

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1359**

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AMENDING APPENDIX A TO CHAPTER 3.04 OF THE
NIPOMO COMMUNITY SERVICES DISTRICT CODE TO
AMEND WATER CAPACITY CHARGES**

WHEREAS, it is a major responsibility of the Nipomo Community Services District ("District") to maintain adequate levels of revenue, equitably collected to meet the District's financial commitments for existing facilities and charges for new facilities to be constructed in the future which benefit the person or property being charged; and

WHEREAS, the District wishes to ensure the ability to produce water to meet peak demands, extend water reliability and improve water quality; and

WHEREAS, new development will use and benefit from the District's past investments in the water distribution system; and

WHEREAS, the purpose of the new capacity charges adopted by this Resolution is to equitably spread the cost of existing water infrastructure and proposed supplemental water projects (as referenced herein) that benefit new connections within the District's Water Systems; and

WHEREAS, the District retained Clayton Tuckfield, of the Tuckfield & Associates, to perform an independent capacity charge analysis of the Water System and proposed supplemental water projects that would benefit new development. The Tuckfield & Associates analysis is found in a report titled "Nipomo Community Services District Water Rate and Capacity Charge Study" dated September 2014, (herein the "Study"). The intent of the Study is to assess water capacity charges to enable the District to meet revenue requirements for new development, to provide supplemental water, and to maintain fairness and equity among existing and future rate payers within the District. The Study was received and filed on September 24, 2014, and has been available for public inspection since that date; and

WHEREAS, based upon facts and analysis presented by Clayton Tuckfield, the Study (including all Memoranda and documents referred to therein), the Staff Report, and public testimony received, all of which is incorporated herein by reference, the District Board of Directors finds:

- A. The public meetings adopting this Resolution have been properly noticed pursuant to Government Code Section 54954.2 (The Brown Act); and
- B. That notice has been provided pursuant to Government Code Section 66016; and
- C. That the proposed water capacity charges do not exceed the estimated reasonable costs of providing the service for which the charge is levied; and
- D. That the public benefits from the logical, long-range approach to financing of public facilities; and

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

Section 1. Incorporation of Recitals

The Recitals are true and correct and incorporated herein by this reference. The Recitals and referenced reports and studies contained therein constitute and support the findings of the District in support of this Resolution.

Section 2. Appendix A to Chapter 3.04 of the District Code that establishes capacity charges is amended as follows:

Water Capacity Charge

Up to 1" meter	\$2,921
1.5" meter	\$8,764
2" meter	\$14,022
3" meter	\$26,291
4" meter	\$43,819
6" meter	\$87,638

Supplemental Water Capacity Charge

Up to 1" meter	\$7,570
1.5" meter	\$22,710
2" meter	\$36,336
3" meter	\$68,130
4" meter	\$113,550
6" meter	\$227,100

The above referenced capacity charges are subject to an annual adjustment based on the following formula:

Annual Adjustment. Commencing July 1, 2015, and each fiscal year thereafter, the capacity charge shall be increased to reflect the estimated increase in the costs of the construction of District facilities. The determination of whether there has been an increase in costs and the estimated amount of the increase in costs shall be determined by the percentage increase in the 20-Cities Construction Cost Index published by the Engineering News Record using the May, 2014, value of nine thousand seven hundred ninety-six (9,796) as the basis and the Index value for May of each year to calculate the increase.

Section 3. Severance Clause.

If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it

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would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 4. Further Findings.

The Board of Directors of the District finds that the rates and charges adopted by this Resolution are to obtain funds for capital projects to maintain service within the District and are exempt from the California Environmental Quality Act pursuant to Public Resource Code §21080(b)(8) and CEQA Guidelines §15273. The District Manager is directed to prepare and file appropriate notices and findings.

Section 5. Effective Date.

This Resolution along with the new capacity charges shall take effect and be in full force and effect on January 1, 2015.

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


AYES: Directors Blair, Vierheilg, Gaddis, Harrison, and Armstrong
NOES: None
ABSENT:
CONFLICTS:

the foregoing resolution is hereby adopted this 12th day of November, 2014.




CRAIG ARMSTRONG, President
Nipomo Community Services District

ATTEST:



MICHAEL S. LEBRUN
General Manager and Secretary to the Board

APPROVED AS TO FORM:



MICHAEL W. SEITZ
District Legal Counsel