

TO: BOARD OF DIRECTORS  
REVIEWED: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: MARCH 31, 2015

**AGENDA ITEM  
E-1  
APRIL 8, 2015**

**CONSIDER REQUEST TO AMEND COUNTY SERVICE AREA 1  
AGREEMENT TO ADD 1141 DIVISION STREET  
SUBDIVISION PROJECT (APN 092-181-035)**

**ITEM**

Consider Request to Amend County Service Area 1 Agreement to Add 1141 Division Street Subdivision Project [RECOMMEND CONSIDER REQUEST AND PROVIDE STAFF DIRECTION].

**BACKGROUND**

The District received an application for sewer only service for APN 092-181-035, located at 1141 Division Street. The Owner/Applicant is Shannon Tanner. The application is for a 17 lot residential subdivision. The property is located within County Service Area (CSA-1) and within the sewer prohibition area. The project is proposed to receive water service from Golden State Water Company.

When staff was researching the existing agreement with CSA 1, staff determined that while the parcel is included in the current agreement between the County and the District for CSA 1, only one dwelling unit equivalent is allocated to this parcel. Thus, the existing agreement needs to be amended to increase the number of dwelling units allocated to this parcel as well as increase the total number of dwelling unit equivalents to be provided wastewater treatment within CSA 1.

LAFCO has indicated they will need to review and any proposed amendment to the CSA-1 agreement.

Should your Board agree to moving forward to amend the CSA-1 agreement, staff would develop an Intent-to-Serve (ITS) letter that contains project specific conditions, including the amendment of the CSA-1 agreement, for future Board review and approval.

The first step following approval of the conditioned ITS is for the owner to enter into a Plan Check and Inspection agreement to provide a mechanism for the District to recover all costs incurred to further process the application including the CSA-1 Agreement amendment through the County and LAFCO, and the project through design and acceptance.

**FISCAL IMPACT**

Budgeted staff time was utilized to develop this staff report.

**RECOMMENDATION**

Staff recommends that the Board provide direction to staff on whether or not staff should proceed to amend the CSA-1 Service Agreement to add the 1141 Division Street Subdivision Project. If the Board desires to proceed with the amendment, direct staff to return to your Board with conditioned Intent-to-Serve letter for the project.

**ATTACHMENTS**

- A. Intent-to-Serve Letter Application

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2015\150408 CSA 1 AGREEMENT AMENDMENT FOR 1141 DIVISION SUBDIVISION.docx

April 8, 2015

E-1

ATTACHMENT A



# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET  
POST OFFICE BOX 326 NIPOMO, CA 93444 - 0328  
(805) 929-1133 FAX (805) 929-1932  
Website: ncsd.ca.gov

Office use only:  
Date and Time  
Complete  
Application and  
fees received:

RECEIVED

DEC 08 2014

NIPOMO COMMUNITY SERVICES DISTRICT

## INTENT-TO-SERVE APPLICATION

1. This is an application for:  Sewer and Water Service  Water Service Only
2. SLO County Planning Department/Tract or Development No.: RHO NIP SUB PTN LT 2
3. Attach a copy of SLO County application.

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

4. Project location: 1141 DIVISION ST. NIPOMO
5. Assessor's Parcel Number (APN) of lot(s) to be served: 092-181-035
6. Owner Name: SHARON TANNER
7. Mailing Address: 1 TANNER ROAD, GROVER BEACH CA
8. Email: \_\_\_\_\_
9. Phone: \_\_\_\_\_ FAX: \_\_\_\_\_

10. Agent's Information (Architect or Engineer):  
Name: MPI LIMITED  
Address: 735 TANK FARM RD, SUITE 240, S.L.O. CA  
Email: ANDYMANGANO729MAIL.COM  
Phone: 805-704-9364 FAX: \_\_\_\_\_

11. Type of Project: (check box) (see Page 3 for definitions)

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

12. Total Number of Dwelling Units 20 Number of Low Income Units 0

13. Does this project require a sub-division?  Yes  No  
If yes, number of new lots created 19

14. Site Plan:  
For projects requiring Board approval, submit six (6) standard size (24" x 36") copies and one reduced copy (8½" x 11"). Board approval is needed for the following:
  - more than four dwelling units
  - property requiring sub-divisions
  - higher than currently permitted housing density
  - commercial developments

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

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

15. Water Demand Certification:

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

16. Commercial Projects Service Demand Estimates:

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

17. Agreement:

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

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

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

The District will only accept cashier's check or bank wire for the payment of Water Capacity, Sewer Capacity and other related development fees.

Date 11/19/2014 Signed

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

Print Name ANDREW P. MANGANO



TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

DATE: APRIL 3, 2015

## AGENDA ITEM

### E-2

APRIL 8, 2015

## ADOPT DISTRICT WATER RESOURCES POLICY

### ITEM

Consider adoption of District water resources policy and provide staff direction [RECOMMEND APPROVE RESOLUTION ADOPTING POLICY].

### BACKGROUND

The District is constructing a supplemental water supply pipeline and preparing to increase area water supply sources. Supplemental water will facilitate better management of the local groundwater resource. Currently, groundwater is the only water supply to the District and entire Nipomo Mesa.

The District's project will ultimately bring 3,000 acre feet per year of supplemental supply to the Nipomo Mesa. 2,500 acre-feet of the new supply will be used to offset and reduce existing groundwater demands in compliance with the goal of returning our local basin to balance and long-term sustainability. The project also meets the District's requirement under a court-ordered settlement of the Santa Maria groundwater adjudication.

The District is making a significant investment to bring supplemental water to the Mesa. The District desires to protect this investment by ensuring this supplemental water source results in direct and sustained reduction in urban related groundwater pumping across the Nipomo Mesa.

In addition to reducing the current urban related groundwater demand in the area, all new development going forward must be met by imported water or the beneficial effects of the current project would be nullified. For this reason, the settlement Stipulation specifies that new urban uses must be watered with supplemental water (Section VI.E., Page 27).

In order to meet this requirement, the District added 500 acre-feet per year of capacity to the supplemental water project. This water is earmarked for new development within the District's boundaries and is being accounted for against all new water connections since January 2008 – when the groundwater court issued its Final Judgment.

As the Mesa's only public water purveyor, the District plays an important role in protecting the area's water resources. However, with limited geographic and policy authority, the District is not in a position to dictate water resources policy across the Nipomo Mesa.

The County of San Luis Obispo, through its planning and building powers, controls new/future development. The Nipomo Mesa Management Area (NMMA) Technical Group is the court appointed group tasked with monitoring and managing the area groundwater resources and reporting annually to the groundwater court. The NMMA membership includes all four of the Mesa's largest urban water suppliers, including the District. Each purveyor also plays a role in making sure new development is not putting new demand on the groundwater basin.

To be effective, District policy needs to be applicable and implementable across the area. This is accomplished by basing the policy on previous groundwater court and County actions regarding the use and protection of Nipomo area groundwater resources. Specifically, these actions include the Stipulation and Final Judgment of the court, as mentioned above, and San Luis Obispo County Ordinance 3090.

In 2006, the County Board of Supervisors certified Mesa area groundwater resources as Level of Severity III (most severe) and adopted Ordinance 3090. The County Ordinance requires supplemental water fees be established and collected and supplemental water be used for new development across the Nipomo Mesa.

In 2014, the District solicited input on the draft Water Resources Policy Statement from the County and NMMA Technical Group. Some NMMA members commented on the draft, but the Technical Group did not endorse the Policy. Directors and staff met with County staff and 4<sup>th</sup> District Supervisor on two occasions to discuss the draft Policy Statement. Most of the County's comments addressed the background information to the Policy. These comments have been addressed.

In recent months your Board and the Facilities/Water Resources Committee have considered the draft Policy and received input at three public meetings. At the March 11, 2015 Regular Meeting, your Board directed staff to return the Policy for adoption by Resolution.

### **FISCAL IMPACT**

Over the next ten years, the District will invest over \$30 million in infrastructure to deliver supplemental water to the area. District water rates will increase to pay for the more expensive imported water. There must be clear policy in place to ensure the maximum benefit and protection of area groundwater resources comes from this investment.

### **STRATEGIC PLAN**

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.4 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.

### **RECOMMENDATION**

Staff recommends that the Board approve Resolution adopting the District Water Resources Policy.

### **ATTACHMENTS**

- A. Draft Resolution 2015 – Water Resources Policy



April 8, 2015

E-2

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A WATER RESOURCES POLICY**

**WHEREAS**, the Nipomo Community Services District ("District") is a party to a groundwater adjudication, Santa Maria Valley Water Conservation District v. City of Santa Maria, etc. et al., Case No. CV 770214 ("Groundwater Litigation"); and

**WHEREAS**, the District's current water supply is groundwater extracted from the Nipomo Mesa Management Area (NMMA) as established by the court in the Santa Maria Groundwater Litigation (also referred to as the Nipomo Mesa Water Conservation Area (NMWCA) by the County of San Luis Obispo, pursuant to County Ordinance 3090), of the Santa Maria Groundwater Basin; and

**WHEREAS**, pursuant to Section VI D(1) of the June 2005 Stipulation as incorporated into the January 25, 2008, Final Judgment in the Groundwater Litigation, the Nipomo Mesa Management Area Technical Group has declared that a "Potentially Severe Water Shortage Condition" exists within the Nipomo Mesa Management Area; and

**WHEREAS**, the San Luis Obispo County Department of Planning and Building's 2004 Resource Capacity Study for the Water Supply in the Nipomo Mesa Area recommended a Level of Severity III (existing demand equals or exceeds dependable supply) be certified for the Nipomo Mesa Area and that measures be implemented to lessen adverse impacts of future development (said Study and referenced documents are incorporated herein by reference); and

**WHEREAS**, the San Luis Obispo County Board of Supervisors ("County") in June 2007, certified the Nipomo Mesa Water Conservation Area as a Severity Level III, meaning that existing water demand equals or exceeds the dependable supply; and

**WHEREAS**, the resource protection goals of the San Luis Obispo County South County Area Plan include the following:

- Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.
- Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels; and

**WHEREAS**, the District is constructing a supplemental water project to increase its available water supply and meet the District's share of the court ordered commitment to bring a minimum of 2,500 AFY of supplemental water to the Nipomo Mesa Management Area (NMMA); and

**WHEREAS**, the District's supplemental water project includes a 500 AFY capacity reservation for new development within the District's existing boundaries consistent with the court order requirements that all new urban water demand within the NMMA be met with new developed water; and

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A WATER RESOURCES POLICY

**WHEREAS**, based on the Staff Report, Staff presentation, and public comment, the District Board of Directors finds:

- A. That the purpose and intent of this Resolution is consistent with the purposes found in the Judgment and Stipulation in the Ground Water Litigation imposing a physical solution to assure long term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Severity Level III for the waters underlying the NMWCA and;
- B. That adopting this Resolution will ensure the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection by ensuring that all new urban demand within the District is satisfied with new developed water and;

**WHEREAS**, based on the Staff Report, Staff presentation, and public comment, the District Board of Directors further finds this Resolution is adopted for the protection of the health, safety and welfare of District water customers who depend on the underlying ground water basin as their source of water supply.

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

- 1. Exhibit "A", attached hereto, is hereby incorporated by this reference as the District's Water Resources Policy
- 2. The above Recitals are true and correct and incorporated herein by reference.

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

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

the foregoing resolution is hereby adopted this 8<sup>th</sup> day of April 2015.

\_\_\_\_\_  
CRAIG ARMSTRONG  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
MICHAEL S. LEBRUN  
Secretary to the Board

\_\_\_\_\_  
MICHAEL W. SEITZ  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX, EXHIBIT A  
WATER RESOURCES POLICY

**EXHIBIT A**

**NIPOMO COMMUNITY SERVICES DISTRICT  
WATER RESOURCES POLICY**

Purpose

This policy statement is intended to support the mission of the NCS D to “provide our customers with reliable, quality, and cost-effective services now and in the future.”

WATER RESOURCES POLICY STATEMENT

1. In the context of the court’s Final Judgment, “New Urban Uses” of the basin groundwater is use associated with development approved after the Judgment was filed on January 25, 2008.
2. The District added 500 acre feet per year (afy) of capacity to the Court ordered 2,500 afy Nipomo Supplemental Water Project. The District added the capacity in order to supply water to new development on undeveloped and under-developed parcels within its services boundary. All District approved applications for new water service after January 2008 will be tentatively counted against the added 500 afy of supplemental water capacity. When a ‘new’ project is issued a Will Serve letter (final non-revocable commitment to serve), the allocation of water for the project will be permanently counted against the District’s 500 afy of additional supplemental water project capacity.
3. Once the District has allocated 500 afy of supplemental water capacity from the current supplemental water project to ‘new’ urban uses, no further applications for new water service will be accepted and no commitments for new water service will be made by the District unless and until additional supplemental/developed water sources are available for delivery .
4. Subject to the terms of the 2005 Stipulation the District will work with the County of San Luis Obispo to insure that areas outside the District services boundary and within the NMWCA/NMMA, and excepting only development within the Woodlands Specific Plan (for which 416 AFY of capacity in the Nipomo Supplemental Water Project has been specifically reserved), all new urban uses are met by a future source (in addition to the court defined Nipomo Supplemental Water Project) of supplemental water as follows:
  - Within the service boundaries of Golden State Water Company (GSWC) and Rural Water Company (RWC), all new uses for water must be met by supplemental water (2005 Stipulation).

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX, EXHIBIT A  
WATER RESOURCES POLICY**

•In areas not served by GSWC, NCSO, or RWC, subject to stated exceptions in the 2005 Stipulation, all new urban uses resulting from land divisions must pay a supplemental water fee (SLO CO Ordinance 3090). The fee must be applied to a new supply of supplemental water. All new urban uses resulting from general plan amendment must utilize new sources of supplemental/developed water (SLO CO Ordinance 3090).

•Consistent with its mission to reliably provide its customers with water services, the District recognizes its responsibility to object to and contest actions that would enable violation of the 2005 Stipulation that new urban uses “shall provide a source of supplemental water, or a water resource development fee, to offset the water demand associated with that development.”

5. Supplemental water charges collected from inside the District boundary will be utilized to build out the current supplemental water project to full (3,000 AFY) capacity.
6. The District will continue cooperation with the County and NMMA groundwater producers to define and implement management measures that will protect area groundwater resources.
7. The District will continue working with the County and other regional purveyors and interested parties to define and acquire new sources of supplemental/developed water with the goal of continued improvement in the District’s long term water resources supply dependability.

TO: BOARD OF DIRECTORS  
REVIEWED: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF ENGINEERING  
AND OPERATIONS  
DATE: MARCH 31, 2015

**AGENDA ITEM  
E-3  
APRIL 8, 2015**

**ADOPT SUPPLEMENTAL WATER ACCOUNTING POLICY**

**ITEM**

Consider adoption of supplemental water accounting policy [RECOMMEND APPROVE RESOLUTION ADOPTING POLICY].

**BACKGROUND**

The District's commitment to provide water service for new development is a two-step process. The District first assigns water for the project through the Intent-to-Serve letter process to allow a developer to begin the County of San Luis Obispo planning approval process. The developer then has up to 4 years to complete the County planning approval process or the Intent-to-Serve letter expires. Once the project is approved by the County and the developer satisfies all of the District's Intent-to-Serve letter conditions, including payment of the District's connection charges, the District "permanently" reserves water for the project and provides a Will-Serve letter for the project.

The District is now constructing a supplemental water project to increase its available water supply and meet the District's share of the court ordered commitment to bring a minimum of 2,500 AFY of supplemental water to the Nipomo Mesa Management Area (NMMA). In addition, the District's supplemental water project includes a 500 AFY capacity reservation for new development within the District's existing boundaries consistent with the court order requirements that all new urban water demand within the NMMA be met with new developed water.

A policy to account for water reserved for all new development within the District against the 500 AFY supplemental water project capacity is required to ensure that the District does not over reserve or under reserve water for future development. In addition, the District needs to track when it is getting close to fully accounting for and reserving the 500 AFY of supplemental water so that the District can plan for acquiring additional supplies.

District monthly water charges as well as one-time connection charges are developed on the basis of meter size, i.e., meter capacity. The new policy will account for and reserve water for new development based on meter size. Meter capacity ratios, which are based on physical meter capacity, will be used to account for and reserve water for other size meters. Supplemental water for all new water connections, residential and commercial, will be accounted for based on meter size.

**ITEM E-3  
SUPPLEMENTAL WATER ACCOUNTING POLICY  
APRIL 8, 2015**

The policy is based on the use of equivalent meters and total production on a five-year running average as the basis for assigning a volume of supplemental water to new water connections. Based on the data, the policy will assign a 1-inch equivalent meter volume of .53 AFY.

Based on all projects approved since January 25, 2008, the quantity of water reserved for new development (Will-Serve issued) as well as the quantity of water assigned to new development (Intent-to-Serve Letter Issued but subject to expiration) is as follows:

<b>Available Supplemental Water</b>	<b>500 AFY</b>
Supplemental Water Reserved (Will-Serve Letter Issued)	-5.8 AFY
Subtotal Net Available Supplemental Water	494.2 AFY
Supplemental Water Assigned (Intent-to-Serve Issued, Subject to Expiration)	-161.0 AFY
<b>Total Remaining Supplemental Water</b>	<b>333.2 AFY</b>

The same approach could be used as a basis by the other water purveyors within the NMMA as well as by the County to ensure that new development is not putting new demand on the groundwater basin.

New development is driven largely by economic conditions. In addition, the County, through its planning and building powers, impacts demand for water resources associated with new development. Staff will report supplemental water accounting totals monthly to the Board and provide a comprehensive review of supplemental water (current and future) annually to the Board so that the District can plan for acquiring additional supplies since water projects can take many years to develop.

**FISCAL IMPACT**

The supplemental water accounting policy based on meter size supports the continued development of the District's supplemental water project, provides water for new development, and maintains fairness and equity among existing and future rate payers within the District.

**STRATEGIC PLAN**

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

**RECOMMENDATION**

Staff recommends that the Board approve Resolution 2015-XXXX Adopting a Supplemental Water Accounting Policy for new development.

**ATTACHMENTS**

- A. Resolution 2015-XXX Adopting Supplemental Water Accounting Policy

April 8, 2015

E-3

ATTACHMENT A



**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A SUPPLEMENTAL WATER ACCOUNTING POLICY**

**WHEREAS**, the Nipomo Community Services District ("District") is a party to a groundwater adjudication, Santa Maria Valley Water Conservation District v. City of Santa Maria, etc. et al., Case No. CV 770214 ("Groundwater Litigation"); and

**WHEREAS**, the District's current water supply is groundwater extracted from the Nipomo Mesa Management Area (NMMA) as established by the court in the Santa Maria Groundwater Litigation (also referred to as the Nipomo Mesa Water Conservation Area (NMWCA) by the County of San Luis Obispo, pursuant to County Ordinance 3090), of the Santa Maria Groundwater Basin; and

**WHEREAS**, pursuant to Section VI D(1) of the June 2005 Stipulation as incorporated into the January 25, 2008, Final Judgment in the Groundwater Litigation, the Nipomo Mesa Management Area Technical Group has declared that a "Potentially Severe Water Shortage Condition" exists within the Nipomo Mesa Management Area; and

**WHEREAS**, the San Luis Obispo County Department of Planning and Building's 2004 Resource Capacity Study for the Water Supply in the Nipomo Mesa Area recommended a Level of Severity III (existing demand equals or exceeds dependable supply) be certified for the Nipomo Mesa Area and that measures be implemented to lessen adverse impacts of future development (said Study and referenced documents are incorporated herein by reference); and

**WHEREAS**, the San Luis Obispo County Board of Supervisors ("County") in June 2007, certified the Nipomo Mesa Water Conservation Area as a Severity Level III, meaning that existing water demand equals or exceeds the dependable supply; and

**WHEREAS**, the resource protection goals of the San Luis Obispo County South County Area Plan includes the following:

- Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.
- Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels; and

**WHEREAS**, the District is constructing a supplemental water project to increase its available water supply and meet the District's share of the court ordered commitment to bring a minimum of 2,500 AFY of supplemental water to the Nipomo Mesa Management Area (NMMA); and

**WHEREAS**, the District's supplemental water project includes a 500 AFY capacity reservation for new development within the District's existing boundaries consistent with the court order requirements that all new urban water demand within the NMMA be met with new developed water; and

**WHEREAS**, the purpose of the Supplemental Water Accounting Policy is to account for water reserved for all new development within the District against the 500 AFY supplemental water project capacity to ensure that the District does not over reserve or under reserve water for future development; and

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A SUPPLEMENTAL WATER ACCOUNTING POLICY**

**WHEREAS**, the Supplemental Water Accounting Policy will allow the District to track when it is getting close to fully accounting for and reserving the 500 AFY of supplemental water so that the District can plan for acquiring additional supplies; and

**WHEREAS**, the policy shall apply to all new development applications initiated or renewed after January 25, 2008; and

**WHEREAS**, based on the Staff Report, Staff presentation, and public comment, the District Board of Directors finds:

- A. That the purpose and intent of this Resolution is consistent with the purposes found in the Judgment and Stipulation in the Ground Water Litigation imposing a physical solution to assure long term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Severity Level III for the waters underlying the NMWCA and;
- B. That adopting this Resolution will ensure the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection by ensuring that all new urban demand within the District is satisfied with new developed water and;

**WHEREAS**, based on the Staff Report, Staff presentation, and public comment, the District Board of Directors further finds this Resolution is adopted for the protection of the health, safety and welfare of District water customers who depend on the underlying ground water basin as their source of water supply.

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

- 1. Exhibit "A", attached hereto, is hereby incorporated by this reference as the District's Supplemental Water Accounting Policy
- 2. The above Recitals are true and correct and incorporated herein by reference.

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

AYES:

NOES:

ABSENT:

CONFLICTS:

the foregoing resolution is hereby adopted this 8<sup>th</sup> day of April 2015.

\_\_\_\_\_  
CRAIG ARMSTRONG  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
MICHAEL S. LEBRUN  
Secretary to the Board

\_\_\_\_\_  
MICHAEL W. SEITZ  
District Legal Counsel

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A SUPPLEMENTAL WATER ACCOUNTING POLICY

EXHIBIT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER ACCOUNTING POLICY**

**Background**

The District is constructing a supplemental water project to increase its available water supply and meet the District's share of the court ordered commitment to bring a minimum of 2,500 AFY of supplemental water to the Nipomo Mesa Management Area (NMMA). In addition, the District's supplemental water project includes a 500 AFY capacity reservation for new development within the District's existing boundaries consistent with the court order requirements that all new urban water demand within the NMMA be met with new developed water.

**Purpose**

The purpose of the Supplemental Water Accounting Policy is to account for water reserved for all new development within the District against the 500 AFY supplemental water project capacity to ensure that the District does not over reserve or under reserve water for future development. In addition, the District needs to track when it is getting close to fully accounting for and reserving the 500 AFY of supplemental water so that the District can plan for acquiring additional supplies. The policy shall apply to all new development applications initiated or renewed after January 25, 2008.

**Supplemental Water Accounting**

The policy is based on the use of equivalent meters and five-year average total production for assigning a volume of supplemental water to new water connections. Based on the data from FY 09-10 to FY 13-14, a 1-inch equivalent meter will be assigned a volume of .53 AFY.

Supplemental water for all new water connections, residential and commercial, will be accounted for based on meter size. Meter capacity ratios, which are based on physical meter capacity, will be used to account for and reserve water for other size meters as follows:

METER SIZE	CAPACITY RATIO	ASSIGNED VOLUME
1 inch and Less	1.0	0.53 acre feet
1 and ½ inch	3.0	1.59 acre feet
2 inch	4.8	2.54 acre feet
3 inch	9.0	4.77 acre feet
4 inch	15.0	7.95 acre feet

*Connections larger than 4-inch will be calculated as needed on a case by case basis.*

Water will be assigned to new development when Intent-to-Serve letters, that are subject to expiration, are issued and reserved for new development when Will-Serve letters are issued.

Supplemental water accounting totals shall be reported to the Board monthly in the General Manager's report.

The Supplemental Water Accounting Policy shall be reviewed annually in January.