory Dwelling Unit",
- how the District would calculate capacity charges and fees for an ADU,
- how sewer connections for ADUs will be managed,
- when the District would begin billing for sewer services of a newly constructed ADU.

### **FINANCIAL IMPACT**

With the recent changes in State law, the District cannot treat most new ADUs as a new residential use, and cannot collect capacity fees and charges from a property owner who adds an ADU to their property. With the current fee schedule, this equates to a loss of approximately \$22,000 per ADU (sewer and water capacity charges). These fees and charges pay for the added infrastructure needs to support new users. These costs, normally paid for by those who benefit from the added infrastructure, instead will be absorbed by all customers in the District based on the State's decision to facilitate as many ADUs as possible. The ongoing financial impact on the community these changes bring will depend on the number of customers who choose to build an ADU. The District will charge normal service rates to an ADU.

### **STRATEGIC PLAN**

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

- 6.A.1. Periodically review, update and reaffirm District policies and procedures.

### **RECOMMENDATION**

It is recommended that your Board conduct the second reading of the Ordinance, read the full title, waive further reading of the Ordinance, and direct District Counsel and staff to prepare and publish a summary of the ordinance, utilizing the following language in the motion: "I move that we adopt and read by title only ORDINANCE NUMBER 132, AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AMENDING NIPOMO COMMUNITY SERVICES DISTRICT CODE SECTION 4.12 ADDING PROVISIONS RELATED TO SEWER SERVICE FEES FOR ACCESSORY DWELLING UNITS, waive further reading of the ordinance, and direct District Counsel and staff to prepare and publish a summary of the ordinance in accordance with Government Code section 25124."

### **ATTACHMENTS**

- A. Draft Ordinance, Amend Chapter 4.12 of District Code to Add Provisions Relating to Sewer Service Fees for Accessory Dwelling Units

OCTOBER 14, 2020

ITEM E-2

ATTACHMENT A

**ORDINANCE NO. 2020-132**

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING CHAPTER 4.12 OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD  
PROVISIONS RELATING TO SEWER SERVICE FEES  
FOR ACCESSORY DWELLING UNITS**

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

SECTION 1. The California State Legislature has adopted laws that generally permit the construction of "Accessory Dwelling Units" by right on residential properties. The County of San Luis Obispo is charged with reviewing and issuing building permits and certificates of occupancy for "Accessory Dwelling Units," and the District must provide services to such residential units.

SECTION 2. The District does not regularly receive notice of final approval and occupancy of "Accessory Dwelling Units," and it is the intent of this Ordinance to provide a fair and efficient way for the District to start to bill for sewer service on "Accessory Dwelling Units."

SECTION 3. Section 4.12.160 is hereby added to the Nipomo Community Services District Code ("District Code") to read as follows:

"4.12.160 - Accessory Dwelling Units.

- A. For the purposes of this Section, the term "Accessory Dwelling Unit ('ADU') has the meaning set forth in Government Code Section 65852.2(j)(1), as the same may be amended from time to time.
- B. The District shall not consider an ADU to be a new residential use for the purpose of calculating capacity fees or capacity charges for sewer service, unless the ADU is detached and built with the construction of a new residential dwelling.
- C. For ADUs constructed within the space of an existing home or existing accessory structure, or for new attached ADUs built concurrently with a new single family home, the District shall not require a new or separate sewer connection and shall not impose capacity charges or capacity fees for the new ADU.
- D. The District shall charge normally applicable sewer service rates, as specified in this Code and any applicable appendix, for the ADU. For purposes of collecting monthly sewer service rates, an ADU is considered an equivalent dwelling unit to a single family residence and charged accordingly. The District shall begin to charge the active sewer service rate on the first billing statement immediately following the date that is six (6) calendar months following the issuance of the District's Will-Serve Letter for the ADU. If the ADU has not been certified for occupancy by the County of San Luis Obispo as of that date, the property owner or customer shall receive a credit for the ADU sewer service charges between the first billing and the date a certificate of occupancy is issued by making application to the District and providing documentation of the date the certificate of occupancy was issued. The General Manager shall have the authority to make other adjustments in the date billing begins for an ADU based on unique circumstances."

SECTION 4. Any sections, portions of sections, or subsections of the District Code not specifically amended and replaced herein shall remain in full force and effect.

SECTION 5. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the

**ORDINANCE NO. 2020-132**

**AN ORDINANCE OF BOARD OF THE DIRECTORS OF  
THE NIPOMO COMMUNITY SERVICES DISTRICT  
AMENDING CHAPTER 4.12 OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO ADD  
PROVISIONS RELATING TO SEWER SERVICE FEES  
FOR ACCESSORY DWELLING UNITS**

remaining portions of this Ordinance. The Board of Directors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause, or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

SECTION 6. The Board of Directors of the District finds, to the best of their knowledge, that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) because it constitutes general policy and procedure making and government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The Board of Directors further finds, to the best of their knowledge, that the adoption of this Ordinance is not a project as defined in CEQA Guidelines Section 15378 because it can be seen with certainty that it will not result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

SECTION 7. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. Before the expiration of the fifteenth (15th) day after passage, this Ordinance shall be published, in accordance with Government Code section 25124(b)(2), with the names of the members of the Board of Directors voting for or against the Ordinance in a newspaper of general circulation within the District.

INTRODUCED at its regular meeting of the Board of Directors held on September 23, 2020, and PASSED and ADOPTED by the Board of Directors of the Nipomo Community Services District at its regular meeting on \_\_\_\_\_, 2020, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

CONFLICTS:

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DAN ALLEN GADDIS  
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

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MARIO IGLESIAS  
General Manager and  
Secretary to the Board

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CRAIG A. STEELE  
District Legal Counsel

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TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: October 9, 2020

**AGENDA ITEM  
F  
OCTOBER 14, 2020**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is September 20, 2020 through October 10, 2020.*

**DISTRICT BUSINESS**

**Administrative**

The District keeps an accounting of leak adjustments to add to non-revenue water losses. In response to the COVID19 health emergency, the District is waiving all late fees and is not keeping track of late payments. The District does keep track of leak adjustments, which totaled 3 in September. Also, the District is offering to credit customer accounts to cover the third-party cost for paying the utility bill on-line; currently the fee is \$3.95. For September, a total of 27 customers took advantage of the District's offer to pay this fee.

**OFFICE ACTIVITIES**

	Sept 20	Jan 20 - Sept 20
Reports of Water Waste	0	0
Leak Adjustments	3	16
Leak Adjustment Amount	\$1,006	\$5,694
Late Fee Waivers	0	15
Late Fee Waiver Adjustment Amount	\$0	\$2,940
Official Payment (Count March-June)	27	85
Official Payments cost to District	\$103	\$332

**Water Resources**

**Table 1. Total Production Acre Feet (AF)**

	Sept-20	Jul 20 - Sept 20
Groundwater Production	82.1	300.4
Supplemental Water Imported	<u>108.9</u>	<u>314.9</u>
Total Production	191.0	615.2

The District's total combined production, including groundwater production wells and supplemental water imported at the Joshua Road Pump Station, registered 191 AF for the month of September.

NCSD imported 108.9 AF of water over the 30 day period in September, averaging 821 gallons per minute for an average total of 1.18 million gallons per day. For fiscal year 2020-21 the District must import at least 1,000 AF (84 AF per month on average) of supplemental water to meet its contractual obligation with the City of Santa Maria.

For the fiscal year, July 1, 2020 through September 30, 2020, a total of approximately 300.4 AF was imported. The District is on track to meet its targeted import water obligation for the fiscal year.

### **NCSD GW Reduction**

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 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 below demonstrates the calculus for determining the District's groundwater pumping reduction.

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

	Sept-20	Jul 20 - Jun 21
NCSD GW Well Production	82.0	300.4
Purveyor Customer Credit (33.3% of Import Water)	<u>27.6</u>	<u>96.2</u>
NCSD Total Calculated GW Production	109.6	396.5
Average GW Production for 2009-2013	<u>264.7</u>	<u>840.6</u>
NCSD Percentage of GW Reduction	59%	53%

### **2021 Fiscal Year Groundwater Pumping Forecast**

Table 3 projects the District's groundwater pumping reduction effectiveness for Fiscal Year 2021. Under the current Stage 4 of the NMMA Water Shortage Response Stages, the targeted groundwater pumping reduction is 1,266 AFY (50% of 2009-2013 average District GW Pumping). At the current usage rate through the first two months of the fiscal year, the District is predicted to reach its pumping reduction goals for fiscal year 2021. With the increased amount of import water scheduled for the year, it is anticipated that the District will continue to see the monthly measure of groundwater pumping reduction increase and drive the Year-to-date to 50%.

**Table 3. Projected Groundwater Pumping**

	Sep-20	Year-to-Date Jul-Jun 2021	Target	Over/(Under)
NCSD GW Well Production	82.0	901.7		
Purveyor Customer Credit (33.3% of Import Water)	<u>27.6</u>	<u>359.0</u>		
NCSD Total Calculated GW Production	109.6	1,260.7	1,266.0	5.35
Average GW Production for 2009-2013	<u>264.7</u>	<u>2,533.3</u>	<u>2,533.3</u>	
NCSD Percentage of GW Reduction	59%	50%	50.0%	

*With a 20% NCSD Reduction in GW & 20% increase delivery from previous year*

Table 4 compares the previous year's groundwater pumping with the current year's groundwater pumping for the same period. With the Fiscal Year 2021 requirement to import 8% more water from the City of Santa Maria as required in the water purchase agreement, it is anticipated that the District will reduce groundwater pumping well within the 50% self-imposed restriction. As the year progresses, it is anticipated that the GW Reduction percentage will increase.

**Table 4. FY 2020 v. FY 2021 Groundwater Pumping**

	Sep-20	Jul 20 -Jun 21	Sep-19	Jul 19-Jun 20
NCSD GW Well Production	82.0	901.7	116.3	1,026.0
Purveyor Customer Credit (33.3% of Import Water)	27.6	359.0	27.6	323.1
NCSD Total Calculated GW Production	109.6	1,260.7	143.9	1,349.1
Average GW Production for 2009-2013	264.7	2,533.3	264.7	2,533.3
NCSD Percentage of GW Reduction	59%	50%	46%	47%

**Rainfall Gauge – (gathered from the following websites)**

**Note 1: SLO County Website**

[https://wr.slocountywater.org/site.php?site\\_id=3&site=935e7af7-0e94-4042-bc11-e02906d5ba44](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](https://wr.slocountywater.org/site.php?site_id=2&site=878bfdbf-5c40-4398-8226-418372e4039b)

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
September 2020 Total	0.04	0.08
July-2020 through June-2021 (Season Total)	0.00	0.08
Oct 1, 2020 to Oct 9, 2020	0.00	0.00
Total Rainfall to date	0.04	0.16
Average Annual Year Rainfall	18.0 <sup>1</sup>	14.0 <sup>2</sup>

**Supplemental Water Capacity Accounting**

	Number of Equivalent Meters	AFY
Supplemental Water Available for Allocation	947	500
Supplemental Water Reserved (Will Serve Letter Issued)	124	-65.5
Subtotal Net Supplemental Water Available for Allocation	823	434.5
Supplemental Water Assigned (Intent-to-Serve Issued)	160	-84.5
<b>Total Remaining Supplemental Water Available for Allocation</b>	<b>663</b>	<b>350.1</b>

As of October 6, 2020

## Safety Program

Quarterly Safety Meeting October 30, 2020

## Other Items

- COVID19 NCSD Response Plan Update [ATTACHMENT A]
- Update on Water Rate Proceedings (Community Outreach)

## 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	4444	4444	4445	4449	4452	4459	4465	4471			
Sewer Connections (Total)	3208	3211	3211	3213	3217	3220	3227	3231	3237			
New Water Connections	0	3	0	1	4	5	7	6	6			
New Sewer Connection	1	3	0	2	4	1	7	4	6			
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	476	476	476	476	476	476	476	476	476			

The Connection Report is current through October 1, 2020.

## Meetings (September 20, through October 10)

*Meetings Attended (telephonically or in person):*

- Sept. 21, Management Meeting (COVID Response)
- Sept. 21, SLO County EOC Briefing
- Sept. 22, Staff Mtg. – Cust. Service Specialist
- Sept. 22, Eng/Admin Coordination Meeting
- Sept. 22, Municipal Advisor – NCSD Investment
- Sept. 23, Rotary
- Sept. 23, Regular NCSD Board Meeting
- Sept. 23, Exec. Team After-Board Meeting
- Sept. 24, NMMA-TG Meeting
- Sept. 24, Water Validation – MKN
- Sept. 25, Monthly NCSD Office Admin Mtg.
- Sept. 25, PG&E PSPS Portal Training
- Sept. 28, SLO County EOC Briefing
- Sept. 29, Staff Mtg. – Cust. Service Specialist
- Sept. 29, Electricraft – Office Elect. Repairs
- Sept. 29, New Times Interview – Wtr Rate Adjustment
- Sept. 30, Rotary
- Sept. 30, Sedaru Asset Management
- Oct. 1, NMMA-TG Manager's Meeting
- Oct. 2, Staff Mtg. – Cust. Service Specialist
- Oct. 5, NCSD Management Team Mtg.
- Oct. 5, NCSD Board Officer Mtg.
- Oct. 6, Staff Mtg. – Cust. Service Specialist
- Oct. 7, Rotary
- Oct. 7, CSDA Manager's Meeting
- Oct. 9, Staff Mtg. – Cust. Service Specialist

**Meetings Scheduled (October 11 through October 17):**

*Upcoming Meetings (telephonically or in person):*

- Oct. 13, Staff Mtg. – Cust. Service Specialist
- Oct. 13, Eng/Admin Coordination Meeting
- Oct. 14, Rotary
- Oct. 14, Regular NCSD Board Meeting
- Oct. 14, Exec. Team After-Board Meeting
- Oct. 16, Staff Mtg. – Cust. Service Specialist

**Upcoming Water Resource and Other Meetings**

*Upcoming Standing Meetings:*

- NMMA-TG: October 29<sup>th</sup> (Thursday) @ 10:00 AM, Conf. Call
- RWMG: No Schedule Posted –
- WRAC: November 4<sup>th</sup> (Wednesday) @ 1:30 PM, Zoom Meeting
- NMMA Purveyor Meeting: November 19<sup>th</sup> (Thursday) @ 10:00 AM, Zoom Meeting
- NCSD Board Officer Meeting: October 19<sup>th</sup> (Monday) @ 2:00 PM, NCSD Conf. Rm.

**RECOMMENDATION**

Staff seeks direction and input from your Board

**ATTACHMENTS**

- A. COVID19 - NCSD Response Plan Update
- B. NCSD Water Rate Community Outreach Presentation

OCTOBER 14, 2020

ITEM F

ATTACHMENT A

Date: October 14, 2020  
Response Activities to COVID19 Health Emergency  
Prepared by: Mario Iglesias, General Manager

## DISTRICT RESPONSE TO COVID 19

### New Actions

1. The customer counter window modifications at the office are completed, but the installation is being questioned by District staff. Window will need to be redone.

### NO OTHER NEW ACTIONS

### Ongoing Actions

1. Participate in SLO County Daily EOC Briefing
2. Review SLO County Daily EOC Status Report
3. Practicing Social Distancing
4. Face coverings are required when employees are in District Buildings when they are away from their work stations

### Previous Actions

1. NCSD Board Passes Resolution Declaring Emergency in District
2. Admin Office Closed to the Public
  - a. Meetings are virtual – Conference Calls
3. Discontinued: Split staff into two teams
  - a. See schedule on Response Plan
4. Received directions for FEMA Public Assistance – Cost Tracking Guidance
5. Governor's Executive Order – No Water Turn-offs
  - a. District instituted this policy as well as a No Late Fee – No Penalty Fees
6. Wipe-down between shifts
7. Each operator in separate designated vehicle.
8. Received additional PPE. Administration Staff will be on normal schedule 8-4:30 starting Monday May 18th
9. Operations Staff are on normal 7:00 am to 3:30 pm work schedule as of Monday, May 4<sup>th</sup>. County opened up construction sites.
10. Expanded Customer Service Work to include site visits for investigations (high bills, meter issues) week of May 11
11. Trailers for quarantine have been returned – May 1
12. District to begin wastewater sampling in conjunction with County effort to determine presence of COVID19 in communities – May 11
13. Temporary Admin Support Workers brought back to Office (Provider incentivized due to PPP Funds) – June 1
14. Lobby Modifications: Glass will be equipped with speaker plates to allow the communication between customer and clerk without opening the sliding window.
15. Board Meetings open to the public.
16. County Offices Continued Closed with Appointments provided to some departments as needed.
17. 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.

OCTOBER 14, 2020

ITEM F

ATTACHMENT B



# **PUBLIC OUTREACH EXPLAINING RATE PROPOSAL**



**NIPOMO COMMUNITY SERVICES DISTRICT  
PROPOSAL FOR 2020 RATE SCHEDULE**

This is a notice to explain proposed increases in water rates for the Nipomo Community Services District ("MCSO" or the "District") and the majority protest procedures. The proposed rate increases will be recommended for adoption by MCSO's Board of Directors at the Public Hearing described in this Notice.

Dear Owners of Record and Customers of Record:

Nipomo Community Services District is advancing a study of its water rates for the purpose of reducing the scheduled 14.7% water rate increase to 4.5%. The 14.7% rate increase is scheduled to take effect December 1, 2020, but if this proposal is approved, the rate increase to 4.5% would take effect January 1, 2021. The global pandemic has affected local and worldwide economies and is creating a challenging financial environment for our customers. In response to COVID-19, the Board of Directors has approved staff to provide rate relief for District customers by reducing the rate increase in 2020. The funding deficit created by the 10.2% approved rate increase will be met by utilizing District reserves and by spreading the cost over future years through 2025.

Effective Date		ADJUSTMENT	
1-Jan-21	1-Jan-22	10.2%	-4.6%
PROPOSED 2020	ADOPTED 2017	4.5%	10.2%
8.9%	4.5%		

The proposed water rate adjustment is needed to ensure that the District has sufficient revenues to fund operating and capital needs and provide appropriate levels of operating, capital, and emergency reserves. The District's last rate increase became effective on December 1, 2019 and was based on a 5-year rate study adopted in October 2017. Two major cost factors in the scheduled 14.7% rate increase were (1) the additional supplemental water required to be purchased in 2020, a \$35,000 added cost to the budget, and (2) funds devoted to rebuilding the District's operating reserves, \$242,000.

Water rate factors continue to put pressure on the cost of export water from the City of Santa Maria via the Nipomo Supplemental Water Project as well as supplies and services needed to operate and maintain the water system.

Multi-year approach to setting rates

By taking a multi-year approach to rate setting in meeting long term supplemental water purchasing obligations, infrastructure repair and improvement needs, as well as delivering day-to-day services, the District can better prepare for the future and avoid significant unexpected rate increases.

**Proposed Water Rates**

The proposed rates would maintain a uniform rate per unit of water used (1 Unit = 746 gallons or One Hundred Cubic Feet "HCF"). The rate per unit would be the same for all users. Additionally, the proposed rates would extend a rate plan to 2025, when the District will begin (July 1, 2025) to meet its obligation to export 2,000 acre-feet of water annually. The proposed rates are structured to meet the increased financial obligations for importing 60% more water from Santa Maria, without imposing a large rate increase all in one year. The proposed rates would go into effect January 1, 2021. The subsequent year rate increases and a breakdown of costs are on the following pages.

PLEASE CONTACT US IF YOU HAVE QUESTIONS OR COMMENTS ABOUT THE PROPOSED RATE INCREASE

(805) 929-1133 | info@ncsd.ca.gov | P.O. Box 326, Nipomo, CA 93444

Meter Size	Current Scheduled	Proposed Bi-Monthly Fixed Charges with Uniform Rate Structure				
		January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
5/8 thru 1 inch	\$51.59	\$53.70	\$60.72	\$67.73	\$75.25	\$83.12
1- 1/2 inch	\$62.07	\$75.76	\$84.04	\$94.06	\$103.97	\$114.39
2 inch	\$78.43	\$106.42	\$118.65	\$131.20	\$144.69	\$158.90
3 inch	\$108.85	\$123.04	\$249.29	\$276.41	\$305.33	\$335.75
4 inch	\$228.44	\$312.99	\$348.36	\$385.16	\$424.45	\$465.89
All Consumption	\$5.95	\$6.21	\$6.68	\$7.21	\$7.80	\$8.45

Example of 2021 Bi-Monthly Water Bills Including Proposed Rates									
Description					Description				
Usage (HCF)					Usage (HCF)				
Current					Current				
January 1, 2021					January 1, 2021				
Very High	50	\$51.59	\$297.50	\$349.09	Very High	50	\$51.59	\$297.50	\$349.09
High	40	\$51.59	\$238.00	\$289.59	High	40	\$51.59	\$238.00	\$289.59
Average	24	\$51.59	\$142.80	\$194.39	Average	24	\$51.59	\$142.80	\$194.39
Medium	17	\$51.59	\$88.15	\$139.74	Medium	17	\$51.59	\$88.15	\$139.74
Low	10	\$51.59	\$52.50	\$104.09	Low	10	\$51.59	\$52.50	\$104.09
Very Low	5	\$51.59	\$26.25	\$52.54	Very Low	5	\$51.59	\$26.25	\$52.54
0	0	\$51.59	\$0.00	\$51.59	0	0	\$51.59	\$0.00	\$51.59
Fixed Charge (\$ per bi-month)					Fixed Charge (\$ per bi-month)				
January 1, 2021	2021	2022	2023	2024	January 1, 2021	2021	2022	2023	2024
\$53.70	\$60.72	\$67.73	\$75.25	\$83.12	\$53.70	\$60.72	\$67.73	\$75.25	\$83.12
\$75.76	\$84.04	\$94.06	\$103.97	\$114.39	\$75.76	\$84.04	\$94.06	\$103.97	\$114.39
\$106.42	\$118.65	\$131.20	\$144.69	\$158.90	\$106.42	\$118.65	\$131.20	\$144.69	\$158.90
\$123.04	\$249.29	\$276.41	\$305.33	\$335.75	\$123.04	\$249.29	\$276.41	\$305.33	\$335.75
\$312.99	\$348.36	\$385.16	\$424.45	\$465.89	\$312.99	\$348.36	\$385.16	\$424.45	\$465.89

Proposed Bi-Monthly Private Fire Protection Charges									
Description					Description				
Usage (HCF)					Usage (HCF)				
Current					Current				
January 1, 2021					January 1, 2021				
Very High	50	\$51.59	\$297.50	\$349.09	Very High	50	\$51.59	\$297.50	\$349.09
High	40	\$51.59	\$238.00	\$289.59	High	40	\$51.59	\$238.00	\$289.59
Average	24	\$51.59	\$142.80	\$194.39	Average	24	\$51.59	\$142.80	\$194.39
Medium	17	\$51.59	\$88.15	\$139.74	Medium	17	\$51.59	\$88.15	\$139.74
Low	10	\$51.59	\$52.50	\$104.09	Low	10	\$51.59	\$52.50	\$104.09
Very Low	5	\$51.59	\$26.25	\$52.54	Very Low	5	\$51.59	\$26.25	\$52.54
0	0	\$51.59	\$0.00	\$51.59	0	0	\$51.59	\$0.00	\$51.59
Fixed Charge (\$ per bi-month)					Fixed Charge (\$ per bi-month)				
January 1, 2021	2021	2022	2023	2024	January 1, 2021	2021	2022	2023	2024
\$53.70	\$60.72	\$67.73	\$75.25	\$83.12	\$53.70	\$60.72	\$67.73	\$75.25	\$83.12
\$75.76	\$84.04	\$94.06	\$103.97	\$114.39	\$75.76	\$84.04	\$94.06	\$103.97	\$114.39
\$106.42	\$118.65	\$131.20	\$144.69	\$158.90	\$106.42	\$118.65	\$131.20	\$144.69	\$158.90
\$123.04	\$249.29	\$276.41	\$305.33	\$335.75	\$123.04	\$249.29	\$276.41	\$305.33	\$335.75
\$312.99	\$348.36	\$385.16	\$424.45	\$465.89	\$312.99	\$348.36	\$385.16	\$424.45	\$465.89

## BUYING WATER FROM CITY OF SANTA MARIA

Date	Description
July 1, 2015	Year 1: Obligated to take a minim of 645 AcFt of water.
July 1, 2016	Years 2 through 5: Minimum take of pay 800 AcFt of water.
July 1, 2020	Years 6 through 10: Minimum take of pay 1,000 AcFt of water.
July 1, 2025	Years 11 and beyond: Minimum take of pay 2,500 AcFt of water.

1 Acre Foot (AcFt) of water = 325,851 gallons

*[325,851 gallons is approximately a year's worth of water for 3 homes in Nipomo]*

# 2017 RATE STUDY – SCHEDULED INCREASES



Report on

## Water Rate Study

July 2017

For:

Nipomo Community Services District

148 S Wilson Street  
Nipomo, CA 93444  
(805) 939-1133

Submitted By:

Tuckfield & Associates

2549 Eastbluff Dr, #450E  
Newport Beach, CA 92660  
(949) 760-0454

[www.tuckfieldassociates.com](http://www.tuckfieldassociates.com)



- Adopted Rate Schedule: October 11, 2017 Public Hearing
- Two Approved Rate Adjustments Remaining:
  - December 1, 2020 – 14.7% (Increased Import Water)
  - December 1, 2021 – 4.5%

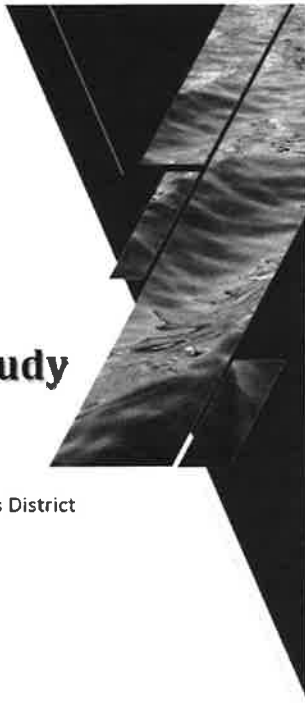
# 2020 PROPOSED RATE SCHEDULE



Report on  
**Water Rate Study**  
August 2020

For:  
**Nipomo Community Services District**  
148 S Wilson Street  
Nipomo, CA 93444  
(805) 939-1135

Submitted By:  
**Tuckfield & Associates**  
Contact: Clayton Tuckfield  
2549 Eastbluff Dr, #450B  
Newport Beach, CA 92660  
(949) 760-9454  
[www.tuckfieldassociates.com](http://www.tuckfieldassociates.com)



- Proposed Rate Schedule: October 28, 2020 Public Hearing
- Replaces the two remaining 2017 Rate Adjustments:
  - January 1, 2021 – 4.5%
  - January 1, 2022 – 8.9%

## 2017 SCHEDULED VS. 2020 PROPOSED

### 2017 Water Rate Costs Scheduled to Take Effect on December 1, 2020

Study	Effective Date	% Increase	Monthly Fixed	Variable \$/748 gallons
2017 Rate Study	December 1, 2020	14.7%	\$29.13	\$6.92
2017 Rate Study	Current Rate	NA	\$25.80	\$5.95
<u>Scheduled</u> Increase Amount \$			\$ 3.33	\$ .97

### 2020 Proposed Water Rates

Study	Effective Date	% Increase	Monthly (Fixed)	Variable \$/748 gallons
2020 Rate Study	January 1, 2021	4.5%	\$26.85	\$6.21
2017 Rate Study	Current Rate	NA	\$25.80	\$5.95
2020 Rate Study <u>Proposed</u> Increase Amount \$			\$ 1.05	\$ .26

<b>2020 Proposed Rate Reduction (Savings)</b>	<b>\$2.28/Month</b>	<b>\$ .71 /Unit</b>
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# 2020 RATE STUDY PROPOSED RATES

Proposed Bi-Monthly Fixed and Variable Charges - Uniform Volume Rate Structure

	Current Fixed Charge	Scheduled Dec. 2020 1,000 AcFt	January 1, 2021 1,000 AcFt	January 1, 2022 1,000 AcFt	January 1, 2023 1,000 AcFt	January 1, 2024 1,000 AcFt	January 1, 2025 2,500 AcFt
<b>Buy Water from City</b>							
<u>Meter Size</u>			<u>Fixed Charge (\$ per bi-month)</u>				
5/8 thru 1 inch	\$51.59	<del>\$58.26</del>	\$53.70	\$60.72	\$67.73	\$75.25	\$83.12
1-1/2 inch	\$60.87	<del>\$67.97</del>	\$75.76	\$84.84	\$94.06	\$103.97	\$114.39
2 inch	\$78.43	<del>\$87.05</del>	\$106.42	\$118.65	\$131.20	\$144.69	\$158.90
3 inch	\$178.85	<del>\$200.11</del>	\$223.04	\$249.29	\$276.41	\$305.33	\$335.75
4 inch	\$228.44	<del>\$253.78</del>	\$312.99	\$348.36	\$385.16	\$424.45	\$465.89
6 inch	\$372.90	<del>\$406.41</del>	\$631.28	\$697.07	\$766.35	\$840.66	\$919.47
8 inch	\$538.01	<del>\$580.83</del>	\$995.04	\$1,095.60	\$1,202.00	\$1,316.33	\$1,437.85
			<u>Variable Charge (\$ per HCF)</u>				
All Consumption	\$5.95	<del>\$6.92</del>	\$6.21	\$6.68	\$7.21	\$7.80	\$8.45

2020 Proposed Rate Reduction (Savings)

## SETTING THE 2020 RATE SCHEDULE REVIEW

Date	Description
April 22, 2020	Board Meeting: Considers Rate Normalization (Reduction)
May 13, 2020	Board Meeting: Awarded Rate Study Contract
July 22, 2020	Board Meeting: Received Rate Study Presentation
August 26, 2020	Board Meeting: Approved Rate Study, Initiate Prop. 218 Process
September 3, 2020	Mail 45-Day Prop 218 Notice
September 30, 2020	Community Outreach Meeting (Email Blast: Video Presentation on Website)
October 28, 2020	Board Meeting: Board Approves Rates (If no Majority Protest)
December 1, 2020	<del>2017 Rate Increase 14.7% Becomes Effective</del> (Only if 2020 Proposal Fails)
January 1, 2021	4.5% Rate Increase Becomes Effective





## NEED MORE INFORMATION

- FULL RATE STUDY:

[HTTPS://NCSD.CA.GOV/WP-CONTENT/UPLOADS/2020/09/NCSD-WATER-RATE-STUDY-FINAL-REPORT-8-27-2020.PDF](https://ncsd.ca.gov/wp-content/uploads/2020/09/ncsd-water-rate-study-final-report-8-27-2020.pdf)

- COPY OF THE PUBLIC NOTICE:



[HTTPS://NCSD.CA.GOV/WP-CONTENT/UPLOADS/2020/09/218-NOTICE-WATER-RATES-2020-FINAL-VERSION.PDF](https://ncsd.ca.gov/wp-content/uploads/2020/09/218-notice-water-rates-2020-final-version.pdf)

- CONTACT NIPOMO CSD

- PHONE: (805) 929-1133
  - EMAIL : [INFO@NCSD.CA.GOV](mailto:info@ncsd.ca.gov)
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# HOW TO PROTEST

A VALID WRITTEN PROTEST MUST BE RECEIVED BY THE CLOSE OF THE PUBLIC HEARING SET FOR OCTOBER 28, 2020 @ 9:00 AM AND LOCATED AT 148 S. WILSON STREET, NIPOMO CA IN BOARD MEETING ROOM. THE PROTEST LETTER NEEDS TO INCLUDE THE FOLLOWING:

1. A STATEMENT THAT IT IS A PROTEST AGAINST THE PROPOSED WATER RATE INCREASE;
2. THE NAME OF THE RECORD OWNER OR CUSTOMER OF RECORD;
3. THE IDENTITY OF THE AFFECTED PARCEL BY ASSESSOR'S PARCEL NUMBER OR SERVICE ADDRESS;
4. AN ORIGINAL SIGNATURE (NOT PHOTOCOPY, EMAIL, OR FAX COPY) OF THE RECORD OWNER OR CUSTOMER OF RECORD OF THE IDENTIFIED PARCEL; **AND**
5. THE DATE THE WRITTEN PROTEST IS SIGNED.