



Nipomo Community Services District 2015 Urban Water Management Plan



**Draft for Adoption
June 2016**

Prepared for:

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Bibliography

The following reports, studies, and other material were reviewed during preparation of this Urban Water Management Plan update.

- 1) City of Santa Maria 2015 Urban Water Management Plan dated July 2016 and prepared by the City of Santa Maria.
- 2) Nipomo Community Services District 2010 Urban Water Management Plan dated June 29, 2011 and prepared by Water Systems Consulting.
- 3) Nipomo Mesa Management Area 7th Annual Report Calendar Year 2014 dated April 2015 and prepared by NMMA Technical Group.
- 4) House Element 2014-2019 - County of San Luis Obispo General Plan Adopted June 17, 2014 and prepared by the San Luis Obispo County Department of Planning and Building.
- 5) San Luis Obispo County 2040 Population, Housing & Employment Forecast for San Luis Obispo Council of Governments dated August 11, 2011 and prepared by AECOM.
- 6) Nipomo Mesa Management Area Water Shortage Conditions and Response Plan dated April 2009 and prepared by NMMA Technical Group.
- 7) 2015 Urban Water Management Plans Guidebook for Urban Water Suppliers dated January 2016 and prepared by the California Department of Water Resources.

List of Acronyms

AB - Assembly Bill

AF - Acre-Foot

BMP - Best Management Practice

CEHTP - California Environmental Health Tracking Program

CASGEM - California Statewide Groundwater Elevation Monitoring Program

CII - Commercial, Industrial, Institutional, water use sectors

CIMIS - California Irrigation Management Information System

CUWCC - California Urban Water Conservation Council

CWC - California Water Code

DMMs - Demand Management Measures

DOF - Department of Finance

DWR - Department of Water Resources

eARDWP - Electronic Annual Reports to the Drinking Water Program (SWRCB)

ETo - Reference Evapotranspiration

GIS - Geographic Information System

GPCD - Gallons per Capita per Day

IRWM - Integrated Regional Water Management

ITP - Independent Technical Panel

LAFCO - Local Agency Formation Commission

NMWCA - Nipomo Mesa Water Conservation Area

NMMA - Nipomo Mesa Management Area

NOAA - National Oceanic and Atmospheric Administration

NPDES - National Pollutant Discharge Elimination System

NSWP - Nipomo Supplemental Water Project

PWS - Public Water System

RWQCB - Regional Water Quality Control Board

SB - Senate Bill

SB X7-7 - Senate Bill Seven of the Senate's Seventh Extraordinary Session of 2009

SGMA - Sustainable Groundwater Management Act

SWP - State Water Project

SWRCB - State Water Resources Control Board

RUWMP - Regional Urban Water Management Plan

UWMP - Urban Water Management Plan

WARN - Water/Wastewater Agency Response Network

WDR - Waste Discharge Requirement

WRR - Water Recycling Requirement

WSCP - Water Shortage Contingency Plan

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CHAPTER 1 INTRODUCTION AND OVERVIEW

1.1 Background and Purpose

This report comprises the 2015 Urban Water Management Plan (UWMP) update for the Nipomo Community Services District (NCSD or District). The NCSD is located in Nipomo, California, an unincorporated community in southern San Luis Obispo County. The District serves portions of the Nipomo community and the greater Nipomo Mesa. NCSD is an independent Special District formed and operated pursuant to Government Code §61000 et seq. NCSD provides water, wastewater, solid waste, landscape maintenance, street lighting, and drainage services to its customers pursuant to Government Code §61600(a), (b), and (c). NCSD does not have land planning authority, which is retained by the County of San Luis Obispo (County); however, County land use planning authority is subordinated to resource limitations such as water and sewer capacity as established by the NCSD.

The purpose of the UWMP is to provide a valuable planning document used for multiple purposes:

- ☐ Meet a statutory requirement of the California Water Code
- ☐ Provide a key source of information for Water Supply Assessments (WSAs) and Written Verifications of Water Supply required by SB 610 and SB 221
- ☐ Support regional long-range planning documents including City and County General Plans
- ☐ Provide a standardized methodology for water utilities to assess their water resource needs and availability
- ☐ Serve as a critical component of developing Integrated Regional Water Management Plans (IRWMPs)

1.2 Urban Water Management Planning and the California Water Code

As a part of the California Water Code, the California Urban Water Management Planning Act (UWMP Act) requires all urban water suppliers with more than 3,000 connections or distributing more than 3,000 acre feet per year (afy) to complete an UWMP every five years ending in '5' and '0'. The UWMP Act is administered by the California Department of Water Resources (DWR), who is responsible for developing guidance for preparation of the UWMPs, reviewing the submitted plans for completeness, compiling the data for statewide and regional analysis, and publishing the documents online for public access. In 2015, NCSD produced approximately 1,626 acre-feet (AF) of water, imported 322 AF of supplemental water from the City of Santa Maria, and had 4,300 customer connections. NCSD adopted its first UWMP in January 2004. Since the first adopted UWMP in 2004, NCSD has completed and submitted the 2005 and 2010 updates.

This UWMP update was prepared based on guidance from the final draft of the California Department of Water Resources (DWR) "2015 Urban Water Management Plan Guidebook for Urban Water Suppliers" dated January 2016 and follows the recommended chapter formatting identified in the guidebook.

Table 1-1 provides an overview of the applicable changes to the Water Code since the 2010 UWMP, which have been included in this 2015 update.

Table 1-1 Water Code Changes since 2010 UWMP

Change Number	Topic	CWC Section	Legislative Bill	Summary	Guidebook Section
1	Demand Management Measures	10631 (f)(1) and (2)	AB 2067, 2014	Requires water suppliers to provide narratives describing their water demand management measures. Requires retail water suppliers to address the nature and extent of each water demand management measure implemented over the past 5 years and describe the water demand management measures that the supplier plans to implement to achieve its water use targets.	Chapter 9
2	Submittal Date	10621 (d)	AB 2067, 2014	Requires each urban water supplier to submit its 2015 plan to the Department of Water Resources by July 1, 2016.	Chapter 10
3	Electronic Submittal	10644 (a) (2)	SB 1420, 2014	Requires the plan, or amendments to the plan, to be submitted electronically to the department.	Chapter 10
4	Standardized Forms	10644 (a) (2)	SB 1420, 2014	Requires the plan, or amendments to the plan, to include any standardized forms, tables, or displays specified by the department.	Chapter 1, Section 1.4
5	Water Loss	10631 (e) (1) (J) and (e) (3) (A) and (B)	SB 1420, 2014	Requires a plan to quantify and report on distribution system water loss.	Appendix L
6	Estimating Future Water Savings	10631 (e) (4)	SB 1420, 2014	Requires water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans, when that information is available and applicable to an urban water supplier.	Appendix K
7	Voluntary Reporting of Energy Intensity	10631.2 (a) and (b)	SB 1036, 2014	Requires an urban water supplier to include certain energy- related information, including, but not limited to, an estimate of the amount of energy used to extract or divert water supplies.	Appendix O
8	Defining Water Features	10632	AB 2409, 2010	Requires urban water suppliers to analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas.	Chapter 8, Section 8.2.4

CHAPTER 2 PLAN PREPARATION

2.1 Basis for Preparing a Plan

Law

CWC 10617

“Urban water supplier” means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water supplied from public water systems...

CWC 10620

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

CWC 10621

(a) Each urban water supplier shall update its plan at least once every five years on or before December 31, in years ending in five and zero, except as provided in subdivision (d).

(d) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

CWC 10644

(a)(2) The plan, or amendments to the plan, submitted to the department ... shall include any standardized forms, tables, or displays specified by the department.

CWC 10608.52

(a) The department, in consultation with the board, the California Bay-Delta Authority or its successor agency, the State Department of Public Health, and the Public Utilities Commission, shall develop a single standardized water use reporting form to meet the water use information needs of each agency, including the needs of urban water suppliers that elect to determine and report progress toward achieving targets on a regional basis as provided in subdivision (a) of Section 10608.28.

(b) At a minimum, the form shall be developed to accommodate information sufficient to assess an urban water supplier’s compliance with conservation targets pursuant to Section 10608.24... The form shall accommodate reporting by urban water suppliers on an individual or regional basis as provided in subdivision (a) of Section 10608.28

California Health and Safety Code 116275

(h) “Public Water System” means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.

NCSD is a public urban water supplier serving more than 3,000 customers. Table 2-1 provides a summary of the number of connections and total volume of water supplied by NCSD to their customers for calendar year 2015.

Table 2-1 Retail Only: Public Water Systems			
Public Water System Number	Public Water System Name	Number of Municipal Connections 2015	Volume of Water Supplied 2015 (AF)
4010026	Nipomo CSD	4,300	1,948
TOTAL		4,300	1,948

2.2 Regional Planning

NCSD has prepared an individual UWMP for the 2015 update as identified in Table 2-2, but has coordinated with the appropriate regional agencies during the development of this plan.

Table 2-2: Plan Identification	
☒	Individual UWMP
☐	Regional UWMP (RUWMP)
Select One:	
☐	RUWMP includes a Regional Alliance
☐	RUWMP does not include a Regional Alliance

2.3 Individual or Regional Planning and Compliance

NCSD has developed an UWMP that reports solely on its service area. The individual UWMP addresses all requirements of the CWC. NCSD has notified and coordinated with appropriate regional agencies and constituents during the development of this UWMP update. Those agencies contacted are identified in Table 2-5.

2.4 Fiscal or Calendar Year and Units of Measure

Law

CWC 1608.20

(a)(1) Urban retail water suppliers...may determine the targets on a fiscal year or calendar year basis.

NCSD has reported water-related information included in this UWMP based on a calendar year basis and all units are measured in acre-feet (AF) as identified in Table 2-3.

Table 2-3: Agency Identification	
Type of Agency	
☐	Agency is a wholesaler
☒	Agency is a retailer
Fiscal or Calendar Year	
☒	UWMP Tables Are in Calendar Years
☐	UWMP Tables Are in Fiscal Years
Units of Measure Used in UWMP	
Unit	AF

2.5 Coordination and Outreach

2.5.1 Wholesale and Retail Coordination

Law

CWC 10631

(j) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as

required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

NCSD has a wholesale water supply agreement to receive supplemental water from the City of Santa Maria (City) as discussed in Chapter 6. NCSD has provided the City with the projected water demand for the Nipomo Supplemental Water Project (NSWP) in five-year increments for the next 20 years.

Table 2-4 Retail: Water Supplier Information Exchange	
The retail supplier has informed the following wholesale supplier of projected water use in accordance with CWC 10631.	
Wholesale Water Supplier Name	
City of Santa Maria	

2.5.2 Coordination with Other Agencies and the Community

Law

CWC 10620

(d)(2) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

CWC 10642

Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan.

NCSD coordinated with multiple neighboring and stakeholder agencies in the preparation of this UWMP. The coordination efforts were conducted to: 1) inform the agencies of the planning activities of NCSD; 2) gather high quality data for use in developing this UWMP update; and 3) coordinate planning activities with other related regional plans and initiatives. The coordination activities conducted by NCSD in preparation of this plan are summarized in Table 2-5.

Table 2-5: Agency Coordination

Agency	Sent a notice of agency workshop for UWMP update	Attended agency workshop for UWMP update	Sent an electronic copy of the draft plan through a website link	Commented on the draft	Attended public hearing to review draft UWMP	Sent a notice of intention to adopt	Sent a Notice of Plan Availability
California Department of Water Resources	X						
California Urban Water Conservation Council (CUWCC)	X						
City of Santa Maria	X	X					
County of San Luis Obispo Planning	X						
County of San Luis Obispo Public Works	X						
Golden State Water Company	X						
LAFCO	X						
Nipomo Mesa Management Area Technical Group	X						
Northern Cities Management Area Technical Group	X						
San Luis Obispo Coast Keeper	X						
San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee (WRAC)	X						
Santa Maria Valley Management Area	X						
SLOCOG	X						
Woodlands Mutual Water Company	X						

2.5.3 Notice to Cities and Counties

Law

CWC 10621 (b)

Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan.

The County of San Luis Obispo is the only city or county within which NCSD provides water supplies. NCSD has notified the County of San Luis Obispo of the public hearing and this notification has been reported in Chapter 10 Table 10-1. A copy of the notification is included in Appendix H of this UWMP.

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CHAPTER 3 SYSTEM DESCRIPTION

3.1 General Description

Law

CWC Section 10631

Describe the service area of the supplier.

The Nipomo Community Services District (NCSD) was formed on January 28, 1965 to provide water and sewer services as allowed under the Community Service District Law of Government Code Section 61000 et. seq. The current NCSD service area boundary encompasses approximately 3,917 acres in the Nipomo area of southern San Luis Obispo County, and serves water to an estimated population of 12,886 (based on DWR population tool). NCSD's service area is primarily residential land uses, with some light commercial and suburban residential comprising the Nipomo village area. NCSD is comprised of one water system with three pressure zones; one zone serves the Blacklake Specific Plan area, one zone serves the Maria Vista Pressure Zone, and the third zone serves the rest of NCSD's service area.

3.2 Service Area Boundary Maps

Figure 3-1 illustrates the location of NCSD within the State of California and Figure 3-2 shows the extents of the current service area, Sphere of Influence (SOI) boundary and Nipomo Urban Reserve Line (URL).

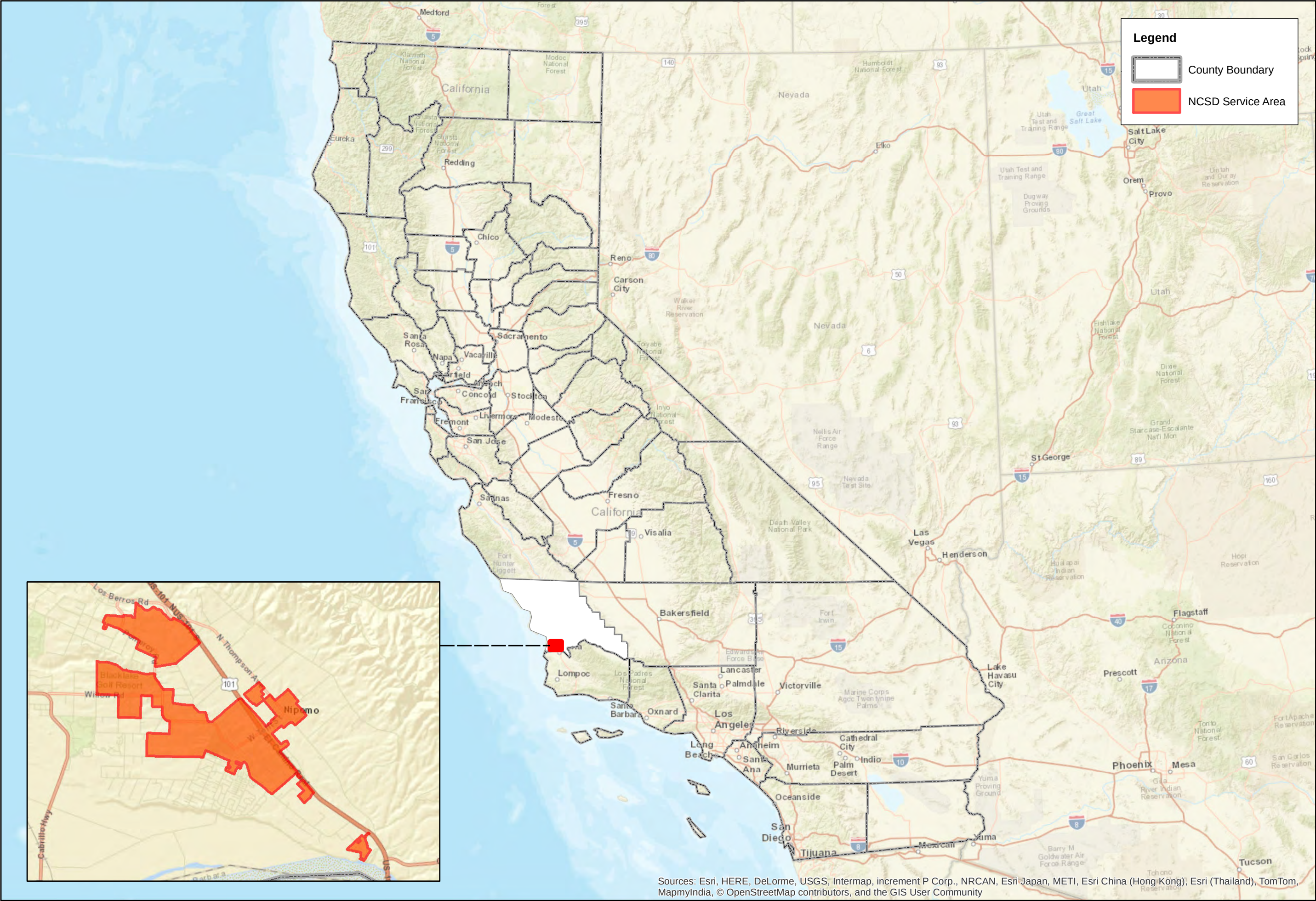
3.3 Service Area Climate

Law

CWC Section 10631

Describe the service area of the supplier, including climate.

The Mediterranean climate of Nipomo and the surrounding southern San Luis Obispo County area is moderate as a result of the marine influence of the nearby Pacific Ocean. The winter season is usually cool and moist and the summer months are warm and dry, with relatively consistent temperatures averaging 58 degrees. Hills border Nipomo on the north, northeast, and east. The orientation of Nipomo's topography with respect to the Pacific Ocean produces consistent winds from the Pacific in an on-shore direction. During the warmer summer months, heat rises above the surrounding hills, pulling in cooler moist air from the coast. As a result, temperatures stay relatively consistent. Rainfall usually occurs between the months of November and April. Table 3-0 illustrates monthly and annual average Potential Evapotranspiration (ET_o), precipitation and temperature data for the Nipomo area for calendar year 2015.



Legend

- County Boundary
- NCS Service Area

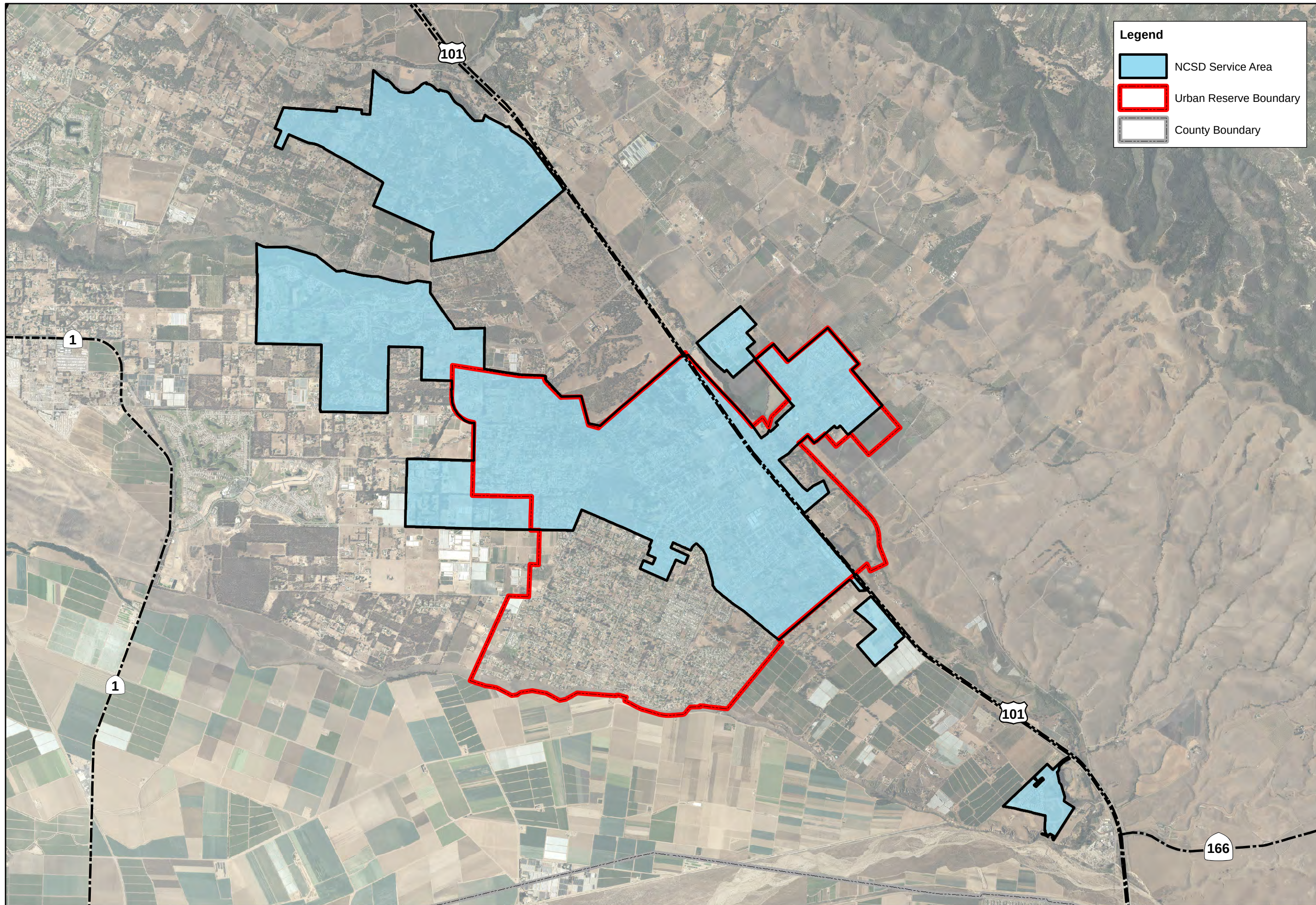


Nipomo Community Services District
2015 Urban Water Management Plan

Figure 3-1:
Nipomo CSD Location Map



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Legend

-  NCS D Service Area
-  Urban Reserve Boundary
-  County Boundary



**Nipomo Community
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**2015 Urban Water
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Figure 3-2:
Nipomo CSD
Service Area
Map



1 inch = 3,500 feet

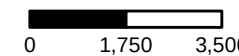


Table 3-0: Climate Conditions for Calendar Year 2015			
Month	Standard Monthly Average ETo*	Monthly Rainfall**	Average Monthly Temperature*
	Inches	Inches	Fahrenheit
Jan	2.51	0.08	56.5
Feb	2.37	0.94	56.8
Mar	3.86	0.20	58.9
Apr	4.83	0.43	56.6
May	4.39	0.12	55.4
Jun	4.3	0.00	52.4
Jul	4.82	0.39	61.5
Aug	4.84	0.00	64.4
Sep	3.98	0.12	66.3
Oct	3.12	0.04	64.6
Nov	2.65	0.64	56
Dec	1.91	1.77	51.4
Annual	43.58	4.73	58.4
*Data from CIMIS Station #202 Nipomo, January 1, 2015 to December 31, 2015			
**Data from Nipomo South #730, January 1, 2015 to December 31, 2015			

3.4 Service Area Population and Demographics

Law

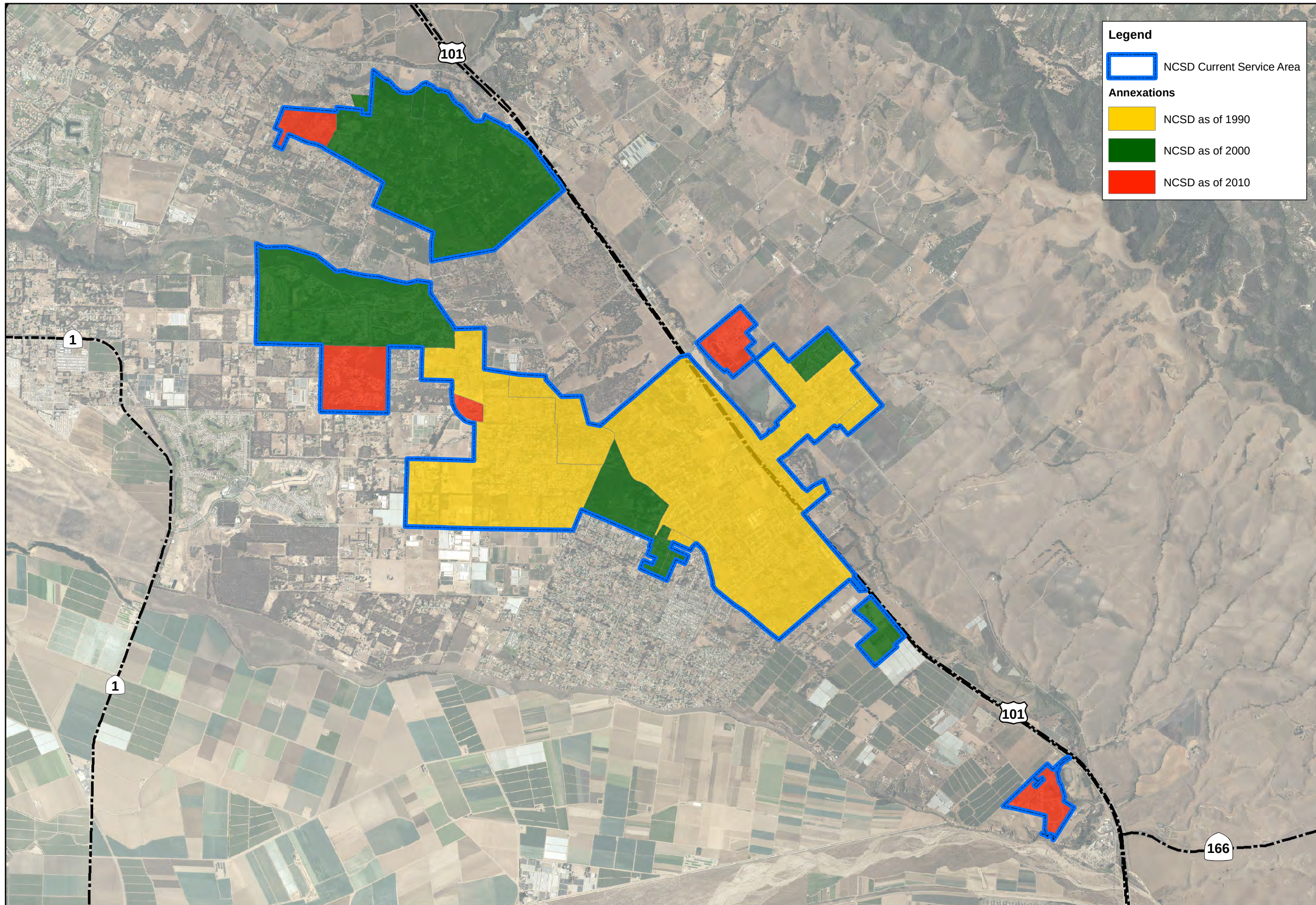
CWC Section 10631

Describe the service area of the supplier, including current and projected population ...The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

The 2015 population within the NCSD service area was determined by using the Department of Water Resources (DWR) Population Tool, as required for the 2015 UWMP update. To determine historical population data within the NCSD service area using the DWR Population Tool, service area maps were prepared to reflect the service area boundaries for 1990, 2000, and 2010 Census years. Since the NCSD boundary has changed over the course of the above Census years, three service area maps (see Figure 3-3) were uploaded into the DWR Population Tool. The DWR Population Tool was used to estimate historical population from 1990 through 2015. Output from the DWR Population Tool for current and historical population is included in Appendix B.

Population projections within the NCSD service area through 2040 were based on the 2015 population estimate and adjusted annually using growth rates provided by the San Luis Obispo Council of Governments (SLOCOG) from "Final Report: San Luis Obispo County 2040 Population, Housing & Employment Forecast" dated August 2011 and prepared by AECOM. Table 3-1 includes current population estimates within the NCSD service area and population through 2040 based on the growth rates contained in Table 3-2.

Table 3-1 Retail: Population - Current and Projected						
Population Served	2015	2020	2025	2030	2035	2040
	12,886	13,172	13,721	14,399	15,104	15,827



Legend

 NCSD Current Service Area

Annexations

 NCSD as of 1990

 NCSD as of 2000

 NCSD as of 2010



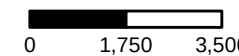
**Nipomo Community
Services District**

**2015 Urban Water
Management Plan**

Figure 3-3:
Nipomo CSD
Annexation
Map



1 inch = 3,500 feet



The annual growth rates for the Nipomo Urban Reserve Line from “Final Report: San Luis Obispo County 2040 Population, Housing & Employment Forecast” are shown in Table 3-2. Population estimates within the Nipomo Urban Reserve Line (URL) boundary are included for reference only since the Nipomo URL and NSCD service area are significantly different (see Figure 3-2).

Table 3-2: Population Estimates for Nipomo Urban Reserve Line		
Year	Estimated Population in Nipomo Urban Reserve Line (URL)	Annual Growth Rate, for each 5-year increment
2015	15,473	0.27%
2020	15,815	0.44%
2025	16,475	0.82%
2030	17,292	0.97%
2035	18,138	0.96%
2040	19,007	0.94%
NOTE: Growth rates based on 2040 Regional Growth Forecast report (prepared for SLOCOG by AECOM, August 2011); and County staff (Low Growth Estimates).		

3.4.1 Other Demographic Factors

Law

CWC 10631

Describe the service area of the supplier, including. . . other demographic factors affecting the supplier's water management planning.

In addition to population, there are several demographic factors that may affect water management and planning and are important to consider in the context of this UWMP update:

- 1) The current development in Nipomo is mainly residential.
- 2) The County Housing Element identifies Nipomo as a community with realistic development capacity for low-income to above moderate income residential uses.
- 3) The County has a need for additional housing units and Nipomo is one of the unincorporated communities expected to absorb population increases.
- 4) Development in the Nipomo area has slowed recently as a result of economic conditions and water supply constraints.
- 5) Severe Water Shortage Conditions exist in the Nipomo Mesa Management Area (NMMA)¹

Severe water shortage conditions are defined in the NMMA-TG's Annual Report (Report) as is a response plan to be implemented when this condition exists. The Report is filed with the Court overseeing the Stipulated Judgement no later than 120 days after the end of the calendar year; for calendar year 2015 the Report is filed by April 2016. Once filed, water users subject to the Stipulated Judgement are to take actions in accordance with the Report. However, on May 21, 2015, one year before required under the Report, NCSD's Board directed their General Manager to implement all Stage III Response Actions (described in Section 7 of this UWMP) and outlined in the District's Water Shortage Response Management Plan. Under Stage III, NCSD is not accepting applications for new water service.

¹ Nipomo Mesa Management Area 2015 Key Wells Index Status Statement dated May 2015 and prepared by NMMA Technical Group

In addition, increased demand on water supplies during several recent years of below average rainfall combined to stress the groundwater basin below the Nipomo Mesa Water Conservation Area (NMWCA) and contributed to the County Board of Supervisors declaring a Level of Severity III, the highest severity level in the County's General Plan's Resource Management System. The County passed a series of Building and Construction Ordinances as well as a Land Development Ordinance designed to address the impact of new development on the NMWCA groundwater basin and are described below.

In 2015, the County passed Ordinance No. 3307, amending Title 19 of the County's Building and Construction Ordinance relating to water conservation. Under Chapter 19.07 – Plumbing Code, section 19.07.042 – Water Conservation Provisions, all new development and, in certain cases, existing structures within the Paso Robles Groundwater Basin and NMWCA are subject to the following requirements:

(d) Paso Robles Groundwater Basin and Nipomo Mesa Water Conservation Area. In addition to the requirements in Subsections a, b and c above, the requirements of Subsections d.1 through d.4 shall apply to all new development that uses water from the Paso Robles Groundwater Basin (excluding the Atascadero Sub-basin), and the Nipomo Mesa Water Conservation Area as shown on maps in this Subsection.

(1) Offset Required. Prior to issuance of a construction permit for a new structure with plumbing fixtures on property that overlies and/or uses water from the Paso Robles Groundwater Basin (excluding the Atascadero Sub-basin) or the Nipomo Mesa Water Conservation Area the developer of such new structure shall obtain an Offset Clearance from the Department of Planning and Building verifying that new water use has been offset at a 1:1 ratio. Water savings must come from the same groundwater basin as the proposed new development. Applicants shall meet offset requirements by complying with Sub-section 2 or 3 below.

Stages of Action not subject to a general plan amendment or land divisions are subject to sub-section (2) County Approved Water Conservation Program or (3) Alternatives.

In 2006, the County passed Ordinance 3090, an amendment to its Title 22 Land Use Ordinances which established the NMWCA and stipulated requirements for the general plan amendments and land divisions with the NMWCA as summarized below:

Applications for general plan amendments and land divisions in the Nipomo Mesa Water Conservation Area shall include documentation regarding estimated existing and proposed nonagricultural water demand for the land division or development that could occur with the general plan amendment. If this documentation indicates that the proposed nonagricultural water demand exceeds the demand without the requested amendment or land division, the application shall include provisions for supplemental water as follows:

a. General Plan Amendments. Where the estimated nonagricultural water demand resulting from the amendment would exceed the existing nonagricultural demand, the application shall not be approved unless supplemental water to off-set the proposed development's estimated increase in nonagricultural demand has been specifically allocated for the exclusive use of the development resulting from the general plan amendment, and is available for delivery to the Nipomo Mesa Water Conservation Area.

b. Land Divisions. Where the estimated nonagricultural water demand resulting from the land division would exceed the existing nonagricultural demand, a supplemental water development fee shall be paid for each dwelling unit or dwelling unit equivalent, at the time of building permit issuance, in the amount then currently imposed by county ordinance, not to exceed thirteen thousand two hundred dollars. If the development resulting from the land division is subject to payment of supplemental water development fees to an entity other than San Luis Obispo County, the amount of these other fees shall be deducted from the county fee.

CHAPTER 4 SYSTEM WATER USE

4.1 Recycled versus Potable and Raw Water Demand

Recycled water is addressed comprehensively in Section 6.5, however a summary of recycled water demand is included in Table 4-3.

4.2 Existing Water Uses by Sector

Law

CWC 10631

(e)(1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

Table 4-1 provides an overview of the existing water demands by use type within the NCSD service area for calendar year 2015.

Table 4-1 Retail: Demands for Potable and Raw Water - Actual		
Use Type	2015 Actual	
	Level of Treatment When Delivered	Volume (AF)
Single Family	Drinking Water	1,312
Multi-Family	Drinking Water	151
Commercial	Drinking Water	85
Landscape	Drinking Water	238
Other	Drinking Water	7
Agricultural irrigation	Drinking Water	17
TOTAL		1,810

4.3 Future Water Uses by Sector

The annual water demand was assumed to increase in proportion to the population projected by SLOCOG for the Nipomo area. In addition, with the adoption of the Water Conservation Act of 2009, also known as the SB X7-7, the State is required to set a goal of reducing urban water use by 20 percent by the year 2020. The demand projections in Table 4-2 incorporate the required change in per-capita water use, per SB X7-7, for NCSD to meet the 20% reduction by 2020. Future water demand projections also include water deliveries to Golden State Water Company (GSWC) and Woodlands Mutual Water Company (WMWC) as part of the Supplemental Water Project described in Section 6.1.

Table 4-2 Retail: Demands for Potable and Raw Water - Projected

Projected Water Use (AF)					
	2020	2025	2030	2035	2040
Single Family	2,047	2,133	2,238	2,347	2,460
Multi-Family	191	199	209	219	230
Commercial	109	114	119	125	131
Landscape	328	341	358	376	394
Other	38	40	42	44	46
Agricultural irrigation	16	17	18	19	20
Sales/ Transfers/ Exchanges to other agencies	333	833	833	833	833
TOTAL	3,063	3,676	3,817	3,963	4,113
Notes: Future water demands in Table 4-2 incorporate the required change in per-capita water use, known as SB X7-7 and calculated at 184 GPCD for this UWMP, for NCSD to achieve a 20% reduction in water use by the year 2020. However, NCSD is currently operating at a 30% reduction based on the requirements of the NMMA.					

Table 4-3 summarizes projected water demands through 2040 including potable/raw water and recycled water.

Table 4-3 Retail: Total Water Demands

	2015	2020	2025	2030	2035	2040
Potable and Raw Water	1,810*	3,063	3,676	3,817	3,963	4,113
Recycled Water Demand	50	50	50	50	50	50
TOTAL WATER DEMAND (AF)	1,860	3,613	3,726	3,867	4,013	4,163
*Actual 2015 water usage with mandatory water conservation.						

4.4 Distribution System Water Losses

Law

CWC 10631

(e)(1) Quantify, to the extent records are available, past and current water use over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses:...

(J) Distribution system water loss

(3)(A) For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the distribution system water loss shall be quantified for each of the five years preceding the plan update.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

Distribution system water losses (also known as “real losses”) are the physical water losses from the water distribution system and the supplier’s storage facilities, up to the point of customer consumption. This UWMP update includes distribution system water losses based on the American Water Works Association (AWWA) Method using the AWWA electronic Water Audit tool. The most recent water audit completed by NCSD was for calendar year 2015 and is included in Appendix C of this plan. Table 4-4 summarizes the real losses within the water distribution system for calendar year 2015.

Table 4-4 Retail: 12 Month Water Loss Audit Reporting	
Reporting Period Start Date	Volume of Water Loss (AF)
07/2014	113

4.5 Estimating Future Water Savings

Law

CWC 10631

(e)(4)(A) If available and applicable to an urban water supplier, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following: (i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections. (ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

Future Water Savings are not included in the future demand projections. Lower income residential demands are included in future demand projections.

Table 4-5 Retail Only: Inclusion in Water Use Projections	
Are Future Water Savings Included in Projections?	No
If "Yes" to above, state the section or page number, in the cell to the right, where citations of the codes, ordinances, etc... utilized in demand projections are found.	-
Are Lower Income Residential Demands Included In Projections?	Yes

4.6 Water Use for Lower Income Households

Law

CWC 10631.1

(a) The water use projections required by Section 10631 shall include projected water use for single-family and multifamily residential housing needed for lower income households, as defined in Section 50079.5 of the Health and Safety Code, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

California Health and Safety Code 50079.5

(a) “Lower income households” means persons and families whose income does not exceed the qualifying limits for lower income families... In the event the federal standards are discontinued, the department shall, by regulation, establish

income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

Section 10631.1 of the California Water Code requires 2015 UWMPs to include projected water use for lower income single-family and multi-family residential households. Lower Income is defined by Health and Safety Code Section 50079.5 as 80% of County median income or less. The projections are meant to assist water purveyors in complying with the requirements of Government Code Section 65589.7, which requires water purveyors to “grant a priority for the provision of [water and sewer] services to proposed developments that include housing units affordable to lower income households.”

Low-income households in the Nipomo area are estimated from the “County of San Luis Obispo General Plan – Housing Element 2014-2019”. Estimated low-income residential demands are summarized in Table 4-6.

Table 4-6: Low-income Residential Demand Projections	
Portion of unincorporated County overlaid by NCSD (1)	0.22%
# of very low and low-income housing units needed for 2014-2019 for the unincorporated County (2)	547
NCSD's share of very low and low-income housing units needed 2014-2019 (3)	1.20
Single-family residential water use factor (afy/connection) (4)	0.36
Water Needed for low income housing units, 2014-2019 (afy) (5)	0.44
(1) Calculated by dividing the area NCSD's service area by the total unincorporated area of San Luis Obispo County. (2) Source: Housing Element 2014-2019 – County of San Luis Obispo General Plan. (3) The portion of NCSD overlaying the unincorporated County applied to the number of very low and low- income housing units needed for the total unincorporated County. (4) Calculated by dividing the single-family residential deliveries by the single-family residential connections for 2015. (5) Since there is approximately one low-income unit projected to be needed in NCSD's service area for 2014-2019, it is not possible to separate the demand into multi-family and single-family residential projected water use.	

CHAPTER 5 SB X7-7 BASELINES AND TARGETS

5.1 Updating Calculations from 2010 UWMP

Law

CWC 10608.20

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

Methodologies DWR 2011, Methodology 2 Service Area Population

Page 27 - Water suppliers may revise population estimates for baseline years between 2000 and 2010 when 2010 census information becomes available. DWR will examine discrepancy between the actual population estimate and DOF's projections for 2010; if significant discrepancies are discovered, DWR may require some or all suppliers to update their baseline population estimates.

With the adoption of the Water Conservation Act of 2009, also known as SB X7-7, the State is required to set a goal of reducing urban water use by 20 percent by the year 2020. Each retail urban water supplier must determine baseline water use during their baseline period and also target water use for the years 2015 and 2020 in order to help the State achieve the 20 percent reduction.

5.2 Baseline Periods

Law

CWC 10608.20

(e) An urban retail water supplier shall include in its urban water management plan due in 2010. . . the baseline daily per capita water use...along with the bases for determining those estimates, including references to supporting data.

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).

5.2.1 Determination of the 10-15 Year Baseline Period (Baseline GPCD)

Law

CWC 10608.12 (b)

"Base daily per capita water use" means any of the following:

(1) The urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous 10-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(2) For an urban retail water supplier that meets at least 10 percent of its 2008 measured retail water demand through recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, the urban retail water supplier may extend the calculation described in paragraph (1) up to an additional five years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

Per the SB X7-7 worksheets, since less than 10 percent of NCSD's 2008 water demand was served with recycled water a 10-year baseline period from 1999-2008 was selected to calculate daily per capita water use for the 2015 UWMP.

5.2.2 Determination of the 5-Year Baseline Period (Target Confirmation)

Law

CWC 10608.12 (b)

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

The 5-year baseline period for this UWMP update included calendar years 2004-2008.

5.3 Service Area Population

Law

CWC 10608.20

(e) An urban retail water supplier shall include in its urban water management plan due in 2010...the baseline per capita water use,...along with the bases for determining those estimates, including references to supporting data.

(f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using federal, state, and local population reports and projections.

CWC 10644

(a)(2) The plan...shall include any standardized forms, tables or displays specified by the department.

Since the NCSD service area is substantially different from the Nipomo Census Designated Place (CDP), the DWR Population Tool and NCSD service area boundaries for Census years 1990, 2000, and 2010 were used to estimate historical population.

5.4 Gross Water Use

Law

CWC 10608.12

(g) "Gross Water Use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, excluding all of the following:

(1) Recycled water that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier

(2) The net volume of water that the urban retail water supplier places into long term storage

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier

(4) The volume of water delivered for agricultural use, except as otherwise provided in subdivision (f) of Section 10608.24.

California Code of Regulations Title 23 Division 2 Chapter 5.1 Article

Section 596 (a) An urban retail water supplier that has a substantial percentage of industrial water use in its service area is eligible to exclude the process water use of existing industrial water customers from the calculation of its gross water use to avoid a disproportionate burden on another customer sector.

Historical gross water use for this UWMP used information from NCSD's annual DWR Public Water System Statistics reports (DWR 38) from 1999-2008.

5.5 Baseline Daily Per Capita Water Use (GPCD)

The baseline daily per capita water use for NCSD for this UWMP update is shown in Table 5-1.

5.6 2015 and 2020 Targets

Law

CWC 10608.20

(e) An urban retail water supplier shall include in its urban water management plan due in 2010. . . urban water use target, interim urban water use target,...along with the bases for determining those estimates, including references to supporting data (10608.20(e)).

CWC 10608.20

(g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan...

Target Method 1 (80 percent of 10- to 15- Year Baseline GPCD CWC 10608.20 (b) (1)) was selected by NCSD to calculate the target GPCD for reducing urban water use by 20 percent by the year 2020. The 2020 Target GPCD is show in Table 5-1. The Target Method 1 calculated a required target water demand of 184 GPCD by 2020.

5.6.1 5-Year Baseline – 2020 Target Confirmation

Law

CWC 10608.22

Notwithstanding the method adopted by an urban retail water supplier pursuant to Section 10608.20, an urban retail water supplier's per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use as defined in paragraph (3) of subdivision (b) of Section 10608.12. This section does not apply to an urban retail water supplier with a base daily per capita water use at or below 100 gallons per capita per day.

NCSD's 5-year baseline and confirmation of the 2020 Target GPCD for this UWMP update is included in Table 5-1.

Table 5-1 Baselines and Targets Summary					
Baseline Period	Start Year	End Year	Average Baseline GPCD*	2015 Interim Target *	Confirmed 2020 Target*
10-15 year	1999	2008	232	208	184
5 Year	2004	2008	224		
*All values are in Gallons per Capita per Day (GPCD)					

5.7 2015 Compliance Daily per Capita Water Use (GPCD)

Law

CWC 10608.12

(e) "Compliance daily per-capita water use" means the gross water use during the final year of the reporting period...

CWC 10608.24

(a) Each urban retail water supplier shall meet its interim urban water use target by December 31, 2015.

CWC 10608.20

(e) An urban retail water supplier shall include in its urban water management plan due in 2010 . . . compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.

CWC 10608.24

(d)(1) When determining compliance daily per capita water use, an urban retail water supplier may consider the following factors:

(A) Differences in evapotranspiration and rainfall in the baseline period compared to the compliance reporting period.

(B) Substantial changes to commercial or industrial water use resulting from increased business output and economic development that have occurred during the reporting period.

(C) Substantial changes to institutional water use resulting from fire suppression services or other extraordinary events, or from new or expanded operations, that have occurred during the reporting period.

(2) If the urban retail water supplier elects to adjust its estimate of compliance daily per capita water use due to one or more of the factors described in paragraph (1), it shall provide the basis for, and data supporting, the adjustment in the report required by Section 10608.40.

Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use, Methodology 4

This section discusses adjustments to compliance-year GPCD because of changes in distribution area caused by mergers, annexation, and other scenarios that occur between the baseline and compliance years.

NCSD is in compliance with the 2015 Interim Target GPCD for this UWMP, which is shown in Table 5-2.

Table 5-2: 2015 Compliance								
Actual 2015 GPCD	2015 Interim Target GPCD	Optional Adjustments to 2015 GPCD From Methodology 8					2015 GPCD (Adjusted if applicable)	Did Supplier Achieve Targeted Reduction for 2015? Y/N
		Extraordinary Events	Economic Adjustment	Weather Normalization	TOTAL Adjustments	Adjusted 2015 GPCD		
134	208	0	0	0	0	134	134	Yes
*All values are in Gallons per Capita per Day (GPCD)								

CHAPTER 6 SYSTEM SUPPLIES

6.1 Purchased or Imported Water

Historically, the District has relied on groundwater as the sole source of water. The groundwater is pumped from the Nipomo Mesa Management Area (NMMA) of the Santa Maria Groundwater Basin, an aquifer that has been adjudicated. In July 2015, the District completed the Nipomo Supplemental Water Project (NSWP) and began importing water from the City of Santa Maria. The NSWP will allow the District to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin. A copy of the wholesale water supply agreement between NCS and the City of Santa Maria is included in Appendix D.

6.2 Groundwater

NCS receives a majority of its water supply from groundwater in the Santa Maria River Valley Groundwater Basin and has five active wells in the NMMA.

6.2.1 Basin Description

Law

CWC 10631

(b) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater.

Underlying NCS is a portion of Santa Maria River Valley Groundwater Basin (Basin 3-12 per DWR Bulletin 118). The Santa Maria River Valley Groundwater Basin covers about 288 square miles. It is bordered by the Santa Lucia mountain ranges to the north, the Casmalia-Solomon Hills to the south, the San Rafael Mountains to the east, and the Pacific Ocean to the west. The geologic makeup of the Santa Maria River Valley Groundwater Basin is composed of alluvial deposits including gravel, sand, silt, and clay. The estimated thickness ranges from 200 to 3,000 feet. This layer of alluvial deposits covers underlying consolidated rock which usually yields small quantities of water. Most of the water is contained in the alluvial sediments. Recharge of the Santa Maria River Valley Groundwater Basin occurs in four main ways: rainfall percolation, river bed recharge, subsurface inflows, and return flows. Annual precipitation over the basin ranges from 13 to 17 inches, with an average of 15 inches.

6.2.2 Groundwater Management

Law

CWC 10631

(b) ...If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(1) A copy of any groundwater management plan adopted by the urban water supplier...or any other specific authorization for groundwater management.

(2) ...For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree.

The Santa Maria River Valley Groundwater Basin has been the subject of ongoing litigation since 1997 and is an adjudicated basin. Figure 6-1 provides an overview of the adjudicated basin boundary. NCSd signed a June 30, 2005 Stipulation in the case that was ultimately approved by the Court and incorporated into the final judgment ("Judgment") that was filed on January 25, 2008. The Judgment is included in Appendix E. The Court has the jurisdiction to make orders to enforce the rights of the parties outlined in the judgment. The Stipulation has five primary effects:

- 1) For purposes of management only, it divides the Santa Maria River Valley Groundwater Basin into three separate administrative management sub-areas (the Northern Cities Management Area (NCMA), the Nipomo Mesa Management Area (NMMA), and the Santa Maria Valley Management Area (SMVMA).
- 2) It establishes a Technical Group for the NMMA (NMMA TG) that includes representatives appointed by NCSd, Golden State Water Company (GSWC) formerly Southern California Water Company, ConocoPhillips, Woodlands Mutual Water Company (WMWC) and an agricultural overlying owner that signed the Stipulation.
- 3) It provides that a minimum of 2,500 afy of supplemental water from the City of Santa Maria be transmitted to the NMMA by NCSd with funding participation from Woodlands Mutual Water Company and Golden State Water Company.
- 4) It contains specific provisions with regard to groundwater conditions, development of groundwater monitoring programs, and development of plans and programs to respond to Potentially Severe and Severe Water Shortage Conditions. The NMMA TG developed criteria to track groundwater levels and quality throughout the basin using the Key Wells Index (KWI), which collect data from eight selected wells distributed throughout the management area.
- 5) It contains provisions that each management area prepare an annual report to summarize monitoring results, water balance data and threats to groundwater supplies. The NMMA TG filed its 2015 annual report with the Superior Court in April 2016.

The Nipomo Mesa Management Area (NMMA) is an administrative management sub-area of the Santa Maria River Valley Groundwater Basin. The NMMA is bordered on the north by the Northern Cities Management Area (NCMA) and on the south by the Santa Maria Valley Management Area (SMVMA).

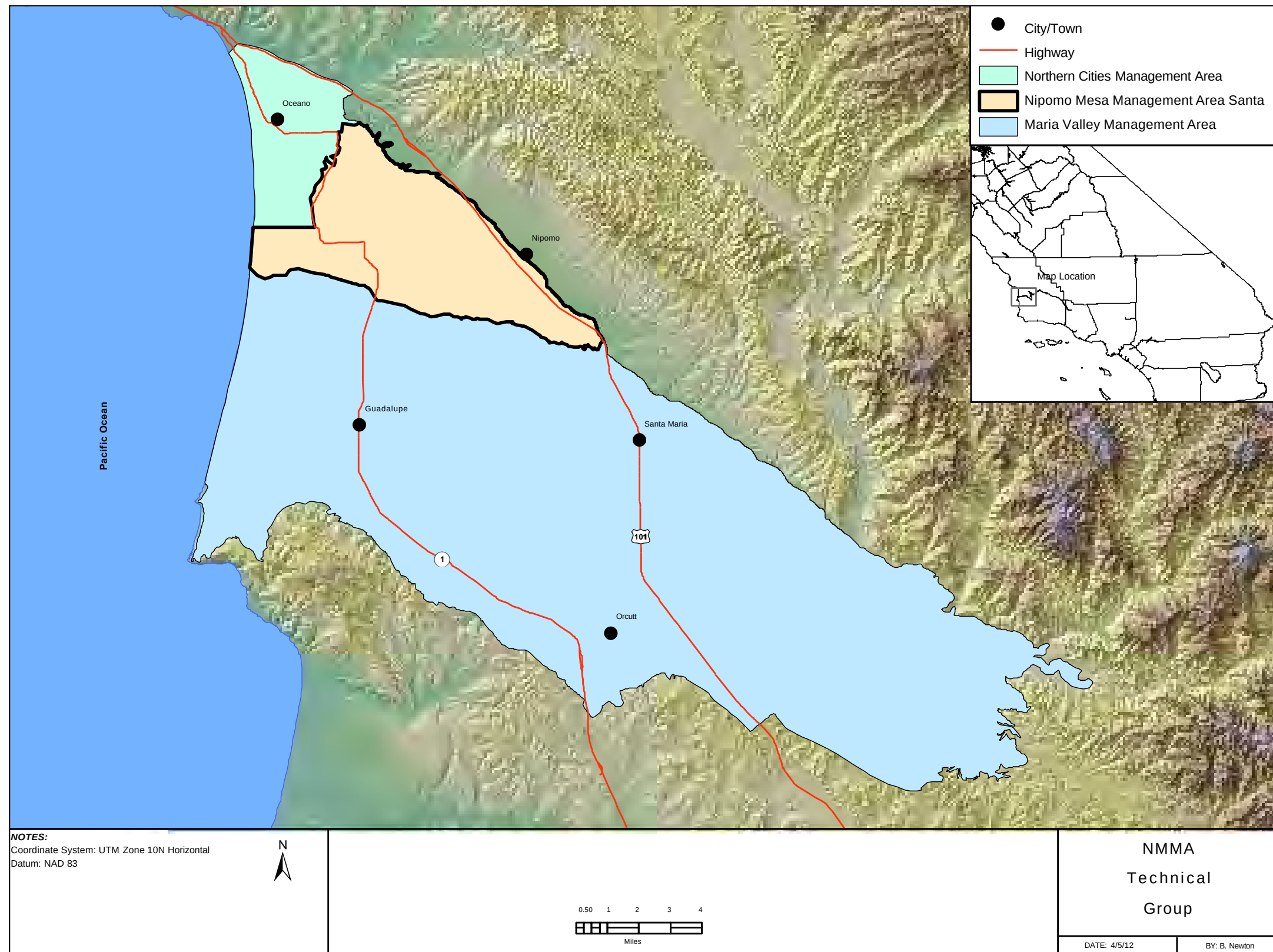
The NMMA covers approximately 33 square miles or 21,100 acres, which accounts for approximately 13 percent of the Santa Maria River Valley Groundwater Basin. The geology underlying the NMMA is comprised of 150 to 250 feet thick sand dune deposits overlying the Paso Robles Formation, the primary groundwater aquifer. There are no significant streams within the NMMA and the sand dune deposits are highly porous and permeable. Recharge to the aquifer only occurs through precipitation, agricultural and urban return flows, and subsurface inflows.

6.2.3 Overdraft Conditions

Law

CWC 10631

(b)(2) For basins that have not been adjudicated, (provide) information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.



Notes:
 Santa Maria Groundwater Basin and Management Areas from figure
 from the Nipomo Mesa Management Area 7th Annual Report –
 Calendar Year 2014 (Submitted April 2015).



**Nipomo Community
 Services District**

**2015 Urban Water
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Figure 6-1:
 Santa Maria
 Groundwater
 Basin and
 Management Areas



The Santa Maria River Valley Groundwater Basin is an adjudicated basin as described in Section 6.1.

6.2.4 Historical Groundwater Pumping

Law

CWC 10631

(b) ...If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

From 2011 through 2015, NCSD pumped groundwater to serve customer demands. As mentioned in Section 6.1 NCSD is part of the Nipomo Mesa Management Area. The Stipulation for the Santa Maria River Valley Groundwater Basin contains specific provisions with regard to groundwater conditions, development of groundwater monitoring programs, and development of plans and programs to respond to Potentially Severe and Severe Water Shortage Conditions. The NMMA TG developed criteria to track groundwater levels and quality throughout the basin using the Key Wells Index (KWI), which is calculated from eight selected wells distributed throughout the management area. Per the Nipomo Mesa Management Area 7th Annual Report – Calendar Year 2014 (submitted April 2015), groundwater elevations within four of the Key Wells were below sea level following the three dry year period (2012-2014).

Table 6-1 provides an overview of the groundwater sources and the annual quantity pumped to meet the demands of the NCSD customers from 2011 to 2015. Groundwater pumping from the Santa Maria River Valley Groundwater Basin decreased in 2015 primarily due to customer conservation efforts in response to the drought. In addition, NCSD started to receive imported water from the Nipomo Supplemental Water Project in July 2015, which offset groundwater pumping.

Table 6-1 Retail: Groundwater Volume Pumped

Groundwater Type	Location or Basin Name	2011	2012	2013	2014	2015
Alluvial Basin	Santa Maria Groundwater Basin	2,488	2,473	2,646	2,310	1,626
TOTAL (AF)		2,488	2,473	2,646	2,310	1,626

NOTES: In 2015 NCSD receive 322 AF of supplemental water from the City of Santa Maria

6.3 Surface Water

NCSD does not have a self-supplied surface water supply source, but does receive a blend of imported surface water and groundwater (“municipal mix”) from the City of Santa Maria as part of the Supplemental Water Project as described in Section 6.1 and summarize in Tables 6-8 and 6-9.

6.4 Stormwater

NCSD does not currently supplement water supply demands through the capture and reuse of stormwater due to the underlying geology of the Nipomo Mesa.

6.5 Wastewater and Recycled Water

6.5.1 Recycled Water Coordination

Law

CWC 10633

The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area.

NCSD operates two wastewater treatment facilities within the water service area. The Southland WWTF collects and treats wastewater from the majority of the District and discharges treated effluent back into the Santa Maria River Valley Groundwater Basin via percolation ponds. The Blacklake WWTF treats wastewater through secondary treatment and recycles wastewater to the water hazards at Blacklake Golf Course. Water is extracted from the water hazards as necessary to irrigate the course. Blacklake WWTF operates under Reclamation Orders from Regional Water Quality Control Board. NCSD does not provide recycled water to any other users.

6.5.2 Wastewater Collection, Treatment, and Disposal

Law

CWC 10633

a) (Describe) the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

CWC 10633

(b) (Describe) the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

NCSD operates two wastewater collection systems within the water service area. The Town System collects wastewater on the easterly side of the service area from Orchard Road to Cedarwood Street and on southerly side of the service area from Juniper Street to Southland Street. The Blacklake System collects wastewater from the Blacklake community north of Willow Road. A portion of the NCSD water service area is not sewered and utilizes onsite septic systems. Table 6-2 provides an overview of the quantity of wastewater collected within the NCSD water service area.

Table 6-2 Retail: Wastewater Collected Within Service Area in 2015

Wastewater Collection			Recipient of Collected Wastewater			
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated?	Volume of Wastewater Collected in 2015 (AF)	Name of Agency Receiving Collected Wastewater	Treatment Plant Name	Is WWTP Located Within UWMP Area?	Is WWTP Operation Contracted to a Third Party?
Nipomo CSD	Metered	628	Nipomo CSD	Southland Wastewater Treatment Facility	Yes	No
Nipomo CSD	Metered	50	Nipomo CSD	Blacklake Wastewater Reclamation Facility	Yes	No
Total Wastewater Collected from Service Area in 2015 (AF):		678				

Table 6-3 provides an overview of the quantity of wastewater treated and discharged within the NCSD water service area.

Table 6-3 Retail: Wastewater Treatment and Discharge Within Service Area in 2015										
Wastewater Treatment Plant Name	Discharge Location Name or Identifier	Discharge Location Description	Wastewater Discharge ID Number	Method of Disposal	Does This Plant Treat Wastewater Generated Outside the Service Area?	Treatment Level	2015 volumes			
							Wastewater Treated	Discharged Treated Wastewater	Recycled Within Service Area	Recycled Outside of Service Area
Southland WWTF	Infiltration Ponds onsite	Infiltration Ponds onsite	Southland WWTF #R3-2012-0003	Percolation ponds	Yes	Secondary, Undisinfected	628	628	0	0
Blacklake WWRF	Treated effluent storage ponds onsite	Treated effluent storage ponds onsite	Blacklake WWTF #94-14	Other	No	Secondary, Disinfected - 23	50	0	50	0
Total (AF)							678	628	50	0

6.5.3 Recycled Water System

Law

CWC 10633

(c) (Describe) the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

NCSD does not own or operate a recycled water system other than the Blacklake WWRF described in Section 6.5.1

Law

CWC 10633

(d) (Describe and quantify) the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

CWC 10633

(e) (Describe) the projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

Recycled water use within the NCSD water service area is limited to the recycled water provided to the Blacklake Golf Course for irrigation. Table 6-4 provides a summary of current and projected recycled water use within the golf course.

Table 6-4 Retail: Current and Projected Recycled Water Direct Beneficial Uses Within Service Area

Name of Agency Producing (Treating) the Recycled Water:		Nipomo Community Services District						
Name of Agency Operating the Recycled Water Distribution System:		Nipomo Community Services District						
Supplemental Water Added in 2015								
Source of 2015 Supplemental Water								
Beneficial Use Type	General Description of 2015 Uses	Level of Treatment	2015	2020	2025	2030	2035	2040
Golf course irrigation		Secondary, Disinfected - 23	50	50	50	50	50	50
Total: (AF)			50	50	50	50	50	50

6.5.4 Planned Versus Actual Use of Recycled Water

Law

CWC 10633

(e) (Provide) a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

Table 6-5 provides a summary of the 2010 UWMP Recycled Water Use Projection Compared to 2015 actual use.

Table 6-5 Retail: 2010 UWMP Recycled Water Use Projection Compared to 2015 Actual

Use Type	2010 Projection for 2015	2015 actual use
Golf course irrigation	71	50
Total (AF)	71	50

6.5.5 Actions to Encourage and Optimize Future Recycled Water Use

Law

CWC 10633

(f) (Describe the) actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

CWC 10633

(g) (Provide a) plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

NCSD does not anticipate expanding recycled water use with the NCSD water service area and acknowledged this in Table 6-6.

Table 6-6 Retail: Methods to Expand Future Recycled Water Use

☒	Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.		
	Provide page location of narrative in UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use
N/A	N/A	N/A	N/A
Total			0

6.6 Desalinated Water Opportunities

Law

CWC 10631

(h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply

NCSD has recently completed construction of the first phase of the Supplemental Water Project to receive water from the City of Santa Maria and has designed phases 2 and 3. The District is not currently pursuing desalinated water opportunities.

6.7 Exchange, Transfers or Emergency Interties

Law

CWC 10631 (d)

Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

NCSD has taken the lead in the design and construction effort for the Supplemental Water Project to bring wholesale water from the City of Santa Maria to the Nipomo Mesa as described in Section 6.1. NCSD is a wholesale supplier (serving less than 3,000 AF/year) to Golden State Water Company (GSWC) and Woodlands Mutual Water Company (WMWC). The currently contracted sales/transfer amount, as defined in the agreement, is 833 AFY and a copy of the water purchase agreement is included in Appendix F.

Participating agencies of the NSWP include Golden State Water Company (GSWC) and Woodlands Mutual Water Company (WMWC). GSWC and WMWC have committed to purchase 833 AYF. While, GSWC and WMWC are purchasing water they are not currently receiving water directly from the District. The water purchased by GSWC and WMWC will offset NCSD's groundwater pumping, therefore providing an in lieu reduction of groundwater pumping in the Nipomo Mesa Management Area (NMMA). GSWC and WMWC allocations of the NSWP are included in future demand and supply projections shown in Tables 4-2 and 6-9 respectively. In addition, NCSD has emergency intertie connections with WMWC and GSWC.

6.8 Future Water Projects

Law

CWC 10631

(g) ...The urban water supplier shall include a detailed description of expected future projects and programs... that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description

of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

As described in Section 6.1, NCS D has a wholesale water supply agreement with the City of Santa Maria to receive water from the City through the Supplemental Water Project pipeline and associated facilities. The project was designed to deliver 3,000 acre feet per year (AFY) at a maximum rate of 2,000 gallons per minute (gpm) at full delivery capacity. Water delivery is phased based on system demands and the water delivery schedule established through the wholesale water agreement with the City. NCS D has a current 800 AFY allocation for supplemental water from the City. Table 6-7 identifies the additional water supply deliveries and planned implementation years.

Table 6-7 Retail: Expected Future Water Supply Projects or Programs						
☐	No expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Supplier will not complete the table below.					
☐	Some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.					
	Provide page location of narrative in the UWMP					
Name of Future Projects or Programs	Joint Project with other agencies?		Description (if needed)	Planned Implementation Year	Planned for Use in Year Type	Expected Increase in Water Supply to Agency (AFY)
Supplemental Water Project	Yes	City of Santa Maria		2020	Average Year	200
Supplemental Water Project	Yes	City of Santa Maria		2025	Average Year	1,500
Supplemental Water Project	Yes	City of Santa Maria		2030	Average Year	500

6.9 Summary of Existing and Planned Sources of Water

Law

CWC 10631

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision 10631(a).

(4) (Provide a) detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

Table 6-8 provides an overview of the actual source and volume of water for the year 2015 to serve the NCS D customer base.

Table 6-8 Retail: Water Supplies — Actual			
Water Supply	2015		
	Actual Volume	Water Quality	Total Right or Safe Yield
Groundwater	1,626	Drinking Water	
Purchased or Imported Water	322	Drinking Water	
Total (AF)	1,948		

Table 6-9 provides an overview of the projected groundwater and other water supplies available to serve the NCSD customer base.

Table 6-9 Retail: Water Supplies — Projected										
Water Supply	Projected Water Supply									
	2020		2025		2030		2035		2040	
	Reasonably Available Volume	Total Right or Safe Yield	Reasonably Available Volume	Total Right or Safe Yield	Reasonably Available Volume	Total Right or Safe Yield	Reasonably Available Volume	Total Right or Safe Yield	Reasonably Available Volume	Total Right or Safe Yield
Groundwater	2,113		1,226		867		1,013		1,163	
Purchased or Imported Water	1,000		2,500		3,000		3,000		3,000	
Total (AF)	3,113		3,726		3,867		4,013		4,163	

The variation in groundwater supply through 2040 is based on the assumption that NCSD will reduce groundwater pumping based on the volume of supplemental water delivered into the system to meet projected demands.

CHAPTER 7 WATER SUPPLY RELIABILITY ASSESSMENT

7.1 Constraints on Water Sources

Law

CWC 10631

(c)(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

CWC 10634

The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

7.1.1 Groundwater Reliability

During historical single year and/or multiple dry years NCSD has pumped 100% of its demand from the Santa Maria River Valley Groundwater Basin. However, since July 2015 NCSD has reduced groundwater pumping from the basin by receiving supplemental water from the Nipomo Supplemental Water Project as described in Section 6. Because of the existing severe water shortage condition within the NMMA it is the intention of NCSD to offset existing and future groundwater pumping by increasing water supply deliveries from the NSWP as shown in Table 6-9 through 2040. Based on this approach it is anticipated that the majority of existing and future water demands would be served by supplemental water.

For the purpose of this UWMP it is assumed that NCSD's current groundwater supply is 100% reliable, but that it is understood that current pumping practices are unsustainable based on the following finding in the 2014 NMMA annual report:

- ☐ Current pumping exceeds recharge as described in Section 6.2.3.
- ☐ The presence of expanding groundwater depressions.
- ☐ The period of analysis (1975-2014) is roughly 9 percent "wetter" on average than the long-term record (1920-2014) indicating there is a slight bias toward overstating the amount of local water supply resulting from percolation of rainfall.
- ☐ In addition to NCSD's imposed pumping restrictions, the NCSD pumping is subject to mandatory restriction by the Court if the NMMA TG Severe Water Shortage Condition criterion is met. Due to the Severe Water Shortage Condition that currently exists, a 30% reduction of groundwater pumping by NCSD is required.

7.1.2 Supplemental Water Reliability

The Nipomo Supplemental Water Supply Project sources are assumed to be 100% reliable as stated in the City of Santa Maria 2015 UWMP Section 7.1. As a result, the District plans on 100% of its supply from the Nipomo Supplemental Water Supply Project to be available in single dry and multiple dry years. The City of the City of Santa Maria 2015 UWMP (City of Santa Maria 2015) included the following discussion with respect to water supply sources and reliability:

The City has water supply available to meet projected demands. Groundwater, including the City's historic appropriative rights, as well as the City's prescriptive rights under the Stipulation and Twitchell Yield, is pumped from the Basin and imported supplies from the SWP are obtained via CCWA. In addition, the City can

pump a percentage of the imported water supply as return flows. These return flows are pumped from the City's wells and are in addition to City's groundwater supplies.

The City's supplies are derived both from local groundwater and the SWP. Each source can supplement or replace the other. As a result, the City's supply is expected to be 100 percent reliable through 2040. This reliability is a result of the projected reliability of imported water and associated return flows and reliable groundwater in the Basin.

CCWA's water supply is imported water from the SWP. The actual amount of water available to be delivered by the SWP varies from year to year based on a combination of hydrologic conditions, water available in SWP storage reservoirs, and environmental regulations in the San Francisco Bay/Sacramento-San Joaquin River Delta. SWP water deliveries are subject to reduction when dry conditions occur in northern California.

CCWA is a SWP contractor (through Santa Barbara County Flood Control and Water Agency). Each Contractor submits a request to DWR by October 1 of each year for water delivery in the following calendar year, in an amount up to the Contractor's full allotment.

The SWP Delivery Reliability report (DWR, 2015) concluded that the SWP, using existing facilities operated under current regulatory conditions, and with all contractors asking for their full allotted amount, could deliver 60 percent of total allotted amounts on a long-term average basis. The analysis also projected that SWP deliveries during multiple-dry year periods would be about 30 percent (four-year drought) of the allotted amounts, and possibly as low as five percent of the allotted amounts during an unusually dry single year. Climate change and sea level rise have both been taken into account in determining the future reliability of this water supply.

Per CCWA (CCWA 2011), the water supply deliveries to the City are expected to be 61, 60, and 59 percent reliable (based on a long-term average basis) during normal years for 2015 through 2020, 2025 through 2030, and 2035 through 2040, respectively. However, the deliveries during the multiple-dry year periods could be between 29 and 38 percent of the allotted amounts between 2020 and 2040 and five percent of the allotted amount during an unusually dry single year for the period of 2020 through 2040.

Supply from the adjudicated Basin is heavily influenced by legal, water quality, and climatic factors shown in Table 7-0. The NMMA TG could declare a Severe Water Shortage and the Court could set pumping limits. The Supplemental Water Supply Project is subject to legal factors outlined by the Wholesale Water Supply sales agreement.

Table 7-0: Factors Affecting Supply Reliability

Name of Supply	Legal	Environmental	Water Quality	Climatic
NMMA Groundwater	The Court could set annual pumping limits on the Nipomo Mesa	Reduced percolation and recharge of stormwater due to increased development	Risk of seawater intrusion and nitrate contamination	Series of low rainfall years
Nipomo Supplemental Water from City of Santa Maria	Wholesale Supply Agreement has conditions for renegotiation	Environmental conditions in the Delta may require Reduced deliveries from the NSWP	Reduced water quality associated with receiving pumped groundwater during dry years	Reliability of imported water supply may vary based on NSWP annual water supply.

7.2 Reliability by Type of Year

Law

CWC 10631

(c)(1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) an average water year,

(B) a single dry water year,

(C) multiple dry water years.

As described in Section 7.1.1, during historical single year and/or multiple dry years NCSD has pumped 100% of its demand from the Santa Maria River Valley Groundwater Basin. To determine the average, single and multiple dry water years NSCD reviewed historical rainfall data from the Nipomo CDF 151.1 volunteer precipitation gauge station located within the NCSD water service area. The results of the historical rainfall data review are presented in Figure 7-1.

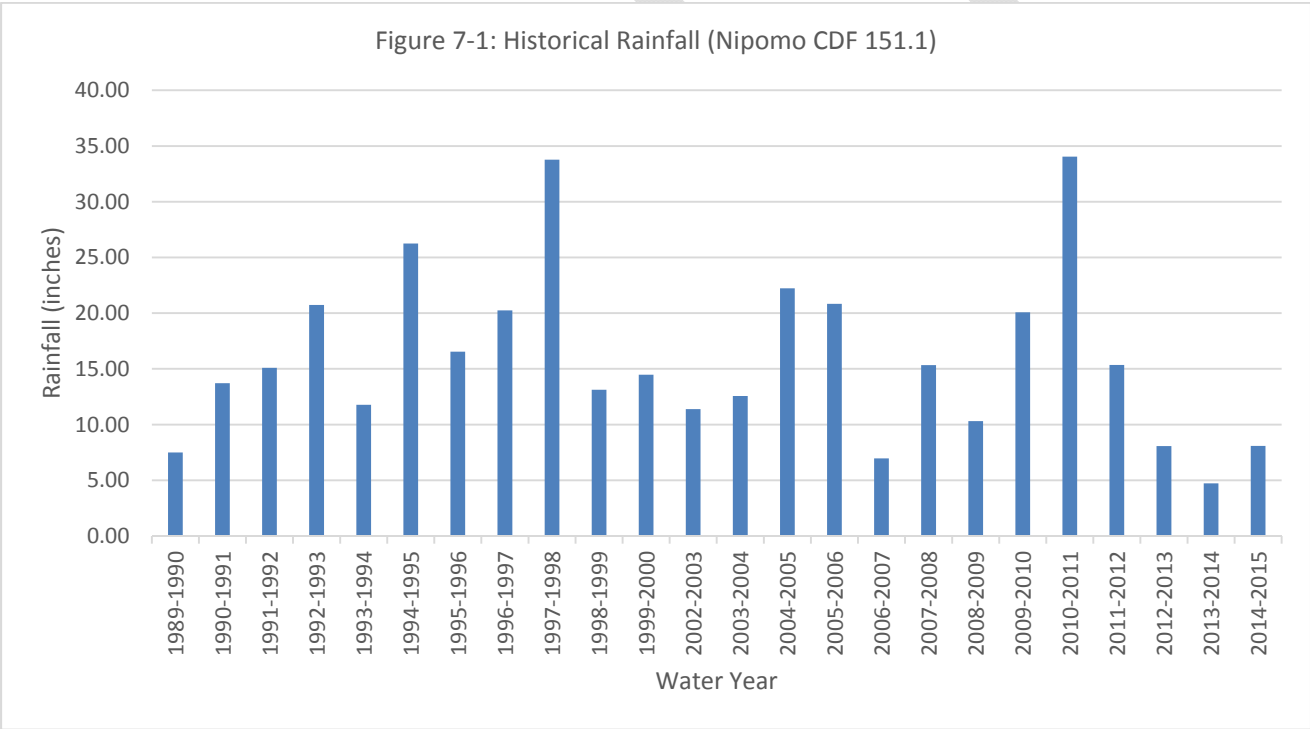


Table 7-1 identifies the basis of water year data as required by the UWMP for projecting supply available during single and multiple dry year conditions.

Table 7-1 Retail: Basis of Water Year Data			
Year Type	Base Year	Available Supplies if Year Type Repeats	
		Agency may provide volume only, percent only, or both	
		Volume Available	% of Average Supply
Average Year	2012	2,473	100%
Single-Dry Year	2014	2,310	100%
Multiple-Dry Years 1st Year	2012	2,473	100%
Multiple-Dry Years 2nd Year	2013	2,646	100%
Multiple-Dry Years 3rd Year	2014	2,310	100%

7.3 Supply and Demand Assessment

Law

CWC 10635

(a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and multiple dry water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional or local agency population projections within the service area of the urban water supplier.

Tables 7-2, 7-3 and 7-4 provide a summary of NCSD's projected supply and water demands through 2040 during normal, single dry and multiple dry years. The future demand projections are based on future population projects as described in Section 3.4 with implementation of the required 20 percent reduction by 2020 as described in Section 5.6.1. The future supply projections are based on the reasonably available groundwater and imported water volumes as described in Section 6.9. Based on the anticipated decrease in groundwater pumping and increased supplemental water deliveries it is assumed that NCSD's current/projected water supply sources are sufficient to meet future demands.

Table 7-2 Retail: Normal Year Supply and Demand Comparison					
	2020	2025	2030	2035	2040
Supply totals	3,113	3,726	3,867	4,013	4,163
Demand totals	3,113	3,726	3,867	4,013	4,163
Difference	0	0	0	0	0

Table 7-3 provides a summary of NCSD's projected supply and demand through 2040 for a single dry year

Table 7-3 Retail: Single Dry Year Supply and Demand Comparison					
	2020	2025	2030	2035	2040
Supply totals	3,113	3,726	3,867	4,013	4,163
Demand totals	3,113	3,726	3,867	4,013	4,163
Difference	0	0	0	0	0

Table 7-4 provides a summary of NCSD's projected supply and demand through 2040 for multiple dry years.

Table 7-4 Retail: Multiple Dry Years Supply and Demand Comparison						
		2020	2025	2030	2035	2040
First year	Supply totals	3,113	3,726	3,867	4,013	4,163
	Demand totals	3,113	3,726	3,867	4,013	4,163
	Difference	0	0	0	0	0
Second year	Supply totals	3,113	3,726	3,867	4,013	4,163
	Demand totals	3,113	3,726	3,867	4,013	4,163
	Difference	0	0	0	0	0
Third year	Supply totals	3,113	3,726	3,867	4,013	4,163
	Demand totals	3,113	3,726	3,867	4,013	4,163
	Difference	0	0	0	0	0

7.4 Regional Supply Reliability

Law

CWC 10620

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

NCSD is part of the Nipomo Mesa Management Area (NMMA) within the Santa Maria River Valley Groundwater Basin. The NMMA coordinates with Northern Cities Management Area (NCMA) and Santa Maria Valley Management Area (SMVMA) to evaluate water resources. Each Management Area submits an annual report to the Court, which disseminates data and uses updates to analyze the most prudent use of the Basin's groundwater. The District has reduced its water use in the past five years and has plans to further reduce its water use as discussed in Section 5. The District also amended its annexation policy to require potential customers within the District's Sphere of Influence (SOI) to bring their own water.

CHAPTER 8 WATER SHORTAGE CONTINGENCY PLANNING

Law

CWC 10632

(a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier.

8.1 Stages of Action

Law

CWC 10632

(a)(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions which are applicable to each stage.

On April 14, 2014, the Nipomo Mesa Management Area (NMMA) Technical Group approved a set of water shortage response stages, including pumping reduction targets during advanced shortage conditions. Response stages are triggered based on the Technical Groups' previously developed shortage criterion for Potentially Severe Water Shortage Conditions and Severe Water Shortage Conditions. The reduction targets in the NMMA's plan are applicable to all purveyor members of the NMMA, including NCSD.

In May 2015, NMMA issued a statement that the Key Well Index had declined to Severe Shortage Conditions. At a Special Meeting of its Board of Directors held on Thursday May 21, 2015 the Nipomo Community Services District declared Stage III Water Shortage conditions and directed District staff to implement the response plan. The Water Shortage Response and Management Plan is based on five escalating stages of drought. In Stages III through V, there are targeted reductions in water use designed to protect long-term groundwater supplies. Stage III represents Severe Water Shortage Conditions and sets a goal of reducing District-wide water use by 30%. Table 8-1 summarizes the water shortage conditions and required supply reductions.

Table 8-1 Stages of Water Shortage Contingency Plan

Stage	Complete Both	
	Percent Supply Reduction*	Water Supply Condition
I	0%	Always in place.
II	20%	Potentially Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.
III	30%	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.
IV	50%	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 1 year from the initial declaration; or Severe Water Shortage declaration pursuant to NMMA declaration triggered by both the Key Well Index and the Coastal Area Criterion
V	60%	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 2 years from the initial declaration, based on both the Key Well Index and Coastal Area Criterion.
*One stage in the Water Shortage Contingency Plan must address a water shortage of 50%.		
NOTES: Based on NMMA Water Shortage Response Stages Endorsed by NMMA Technical Group April 14, 2014		

8.2 Prohibitions on End Uses

Law

CWC 10632

(a)(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.

(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

Table 8-2 summarizes the restrictions and prohibitions on end uses during each stage of water shortage responses implemented by NCSD.

Table 8-2 Retail Only: Restrictions and Prohibitions on End Uses			
Stage	Restrictions and Prohibitions on End Users	Additional Explanation or Reference	Penalty, Charge, or Other Enforcement?
I	Landscape - Restrict or prohibit runoff from landscape irrigation		
I	Landscape - Limit landscape irrigation to specific times		
I	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		
II	Landscape - Restrict or prohibit runoff from landscape irrigation	Stage II Includes all Stage I requirements	
II	Landscape - Limit landscape irrigation to specific times		
II	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		
II	Pools and Spas - Require covers for pools and spas		
II	Other - Prohibit use of potable water for washing hard surfaces		
III	Landscape - Restrict or prohibit runoff from landscape irrigation	Stage III includes all Stage I & II requirements	
III	Landscape - Limit landscape irrigation to specific times		
III	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		
III	Pools and Spas - Require covers for pools and spas		
III	Other - Prohibit use of potable water for washing hard surfaces		
III	Landscape - Prohibit certain types of landscape irrigation		
III	Other water feature or swimming pool restriction		
III	Other - Prohibit use of potable water for construction and dust control		
III	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water		
IV	Landscape - Restrict or prohibit runoff from landscape irrigation	Stage IV includes all Stage I, II, & III	

		requirements	
IV	Landscape - Limit landscape irrigation to specific times		
IV	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		
IV	Pools and Spas - Require covers for pools and spas		
IV	Other - Prohibit use of potable water for washing hard surfaces		
IV	Landscape - Prohibit certain types of landscape irrigation		
IV	Other water feature or swimming pool restriction		
IV	Other - Prohibit use of potable water for construction and dust control		
IV	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water		
IV	Landscape - Prohibit all landscape irrigation		
V	Landscape - Restrict or prohibit runoff from landscape irrigation	Stage V includes all Stage I, II, III & IV requirements	
V	Landscape - Limit landscape irrigation to specific times		
V	Other - Customers must repair leaks, breaks, and malfunctions in a timely manner		
V	Pools and Spas - Require covers for pools and spas		
V	Other - Prohibit use of potable water for washing hard surfaces		
V	Landscape - Prohibit certain types of landscape irrigation		
V	Other water feature or swimming pool restriction		
V	Other - Prohibit use of potable water for construction and dust control		
V	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water		
V	Landscape - Prohibit all landscape irrigation		

8.3 Penalties, Charges, Other Enforcement of Prohibitions

Law

CWC 10632

(a)(6) Penalties or charges for excessive use, where applicable.

Penalties or charges for excessive use are subject to the water use prohibitions identified in the Nipomo Mesa Management Area (NMMA) Technical Group approved set of water shortage response stages, including pumping reduction targets during advanced shortage conditions and conservation pricing. Response stages are triggered based on the Technical Groups' previously developed shortage criterion for Potentially Severe Water Shortage Conditions and Severe Water Shortage Conditions. The reduction targets in the NMMA's plan are applicable to all purveyor members of the NMMA, including NCSD.

8.4 Consumption Reduction Methods

Law

CWC 10632

(a)(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

Table 8-3 summarizes the consumption reduction methods implemented by NCSO during the varying water shortage stages.

Table 8-3 Retail Only: Stages of Water Shortage Contingency Plan - Consumption Reduction Methods	
Stage	Consumption Reduction Methods by Water Supplier
I	Provide Rebates on Plumbing Fixtures and Devices
II	Expand Public Information Campaign
III	Moratorium or Net Zero Demand Increase on New Connections

8.5 Determining Water Shortage Reductions

Law

CWC 10632

(a)(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

Water shortage reductions within the NCSO water service area would be determined and measured by reviewing well production records (production) and customer water billing/meter information (consumption). Customers within the NCSO water service area are 100% metered.

8.6 Revenue and Expenditure Impacts

Law

CWC 10632

(a)(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

NCSO is currently operating within Stage III of the WSCP (reduction in water production of 30%) and is currently able to meet expenses with a combination of rates and reserves. NCSO has sufficient reserves and rate stabilization funds to meet its current near-term obligations; however, rates may need be adjusted in the future, in accordance with Proposition 218, to mitigate future revenue reduction as a result of the WSCP.

8.7 Resolution or Ordinance

Law

CWC 10632

(a)(8) A draft water shortage contingency resolution or ordinance.

The District does not currently have an adopted water shortage contingency ordinance or resolution. If Potentially Severe or Severe Water Shortage Conditions are reported by the NMMA TG to the Court, and the Court confirms the

Potentially Severe or Severe Water Shortage Conditions, then water shortage contingency measures are implemented as stipulated by the Court. The Court may implement responses including measures recommended in the NMMA TG Annual Report and the related Court proceedings. Therefore, the NMMA TG Annual Report and the Stipulation serve as a framework for the draft water shortage contingency ordinance.

8.8 Catastrophic Supply Interruption

Law

CWC 10632

(a)(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

The UWMP Act requires a catastrophic supply interruption plan. This plan looks at the vulnerability of each source and distribution system to events such as wildfires, flooding, earthquakes, landslides, rockslides, other natural disasters, and unforeseen emergencies. The actions taken to address each catastrophe are presented in Table 8-3a.

Table 8-3a Catastrophic Supply Interruption Actions	
Possible Catastrophe	Summary of Actions
Wildfire Flooding	Notification of affected customers and implementation of voluntary and mandatory rationing, only if necessary, in the affected portions of the service area. Isolation, as needed, to minimize the area affected by flooding damage. Large scale system impact is not expected from flooding events.
Earthquake/ Fault Rupture/ Liquefaction	Emergency response plan procedures would go into effect. These procedures would insure any damaged sections of the distribution system were isolated; customers would be notified of the need to limit use; groundwater pumping would be established using backup generators if necessary; and water supply would be supplemented using water in storage.
Landslides/ Rockslides	Given the location and nature of NCSD facilities, these events are not considered significant threats to the NCSD water production or distribution system.

The District is subject to the San Luis Obispo County Emergency Operations Plan, which is a County-wide emergency response plan. NCSD has an Emergency Response Plan which provides guidance for emergency situations. The contents of the plan include information on the chain of command to be followed at the field response, local government, operational area, regional, and state levels. Contact information for public health and safety officials, inventories of equipment suitable for emergency repairs, procedures for notifying the public, training, drills, and restoration and recovery actions are also included in the plan.

8.9 Minimum Supply Next Three Years

Law

CWC 10632

(a)(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.

Table 8-4 summarizes the anticipated minimum supply for the next three years based on available supply resources. Future water demands/supply incorporate the required per-capita water use, known as SB X7-7 (calculated at 184 GPCD for this UWMP) to allow NCSD to achieve a 20% reduction in water use by the year 2020.

In addition, NCSD has included alternative water projections for the next three years assuming that the District will remain in the Stage III Severe Water Shortage Condition requiring a 30% water use reduction per the requirements of the NMMA.

Table 8-4 Retail: Minimum Supply Next Three Years

	2015	2016	2017	2018
Available Water Supply	1,948	2,715	2,775	2,837
Available Water Supply (assuming 30% mandatory conservation per NMMA)	1,948	1,900	1,943	1,986

DRAFT

CHAPTER 9 DEMAND MANAGEMENT MEASURES

9.1 Demand Management Measures for Retail Agencies

Law

CWC 10631

(f)(A)... The narrative shall describe the water demand management measure that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented

The UWMP Act requires a discussion of Demand Management Measures (DMMs), including a description of each of the DMMs currently being implemented/scheduled for implementation, the schedule of implementation for all DMMs, and the methods, if any, NCSD will use to evaluate the effectiveness of DMMs.

The section of the CWC addressing DMMs was significantly modified in 2014, based on recommendations from the Independent Technical Panel (ITP) to the legislature. The ITP was formed by DWR to provide information and recommendations to DWR and the Legislature on new demand management measures, technologies and approaches to water use efficiency (see <http://www.water.ca.gov/wateruseefficiency/sb7/committees/urban/u2/>). In its report to the Legislature, the ITP recommended that the UWMP Act should be amended to simplify, clarify, and update the demand management measure reporting requirements. The ITP recommended, and the legislature enacted, streamlining the retail agency requirements from 14 specific measures to six (6) more general requirements plus an “other” category. These 14 specific measures correspond to the California Urban Water Conservation Council’s 14 BMPs. The BMPs/DMMs are examples of sound water management practices that have been found to be cost effective and practicable in most instances throughout California. DWR consulted with CUWCC and determined that DMMs will be equated with BMPs. Therefore, DMMs and BMPs are referred to interchangeably in this Plan.

Currently the 14 CUWCC BMPs are organized into five categories. Two categories, Utility Operations and Education, are “Foundational BMPs”, because they are considered to be essential water conservation activities by any utility and are adopted for implementation by all signatories to the MOU as ongoing practices with no time limits. The remaining BMPs are “Programmatic BMPs” and are organized into Residential, Commercial, Industrial, and Institutional (CII), and Landscape categories. Table 9-1 provides an overview of the previous CUWCC BMP naming convention, current organizational grouping and corresponding DMMs required for this UWMP update.

Table 9-1 CUWCC BMPs and DWR DMMs

Prior CUWCC BMP Number	Prior CUWCC BMP Name	CUWCC New BMP category	DWR DMM
1	Water Survey Programs for Single- Family Residential and Multi-Family Residential Customers	Programmatic: Residential	Other DMM
2	Residential Plumbing Retrofit	Programmatic: Residential	Other DMM
3	System Water Audits, Leak Detection and Repair	Foundational: Utility Operations – Water Loss Control	Programs to Assess and Manage Distribution System Real Loss
4	Metering with Commodity Rates for All New Connections and Retrofit of Existing Connections	Foundational: Utility Operations – Metering	Metering
5	Large Landscape Conservation Programs and Incentives	Programmatic: Landscape	Other DMM
6	High-Efficiency Clothes Washing Machine Financial Incentive Programs	Programmatic: Residential	Other DMM
7	Public Information Programs	Foundational: Education – Public Information Programs	Public Education and Outreach
8	School Education Programs	Foundational: Education – School Education Programs	Other DMM
9	Conservation Programs for Commercial, Industrial, and Institutional (CII) Accounts	Programmatic: Commercial, Industrial, and Institutional	Other DMM
10	Wholesale Agency Assistance Programs	Foundational: Utility Operations – Operations	Other DMM
11	Retail Conservation Pricing	Foundational: Utility Operations – Pricing	Conservation pricing
12	Conservation Coordinator	Foundational: Utility Operations – Operations	Water Conservation Program Coordination and Staffing Support
13	Water Waste Prohibition	Foundational: Utility Operations – Operations	Water Waste Prevention Ordinances
14	Residential ULFT Replacement Programs	Programmatic: Residential	Other DMM

9.1.1 Water Waste Prevention Ordinances

CUWCC BMP Category: Foundational: Utility Operations – Operations

Date of Implementation: 2009

CUWCC BMP Requirements:

The following Implementation shall consist of at least the following actions:

a) New development

Enact, enforce, or support legislation, regulations, ordinances, or terms of service that (1) prohibit water waste such as, but not limited to: single-pass cooling systems; conveyer and in bay vehicle wash and commercial laundry systems which do not reuse water; non-recirculating decorative water fountains and (2) address irrigation, landscape, and industrial, commercial, and other design inefficiencies.

b) Existing users

Enact, enforce, or support legislation, regulations, ordinances, or terms of service that prohibit water waste such as, but not limited to: landscape and irrigation inefficiencies, commercial or industrial inefficiencies, and other misuses of water.

c) Water shortage measures

Enact, enforce, or support legislation, regulations, ordinances, or terms of service that facilitate implementation of water shortage response measures.

Ordinance 2015-122, adopted on August 12, 2015, updated the District's Water Shortage Response and Management Plan. A copy of the NCSO Code of Ordinances is available on the District's website:

http://ncsd.ca.gov/cm/Resources/Documents/Water_Sewer_Codes.html

New development is required to comply with County imposed building and planning water efficiency standards.

9.1.2 Metering

Law

CWC 526

(a) Notwithstanding any other provisions of law, an urban water supplier that, on or after January 1, 2004, receives water from the federal Central Valley Project under a water service contract or subcontract... shall do both of the following:

(1) On or before January 1, 2013, install water meters on all service connections to residential and nonagricultural commercial buildings... located within its service area.

CWC 527

(a) An urban water supplier that is not subject to Section 526 shall do both the following:

(1) Install water meters on all municipal and industrial service connections located within its service area on or before January 1, 2025.

CUWCC BMP Category: Foundational: Utility Operations – Metering

Date of Implementation: 1965

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

- 1) *Require meters for all new service connections.*
- 2) *Establish a program for retrofitting existing unmetered service connections.*
- 3) *Read meters and bill customers by volume of use:*
 - a. *Establish and maintain billing intervals that are no greater than bi-monthly (every two months) for all customers.*
 - b. *For each metered connection, perform at least five actual meter readings (including remotely sensed) per twelve month period.*
- 4) *Prepare a written plan, policy or program that includes:*
 - a. *A census of all meters, by size, type, year installed, customer class served and manufacturer's warranty accuracy when new;*
 - b. *A currently approved schedule of meter testing and repair, by size, type and customer class;*
 - c. *A currently approved schedule of meter replacement, by size, type, and customer class; and*
- 5) *Identifying intra- and inter-agency disincentives or barriers to retrofitting mixed use commercial accounts with dedicated landscape meters, and conducting a feasibility study(s) to assess the merits of a program to provide incentives to switch mixed use accounts to dedicated landscape meters.*

The District is 100% metered and water usage is tracked by usage type and service size, which includes single family residential, multi-family residential, commercial/institutional, landscape irrigation, and other.

9.1.3 Conservation Pricing

CUWCC BMP Category: Foundational: Utility Operations – Pricing

Date of Implementation: 2011

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

- (a) *Conservation pricing provides economic incentives (a price signal) to customers to use water efficiently. Because conservation pricing requires a volumetric rate, metered water service is a necessary condition of conservation pricing. Unmetered water service is inconsistent with the definition of conservation pricing.*
- (b) *Conservation pricing requires volumetric rate(s). While this BMP defines a minimum percentage of water sales revenue from volumetric rates, the goal of this BMP is to recover the maximum amount of water sales revenue from volumetric rates that is consistent with utility costs (which may include utility long-run marginal costs), financial stability, revenue sufficiency, and customer equity.*

Part I. Retail Water Service Rates

In addition to volumetric rate(s), conservation pricing may also include one or more of the following other charges:

- 1) *Service connection charges designed to recover the separable costs of adding new customers to the water distribution system.*
- 2) *Monthly or bimonthly meter/service charges to recover costs unrelated to the volume of water delivered or new service connections and to ensure system revenue sufficiency.*
- 3) *Special rates and charges for temporary service, fire protection service, and other irregular services provided by the utility.*

The following volumetric rate designs are potentially consistent with the above definition:

- 1) *Uniform rate in which the volumetric rate is constant regardless of the quantity consumed.*
- 2) *Seasonal rates in which the volumetric rate reflects seasonal variation in water delivery costs.*
- 3) *Tiered rates in which the volumetric rate increases as the quantity used increases.*
- 4) *Allocation-based rates in which the consumption tiers and respective volumetric rates are based on water use norms and water delivery costs established by the utility.*

Adequacy of Volumetric Rate(s): A retail agency's volumetric rate(s) shall be deemed sufficiently consistent with the definition of conservation pricing when it satisfies at least one of the following two options.

Option 1: Let V stand for the total annual revenue from the volumetric rate(s) and M stand for total annual revenue from customer meter/service (fixed) charges, then:

$$V/V+M \geq 70\%$$

This calculation shall only include utility revenues from volumetric rates and monthly or bimonthly meter/service charges. It shall not include utility revenues from new service connection charges; revenue from special rates and charges for temporary service, fire protection, or other irregular services; revenue from grants or contributions from external sources in aid of construction or program implementation; or revenue from property or other utility taxes.

Option 2: Use the rate design model included with the Municipal Water and Wastewater Rate

*Manual published by the Canadian Water & Wastewater Association with the signatory's water system and cost information to calculate V', the uniform volume rate based on the signatory's long-run incremental cost of service, and M', the associated meter charge. *Let HCF be annual water delivery (in hundred cubic feet).+ A signatory's volumetric rate(s) shall be deemed sufficiently consistent with the definition of conservation pricing if:*

$$V/V+M \geq V' / V' + M'$$

Part II. Retail Wastewater Service Rates

Conservation pricing of sewer service provides incentives to reduce average or peak use, or both. Such pricing includes: rates designed to recover the cost of providing service, and billing for sewer service based on metered water use. Conservation pricing of sewer service is also characterized by one or more of the following components: rates in which the unit rate is the same across all units of service (uniform rates); rates in which the unit rate increases as the quantity of units purchased increases (increasing block rates); rates in which the unit rate is based upon the long-run marginal cost or the cost of adding the next unit of capacity to the sewer system. Rates that charge customers a fixed amount per billing cycle for sewer service regardless of the units of service consumed do not satisfy the definition of conservation pricing of sewer service. Rates in which the typical bill is determined by high fixed charges and low commodity charges also do not satisfy the definition of conservation pricing of sewer service.

The District's water rate structure encourages customers to conserve water by using tiered rates. The tiered rate structure establishes volumetric rates; that is the more water a customer consumes, the more expensive the water becomes for the customer, per unit. Table 9-2 summarizes the tiered rate structure for all water usage types.

Table 9-2: NCSD Tiered Water Rate Structure

Single Family Residential	Multi-Family Residential	Commercial		Irrigation	
4-Tier Structure	4-Tier Structure	2-Tier Structure		2-Tier Structure	
0 to 24 Ccf	0 to 8 Ccf	5/8" Meter	0 to 35 Ccf	5/8" Meter	0 to 50 Ccf
25 to 40 Ccf	9 to 12 Ccf		Over 35 Ccf		Over 50 Ccf
41 to 100 Ccf	13 to 25 Ccf	3/4" Meter	0 to 50 Ccf	1" Meter	0 to 75 Ccf
Over 100 Ccf	Over 25 Ccf		Over 50 Ccf		Over 75 Ccf
		1" Meter	0 to 55 Ccf	1 ½" Meter	0 to 350 Ccf
			Over 55 Ccf		Over 350 Ccf
		1 ½" Meter	0 to 290 Ccf	2" Meter	0 to 350 Ccf
			Over 290 Ccf		Over 350 Ccf
		2" Meter	0 to 165 Ccf	3" Meter	0 to 3000 Ccf
			Over 165 Ccf		Over 3000 Ccf
		3" Meter	0 to 82 Ccf	4" Meter	0 to 3000 Ccf
			Over 82 Ccf		Over 3000 Ccf
		4" Meter	0 to 25 Ccf		
			Over 25 Ccf		

In addition to the standard water rate structure identified in Table 9-1, NCSD also bills a volumetric charge to all users for the Supplemental Water Project as described in Section 6.

Sewer rates are based on a flat-rate structure for residential customers and non-residential uses are billed based on the size of the water meter and the amount of water used. The effectiveness of this BMP can be measured as a part of the overall gpcd reduction from the baseline described in Section 5.

9.1.4 Public Education and Outreach

CUWCC BMP Category: Foundational: Education – Public Information Programs

Date of Implementation: 2008

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

- 1) *The program should include, when possible, but is not limited to, providing speakers to employees, community groups and the media; using paid and public service advertising; using bill inserts; providing information on customers' bills showing use for the last billing period compared to the same period the year before; providing public information to promote water conservation measures; and coordinating with other government agencies, industry groups, public interest groups, and the media.*
- 2) *The program should include, when possible, social marketing elements which are designed to change attitudes to influence behavior. This includes seeking input from the public to shape the water conservation message; training*

stakeholders outside the utility staff in water conservation priorities and techniques; and developing partnerships with stakeholders who carry the conservation message to their target markets.

- 3) *When mutually agreeable and beneficial, the wholesale agency or another lead regional agency may operate all or part of the public information program. If the wholesale agency operates the entire program, then it may, by mutual consent with the retail agency, assume responsibility for CUWCC reporting for this BMP. Under this arrangement, a wholesale agency may aggregate all or portions of the reporting and coverage requirements of the retail agencies joining into the mutual consent.*

The District implements many public outreach programs. Public outreach efforts are updated on the District's conservation website (<http://ncsd.ca.gov/cm/Resources/Conservation.html>). The District provides multiple workshops, giveaway items, brochures, newsletters, and bill inserts to customers. Below is a list of the public outreach efforts implemented by the District:

- ☐ High efficiency washer rebate program
- ☐ Advertising
- ☐ Events and item giveaways
- ☐ Post cards, brochures mailed out to NCSD customers
- ☐ Door-hangers for water waste and other water-use issues
- ☐ Conservation website
- ☐ Water audit program
- ☐ Quarterly newsletter
- ☐ Toilet-retrofit-at-time-of-sale, administered by San Luis Obispo County Planning and Development (SLO-PD) (Title 8 Amendment) for Nipomo Mesa Water Conservation Area (NMWCA) (includes all of NCSD)

Some public outreach events that NCSD participates in include the Harvest Festival and Creek Day.

9.1.5 Programs to Assess and Manage Distribution System Real Loss

CUWCC BMP Category: Foundational: Utility Operations – Water Loss Control

Date of Implementation: 2011

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

- 1) *Standard Water Audit and Water Balance. All agencies shall quantify their current volume of apparent and real water loss. Agencies shall complete the standard water audit and balance using the AWWA Water Loss software to determine their current volume of apparent and real water loss and the cost impact of these losses on utility operations at no less than annual intervals.*
- 2) *Validation. Agencies may use up to four years to develop a validated data set for all entries of their water audit and balance. Data validation shall follow the methods suggested by the AWWA Software to improve the accuracy of the quantities for real and apparent losses.*
- 3) *Economic Values. For purposes of this BMP, the economic value of real loss recovery is based upon the agency's avoided cost of water as calculated by the Council's adopted Avoided Cost Model or other agency model consistent with the Council's Avoided Cost Model.*

- 4) *Component Analysis. A component analysis is required at least once every four years and is defined as a means to analyze apparent and real losses and their causes by quantity and type. The goal is to identify volumes of water loss, the cause of the water loss and the value of the water loss for each component. The component analysis model then provides information needed to support the economic analysis and selection of intervention tools. An example is the Breaks and Background Estimates Model (BABE) which segregates leakage into three components: background losses, reported leaks and unreported leaks.*
- 5) *Interventions. Agencies shall reduce real losses to the extent cost-effective. Agencies are encouraged to refer to the AWWA's 3rd Edition M36 Publication, Water Audits and Loss Control Programs (2009) for specific methods to reduce system losses.*
- 6) *Customer Leaks. Agencies shall advise customers whenever it appears possible that leaks exist on the customer's side of the meter.*

This BMP was implemented in October 2011. District staff visit and inspect all production and storage facilities weekly. All of the District's tanks, reservoirs, and pumps have alarms to indicate over-topping or loss of pressure. These alarms provide notification to District staff of any potential problems so adjustments can be made to limit system losses.

The District produces and submits annual reports to DWR quantifying the amount of metered water deliveries and the total water in the system. These reports are one way to measure the effectiveness of the District's water loss control measures based on the comparison of production and deliveries. The District completes the standard water audit and balance using the AWWA Water Loss software to determine their current volume of apparent and real water loss and the cost impact of these losses on District operations, and plans to re-conduct the analysis at annual intervals.

The District provides leak detection information and assistance to its customers through providing educational tools and giveaways, such as dye tablets, to detect leaks. The District's database that tracks water use alerts utility billing staff when current water use at a given meter varies significantly from the historic use, which indicates a leak is likely. When a leak is detected, the District contacts the customer with the information needed to find leaks. Statistics of the number of customers assisted with leak detection and repair is are tracked by utility billing staff.

9.1.6 Water conservation program coordination and staffing support

CUWCC BMP Category: Foundational: Utility Operations – Operations

Date of Implementation: On-going

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

Designate a person as the agency's responsible conservation coordinator for program management, tracking, planning, and reporting on BMP implementation.

Water conservation activities are performed by utility billing staff, public outreach staff, operations staff, and engineering staff. BMP report preparation is coordinated by engineering staff.

9.1.7 Other Demand Management Measures

Other demand management measures that NCSD has implemented include the following:

School Education Program:

CUWCC BMP Category: Foundational: Education – School Education Programs

Date of Implementation: 2008

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

- 1) *Implement a school education program to promote water conservation and water conservation-related benefits.*
- 2) *Programs shall include working with school districts and private schools in the water suppliers' service area to provide instructional assistance, educational materials, and classroom presentations that identify urban, agricultural, and environmental issues and conditions in the local watershed. Educational materials shall meet the state education framework requirements and grade-appropriate materials shall be distributed.*
- 3) *When mutually agreeable and beneficial, the wholesale agency or another lead regional agency will operate all or part of the education program; if the wholesale agency operates all or part of the retail agency's school education program, then it may, by mutual consent with the retail agency, assume responsibility for CUWCC reporting of this BMP; under this arrangement, a wholesale agency may aggregate all or portions of the reporting and coverage requirements of the retail agencies joining into the mutual consent*

On September 6, 2008 NCS D began implementing its school education program. The District has a contract with Science Discovery to provide water conservation presentations to schools in the service area for students in kindergarten through 6th grade. There are approximately 15 presentations provided per year. Topics covered during the presentations include the water cycle, groundwater supply and treatment, water conservation in the home, and water conservation in the yard/landscape. The materials provided meet state education framework requirements. The District intends to continue implementing this BMP.

Water Survey Programs for Single- Family Residential and Multi-Family Residential Customers:

CUWCC BMP Category: Programmatic: Residential

Date of Implementation: On-going

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

Provide site-specific leak detection assistance that may include, but is not limited to, the following: a water conservation survey, water efficiency suggestions, and/or inspection. Provide showerheads and faucet-aerators that meet the current water efficiency standard as stipulated in the WaterSense Specifications (WSS) as needed.

The District provides leak detection information and assistance to its customers through providing educational tools and giveaways, such as dye tablets, to detect leaks. The District's database that tracks water use alerts utility billing staff when current water use at a given meter varies significantly from the historic use, which indicates a leak is likely. When a leak is detected, the District contacts the customer with the information needed to find leaks. Statistics of the number of customers assisted with leak detection and repair is tracked by utility billing staff.

The County's Ordinance 3090 amends Title 19 of the County Code to require any applicant for a construction permit or remodel permit constituting a permit fee greater than \$20,000 to install plumbing fixtures with certain criteria designed for water conservation. New construction permits will only be given when an applicant has retrofitted the plumbing fixtures of five existing structures in the Nipomo Mesa Water Conservation Area. The District distributes and tracks aerators, hose nozzles, hose timers, moisture meters, and toilet tabs. The District plans to continue implementing this BMP through educational tools, giveaways and by supporting County Ordinance 3090.

Landscape Water Survey:

CUWCC BMP Category: Programmatic: Landscape

Date of Implementation: 2011

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

Perform site-specific landscape water surveys that shall include, but are not limited to, the following: check irrigation system and timers for maintenance and repairs needed; estimate or measure landscaped area; develop customer irrigation schedule based on precipitation rate, local climate, irrigation system performance, and landscape conditions; review the scheduling with customer; provide information packet to customer; and provide customer with evaluation results and water savings recommendations.

The District does provide giveaways, workshops, and educational tools to assist customers with their own landscape water surveys, thereby making customer landscapes more efficient. The District plans to continue implementing, giveaways, workshops, and educational tools.

High-Efficiency Clothes Washing Machine Financial Incentives Programs

CUWCC BMP Category: Programmatic: Residential

Date of Implementation: On-going

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

Provide incentives or institute ordinances requiring the purchase of high-efficiency clothes washing machines (HECWs) that meet an average water factor value of 5.0. If the WaterSense Specification is less than 5.0, then the average water factor value will decrease to that amount.

The District provides a high efficiency washer rebate program through which it provides a rebate of \$75 on new high efficiency washers.

Water Sense Specification (Wss) Toilets

CUWCC BMP Category: Programmatic: Residential

Date of Implementation: On-going

CUWCC BMP Requirements:

Implementation shall consist of at least the following actions:

Provide incentives or ordinances requiring the replacement of existing toilets using 3.5 or more gpf (gallons per flush) with a toilet meeting WSS.

The County Code requires a toilet-retrofit-at-time-of-sale, administered by San Luis Obispo County Planning and Development (SLO-PD) (Title 8 Amendment) for Nipomo Mesa Water Conservation Area (NMWCA) (includes all of NCSD).

9.2 Implementation over the Past Five Years

Law

CWC 10631

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1)(A) ... a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years.

NCSD has implemented the required DMMs per CWC 10631 to achieve its water use targets pursuant to Section 10608.20 and described in section 5.

9.3 Planned Implementation to Achieve Water Use Targets

Law

CWC 10631

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1)(A) ...The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

NCSD has implemented the required DMM per CWC 10631 to achieve its water use targets pursuant to Section 10608.20. Baseline and target 2020 GPCD are described in section 5 of the UWMP. No additional DMMs are proposed to be implemented by NCSD.

9.4 Members of the California Urban Water Conservation Council

Law

CWC 10631

(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.

NCSD is a member of the CUWCC, but is not in full compliance with the CUWCC's Memorandum of Understanding (MOU). NCSD has described the Best Management Practice (BMP) currently implemented. A copy of the CUWCC 2013 & 2014 BMP coverage reports are in Appendix G.

CHAPTER 10 PLAN ADOPTION, SUBMITTAL, AND IMPLEMENTATION

10.1 Inclusion of all 2015 Data

This 2015 UWMP update includes water use and planning data for the entire year of 2015.

10.2 Notice of Public Hearing

10.2.1 Notice to Cities and Counties

Law

CWC 10621 (b) Every urban water supplier required to prepare a plan shall... at least 60 days prior to the public hearing on the plan ... notify any city or county within which the supplier provides waters supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan.

CWC 10642 ...The urban water supplier shall provide notice of the time and place of hearing to any city or county within which the supplier provides water supplies. A privately owned water supplier shall provide an equivalent notice within its service area...

The Notice of the public hearing, held May 25, 2016 at the NCSD's Jon S. Seitz Board Room, was sent to the County of San Luis Obispo on March 22, 2016. NCSD does not provide water service to any local city. A copy of the letter from NCSD to the County is included in Appendix G.

Table 10-1 Retail: Notification to Cities and Counties		
County Name	60 Day Notice	Notice of Public Hearing
San Luis Obispo County	☒	☒

10.2.2 Notice to the Public

Law

CWC 10642

...Prior to adopting a plan, the urban water supplier shall make the plan available for public inspection...Prior to the hearing, notice of the time and place of hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code...

Government Code 6066

Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.

The public hearing was noticed in the local newspaper as prescribed in Government Code 6066. This notice included time and place of hearing, as well as the location where the plan is available for public inspection. A copy of the newspaper notice is included in Appendix H.

10.3 Public Hearing and Adoption

Law

CWC 10642

...Prior to adopting a plan, the urban water supplier shall hold a public hearing thereon.

CWC 10608.26

(a) In complying with this part, an urban retail water supplier shall conduct at least one public hearing to accomplish all of the following:

(1) Allow community input regarding the urban retail water supplier's implementation plan for complying with this part.

(2) Consider the economic impacts of the urban retail water supplier's implementation plan for complying with this part.

(3) Adopt a method, pursuant to subdivision (b) of Section 10608.20 for determining its urban water use target.

The public hearing to review the draft 2015 UWMP was held on May 25, 2016 at 9:00 am at the NCSD's Jon S. Seitz Board room located at 148 South Wilson Street Nipomo California.

10.3.1 Adoption**Law****CWC 10642**

...After the hearing, the plan shall be adopted as prepared or as modified after the hearing.

The 2015 UWMP was adopted on June 8, 2016 as resolution XXXXX. A copy of the resolution is included in Appendix H of this UWMP.

10.4 Plan Submittal**Law****CWC 10621**

(d) An urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.

CWC 10644

(a)(1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption.

CWC 10635

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

The 2015 UWMP was submitted to DWR, the State library, and the County of San Luis Obispo as required by CWC 10621 and 10644 and a copy of the submittal correspondence is located in Appendix J.

10.5 Public Availability**Law****CWC 10645**

Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

The adopted final 2015 UWMP is available on the District's website at www.ncsd.ca.gov and at the District office at 148 S Wilson St, Nipomo between the hours of 9 AM and 4 PM Monday through Friday.

Appendix A. 2015 UWMP Checklist

Checklist Arranged by Subject				
CWC Section	UWMP Requirement	Subject	Guidebook Location	UWMP Location
10620(b)	Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.	Plan Preparation	Section 2.1	2-1
10620(d)(2)	Coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.	Plan Preparation	Section 2.5.2	2-3
10642	Provide supporting documentation that the water supplier has encouraged active involvement of diverse	Plan Preparation	Section 2.5.2	2-3
10631(a)	Describe the water supplier service area.	System Description	Section 3.1	3-1
10631(a)	Describe the climate of the service area of the supplier.	System Description	Section 3.3	3-1
10631(a)	Provide population projections for 2020, 2025, 2030, and 2035.	System Description	Section 3.4	3-4
10631(a)	Describe other demographic factors affecting the supplier's water management planning.	System Description	Section 3.4	3-6
10631(a)	Indicate the current population of the service area.	System Description and Baselines and Targets	Sections 3.4 and 5.4	3-4
10631(e)(1)	Quantify past, current, and projected water use, identifying the uses among water use sectors.	System Water Use	Section 4.2	4-1
10631(e)(3)(A)	Report the distribution system water loss for the most recent 12-month period available.	System Water Use	Section 4.3	4-3
10631.1(a)	Include projected water use needed for lower income housing projected in the service area of the supplier.	System Water Use	Section 4.5	4-4
10608.20(b)	Retail suppliers shall adopt a 2020 water use target using one of four methods.	Baselines and Targets	Section 5.7 and App E	5-3
10608.20(e)	Retail suppliers shall provide baseline daily per capita water use, urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.	Baselines and Targets	Chapter 5 and App E	5-3
10608.22	Retail suppliers' per capita daily water use reduction shall be no less than 5 percent of base daily per capita water use of the 5 year baseline. This does not apply is the suppliers base GPCD is at or below 100.	Baselines and Targets	Section 5.7.2	5-3
10608.24(a)	Retail suppliers shall meet their interim target by December 31, 2015.	Baselines and Targets	Section 5.8 and App E	5-4
1608.24(d)(2)	If the retail supplier adjusts its compliance GPCD using weather normalization, economic adjustment, or extraordinary events, it shall provide the basis for, and data supporting the adjustment.	Baselines and Targets	Section 5.8.2	5-4
10608.36	Wholesale suppliers shall include an assessment of present and proposed future measures, programs, and policies to help their retail water suppliers achieve targeted water use reductions.	Baselines and Targets	Section 5.1	NA
10608.40	Retail suppliers shall report on their progress in meeting their water use targets. The data shall be reported using a standardized form.	Baselines and Targets	Section 5.8 and App E	5-4
10631(b)	Identify and quantify the existing and planned sources of water available for 2015, 2020, 2025, 2030, and 2035.	System Supplies	Chapter 6	6-9

10631(b)	Indicate whether groundwater is an existing or planned source of water available to the supplier.	System Supplies	Section 6.2	6-1
10631(b)(1)	Indicate whether a groundwater management plan has been adopted by the water supplier or if there is any other specific authorization for groundwater management. Include a copy of the plan or authorization.	System Supplies	Section 6.2.2	6-1
10631(b)(2)	Describe the groundwater basin.	System Supplies	Section 6.2.1	6-1
10631(b)(2)	Indicate if the basin has been adjudicated and include a copy of the court order or decree and a description of the amount of water the supplier has the legal right to pump.	System Supplies	Section 6.2.2	6-2
10631(b)(2)	For unadjudicated basins, indicate whether or not the department has identified the basin as overdrafted, or projected to become overdrafted. Describe efforts by the supplier to eliminate the long-term overdraft condition.	System Supplies	Section 6.2.3	NA
10631(b)(3)	Provide a detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years.	System Supplies	Section 6.2.4	6-3
10631(b)(4)	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	System Supplies	Sections 6.2 and 6.9	6-9
10631(d)	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	System Supplies	Section 6.7	6-8
10631(g)	Describe the expected future water supply projects and programs that may be undertaken by the water supplier to address water supply reliability in average, single-dry, and multiple-dry years.	System Supplies	Section 6.8	6-8
10631(i)	Describe desalinated water project opportunities for long-term supply.	System Supplies	Section 6.6	6-7
10631(j)	Retail suppliers will include documentation that they have provided their wholesale supplier(s) – if any - with water use projections from that source.	System Supplies	Section 2.5.1	2-3
10631(j)	wholesale suppliers will include documentation that they have provided their urban water suppliers with identification and quantification of the existing and planned sources of water available from the wholesale to the urban supplier during various water year types.	System Supplies	Section 2.5.1	NA
10633	For wastewater and recycled water, coordinate with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.1	6-4
10633(a)	Describe the wastewater collection and treatment systems in the supplier's service area. Include quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.	System Supplies (Recycled Water)	Section 6.5.2	6-4
10633(b)	Describe the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.	System Supplies (Recycled Water)	Section 6.5.2.2	6-5
10633(c)	Describe the recycled water currently being used in the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.3 and 6.5.4	6-5
10633(d)	Describe and quantify the potential uses of recycled water and provide a determination of the technical and economic feasibility of those uses.	System Supplies (Recycled Water)	Section 6.5.4	6-6
10633(e)	Describe the projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected.	System Supplies (Recycled Water)	Section 6.5.4	6-6

10633(f)	Describe the actions which may be taken to encourage the use of recycled water and the projected results of these actions in terms of acre-feet of recycled water used per year.	System Supplies (Recycled Water)	Section 6.5.5	6-6
10633(g)	Provide a plan for optimizing the use of recycled water in the supplier's service area.	System Supplies (Recycled Water)	Section 6.5.5	6-6
10620(f)	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	Water Supply Reliability Assessment	Section 7.4	7-5
10631(c)(1)	Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage.	Water Supply Reliability Assessment	Section 7.1	7-4
10631(c)(1)	Provide data for an average water year, a single dry water year, and multiple dry water years	Water Supply Reliability Assessment	Section 7.2	7-1
10631(c)(2)	For any water source that may not be available at a consistent level of use, describe plans to supplement or replace that source.	Water Supply Reliability Assessment	Section 7.1	7-1
10634	Provide information on the quality of existing sources of water available to the supplier and the manner in which water quality affects water management strategies and supply reliability	Water Supply Reliability Assessment	Section 7.1	7-4
10635(a)	Assess the water supply reliability during normal, dry, and multiple dry water years by comparing the total water supply sources available to the water supplier with the total projected water use over the next 20 years.	Water Supply Reliability Assessment	Section 7.3	7-4
10632(a) and 10632(a)(1)	Provide an urban water shortage contingency analysis that specifies stages of action and an outline of specific water supply conditions at each stage.	Water Shortage Contingency Planning	Section 8.1	8-1
10632(a)(2)	Provide an estimate of the minimum water supply available during each of the next three water years based on the driest three- year historic sequence for the agency.	Water Shortage Contingency Planning	Section 8.9	8-6
10632(a)(3)	Identify actions to be undertaken by the urban water supplier in case of a catastrophic interruption of water supplies.	Water Shortage Contingency Planning	Section 8.8	8-5
10632(a)(4)	Identify mandatory prohibitions against specific water use practices during water shortages.	Water Shortage Contingency Planning	Section 8.2	8-2
10632(a)(5)	Specify consumption reduction methods in the most restrictive stages.	Water Shortage Contingency Planning	Section 8.4	8-4
10632(a)(6)	Indicated penalties or charges for excessive use, where applicable.	Water Shortage Contingency Planning	Section 8.3	8-4
10632(a)(7)	Provide an analysis of the impacts of each of the actions and conditions in the water shortage contingency analysis on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts.	Water Shortage Contingency Planning	Section 8.6	8-5
10632(a)(8)	Provide a draft water shortage contingency resolution or ordinance.	Water Shortage Contingency Planning	Section 8.7	8-5
10632(a)(9)	Indicate a mechanism for determining actual reductions in water use pursuant to the water shortage contingency analysis.	Water Shortage Contingency Planning	Section 8.5	8-4
10631(f)(1)	Retail suppliers shall provide a description of the nature and extent of each demand management measure implemented over the past five years. The description will address specific measures listed in code.	Demand Management Measures	Sections 9.2 and 9.3	9-3
10631(f)(2)	Wholesale suppliers shall describe specific demand management measures listed in code, their distribution system asset management program, and supplier	Demand Management Measures	Sections 9.1 and 9.3	NA

10631(j)	CUWCC members may submit their 2013- 2014 CUWCC BMP annual reports in lieu of, or in addition to, describing the DMM implementation in their UWMPs. This option is only allowable if the supplier has been found to be in full compliance with the CUWCC MOU.	Demand Management Measures	Section 9.5	9-11
10608.26(a)	Retail suppliers shall conduct a public hearing to discuss adoption, implementation, and economic impact of water use targets.	Plan Adoption, Submittal, and Implementation	Section 10.3	10-2
10621(b)	Notify, at least 60 days prior to the public hearing, any city or county within which the supplier provides water that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan.	Plan Adoption, Submittal, and Implementation	Section 10.2.1	10-1
10621(d)	Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.	Plan Adoption, Submittal, and Implementation	Sections 10.3.1 and 10.4	10-2
10635(b)	Provide supporting documentation that Water Shortage Contingency Plan has been, or will be, provided to any city or county within which it provides water, no later than 60 days after the submission of the plan to DWR.	Plan Adoption, Submittal, and Implementation	Section 10.4.4	NA
10642	Provide supporting documentation that the urban water supplier made the plan available for public inspection, published notice of the public hearing, and held a public hearing about the plan.	Plan Adoption, Submittal, and Implementation	Sections 10.2.2, 10.3, and 10.5	10-2
10642	The water supplier is to provide the time and place of the hearing to any city or county within which the supplier provides water.	Plan Adoption, Submittal, and Implementation	Sections 10.2.1	10-2
10642	Provide supporting documentation that the plan has been adopted as prepared or modified.	Plan Adoption, Submittal, and Implementation	Section 10.3.1	10-2
10644(a)	Provide supporting documentation that the urban water supplier has submitted this UWMP to the California State Library.	Plan Adoption, Submittal, and Implementation	Section 10.4.3	10-2
10644(a)(1)	Provide supporting documentation that the urban water supplier has submitted this UWMP to any city or county within which the supplier provides water no later than 30 days after adoption.	Plan Adoption, Submittal, and Implementation	Section 10.4.4	10-2
10644(a)(2)	The plan, or amendments to the plan, submitted to the department shall be submitted electronically.	Plan Adoption, Submittal, and Implementation	Sections 10.4.1 and 10.4.2	10-2
10645	Provide supporting documentation that, not later than 30 days after filing a copy of its plan with the department, the supplier has or will make the plan available for public review during normal business hours.	Plan Adoption, Submittal, and Implementation	Section 10.5	10-2

Appendix B. DWR Population Tool Data Results

DWR Population Tool Data Results										
Persons Per SF MF/GQ Connection										
Year	Block Group SF Pop	Block Group Total Pop	Block Group % Pop in SF	Block Service Area Pop	Block Pop in SF	Block Pop in MF/GQ	# SF Connections	# MF/GQ Connections	Persons Per SF Connection	Persons Per MF/GQ Connection
1990	2,272	3,048	74.54%	3,976	2,964	1,012	1637	55	1.81	18.4
1991									1.88	17.15
1992									1.95	15.9
1993									2.02	14.65
1994									2.09	13.4
1995									2.16	12.15
1996									2.22	10.89
1997									2.29	9.64
1998									2.36	8.39
1999									2.43	7.14
2000	4,654	5,544	83.95%	8,768	7,360	1,408	2944	239	2.5	5.89
2001									2.55	5.69
2002									2.59	5.49
2003									2.64	5.29
2004									2.68	5.09
2005									2.73	4.89
2006									2.77	4.68
2007									2.82	4.48
2008									2.86	4.28
2009									2.91	4.08
2010	6,411	7,551	84.90%	12,148	10,314	1,834	3493	473	2.95	3.88
2015									3.18	2.87
Population Using Persons-per-Connection										
	Year	# SF Connections	# MF/GQ Connections	Persons Per SF Connection	Persons Per MF/GQ Connection	SF Population	MF/GQ Population	Total Population		
10 to 15 Year Baseline Population Calculations										
Year 1	1996	2388	227	2.22	10.89	5,311	2,473	7,784		
Year 2	1997	2485	236	2.29	9.64	5,698	2,276	7,974		
Year 3	1998	2637	235	2.36	8.39	6,229	1,972	8,201		
Year 4	1999	2803	234	2.43	7.14	6,814	1,671	8,485		
Year 5	2000	2944	239	2.5	5.89	7,360	1,408	8,768		
Year 6	2001	2944	236	2.55	5.69	7,492	1,343	8,835		
Year 7	2002	3093	239	2.59	5.49	8,011	1,312	9,323		
Year 8	2003	3116	237	2.64	5.29	8,211	1,253	9,464		
Year 9	2004	3354	235	2.68	5.09	8,989	1,195	10,184		
Year 10	2005	3337	366	2.73	4.89	9,093	1,788	10,881		
5 Year Baseline Population Calculations										
Year 1	2006	3423	390	2.77	4.68	9,482	1,827	11,308		
Year 2	2007	3481	412	2.82	4.48	9,799	1,847	11,646		
Year 3	2008	3481	421	2.86	4.28	9,956	1,803	11,758		
Year 4	2009	3520	427	2.91	4.08	10,226	1,743	11,968		
Year 5	2010	3493	473	2.95	3.88	10,314	1,834	12,148		
2015 Compliance Year Population Calculations										
	2015	3603	497	3.18	2.87	11,459	1,426	12,886		

Appendix C. American Water Works Association Water Audit Results

AWWA WLCC Free Water Audit Software: Reporting Worksheet

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WAS v4.2

[Back to Instructions](#)

? Click to access definition

Water Audit Report for: **Nipomo Community Services District**
Reporting Year: **2015** 1/2015 - 12/2015

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: ACRE-FEET PER YEAR

WATER SUPPLIED

<< Enter grading in column 'E'

Volume from own sources:	?	8	1,626.000	acre-ft/yr
Master meter error adjustment (enter positive value):	?	n/a		acre-ft/yr
Water imported:	?	8	321.500	acre-ft/yr
Water exported:	?	n/a	0.000	acre-ft/yr
WATER SUPPLIED:			1,947.500	acre-ft/yr

AUTHORIZED CONSUMPTION

Billed metered:	?	8	1,809.830	acre-ft/yr	Click here: ? for help using option buttons below Use buttons to select percentage of water supplied OR value Pcnt: 1.25% Value: Pcnt: 0.25% Value: Pcnt: 1.00% Value: Choose this option to enter a percentage of billed metered consumption. This is NOT a default value
Billed unmetered:	?	10	0.000	acre-ft/yr	
Unbilled metered:	?	8	0.000	acre-ft/yr	
Unbilled unmetered:	?		24.344	acre-ft/yr	
Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed					
AUTHORIZED CONSUMPTION:	?		1,834.174	acre-ft/yr	

WATER LOSSES (Water Supplied - Authorized Consumption)

113.326 acre-ft/yr

Apparent Losses

Unauthorized consumption:	?		4.869	acre-ft/yr	Pcnt: 0.25% Value: Pcnt: 1.00% Value: Choose this option to enter a percentage of billed metered consumption. This is NOT a default value
Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed					
Customer metering inaccuracies:	?	5	18.281	acre-ft/yr	
Systematic data handling errors:	?	5	1.000	acre-ft/yr	
Apparent Losses:	?		24.150		

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses:	?		89.176	acre-ft/yr
WATER LOSSES:			113.326	acre-ft/yr

NON-REVENUE WATER

NON-REVENUE WATER: ? 137.670 acre-ft/yr

= Total Water Loss + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	?	10	92.1	miles
Number of active AND inactive service connections:	?	10	4,332	
Connection density:			47	conn./mile main
Average length of customer service line:	?	8	32.0	ft (pipe length between curbstop and customer meter or property boundary)
Average operating pressure:	?	8	75.0	psi

COST DATA

Total annual cost of operating water system:	?	8	\$3,591,562	\$/Year
Customer retail unit cost (applied to Apparent Losses):	?	6	\$4.59	\$/100 cubic feet (ccf)
Variable production cost (applied to Real Losses):	?	7	\$1,984.48	\$/acre-ft

PERFORMANCE INDICATORS

Financial Indicators

Non-revenue water as percent by volume of Water Supplied:	7.1%
Non-revenue water as percent by cost of operating system:	7.6%
Annual cost of Apparent Losses:	\$48,249
Annual cost of Real Losses:	\$176,969

Operational Efficiency Indicators

Apparent Losses per service connection per day:	4.98	gallons/connection/day
Real Losses per service connection per day*:	18.38	gallons/connection/day
Real Losses per length of main per day*:	N/A	
Real Losses per service connection per day per psi pressure:	0.25	gallons/connection/day/psi
Unavoidable Annual Real Losses (UARL):	113.01	acre-feet/year
From Above, Real Losses = Current Annual Real Losses (CARL):	89.18	acre-feet/year
Infrastructure Leakage Index (ILI) [CARL/UARL]:	0.79	

* only the most applicable of these two indicators will be calculated

WATER AUDIT DATA VALIDITY SCORE:

*** YOUR SCORE IS: 72 out of 100 ***

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources

2: Customer metering inaccuracies

3: Customer retail unit cost (applied to Apparent Losses)

For more information, click here to see the Grading Matrix worksheet

Appendix D. Wholesale Water Supply Agreement with City of Santa Maria

RESOLUTION NO. 2013-40

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SANTA MARIA, CALIFORNIA, APPROVING A
WHOLESALE WATER SUPPLY AGREEMENT WITH
NIPOMO COMMUNITY SERVICES DISTRICT**

WHEREAS, on September 7, 2004, the City Council entered into a Memorandum of Understanding with Nipomo Community Services District ("NCSD") to define the terms under which the City of Santa Maria ("City") and NCSD would negotiate for NCSD to purchase supplemental water from the City; and

WHEREAS, on June 30, 2005, a majority of the parties in the Santa Maria Groundwater Litigation, including the City and NCSD, entered into a Stipulated Agreement ("Stipulation"); and

WHEREAS, on June 25, 2008, the Superior Court of California (Santa Maria Groundwater Litigation Lead Case No. 1-97-CV-770214) entered into a judgment incorporating the Stipulation; and

WHEREAS, on January 5, 2010, the City Council adopted a statement of overriding consideration and made findings of consistency regarding the Final Environmental Impact Report on Resolution 2010-04; and

WHEREAS, on January 5, 2010, the City Council approved a Wholesale Water Supply Agreement ("Agreement") for the sale and delivery of supplemental water by the City to NCSD on Resolution 2010-04; and

WHEREAS, on May 9, 2012, the NCSD failed to achieve votes necessary to form an Assessment District to acquire approximately \$30 million in funding to construct infrastructure to deliver the quantities of water specified in the initial Agreement; and

WHEREAS, the NCSD desires to construct an interim project to deliver quantities of water greatly reduced from the original project, thereby reducing delivery capacity; and

WHEREAS, the City and NCSD wish to revise the initial Agreement, notably to modify the Minimum Takedown Schedule (i.e. Quantity) to reflect the reduced delivery capacity, and to modify renegotiation language; and

WHEREAS, the proposed revision to the initial Agreement was approved by the NCSD Board of Directors at their regular meeting on Wednesday, April 24, 2013; and

WHEREAS, all other terms in the Agreement approved on Resolution 2010-04 remain the same.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Santa Maria as follows:

- 1.) Authorize and direct the Director of Utilities to enter into a new Wholesale Water Supply Agreement with Nipomo Community Services District, hereto attached as Exhibit "A" and made a part of this resolution; and
- 2.) Authorize and direct the Director of Utilities, or his designee, to enter into extensions and modifications to the Agreement, consistent with the terms of the Agreement, in order to carry out the project.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria, California, held this 7th day of May 2013.

/s/ ALICE M. PATINO

Mayor

ATTEST:

/s/ RHONDA M. GARIETZ, CMC

Chief Deputy City Clerk

APPROVED AS TO FORM


Sr. Ass. City Attorney

APPROVED AS TO CONTENT


City Manager


Department Head

WHOLESALE WATER SUPPLY AGREEMENT

This Wholesale Water Supply Agreement ("Agreement") is made and entered into as of May 7, 2013, by and between the **CITY OF SANTA MARIA ("City")**, a California municipal corporation and charter City, and **NIPOMO COMMUNITY SERVICES DISTRICT ("NCSD")**, an independent special district formed under and pursuant to Section 61000, *et seq.* of the California Government Code. City and NCSD are sometimes individually referred to herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the City provides retail potable water service to customers within its service area in the Santa Maria Valley, in northern Santa Barbara County. The City holds a contract with the Central Coast Water Authority to receive water from the State Water Project ("SWP"). City also holds rights to recharge from Twitchell Reservoir and rights to pump groundwater from the Santa Maria Groundwater Basin ("Santa Maria Basin"); and

WHEREAS, NCSD provides retail potable water service and sewer service within its established boundaries located in and around the Nipomo Mesa Management Area ("NMMA") of the Santa Maria Basin; and

WHEREAS, both the City and the NCSD are Parties to a certain groundwater adjudication lawsuit commonly referred to as the Santa Maria Groundwater Litigation (Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al.; Superior Court of California, County of Santa Clara Case no. 1-97-CV-770214) (referred to herein as "Basin Litigation"). On August 3, 2005, the Court approved a Settlement Stipulation (referred to herein as "Stipulation") that was signed by the Parties, related to the Basin Litigation which, among other things, provides that "the NCSD and City shall employ their best efforts to timely implement the Nipomo Supplemental Water Project, subject to their quasi-judicial obligations specified for administrative action and in the California Environmental Quality Act." The Stipulation was later incorporated into the final Judgment; and

WHEREAS, on a long term basis, City has water available for use in the NMMA that is surplus to that needed to serve City's current and long-term future anticipated demands; and

WHEREAS, pursuant to the Stipulation, NCSD seeks to acquire a Supplemental Water supply (referred to herein as "Supplemental Water") to alleviate pressure on the NMMA from groundwater pumping and to meet current needs and projected demands of NCSD customers; and

WHEREAS, consistent with the Stipulation and Judgment, and subject to the terms and conditions of this Agreement, City is willing to sell and deliver to NCSD an established quantity of Supplemental Water on a wholesale basis.

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

1. **Purpose.** Consistent with the Stipulation and Judgment, the purpose of this Agreement is to formalize the terms and conditions by which City will provide Supplemental Water to NCSD, including an equivalent amount of capacity in City's water distribution system, for delivery to the NCSD water distribution system through the interconnection described in Paragraph 9, beginning on the Effective Date and continuing each year thereafter for as long as this Agreement remains in effect.

2. **Termination of MOU and Original Wholesale Water Supply Agreement.** City and NCSD executed a Memorandum of Understanding ("MOU") on September 7, 2004, to provide for the reservation of a Supplemental Water supply of up to three thousand (3,000) acre-feet per year ("AFY") in anticipation of the negotiation of the original Wholesale Water Supply Agreement ("Original Agreement"), executed on January 5, 2010. This Agreement shall supersede the terms of the MOU and Original Agreement, which shall terminate and be of no further force or effect. The initial reservation payment of \$37,500 made upon execution of the MOU has already been credited by City to the first quarterly invoice for water delivery pursuant to Paragraph 8.

3. **Term of Agreement.**

(a) **Contract Term.** The term of the Agreement shall commence on the Effective Date and end on June 30, 2085 ("Term"). Notwithstanding the Term, the delivery of Supplemental Water pursuant to this Agreement during any period on or after June 30, 2035, shall be subject to the renewal of the contract between the City and Central Coast Water Authority for SWP water. Furthermore, the terms of this Agreement shall be subject to renegotiation as described below in the event that the SWP contract or any subsequent SWP contract is not renewed or is renegotiated by the City and Central Coast Water Authority prior to June 30, 2035, and the terms of such renegotiation or renewal either (i) substantially impair the ability of City to continue to provide Supplemental Water in the quantities set forth in this Agreement; or (ii) the cost of continuing to provide Supplemental Water pursuant to the terms of this Agreement would create a significant financial burden on the City. In no event shall the City be required to deliver Supplemental Water at a financial loss following June 30, 2035, or in the event of a change in price due to a renegotiation occurring prior to June 30, 2035, as described in the foregoing sentence. Upon the occurrence of one of the foregoing events and within thirty (30) days of a written request from City to NCSD requesting renegotiation, the Parties shall negotiate in good faith and use their best efforts to equitably amend the terms of this Agreement to allow for the continued delivery of Supplemental Water on terms that are mutually beneficial to the Parties for the duration of the Term. The parties will meet in good faith in 2085 to determine whether to extend the term of the Agreement.

(b) **Dispute Resolution.** In the event of a dispute as to whether clause (i) and/or (ii) of Paragraph 3(a) have been triggered as a result of the renegotiation or non-renewal of the SWP contract, then such dispute shall be referred to the dispute resolution procedures referenced in Paragraph 19 of this Agreement. If a final finding is made as a result of such dispute resolution procedure that clause (i) and /or clause (ii) have been triggered, then the Parties shall negotiate in good faith pursuant to Paragraph 3(a). If the Parties cannot agree on the terms and conditions for equitably amending the terms of this

Agreement to address a substantial impairment pursuant to clause (i) of Paragraph 3(a), then whether or not there is a feasible solution to address such substantial impairment may also be referred to the dispute resolution procedures referenced in Paragraph 19 of this Agreement. Notwithstanding the foregoing, the allocation of cost and/or any revision in the price of Supplemental Water to implement a solution or address the existence of an impairment or significant financial burden as set forth in Paragraph 3(a) shall be solely determined by the Parties on mutually acceptable terms and the dispute resolution procedure shall have no authority to order or impose any change with respect to such terms.

(c) **Effective Date.** The "Effective Date" shall mean the date that the NCSD interconnection described in Paragraph 9 has been completed and approved by City's technical staff as operationally ready for commencement of delivery of Supplemental Water.

(d) **Delivery Year.** Each "Delivery Year" shall commence on the Effective Date and any anniversary thereof during the Term and continue for a period of one (1) year.

4. Quantity of Supplemental Water.

(a) **Minimum Delivery.** In each Delivery Year during the Term of this Agreement, City shall deliver and NCSD shall purchase the following minimum quantity of Supplemental Water ("Minimum Quantity"):

<u>Delivery Years</u>	<u>Minimum Delivery Volume (AFY)</u>
1	645
2-5	800
6-10	1,000
11-Term	2,500

Any portion of the Minimum Quantity of Supplemental Water that is available for delivery by City in accordance with the mutually agreeable to delivery schedule referenced in Paragraph 9(e) and that is not taken by NCSD during a given Delivery Year shall be forfeit and shall not roll over to the next year. In the event that City, in its sole and absolute discretion, agrees to deliver unused Supplemental Water in a subsequent Delivery Year, such late delivery shall be an accommodation to NCSD and shall not constitute a waiver or amendment to the terms of this Agreement.

(b) **Additional Delivery.** NCSD may request delivery of Supplemental Water in excess of the Minimum Quantity up to an additional thirty-two hundred (3,200) acre feet per year. NCSD shall give City no less than thirty (30) days written notice of its desire to purchase additional Supplemental Water and the proposed schedule for such delivery. City shall make a good faith effort to comply with such request subject to (i) the availability of excess Supplemental Water from sources used for delivery of water to City's retail customers; and (ii) sufficient delivery capacity to fulfill such request at the NCSD interconnection using the City's existing water distribution system. Any such additional Supplemental Water shall be purchased and delivered on the same terms as the Minimum Quantity, provided, however, that if the cost of procuring and delivering

additional Supplemental Water exceeds the cost of delivering the Minimum Quantity, City shall have the right to impose a surcharge to compensate City for such additional cost as a condition to delivery. City shall notify NCSD of the amount of any such surcharge prior to delivery of any additional Supplemental Water and NCSD shall have the right to withdraw its request. In no event shall City be required to undertake any capital cost or expansion of its existing infrastructure to provide additional Supplemental Water.

5. Reservation of Minimum Quantity. Subject to the terms and conditions of this Agreement, City shall hold on reserve sufficient Supplemental Water each year, including an equivalent amount of capacity in City's water distribution system, for City to fulfill its obligation to deliver the Minimum Quantity to NCSD under this Agreement. City shall deliver such Supplemental Water to NCSD from sources used to provide water to City's retail customers. Notwithstanding the foregoing, during the term of the Agreement, City may substitute or combine new or additional replacement sources of water for the source of Supplemental Water, provided, however, that any substitute, combined or additional sources must be equivalent in deliverability, reliability, quality, pressure, and environmental impacts to the source being replaced. Disputes regarding this Paragraph shall be resolved pursuant to Paragraph 19.

6. Purchase Price for Supplemental Water. The purchase price for Supplemental Water delivered by City to NCSD shall be based on the "Base Rate" of the City's Water Consumption Rates. For fiscal year 2012-13, the Base Rate is two dollars and ninety seven cents (\$2.97) per one hundred (100) cubic feet of water (or \$1,293.73 per acre-foot of water). The Base Rate may be adjusted each fiscal year subject to approval by the City Council, consistent with applicable legal requirements. Any such adjustment in the purchase price shall go into effect in the next quarterly billing period.

7. Costs of Delivery. Except as expressly set forth in this Agreement, City shall be responsible for all costs and expenses related to providing Supplemental Water to NCSD at the NCSD interconnection pursuant to this Agreement. Notwithstanding the foregoing, the purchase price for Supplemental Water includes a cost component for energy costs incurred by City to supply Supplemental Water to the NCSD interconnection equal to two hundred and six dollars and eighty five cents (\$206.85) per acre foot ("Base Energy Cost"). In the event that the actual cost of energy incurred by City to supply Supplemental Water in any Delivery Year exceeds the Base Energy Cost, then City shall have the right to charge NCSD a premium equal to the difference between the actual cost and the Base Energy Cost. The Base Energy Cost shall be adjusted each Delivery Year by a percentage which is equivalent to fifty (50) percent of the increase or decrease, if any, in the Consumer Price Index-Energy Services (Electricity and Natural Gas)-Los Angeles-Riverside-Orange County or any successor index.

8. Payments for Supplemental Water. City shall bill NCSD on a quarterly basis in arrears for Supplemental Water delivered to NCSD's interconnection during the previous three (3) months. The amount payable by NCSD to City shall be based on the total quantity in acre-feet of Supplemental Water delivered during the quarter just ended multiplied by the then-current purchase price (as determined in Paragraph 6), plus any costs payable by NCSD pursuant to this Agreement. Notwithstanding the foregoing, to the extent that NCSD has taken less than the Minimum Quantity as of the final quarterly billing

for a Delivery Year, City shall bill NCSD for the remainder of the Minimum Quantity whether or not such Supplemental Water has been delivered, provided that such water was made available for delivery to NCSD as provided in Paragraph 9. All invoices billed to NCSD shall be payable within thirty (30) days of the invoice date, provided that no charges are disputed. City shall have the right to charge late fees of up to five (5) percent of the overdue amount for any invoice that is not paid within such period. In the event NCSD disputes any charges on an invoice, the undisputed amount shall be paid consistent with this Paragraph and the original invoice shall be returned to City for correction and resubmission. If the parties are unable to reach an agreement regarding disputed charges, disputes shall be resolved pursuant to Paragraph 19.

9. Delivery of Water.

(a) **Point of Delivery.** The physical point of delivery of Supplemental Water pursuant to this Agreement shall be the proposed interconnection between the City water distribution system and the NCSD water distribution system located at Taylor Street and Blosser Road or such other alternative location as may be approved by City and NCSD. All facilities constructed by NCSD will be used solely for the purpose of delivering Supplemental Water to NCSD. NCSD shall cooperate with the reasonable requests of City with respect to taking any action necessary to preserve the integrity of the City's water distribution system and the City shall do likewise for NCSD. The operation and maintenance of the NSCD Interconnection will be detailed in an Operation Memorandum of Understanding that will be approved by the City and NCSD prior to connection. City shall waive any fees for City permits related to construction of facilities for delivery of the water. If the parties cannot agree on the terms of the Operations Memorandum of Understanding then the disputed terms will be subject to the dispute resolution procedures referenced in Paragraph 19 of this Agreement.

(b) **Facilities.** NCSD shall be responsible for designing, constructing and operating the NCSD interconnect. The plans and specifications of the NCSD interconnect shall be subject to prior approval by City, which approval shall not unreasonably be withheld provided that such plans and specifications conform to applicable code provisions and any technical requirements imposed for connections to the City's water distribution system. NCSD shall also be responsible for obtaining any and all regulatory and environmental permits, licenses or other approvals necessary to construct and operate the NCSD interconnection. NCSD and/or any contractor working on the NCSD interconnect shall provide insurance coverage naming the City as an additional insured and the scope of such insurance coverage shall be subject to the reasonable approval of City's Risk Manager prior to commencement of any work.

(c) **Construction, Regulatory/Permit and Other Costs.** NCSD shall be solely responsible for all costs related to the construction and operation of the NCSD interconnection with City's retail water distribution system. NCSD shall also be solely responsible for all regulatory and/or permit compliance and costs with respect to the NCSD interconnection.

(d) **City Streets: License to Use Easements and Rights of Way.** The City shall provide NCSD a license, at no additional cost, to use such portions of City streets,

easements, and right of ways as are reasonably necessary to build the NCSD interconnect and deliver the Supplemental Water to NCSD. Such license shall be non-revocable during the Term of this Agreement and shall automatically terminate upon the termination of this Agreement. The foregoing licenses shall not include the right of NCSD to make any alteration or improvement within such City streets, easements and rights of way except in compliance with Paragraph 9.

(e) **Delivery Schedule.** City will deliver the Supplemental Water to NCSD at the NCSD interconnection upon a mutually agreeable delivery schedule. The volume of delivery to the NCSD interconnection shall not exceed a maximum of two hundred seventy-five (275) acre-feet per month or a peak hour flow averaging twenty-five hundred (2,500) gallons per minute. Delivery pressure at the point of connection shall exceed sixty (60) psi during City's normal system operation, not including emergencies or incidents described in Paragraph 9(f). Before delivery begins, the District and City shall agree to an Operation Memorandum of Understanding (OMOU) to describe the specific procedures and limitation on the operations provided for in this Agreement.

(f) **Force Majeure.** If by reason of acts of God, earthquakes, droughts, floods, storms, explosion, fires, labor troubles, strikes, insurrection, riots, acts of the public enemy, or federal, or state, order, rule, or regulation, the City is prevented, in whole or in part, from the delivery of the Supplemental Water to NCSD, as provided herein, then City may reduce delivery of Supplemental Water up to the same percentage the City reduces water delivery to its retail customers.

(g) **Suspension.** The delivery of water may be suspended or curtailed during any period of public emergency or disaster that is declared by City. For the purposes of this Agreement, a public emergency or disaster shall not include ordinary measures taken during periods of drought or water shortage.

(h) **Obligations of City.** For the purposes of this Agreement and subject the limitations contained in this Paragraph 9, City shall have fulfilled its obligation to make Supplemental Water available for delivery so long as the amount of Supplemental Water purchased by NCSD is available at the NCSD interconnection for NCSD to take delivery of pursuant to a predetermined and mutually agreed upon delivery schedule.

10. **Water Quality.** City shall be responsible for ensuring that the quality of the Supplemental Water made available for delivery is of the same pressure and quality of water that City delivers to its residential customers. The quality of water which is delivered by the City to its residents complies with federal, state and local laws, regulations and permit requirements which are applicable to City, including standards applicable to wastewater discharge, as amended from time to time and subject to any compliance waiver granted to the City ("Quality Standards"). City shall provide NCSD with a copy of the Quality Standards (and any change thereto) which are applicable to City and NCSD shall be solely responsible for ensuring that the Quality Standards meet the federal, state and local laws, regulations and permit requirements for potable water delivery by NCSD to its customers, including the discharge of such water. To the extent that the quality standards which are applicable to NCSD exceed the Quality Standards, then NCSD shall be responsible for any necessary additional treatment of the Supplemental Water. City

agrees to indemnify and hold NCSD harmless from any actual liability which arises as a result of the failure of Supplemental Water which is delivered to the NCSD interconnection to meet the Quality Standards. NCSD shall be solely responsible for any actual liability resulting from a change in water quality following the point of delivery (including any additional treatment undertaken by NCSD) and shall indemnify and hold City harmless from any actual liability which arises from any such change. City and NCSD shall promptly notify the other in the event that either becomes aware of a material adverse change in the quality of the Supplemental Water and shall cooperate to identify the cause of such change.

11. **Remarketing of Supplemental Water.** NCSD shall be free to remarket the Supplemental Water to other Parties within the NMMA without restriction to price and terms. NCSD assumes all responsibility for delivery of Supplemental Water from the NCSD interconnection to its customers and contracting Parties. City's obligations under this Agreement are solely with NCSD and no customer of NCSD nor other third party shall have the right to enforce the terms of this Agreement as a third party beneficiary. City shall not sell water to other parties or persons within NCSD's service area or sphere of influence, as amended from time to time, without first receiving the written approval of NCSD.

12. **Regulatory Requirements.**

(a) **Obligations of the City.** The implementation of this Agreement shall be subject to satisfaction by City of the regulatory requirements set forth herein. City shall, if necessary, undertake the following: (i) Obtain all permits, consents, entitlements and approvals necessary to enable the City to reserve and sell, and NCSD to purchase, the Supplemental Water that is the subject of this Agreement; and (ii) fully and completely comply with the requirements of the California Environmental Quality Act ("CEQA"), including, if it is determined that this transaction is subject to CEQA and not exempt from CEQA. The completion of an initial study, and (1) either (a) there shall have been adopted a negative declaration or a mitigated negative declaration, or (b) a final environmental impact report shall have been completed and certified, and (2) the time shall have expired within which a judicial proceeding may be instituted challenging the validity or completeness of any such determination of exemption, or adoption of a negative declaration or of a mitigated negative declaration, or approval of a final environmental impact report.

(b) **Obligations of NCSD.** NCSD shall be solely responsible for obtaining all regulatory approvals necessary in connection with purchasing and taking delivery of the Supplemental Water.

13. **Service Area Integrity.** Nothing in this Agreement is intended nor shall it be interpreted to waive the right of City to provide water service to current or future areas within or adjacent to its existing service area.

14. **Representations or Warranties of City.** City makes the following representations, warranties, and covenants to NCSD:

(a) **Power and Authority to Execute and Perform this Agreement.** The City has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained.

(b) **Availability of Resource.** Based on information which is currently known to City and City's current forecast of future use, on a long-term basis, City has water and the necessary infrastructure available to fulfill City's obligations under this Agreement that is surplus to that needed to serve City's current and long-term future anticipated demand.

(c) **Enforceability.** This Agreement constitutes a legal, valid, and binding obligation of the City, and is enforceable against the City in accordance with its terms.

15. **Representations or Warranties of NCSD.** NCSD makes the following representations, warranties, and covenants to City:

(a) **Power and Authority to Execute and Perform this Agreement.** NCSD has the power and authority to enter into this Agreement and to perform its obligations and all necessary approvals and authorizations have been obtained.

(b) **Enforceability.** This Agreement constitutes a legal, valid, and binding obligation of NCSD, enforceable against NCSD in accordance with its terms.

16. **Default and Termination by City.** In the event NCSD fails to make any payment to City under this Agreement when due, or fails to perform any obligation otherwise required by this Agreement, City shall demand in writing that NCSD cure such non-performance. NCSD shall have thirty (30) days after receipt of such demand to cure. In the event NCSD fails to cure a default within the thirty (30) day period, City may suspend delivery of Supplemental Water and redirect such water to other uses for the duration of the suspension. City shall restore water delivery when NCSD has cured all outstanding defaults and paid all amounts due to the City in full. In the event that NCSD does not cure a default within one (1) year of suspension, then City may terminate this Agreement at any time thereafter.

17. **Default and Termination by NCSD.** NCSD shall have the right to terminate this Agreement, without recourse, if (i) the City is found to be in material breach of its obligations to deliver the Supplemental Water as set forth in this agreement; or (ii) upon written notice to City that NCSD is unable to pay for the Supplemental Water due to the majority protest procedures or other procedures referenced in Proposition 218; or (iii) upon three (3) years prior written notice to City, provided, however, that no such termination without cause shall become effective until the thirtieth (30th) anniversary of the Effective Date.

18. **Expiration of Term.** This Agreement shall terminate and be of no further force and effect as of the expiration of the Term.

19. **Dispute Resolution.** Except as otherwise limited by this Agreement, any dispute arising under this Agreement, including, without limitation, all disputes relating in any manner to the performance or enforcement of this Agreement, shall be resolved by

binding arbitration in the County of Santa Barbara, California, pursuant to the comprehensive arbitration rules and procedures of Judicial Arbitration and Mediation Services ("JAMS") or any successor thereto, as amended or as augmented in this Agreement (the "Rules"). Arbitration shall be initiated as provided by the Rules, although the written notice to the other party initiating arbitration shall also include a description of the claim(s) asserted and the facts upon which the claim(s) are based. Arbitration shall be final and binding upon the parties and shall be the exclusive remedy for all claims subject hereto, including any award of attorney's fees and costs. Either party may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. All disputes shall be decided by a single arbitrator. The arbitrator shall be selected by mutual agreement of the parties within thirty (30) days of the effective date of the notice initiating the arbitration. If the parties cannot agree on an arbitrator, then the complaining party shall notify JAMS and request selection of an arbitrator in accordance with the Rules. The arbitrator shall have only such authority to award equitable relief, damages, costs, and fees as a court would have for the particular claim(s) asserted. In no event shall the arbitrator award punitive damages of any kind. The parties acknowledge that one of the purposes of utilizing arbitration is to avoid lengthy and expensive discovery and allow for prompt resolution of the dispute. The arbitrator shall have the power to limit or deny a request for documents or a deposition if the arbitrator determines that the request exceeds those matters which are directly relevant to the claims in controversy. The parties may make a motion for protective order or motion to compel before the arbitrator with regard to the discovery, as provided in the Code of Civil Procedure. Notwithstanding the election by the parties to arbitrate their disputes, nothing contained herein shall prevent a party from filing an action in a court of competent jurisdiction to seek any form of equitable remedy or relief.

20. **Indemnity.** NCSD, its successors and assigns, shall hold harmless, defend and indemnify City, its officials, employees, agents, successors and assigns (all of which are herein referred to as the "City Indemnified Parties") from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, costs and expenses, including but not limited to reasonable attorneys' fees (collectively, "Damages"), which may be imposed on, incurred by, or asserted against City Indemnified Parties as a result of (i) a breach of NCSD's obligations; or (ii) the conduct of NCSD's operations associated with the NCSD interconnection to City's retail distribution system and the subsequent delivery of Supplemental Water to NCSD's customers. Notwithstanding the foregoing, in no event shall NCSD be liable to indemnify a City Indemnified Party for (i) any Damages resulting from the negligence or willful misconduct of City; (ii) any third party claim brought in connection with regulatory approvals; or (iii) any claim brought in connection with the quality of the Supplemental Water as provided in Paragraph 10 above. This indemnification shall survive termination of the Agreement.

21. **Third Party Claims.** Promptly following notice of any "Third Party Claim" for which City is indemnified hereunder, City shall notify NCSD of such claim in writing. NCSD shall have a period of thirty (30) days following the receipt of such notice to notify City of whether NCSD elects to assume the defense thereof. If NCSD so notifies City that it elects to assume the defense, NCSD thereafter shall undertake and diligently pursue the defense of the Third Party Claim. NCSD shall not consent to entry of a judgment or enter into any settlement agreement, without the consent of City, which does not include a

complete and unconditional release of City or which imposes injunctive or other equitable relief against City. City shall be entitled to participate in, but not control, the defense thereof, with counsel of its choice and at its own expense. If NCSD does not give the requisite notice, or fails to assume and diligently pursue the defense of such Third Party Claim, City may defend against such Third Party Claim in such manner as it may deem appropriate, at NCSD's expense, including without limitation settlement thereof on such terms as City may deem appropriate, and to pursue such remedies as may be available to City against NCSD. Notwithstanding the foregoing, City shall not consent to entry of a judgment or enter into any settlement agreement, without the consent of NCSD, which does not include a complete and unconditional release of NCSD.

22. **Notice of Claims.** The Parties shall promptly notify each other within ten (10) days of City or NCSD becoming aware of: (1) any claims or suits brought against City or NCSD which involve this Agreement or water supplied to NCSD pursuant to this Agreement, (2) any Third Party Claims, and (3) any force majeure event. Any such notice shall conform to the requirements specified in Paragraph 28 of this Agreement.

23. **Remedies Not Exclusive.** Remedies provided in this Agreement for enforcement of its terms are intended and shall be construed as cumulative rather than exclusive and shall not be deemed to deprive either Party from also using any other remedies provided by this Agreement or by law.

24. **No Transfer of Rights.** The rights granted to NCSD hereunder constitute the right to take delivery of Supplemental Water only and shall not be interpreted as a sale, transfer, or assignment of any of City's water rights.

25. **Subject to Applicable Law.** The Parties acknowledge and agree that this Agreement and the rights and obligations of the Parties shall be subject to the laws governing municipal corporations and special districts as they now exist and as they may be amended or codified by the Legislature of the State of California.

26. **Entire Agreement.** This Agreement contains the entire understanding between NCSD and City with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between NCSD and City. This Agreement cannot be amended except in writing signed by both Parties.

27. **No Waiver.** Any failure or delay on the part of either Party to exercise any right under this Agreement shall not constitute a waiver of the right, and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

28. **Notices.** All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered or one (1) day after being deposited for next day delivery with an overnight courier. Each such notice or communication shall be addressed to the Parties at their respective addresses set forth

next to their signatures below, or such other address as a Party notifies the other in writing.

29. **Headings; Paragraph References.** Captions and headings appearing in this Agreement are inserted solely as reference aids for the ease and convenience; they shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions.

30. **Separability.** If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

31. **Binding Effect Assignment.** This Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and permitted assigns. NCSD shall have the right to assign its rights under this Agreement with the written consent of City, provided, however, that the City shall not unreasonably withhold such consent and further provided that the assignee agrees to be bound by all of the obligations of NCSD set forth herein. Notwithstanding the foregoing, no assignment permitted hereunder shall permit the delivery of Supplemental Water to any property or development other than the Property without the written consent of the City, in its sole and absolute discretion.

32. **Opinions and Determinations: Good Faith.** Where the terms of this Agreement provide for action to be based upon opinion, judgment, approval, review or determination of either party hereto, such terms are not intended to and shall never be construed to permit such opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable. The City and the NCSD shall each act in good faith in performing their respective obligations as set forth in this Agreement.

33. **Incorporation of Recitals.** Recitals A through F are incorporated herein by reference as though set forth at length.

34. **Attorneys Fees.** In the event that any legal proceeding other than the dispute resolution procedures referenced in Paragraph 19, above, is brought to enforce one or more of the terms of this Agreement, to restrain an alleged violation of this Agreement, or to determine the validity of this Agreement or any part, the prevailing Party in any such action or proceeding shall be entitled to recover from the other its reasonable costs and attorneys' fees, in addition to any other remedies available to it in law or equity. If both Parties are successful in one or more causes of action during any such proceeding, the costs and fees shall be apportioned as determined by the court.

35. **Governing Law and Venue.** This Agreement is a contract governed in accordance with the laws of the State of California. THE PARTIES HEREBY AGREE THAT VENUE FOR ANY ACTION BROUGHT TO ENFORCE THE TERMS OF THIS AGREEMENT SHALL BE IN A COURT OF COMPETENT JURISDICTION IN THE

COUNTY OF SANTA BARBARA OTHER THAN A COURT LOCATED WITHIN THE CITY OF SANTA MARIA OR THE NORTHERN PORTION OF SANTA BARBARA COUNTY, CALIFORNIA, AND CONSENT TO THE JURISDICTION THEREOF.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

CITY:

City of Santa Maria, a California
municipal corporation and charter city

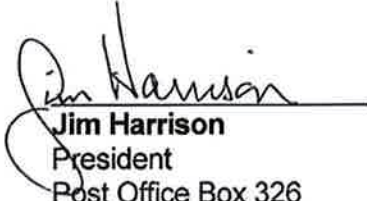
By:


Name: Richard G. Sweet, P.E.
Title: Director of Utilities
Address: 2065 East Main Street
Santa Maria, CA 93454
Fax: (805) 928-7240
Phone: (805) 925-0951 ext. 7211

NCSD:

Nipomo Community Services District,
a California public agency

By:


Name: Jim Harrison
Title: President
Address: Post Office Box 326
Nipomo, CA 93444
Fax: (805) 929-1932
Phone: (805) 929-1133

APPROVED AS TO FORM:

Best, Best & Krieger LLP

By:


Jill Willis, Partner

APPROVED AS TO FORM:

District Counsel

By:


Michael W. Seitz, District Counsel

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF SANTA MARIA)

I, RHONDA M. GARIETZ, CMC, Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 2013-40 which was duly and regularly introduced and adopted by said City Council at a regular meeting held May 7, 2013, and carried on the following vote:

AYES: Councilmembers Boysen, Green, Orach, Zuniga,
 and Mayor Patino.

NOES: None.

ABSENT: None.

ABSTAIN: None.



Chief Deputy City Clerk
of the City of Santa Maria and
ex officio Clerk of the City Council



CITY OF SANTA MARIA
OFFICE OF THE CITY MANAGER
Records/City Clerk, Ext. 306

110 EAST COOK STREET, ROOM #3 • SANTA MARIA, CA 93454-5190 • 805-925-0951 • FAX 805-925-2243 • www.ci.santa-maria.ca.us

May 10, 2013

RECEIVED

MAY 13 2013

NIPOMO COMMUNITY
SERVICES DISTRICT

Jim Harrison
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

**RE: WHOLESALE WATER SUPPLY AGREEMENT WITH NIPOMO COMMUNITY
SERVICES DISTRICT (NCSD)**

Dear Mr. Harrison:

At its regular meeting held on Tuesday, May 7, 2013, the City Council of the City of Santa Maria entered into an Agreement with Nipomo Community Services District ("NCSD") an independent special district formed under and pursuant to Section 61000, et seq. of the California Government Code. Enclosed are two execution originals of the Agreement.

Please sign the Agreements where indicated. Once you have done so, please return one fully executed original to me in the enclosed self-addressed envelope. You should retain one fully executed original for your records.

A certified copy of the Resolution approving the agreement is also enclosed for your records. Should you have any questions regarding the Council's action, please do not hesitate to contact this office at 805-925-0951, Ext. 307 or the Utilities Department at Ext. 7211.

Sincerely,

Rhonda M. Garietz, CMC
Chief Deputy City Clerk

Enclosure: Wholesale Water Supply Agreement x2
Resolution - Certified

pc: Utilities Department

Appendix E. Santa Maria River Valley Groundwater Basin Judgment

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

SANTA MARIA VALLEY WATER	)	SANTA MARIA GROUNDWATER
CONSERVATION DISTRICT,	)	LITIGATION
	)	Lead Case No. CV 770214
Plaintiff,	)	(CONSOLIDATED FOR ALL PURPOSES)
	)	
v.	)	[Consolidated With Case Numbers:
	)	CV 784900; CV 785509; CV 785522;
CITY OF SANTA MARIA, et al.,	)	CV 787150; CV 784921; CV 785511;
	)	CV 785936; CV 787151; CV 784926;
Defendants.	)	CV 785515; CV 786791; CV 787152;
	)	CV 036410]
AND RELATED CROSS-ACTIONS AND	)	
ACTIONS CONSOLIDATED FOR ALL	)	San Luis Obispo County Superior Court Case
PURPOSES	)	Nos. 990738 and 990739
	)	
	)	[Assigned to Judge Jack Komar for All
	)	Purposes]

STIPULATION (JUNE 30, 2005 VERSION)

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1 **I. INTRODUCTION -- ALL MANAGEMENT AREAS**

2 The Stipulating Parties hereby stipulate and agree to entry of judgment containing the
3 terms and conditions of this Stipulation.

4 **A. Parties and Jurisdiction**

5 1. Plaintiff and Cross-Defendant Santa Maria Valley Water Conservation District
6 (“District”) is a water conservation district organized under California Water Code section 74000,
7 *et seq.* The District does not pump Groundwater from the Basin.

8 2. Defendants, Cross-Complainants and Cross-Defendants the City of Santa Maria
9 (“Santa Maria”), City of Guadalupe (“Guadalupe”), Southern California Water Company
10 (“SCWC”), Nipomo Community Services District (“NCSD”), Rural Water Company (“RWC”),
11 City of Arroyo Grande (“Arroyo Grande”), City of Pismo Beach (“Pismo Beach”), City of Grover
12 Beach (“Grover Beach”) and Oceano Community Services District (“Oceano”) rely, in part, on
13 Groundwater to provide public water service to customers within the Basin.

14 3. Cross-Defendant County of San Luis Obispo (“San Luis Obispo”) is a subdivision
15 of the State of California. Cross-Defendant San Luis Obispo County Flood Control and Water
16 Conservation District (“SLO District”) is a public entity organized pursuant to the laws of the
17 State of California. Neither San Luis Obispo nor SLO District pumps Groundwater from the
18 Basin.

19 4. Cross-Defendant County of Santa Barbara (“Santa Barbara”) is a subdivision of
20 the State of California. Santa Barbara does not pump Groundwater from the Basin.

21 5. Numerous other Cross-Defendants and Cross-Complainants are Overlying
22 Owners. Many of these Overlying Owners pump Groundwater from the Basin, while others do
23 not currently exercise their Overlying Rights. Those Overlying Owners who are Stipulating
24 Parties are identified on Exhibit “A”.

25 6. This action presents an *inter se* adjudication of the claims alleged between and
26 among all Parties. This Court has jurisdiction over the subject matter of this action and over the
27 Parties herein.

28 ///

1 **B. Further Trial**

2 The Stipulating Parties recognize that not all Parties have entered into this Stipulation and
3 that a trial will be necessary as to all non-Stipulating Parties. No Stipulating Party shall interfere
4 or oppose the effort of any other Stipulating Party in the preparation and conduct of any such
5 trial. All Stipulating Parties agree to cooperate and coordinate their efforts in any trial or hearing
6 necessary to obtain entry of a judgment containing the terms and conditions of this Stipulation.
7 No Stipulating Party shall have any obligation to contribute financially to any future trial.

8 **C. Definitions**

9 As used in this Stipulation, the following terms shall have the meanings herein set forth:

- 10 1. Annual or Year – That period beginning January 1 and ending December
11 31.
- 12 2. Annual Report – The report prepared and filed with the Court annually for
13 each Management Area.
- 14 3. Appropriative Rights – The right to use surplus Native Groundwater for
15 reasonable and beneficial use.
- 16 4. Available State Water Project Water – The amount of SWP Water an
17 Importer is entitled to receive in a given Year based upon the California Department of Water
18 Resources final Table A allocation.
- 19 5. Basin - The groundwater basin described in the Phase I and II orders of the
20 Court, as modified, and presented in Exhibit “B”.
- 21 6. Developed Water – Groundwater derived from human intervention as of
22 the date of this Stipulation, which shall be limited to Twitchell Yield, Lopez Water, Return
23 Flows, and recharge resulting from storm water percolation ponds.
- 24 7. Groundwater – Twitchell Yield, Lopez Water, Return Flows, storm water
25 percolation, Native Groundwater and all other recharge percolating within the Basin.
- 26 8. Importer(s) – Any Party who brings Imported Water into the Basin. At the
27 date of this Stipulation, the Importers are Santa Maria, SCWC, Guadalupe, Pismo Beach, and
28 Oceano.

1 9. Imported Water – Water within the Basin, originating outside the Basin
2 that absent human intervention would not recharge or be used in the Basin.

3 10. Lopez Project – Lopez Dam and Reservoir located on Arroyo Grande
4 Creek, together with the associated water treatment plant, delivery pipeline and all associated
5 facilities, pursuant to State Water Resources Control Board permit No. 12814 (A-18375) and
6 pending application No. A-30826.

7 11. Lopez Water – Groundwater within the Basin derived from the operation of
8 the Lopez Project.

9 12. Management Areas – The three areas within the Basin that have sufficient
10 distinguishing characteristics to permit the water resources and facilities of each area to be
11 individually managed. The Management Areas are: the Northern Cities Management Area, the
12 Nipomo Mesa Management Area, and the Santa Maria Valley Management Area, as shown on
13 Exhibit "C".

14 13. Management Area Engineer – The individual(s) or consulting firm(s) that
15 are hired to prepare the Monitoring Plan(s) and Annual Report(s) for one or more of the
16 Management Areas.

17 14. Monitoring Parties – Those Parties responsible for conducting and funding
18 each Monitoring Program.

19 15. Monitoring Program – The data collection and analysis program to be con-
20 ducted within each Management Area sufficient to allow the preparation of the Annual Report.

21 16. Native Groundwater – Groundwater within the Basin, not derived from
22 human intervention, that replenishes the Basin through precipitation, stream channel infiltration,
23 tributary runoff, or other natural processes.

24 17. New Developed Water – Groundwater derived from human intervention
25 through programs or projects implemented after the date of this Stipulation.

26 18. New Urban Uses – Municipal and industrial use which may occur on land
27 that, as of January 1, 2005, was located: 1) within the boundaries of a municipality or its sphere of
28 influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated

1 service area of a publicly regulated utility. The New Urban Use areas are identified in Exhibit
2 "D". New Urban Uses does not include the current DJ Farms development within Guadalupe
3 City limits (including Santa Barbara County APN 113-080-18, 113-080-24).

4 19. Nipomo Mesa Management Area or NMMA – That Management Area
5 shown on Exhibit "C".

6 20. Nipomo Mesa Management Area Technical Group – The committee
7 formed to administer the relevant provisions of the Stipulation regarding the Nipomo Mesa
8 Management Area.

9 21. Northern Cities Management Area – That Management Area which is part
10 of Zone #3 of the San Luis Obispo County Flood Control and Water Conservation District as
11 shown on Exhibit "C".

12 22. Northern Cities – Arroyo Grande, Pismo Beach, Grover Beach and
13 Oceano.

14 23. Northern Parties – The Northern Cities, the Overlying Owners within the
15 Northern Cities Management Area, San Luis Obispo and the SLO District.

16 24. Overlying Right – The appurtenant right of an Overlying Owner to use
17 Native Groundwater for overlying, reasonable and beneficial use.

18 25. Overlying Owner(s) – Owners of land overlying the Basin who hold an
19 Overlying Right.

20 26. Party – Each Person in this consolidated action, whether a Stipulating
21 Party or a non-Stipulating Party.

22 27. Person – Any natural person, firm, association, organization, joint venture,
23 partnership, business, trust, corporation, or public entity.

24 28. Public Hearing – A hearing after notice to all Parties and to any other
25 person legally entitled to notice.

26 29. Return Flows – Groundwater derived from use and recharge within the
27 Basin of water delivered through State Water Project facilities.

28 ///

1 30. Santa Maria Valley Management Area – That Management Area shown on
2 Exhibit “C”.

3 31. Severe Water Shortage Conditions – Those conditions, as separately
4 defined in a Severe Water Shortage Response Plan for each Management Area, that trigger
5 certain discretionary and mandatory responses by the Stipulating Parties upon order of the Court.

6 32. Severe Water Shortage Response Plan – The discretionary and mandatory
7 responses for each Management Area that are to be implemented when Severe Water Shortage
8 Conditions exist.

9 33. State Water Project Water or SWP Water – Water imported through the
10 State of California State Water Resources Development System pursuant to Division 6, Part 6,
11 Chapter 8, of the California Water Code.

12 34. Stipulating Party – A Party that has signed this Stipulation, as listed in
13 Exhibit “A”, or its heirs, executors, administrators, trustees, successors, assigns, and agents.

14 35. Storage Space – The portion of the Basin capable of holding water for sub-
15 sequent reasonable and beneficial uses.

16 36. SWP Contract(s) – Those series of contracts that entitle the Importers to
17 use SWP facilities to bring Imported Water into the Basin.

18 37. Twitchell Management Authority or TMA – The committee formed to
19 administer the relevant provisions of the Stipulation regarding the Santa Maria Valley Manage-
20 ment Area.

21 38. Twitchell Participants – Those Stipulating Parties holding rights to
22 Twitchell Yield.

23 39. Twitchell Project – Dam and reservoir authorized by Congress as the
24 “Santa Maria Project” on September 3, 1954 (Public Law 774, 83d Congress, ch. 1258, 2d
25 session, 68 Stat. 1190) and located on the Cuyama River, approximately six miles upstream from
26 its junction with the Sisquoc River, pursuant to that certain License For Diversion And Use of
27 Water, License No. 10416, issued by the State Water Resources Control Board.

28 ///

40. Twitchell Water – Groundwater derived from operation of the Twitchell Project.

41. Twitchell Yield – The total amount of Groundwater allocated annually to the Twitchell Participants.

II. EXHIBITS

The following Exhibits are attached to this Stipulation and incorporated herein:

1. *Exhibit "A"*, list identifying the Stipulating Parties and the parcels of land bound by the terms of this Stipulation.

2. *Exhibit "B"*, Phase I and II Orders, as modified, and the attached map depicting the Santa Maria Basin.

3. *Exhibit "C"*, map of the Basin and boundaries of the three Management Areas.

4. *Exhibit "D"*, map identifying those lands as of January 1, 2005: 1) within the boundaries of a municipality or its sphere of influence, or within the process of inclusion in its sphere of influence; or 2) within the certificated service area of a publicly regulated utility; and a list of selected parcels that are nearby these boundaries which are excluded from within these areas.

5. *Exhibit "E"*, 2002 Settlement Agreement between the Northern Cities and Northern Landowners.

6. *Exhibit "F"*, the agreement among Santa Maria, SCWC and Guadalupe regarding the Twitchell Project and the TMA.

7. *Exhibit "G"*, the Court's Order Concerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated June 27, 2000.

8. *Exhibit "H"*, the form of memorandum of agreement to be recorded.

III. DECLARATION OF RIGHTS -- ALL MANAGEMENT AREAS

The terms and conditions of this Stipulation set forth a physical solution concerning Groundwater, SWP Water and Storage Space, consistent with common law water rights priorities.

///

1 **A. Recognition of Priority of Overlying Rights**

2 Except as expressly modified by the settlement agreement among the Northern Parties
3 (Exhibit “E”), all Overlying Owners that are also Stipulating Parties have a prior and paramount
4 Overlying Right, whether or not yet exercised.

5 **B. Prescriptive Rights**

6 As to the Stipulating Parties, no Party has proved prescriptive rights to any Native
7 Groundwater. Future use by the Stipulating Parties will not be adverse and will not ripen into a
8 prescriptive right as between the Stipulating Parties.

9 **C. Appropriative Rights**

10 Consistent with the specific provisions governing each Management Area, the Stipulating
11 Parties owning and exercising Appropriative Rights have the right to the reasonable and bene-
12 ficial use of Native Groundwater that is surplus to the reasonable and beneficial uses of the
13 Stipulating Parties that are Overlying Owners. New appropriative uses shall be subordinate to
14 existing appropriations and shall be prioritized on a first in time, first in right basis.

15 **D. Developed Water Rights**

16 The Stipulating Parties owning Developed Water or New Developed Water have the right
17 to its reasonable and beneficial use, consistent with the specific provisions governing each
18 Management Area. The right to use Developed Water is a right to use commingled Groundwater
19 and is not limited to the corpus of that water.

20 **E. Rights to Storage Space**

21 The Court shall reserve jurisdiction over the use of the Storage Space, and any Party may
22 apply to the Court for the approval of a project using Storage Space. The Court must approve any
23 project using Storage Space before any Party can claim a right to stored water from that project.
24 The Stipulating Parties agree that Groundwater derived from Developed Water is exempt from
25 the Court approval requirements of this Paragraph.

26 **F. Other Surface Water Rights**

27 Nothing in this Stipulation affects or otherwise alters common law riparian rights or any
28 surface water rights, unless expressly provided in this Stipulation.

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IV. PHYSICAL SOLUTION – ALL MANAGEMENT AREAS

A. Authority

Pursuant to Article X, section 2 of the California Constitution, the Stipulating Parties agree that the Court has the authority to enter a judgment and physical solution containing the terms and conditions of this Stipulation. Unless the Court imposes this physical solution, potential changes in water use could affect Basin adequacy and integrity. The Declaration of Rights is a component of this physical solution.

B. Purposes and Objectives

The terms and conditions of this Stipulation are intended to impose a physical solution establishing a legal and practical means for ensuring the Basin's long-term sustainability. This physical solution governs Groundwater, SWP Water and Storage Space, and is intended to ensure that the Basin continues to be capable of supporting all existing and future reasonable and beneficial uses. This physical solution is: 1) a fair and equitable basis for the allocation of water rights in the Basin; 2) in furtherance of the mandates of the State Constitution and the water policy of the State of California; and 3) a remedy that gives due consideration to applicable common law rights and priorities to use Groundwater and Storage Space, without substantially impairing any such right.

C. Basin Management Areas

Development and use of Groundwater, SWP Water and Storage Space have historically been financed and managed separately in three Management Areas. For example, only the Northern Parties have paid for, managed, and benefited from the Lopez Project; whereas only Santa Maria Valley parties have paid for, managed, and benefited from the Twitchell Project. In contrast, the Nipomo Mesa parties have not been involved in the funding or management of either the Twitchell or Lopez Projects.

The Stipulating Parties agree that Groundwater, SWP Water and Storage Space can be more efficiently allocated and managed in three Management Areas, given the physical, geographical, political, economic, and historic conditions. The three Management Areas, as shown on Exhibit "C," are as follows: Northern Cities Management Area; Nipomo Mesa Management

1 Area; and Santa Maria Valley Management Area. The Stipulating Parties intend that manage-
2 ment through three Management Areas will preserve the Basin's integrity.

3 **D. Groundwater Monitoring**

4 1. Monitoring Program. A Monitoring Program shall be established in each
5 of the three Management Areas to collect and analyze data regarding water supply and demand
6 conditions. Data collection and monitoring shall be sufficient to determine land and water uses in
7 the Basin, sources of supply to meet those uses, groundwater conditions including groundwater
8 levels and quality, the amount and disposition of Developed Water supplies, and the amount and
9 disposition of any other sources of water supply in the Basin. The Northern Cities Management
10 Area shall not be required to include in its Monitoring Program or Annual Reports quantification
11 of groundwater recharge from the Lopez Project or storm water percolation ponds, unless the
12 Court orders inclusion of this information.

13 Within one hundred and eighty days after entry of judgment, representatives of the Moni-
14 toring Parties from each Management Area will present to the Court for its approval their
15 proposed Monitoring Program. The Management Area Engineers shall freely share available well
16 data, groundwater models, and other products and tools utilized in monitoring and analysis of
17 conditions in the three Management Areas, consistent with the confidentiality provisions of this
18 Stipulation.

19 Absent a Court order to the contrary, all Stipulating Parties shall make available relevant
20 information regarding groundwater elevations and water quality data necessary to implement the
21 Monitoring Program approved for their respective Management Area. The Monitoring Parties
22 shall coordinate with the Stipulating Parties to obtain any needed data on reasonable terms and
23 conditions. Metering may only be imposed on Stipulating Parties upon a Court order following a
24 showing that such data is necessary to monitor groundwater conditions in the Basin, and in the
25 case of an Overlying Owner, that Overlying Owner has failed to provide information comparable
26 to that provided by other Overlying Owners. The confidentiality of well data from individual
27 owners and operators will be preserved, absent a Court order or written consent.

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- 1 2. Monitoring Parties. The Monitoring Parties are as follows:
- 2 (a) Santa Maria Valley Management Area – The Twitchell Manage-
- 3 ment Authority.
- 4 (b) Northern Cities Management Area – The Northern Cities.
- 5 (c) Nipomo Mesa Management Area – The NMMA Technical Group.
- 6 3. Annual Reports. Within one hundred and twenty days after each Year, the
- 7 Management Area Engineers will file an Annual Report with the Court. The Annual Report will
- 8 summarize the results of the Monitoring Program, changes in groundwater supplies, and any
- 9 threats to Groundwater supplies. The Annual Report shall also include a tabulation of Manage-
- 10 ment Area water use, including Imported Water availability and use, Return Flow entitlement and
- 11 use, other Developed Water availability and use, and Groundwater use. Any Stipulating Party
- 12 may object to the Monitoring Program, the reported results, or the Annual Report by motion.
- 13 4. Management Area Engineer. The Monitoring Parties may hire individuals
- 14 or consulting firms to assist in the preparation of the Monitoring Programs and the Annual
- 15 Reports. Except as provided below for the Santa Maria Valley Management Area, the Moni-
- 16 toring Parties, in their sole discretion, shall select, retain and replace the Management Area
- 17 Engineer.

18 **E. New Developed Water**

- 19 1. Stipulating Parties in each Management Area may prepare and implement
- 20 plans to develop, salvage or import additional water supplies.
- 21 2. The Stipulating Parties that pay, or otherwise provide consideration, for
- 22 New Developed Water are entitled to use it to the extent the New Developed Water augments the
- 23 water supplies in that Management Area. If more than one Stipulating Party finances or partici-
- 24 pates in generating New Developed Water, rights to the supply of New Developed Water shall be
- 25 proportional to each Stipulating Party's financial contribution or other consideration, or as other-
- 26 wise mutually agreed to by the participating Stipulating Parties. This paragraph does not apply to
- 27 Return Flows.

28 ///

1 3. The Stipulating Parties who desire to claim New Developed Water supplies
2 must bring a motion, and obtain an order from the Court, quantifying and allocating the rights to
3 the New Developed Water, before they have the prior right to the New Developed Water.

4 **F. Severe Water Shortage Response**

5 This physical solution sets forth a Severe Water Shortage Plan for each Management Area
6 which is intended to provide an effective response to Severe Water Shortage Conditions that may
7 develop within each or all of the Management Areas. The specific Severe Water Shortage Plans
8 for each Management Area are incorporated herein and made a part of the physical solution.

9 **V. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO SANTA MARIA VALLEY**
10 **MANAGEMENT AREA**

11 As supplemented by the provisions of this Stipulation that apply to all Management Areas,
12 the following terms govern rights to Groundwater, SWP Water and Storage Space in the Santa
13 Maria Valley Management Area.

14 **A. Water Rights to Sources of Supply**

15 1. Overlying Rights. The Stipulating Parties who are Overlying Owners
16 within the Santa Maria Valley Management Area each have the prior and paramount right to use
17 Native Groundwater. Subject to Paragraph V(C)(2)(b)(vi), all Overlying Rights are appurtenant
18 to the overlying land and cannot be assigned or conveyed separate or apart from those lands.

19 2. Appropriative Rights. The Parties listed in Exhibit "A" are the owners of
20 Appropriative Rights exercised in the Santa Maria Valley Management Area. Each Appropriative
21 Right is limited to Native Groundwater that is surplus to reasonable and beneficial uses of the
22 Stipulating Parties that are Overlying Owners in the Santa Maria Valley Management Area. New
23 appropriative uses shall be subordinate to existing Appropriative Rights and shall be prioritized
24 on a first in time, first in right basis.

25 3. Developed Water. The Stipulating Parties owning Developed Water have
26 the right to its reasonable and beneficial use, subject only to the Severe Water Shortage Plan. On
27 an annual basis, the Stipulating Parties shall have the right to the reasonable and beneficial use of
28 Developed Water that is surplus to the reasonable and beneficial uses of the owners of that

1 Developed Water. The right to use Developed Water is a right to use commingled Groundwater
2 and is not limited to the corpus of that water.

3 (a) New Developed Water. The ownership and use of New Developed
4 Water shall be subject to Court order.

5 (b) Twitchell Water.

6 (i) *Amount*. The Twitchell Project annually provides a variable
7 amount of Developed Water that augments the Groundwater in the Santa Maria Valley Manage-
8 ment Area. Twitchell Yield is thirty-two thousand acre-feet per year (“afy”).

9 (ii) *Division of Twitchell Yield*. Twitchell Yield shall be
10 divided as follows: 80% to Santa Maria, SCWC and Guadalupe, and 20% to the Overlying
11 Owners within the District who are Stipulating Parties.

12 a. The Twitchell Yield allocated to Santa Maria,
13 SCWC and Guadalupe is suballocated pursuant to the agreement among Santa Maria, SCWC and
14 Guadalupe, as attached and incorporated herein as Exhibit “F”.

15 b. The Twitchell Yield allocated to the Overlying
16 Owners who are Stipulating Parties within the District shall be equally allocated to each acre of
17 land within the District owned by these Stipulating Parties. Concurrently with the execution of
18 this Stipulation, each of these Stipulating Parties shall report their acreage of overlying land
19 within the District on a parcel specific basis. Within one hundred and twenty days of the effec-
20 tive date of this Stipulation, the Management Area Engineer shall create a list of all the Stipu-
21 lating Parties and their respective allocation of the Twitchell Yield.

22 (iii) *Recapture of Twitchell Yield*. The right to use Twitchell
23 Yield is a right to use commingled Groundwater and is not limited to the corpus of that water.

24 (iv) *Transfer of Twitchell Yield*. Twitchell Yield may be trans-
25 ferred, temporarily or permanently, only between Stipulating Parties and the transfer market shall
26 be as open and competitive as practical. A memorandum of agreement summarizing each transfer
27 shall be filed with the Court and provided to the TMA. Any such memorandum of agreement
28 shall state the Parties to the transfer, the amount of Twitchell Yield transferred, the price per acre-

1 foot, and the Party responsible for the financial obligation associated with the Twitchell Yield.

2 (v) *Carryover.* Any portion of Twitchell Yield that is not used
3 in a given Year shall not be carried over into the following Year.

4 (c) State Water Project Water.

5 (i) *Import and Use of State Water Project Water.* Santa Maria,
6 SCWC and Guadalupe all have SWP Contracts. Santa Maria will import and use within the Santa
7 Maria Valley Management Area not less than 10,000 acre-feet each Year of Available SWP
8 Water, or the full amount of Available SWP Water if the amount physically available is less than
9 10,000 acre-feet in a given Year under Santa Maria's SWP Contract. Guadalupe will import and
10 use within the Santa Maria Valley Management Area a minimum of 75% of its Available SWP
11 Water. SCWC will import and use within the Basin all its Available SWP Water. Santa Maria,
12 SCWC and Guadalupe will not voluntarily relinquish or terminate their current SWP Contracts,
13 and shall seek renewal of these SWP Contracts.

14 (ii) *Return Flows.*

15 a. *Fixed Amount.* The Return Flows available to each
16 Importer is fixed based on a percentage of the annual amount of SWP Water the Importer uses
17 within the Basin. The fixed percentage for each importer is as follows: (a) Santa Maria 65%; (b)
18 SCWC 45%; and (c) Guadalupe 45%. The percentage provided to SCWC and Guadalupe shall
19 be adjusted through a Court order if: a) either entity increases its use of water imported into the
20 Basin, b) the applicable method of wastewater treatment and discharge to the Basin is altered, or
21 c) good cause is shown.

22 b. *Recapture.* The right to use Return Flows does not
23 attach to the corpus of SWP water deliveries or the treated SWP wastewater discharged into the
24 Basin but is a right to use the commingled Groundwater. The Importer's right to Return Flows is
25 assignable in whole or in part, subject to necessary accounting.

26 c. *Quantification of Return Flows.* Return Flows equal
27 the total amount of SWP Water used by the Importer in the prior five Years, divided by five, and
28 then multiplied by the Importer's percentage as provided in Paragraph V(A)(3)(c)(ii)(a) above.

d. Carryover. Any portion of Return Flows that is not used in a given Year shall not be carried over into the following Year.

B. Monitoring and Management

1. Status of Management Area. Current Groundwater and SWP Water supplies are sustaining existing water uses. Changes in land and water use and demographic conditions can be expected to occur, possibly resulting in changes in water supply or demand requirements.

2. Need for Monitoring. Monitoring and reporting of changes in land and water use and demographic conditions are necessary to ensure that water supplies continue to be sufficient to support water uses.

3. Monitoring Program.

(a) Annual Report: Content and Processing.

The Annual Report shall include an analysis of the relationship between projected water demands and projected water supplies.

(i) The Annual Report shall be prepared and signed by the Management Area Engineer, and shall be simultaneously submitted to the Court and the TMA.

(ii) Within forty-five days of submission, the TMA shall hold a noticed public hearing to take comments on and consider for adoption the Annual Report. No later than forty-five days from the date of the public hearing, the TMA shall submit to the Court its recommendations regarding the Annual Report.

(iii) Within one hundred and twenty days of the date of the submission of the Annual Report to the Court, it shall conduct a noticed hearing on the Annual Report. Any Party may submit comments on the Annual Report. After the hearing, the Court shall accept the Annual Report or direct its modification.

(b) Management Area Engineer

(i) Absent the unanimous consent of the TMA, the Management Area Engineer shall not concurrently be employed by any Party holding rights to use Groundwater in the Santa Maria Valley Management Area.

1 (ii) The Management Area Engineer shall initially be the engin-
2 eering firm of Luhdorff & Scalmanini. Luhdorff & Scalmanini shall be the Management Area
3 Engineer for a minimum of the shorter of five years from the date of this Stipulation or the date
4 upon which Mr. Joseph Scalmanini discontinues full time work for that firm.

5 (iii) The TMA shall employ the following process to replace the
6 Management Area Engineer:

7 a. The TMA shall solicit candidates for Management
8 Area Engineer through a public process. All submissions and candidate materials shall be avail-
9 able to any Party upon request. The TMA shall conduct its interview through a public process to
10 the extent practical, and include District and Overlying Owner representatives in the candidate
11 review process.

12 b. Once a short list of candidates (less than five) for
13 Management Area Engineer is obtained, the TMA shall hold a noticed public hearing to take
14 comments on and consider the candidates for Management Area Engineer. The TMA shall make
15 a reasonable effort to select the Management Area Engineer with a unanimous vote. If the TMA
16 unanimously endorses a candidate, that nominee shall be recommended to the Court. Otherwise,
17 the short list of candidates shall be submitted.

18 c. The Court shall appoint the Management Area
19 Engineer following a noticed hearing.

20 4. Funding. The TMA shall pay for the Monitoring Program for the Santa
21 Maria Valley Management Area, which includes the cost of the Management Area Engineer and
22 the Annual Report. The cost of the Monitoring Program shall be divided among the Twitchell
23 Participants on the same basis as the allocation of their Twitchell Yield.

24 **C. Response to Varying Conditions**

25 1. Early Response to Avoid Severe Water Shortage Conditions. If the Man-
26 agement Area Engineer determines that projected demands are expected to materially exceed
27 projected water supplies, then the Management Area Engineer may recommend programs and
28 projects to augment the Management Area's water supplies. The Stipulating Parties will collabo-

1 rate on a response based upon current conditions, but absent Severe Water Shortage Conditions,
2 implementation of programs and projects will not be mandated.

3 The Stipulating Parties may voluntarily participate in any recommended program or
4 project, either through financial or other contributions. The Stipulating Parties that contribute to
5 such a program or project shall have a priority to the water supplies generated by that program or
6 project with Court approval. The Stipulating Parties agree to aggressively pursue New
7 Developed Water sources, including necessary funding.

8 2. Severe Water Shortage Conditions and Response.

9 (a) Determination. Severe Water Shortage Conditions shall be found
10 to exist when the Management Area Engineer, based on the results of the ongoing Monitoring
11 Program, finds the following: 1) groundwater levels in the Management Area are in a condition of
12 chronic decline over a period of not less than five Years; 2) the groundwater decline has not been
13 caused by drought; 3) there has been a material increase in Groundwater use during the five-Year
14 period; and 4) monitoring wells indicate that groundwater levels in the Santa Maria Valley
15 Management Area are below the lowest recorded levels.

16 (b) Response.

17 (i) If the Management Area Engineer determines that Severe
18 Water Shortage Conditions exist within the Santa Maria Valley Management Area, the Manage-
19 ment Area Engineer shall file and serve, as part of its Annual Report, findings and recommen-
20 dations to alleviate such shortage conditions or the adverse effects caused by such water shortage.

21 (ii) Upon the filing of the Annual Report, the Court shall hold a
22 noticed hearing regarding the existence and appropriate response to the Severe Water Shortage
23 Conditions. If, after that hearing, the Court finds that Severe Water Shortage Conditions exist in
24 the Santa Maria Valley Management Area, the Court shall first order all use of Groundwater to be
25 limited to: (a) for Guadalupe, Santa Maria and SCWC, their Developed Water; (b) entitled
26 Stipulating Parties to their New Developed Water; and (c) for the Overlying Owners, the Native
27 Groundwater plus any Developed Water to which individual Overlying Owners are entitled.

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1 (iii) The Court may also order Stipulating Parties to address
2 specific adverse effects caused by the Severe Water Shortage Conditions. The responses may
3 include, but are not limited to: (a) measures recommended in the Annual Report and the related
4 Court proceedings; and (b) other measures intended to address localized problems in the Santa
5 Maria Valley Management Area directly related to the Severe Water Shortage Conditions.

6 (iv) The Court may adjust the Groundwater use limitations
7 imposed on any Stipulating Party(ies) who implement programs or projects providing additional
8 water supplies within the Santa Maria Valley Management Area.

9 (v) If the Court finds that Management Area conditions have
10 deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further
11 limitations on Groundwater use. If the Court imposes further limitations on Groundwater use, a
12 Stipulating Party shall be exempt from those limitations to the extent: (a) the Stipulating Party can
13 demonstrate that it has already implemented limitations in its Groundwater use, equivalent to
14 those ordered by the Court; or (b) the Stipulating Party can demonstrate that further limitations
15 would not avoid or reduce the deteriorating conditions.

16 (vi) During Severe Water Shortage Conditions, the Stipulating
17 Parties may make agreements for temporary transfer of rights to pump Native Groundwater,
18 voluntary fallowing, or the implementation of extraordinary conservation measures. Transfers of
19 Native Groundwater must benefit the Management Area and be approved by the Court.

20 **D. Management and Administration of the Twitchell Project**

21 1. Operational Parameters. All Twitchell Project operations (operation and
22 maintenance and capital projects) will be performed consistent with the following parameters
23 (Operational Parameters):

24 (a) Maximize recharge of the Santa Maria Valley Management Area
25 from Twitchell Water, including without limitation, the avoidance of impacts on recharge
26 resulting from ongoing accumulation of silt to the maximum extent practical.

27 (b) Operate the Twitchell Project in accordance with the requirements
28 of applicable law including, without limitation, the requirements of the Bureau of Reclamation

1 and Army Corps of Engineers.

2 (c) Operate the Twitchell Project in accordance with industry standards
3 and best management practices.

4 2. Twitchell Project Manual.

5 (a) The TMA will hire and pay for a professional engineering con-
6 sulting firm with expertise in dam and reservoir operations and maintenance, acceptable to the
7 District and the TMA, to develop an integrated operation and maintenance procedure manual
8 ("Twitchell Project Manual") and provide recommendations for capital and maintenance projects
9 that are consistent with the Operational Parameters.

10 (b) The District shall hold one or more public hearings to solicit input
11 regarding the content of the Twitchell Project Manual.

12 (c) Within eighteen months of entry of the judgment, the TMA and the
13 District shall adopt a final Twitchell Project Manual.

14 (d) Any disagreement between the District and the TMA regarding the
15 content of the final Twitchell Project Manual shall be presented for Court review and determina-
16 tion pursuant to the judicial review provisions provided in this Stipulation.

17 (e) The District will exercise its discretionary authority to conduct all
18 its operation and maintenance activities for the Twitchell Project in accordance with the Twitchell
19 Project Manual.

20 3. Twitchell Project Funding.

21 (a) District will maintain its current operation and maintenance (O&M)
22 assessments. These funds will be used for District staff salaries, property, equipment, rent,
23 expenses, and other day-to-day operations, and will be expended consistent with the Twitchell
24 Project Manual to the extent it is applicable.

25 (b) The TMA will separately fund, administer, construct and manage
26 any additional Twitchell Project expenses or projects, including Capital Improvement Projects
27 (see below) and O&M, (Extraordinary Project Operations) consistent with the Twitchell Project
28 Manual. The TMA and the District will make reasonable efforts to work cooperatively to imple-

1 ment Extraordinary Project Operations.

2 (c) Consistent with the provisions of this Paragraph V(D), the District
3 and the TMA shall be responsible for ensuring the ongoing operational integrity of the Twitchell
4 Project and the maintenance of the Twitchell Yield. The Stipulating Parties expect that this
5 ongoing responsibility may involve significant expenditures. Within 120 days of the effective
6 date of this Stipulation, and annually thereafter, the Twitchell Participants shall establish an
7 operating budget for the TMA to fund its responsibilities set forth in this Stipulation. For the first
8 five years following the PUC approval as provided below, the TMA's annual budget shall be
9 established at an amount between \$500,000 to \$700,000. Following the initial budgeting period,
10 the TMA shall set its budget in three- to five-year increments, as it deems necessary to meet its
11 obligations to preserve the Twitchell Yield. Any unused revenues shall be segregated into a
12 reserve account, for future funding needs of the Twitchell Project. The Stipulating Parties agree
13 to cooperate and coordinate their efforts to enable the TMA to fulfill its responsibilities as pro-
14 vided in this Stipulation.

15 4. Twitchell Management Authority.

16 (a) The TMA shall be comprised of one representative of each of the
17 following parties: Santa Maria, Guadalupe, Southern California Water Company, the District, and
18 Overlying Landowners holding rights to Twitchell Yield.

19 (b) Only those parties holding an allocation of Twitchell Yield shall be
20 voting members of the TMA. Voting shall be based on each party's proportionate allocation of
21 Twitchell Yield.

22 (c) The TMA shall be responsible for all the Extraordinary Project
23 Operations.

24 (d) The TMA shall be responsible for developing proposals for Capital
25 Improvement Projects relating to the Twitchell Project. Capital Improvement Projects shall mean
26 projects involving the expenditure of funds for the improvement or enhancement of the Twitchell
27 Project, but shall not include normal operation, maintenance or repair activities.

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1 (e) Upon the development of a proposal for a Capital Improvement
2 Project, the TMA shall, in cooperation with the District, hold one or more public hearings to
3 solicit input.

4 (f) Following the public hearing process, the TMA may vote on
5 whether to implement the Capital Improvement Project.

6 (g) The cost of TMA-sponsored Extraordinary Project Operations and
7 Capital Improvement Projects shall be divided among Twitchell Participants on the same basis as
8 the allocation of their Twitchell Yield.

9 (h) The District shall assume operation and maintenance responsibility
10 for any TMA sponsored Capital Improvement Project to the extent practical within the District's
11 day-to-day operations.

12 5. Regulatory Compliance. The TMA or the District shall provide advance
13 notice to the Court and all Parties of the initiation of any regulatory proceeding relating to the
14 Twitchell Project.

15 6. Existing Contracts. The Twitchell Reservoir Project will continue to be
16 governed by and subject to the terms and conditions of the December 1955 agreement between
17 the District and the Santa Barbara County Water Agency and nothing in this Stipulation is
18 intended to modify the rights or obligations provided in that agreement. To the extent that the
19 approval of Santa Barbara County Water Agency or the United States Bureau of Reclamation is
20 required in connection with the implementation of this Stipulation, the Stipulating Parties agree to
21 work cooperatively to obtain such approval(s).

22 **E. New Urban Uses – Santa Maria Valley Management Area**

23 1. New Urban Uses shall obtain water service from the local public water
24 supplier. The local public water supplier shall provide water service on a reasonable and non-
25 discriminatory basis.

26 2. New municipal and industrial uses on land adjacent to or within one-
27 quarter mile of the boundary line depicted in Exhibit D shall comply with any applicable Cor-
28 porations Code provisions and negotiate in good faith to obtain water service from the local

1 public water supplier, before forming a mutual water company to provide water service.

2 3. No modification of land use authority. This Stipulation does not modify
3 the authority of the entity holding land use approval authority over the proposed New Urban
4 Uses.

5 4. New Urban Uses shall provide a source of supplemental water to offset the
6 water demand associated with that development. For the purposes of this section, supplemental
7 water shall include all sources of Developed Water, except: i) Twitchell Water, ii) storm water
8 percolation ponds existing as of the date of entry of the judgment, or iii) Overlying Owners' right
9 to use of surplus Developed Water.

10 **VI. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NIPOMO MESA MAN-**
11 **AGEMENT AREA**

12 As supplemented by the provisions of this Stipulation that apply to all Management Areas,
13 the following terms shall apply to the Nipomo Mesa Management Area.

14 **A. Supplemental Water**

15 1. MOU. NCSD has entered into a Memorandum of Understanding
16 ("MOU") with Santa Maria which contemplates the wholesale purchase and transmission from
17 Santa Maria to the NMMA of a certain amount of water each Year (the "Nipomo Supplemental
18 Water"). All water delivered pursuant to the MOU for delivery by NCSD to its ratepayers shall
19 be applied within the NCSD or the NCSD's sphere of influence as it exists at the time of the
20 transmission of that water.

21 2. The NCSD agrees to purchase and transmit to the NMMA a minimum of
22 2,500 acre-feet of Nipomo Supplemental Water each Year. However, the NMMA Technical
23 Group may require NCSD in any given Year to purchase and transmit to the NMMA an amount
24 in excess of 2,500 acre-feet and up to the maximum amount of Nipomo Supplemental Water
25 which the NCSD is entitled to receive under the MOU if the Technical Group concludes that such
26 an amount is necessary to protect or sustain Groundwater supplies in the NMMA. The NMMA
27 Technical Group also may periodically reduce the required amount of Nipomo Supplemental
28 Water used in the NMMA so long as it finds that groundwater supplies in the NMMA are not

1 endangered in any way or to any degree whatsoever by such a reduction.

2 3. The Stipulating Parties agree to support (and, conversely, not to oppose in
3 any way or to encourage or assist any other Person or party in opposing or challenging) the imple-
4 mentation of the MOU, which includes environmental and regulatory permits and approvals, the
5 approval of a wholesale water supply agreement between Santa Maria and NCSD, and the
6 alignment and construction of a pipeline and related infrastructure necessary to deliver the
7 Nipomo Supplemental Water from Santa Maria to the NMMA ("Nipomo Supplemental Water
8 Project"). ConocoPhillips retains the right to object to or provide input on the alignment of any
9 pipelines associated with the Nipomo Supplemental Water Project if they might interfere with the
10 location of existing ConocoPhillips pipelines. The Stipulating Parties retain their rights to be
11 compensated for any interest or property acquired in implementing the Nipomo Supplemental
12 Water Project.

13 4. NCSD and Santa Maria shall employ their best efforts to timely implement
14 the Nipomo Supplemental Water Project, subject to their quasi-judicial obligations specified for
15 administrative actions and in the California Environmental Quality Act.

16 5. The enforcement of the provisions of Paragraph VI(D) below is condi-
17 tioned upon the full implementation of the Nipomo Supplemental Water Project, including the
18 Yearly use of at least 2,500 acre-feet of Nipomo Supplemental Water (subject to the provisions of
19 Paragraph VI(A)(2) above) within the NMMA. In the event that Potentially Severe Water
20 Shortage Conditions or Severe Water Shortage Conditions are triggered as referenced in Para-
21 graph VI(D) before Nipomo Supplemental Water is used in the NMMA, NCSD, SCWC,
22 Woodlands and RWC agree to develop a well management plan that is acceptable to the NMMA
23 Technical Group, and which may include such steps as imposing conservation measures, seeking
24 sources of supplemental water to serve new customers, and declaring or obtaining approval to
25 declare a moratorium on the granting of further intent to serve or will serve letters. In the event
26 that it becomes apparent that the Nipomo Supplemental Water will not be fully capable of being
27 delivered, any Stipulating Party may apply to the Court, pursuant to a noticed motion, for appro-
28 priate modifications to this portion of the Stipulation and the judgment entered based upon the

1 terms and conditions of this Stipulation, including declaring this Paragraph VI to be null and void,
2 and of no legal or binding effect.

3 6. Once the Nipomo Supplemental Water is capable of being delivered, those
4 certain Stipulating Parties listed below shall purchase the following portions of the Nipomo
5 Supplemental Water Yearly:

6 NCSD - 66.68%

7 Woodlands Mutual Water Company - 16.66%

8 SCWC - 8.33%

9 RWC - 8.33%

10 **B. Rights to Use Groundwater**

11 1. ConocoPhillips and its successors-in-interest shall have the right to the
12 reasonable and beneficial use of Groundwater on the property it owns as of the date of this Stipu-
13 lation located in the NMMA ("ConocoPhillips Property") without limitation, except in the event
14 the mandatory action trigger point (Severe Water Shortage conditions) described in Paragraph
15 VI(D) (2) below is reached. Further, any public water supplier which provides water service to
16 the ConocoPhillips Property may exercise that right subject to the limitation described in Para-
17 graph VI(D)(2).

18 2. Overlying Owners that are Stipulating Parties that own land located in the
19 NMMA as of the date of this Stipulation shall have the right to the reasonable and beneficial use
20 of Groundwater on their property within the NMMA without limitation, except in the event the
21 mandatory action trigger point (Severe Water Shortage Conditions) described in Paragraph
22 VI(D)(2) below is reached.

23 3. The Woodlands Mutual Water Company shall not be subject to restriction
24 in its reasonable and beneficial use of Groundwater, provided it is concurrently using or has made
25 arrangements for other NMMA parties to use within the NMMA, the Nipomo Supplemental
26 Water allocated to the Woodlands in Paragraph VI(A)(5). Otherwise, the Woodlands Mutual
27 Water Company shall be subject to reductions equivalent to those imposed on NCSD, RWC and
28 SCWC, as provided in Paragraph VI(D)(1-2).

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2 **C. NMMA Technical Group**

3 1. The NMMA Technical Group shall include representatives appointed by
4 NCSD, SCWC, ConocoPhillips, Woodlands Mutual Water Company and an agricultural Over-
5 lying Owner who is also a Stipulating Party.

6 2. The NMMA Technical Group shall develop a Monitoring Program for the
7 NMMA ("NMMA Monitoring Program"), which shall be consistent with the Monitoring
8 Program described in Paragraph IV(D). The NMMA Monitoring Program shall also include the
9 setting of well elevation and water quality criteria that trigger the responses set forth in Paragraph
10 D below. The Stipulating Parties shall provide monitoring and other production data to the
11 NMMA Technical Group at no charge, to the extent that such data has been generated and is
12 readily available. The NMMA Technical Group shall adopt rules and regulations concerning
13 measuring devices and production reports that are, to the extent feasible, consistent with the
14 Monitoring Programs for other Management Areas. If the NMMA Technical Group is unable to
15 agree on any aspect of the NMMA Monitoring Program, the matter may be resolved by the Court
16 pursuant to a noticed motion.

17 3. The NMMA Technical Group meetings shall be open to any Stipulating
18 Party. NMMA Technical Group files and records shall be available to any Stipulating Party upon
19 written request. Notices of the NMMA Technical Group meetings, as well as all its final work
20 product (documents) shall be posted to groups.yahoo.com/group/NipomoCommunity/

21 4. The NMMA Technical Group functions shall be funded by contribution
22 levels to be negotiated by NCSD, SCWC, RWC, ConocoPhillips, and Woodlands Mutual Water
23 Company. In-lieu contributions through engineering services may be provided, subject to agree-
24 ment by those parties. The budget of the NMMA Technical Group shall not exceed \$75,000 per
25 year without prior approval of the Court pursuant to a noticed motion.

26 5. Any final NMMA Technical Group actions shall be subject to *de novo*
27 Court review by motion.

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2 **D. Potentially Severe and Severe Water Shortage Conditions**

3 1. Caution trigger point (Potentially Severe Water Shortage Conditions)

4 (a) Characteristics. The NMMA Technical Group shall develop
5 criteria for declaring the existence of Potentially Severe Water Shortage Conditions. These
6 criteria shall be approved by the Court and entered as a modification to this Stipulation or the
7 judgment to be entered based upon this Stipulation. Such criteria shall be designed to reflect that
8 water levels beneath the NMMA as a whole are at a point at which voluntary conservation
9 measures, augmentation of supply, or other steps may be desirable or necessary to avoid further
10 declines in water levels.

11 (b) Responses. If the NMMA Technical Group determines that Poten-
12 tially Severe Water Shortage Conditions have been reached, the Stipulating Parties shall coordi-
13 nate their efforts to implement voluntary conservation measures, adopt programs to increase the
14 supply of Nipomo Supplemental Water if available, use within the NMMA other sources of
15 Developed Water or New Developed Water, or implement other measures to reduce Groundwater
16 use.

17 2. Mandatory action trigger point (Severe Water Shortage Conditions)

18 (a) Characteristics. The NMMA Technical Group shall develop the
19 criteria for declaring that the lowest historic water levels beneath the NMMA as a whole have
20 been reached or that conditions constituting seawater intrusion have been reached. These criteria
21 shall be approved by the Court and entered as a modification to this Stipulation or the judgment to
22 be entered based upon this Stipulation.

23 (b) Responses. As a first response, subparagraphs (i) through (iii) shall
24 be imposed concurrently upon order of the Court. The Court may also order the Stipulating
25 Parties to implement all or some portion of the additional responses provided in subparagraph (iv)
26 below.

27 (i) For Overlying Owners other than Woodlands Mutual Water
28 Company and ConocoPhillips, a reduction in the use of Groundwater to no more than 110% of

1 the highest pooled amount previously collectively used by those Stipulating Parties in a Year,
2 prorated for any partial Year in which implementation shall occur, unless one or more of those
3 Stipulating Parties agrees to forego production for consideration received. Such forbearance shall
4 cause an equivalent reduction in the pooled allowance. The base Year from which the calculation
5 of any reduction is to be made may include any prior single Year up to the Year in which the
6 Nipomo Supplemental Water is transmitted. The method of reducing pooled production to 110%
7 is to be prescribed by the NMMA Technical Group and approved by the Court. The quantifica-
8 tion of the pooled amount pursuant to this subsection shall be determined at the time the manda-
9 tory action trigger point (Severe Water Shortage Conditions) described in Paragraph VI(D)(2) is
10 reached. The NMMA Technical Group shall determine a technically responsible and consistent
11 method to determine the pooled amount and any individual's contribution to the pooled amount.
12 If the NMMA Technical Group cannot agree upon a technically responsible and consistent
13 method to determine the pooled amount, the matter may be determined by the Court pursuant to a
14 noticed motion.

15 (ii) ConocoPhillips shall reduce its Yearly Groundwater use to
16 no more than 110% of the highest amount it previously used in a single Year, unless it agrees in
17 writing to use less Groundwater for consideration received. The base Year from which the calcu-
18 lation of any reduction is to be made may include any prior single Year up to the Year in which
19 the Nipomo Supplemental Water is transmitted. ConocoPhillips shall have discretion in deter-
20 mining how reduction of its Groundwater use is achieved.

21 (iii) NCSD, RWC, SCWC, and Woodlands (if applicable as
22 provided in Paragraph VI(B)(3) above) shall implement those mandatory conservation measures
23 prescribed by the NMMA Technical Group and approved by the Court.

24 (iv) If the Court finds that Management Area conditions have
25 deteriorated since it first found Severe Water Shortage Conditions, the Court may impose further
26 mandatory limitations on Groundwater use by NCSD, SCWC, RWC and the Woodlands. Manda-
27 tory measures designed to reduce water consumption, such as water reductions, water restrictions,
28 and rate increases for the purveyors, shall be considered.

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2 (v) During Severe Water Shortage Conditions, the Stipulating
3 Parties may make agreements for temporary transfer of rights to pump Native Groundwater,
4 voluntary fallowing, or the implementation of extraordinary conservation measures. Transfer of
5 Native Groundwater must benefit the Management Area and be approved by the Court.

6 **E. New Urban Uses**

7 1. Within the sphere of influence or service area. New Urban Uses shall
8 obtain water service from the local public water supplier. The local public water supplier shall
9 provide water service on a reasonable and non-discriminatory basis.

10 2. Outside the sphere of influence or service area. New municipal and indus-
11 trial uses on land adjacent to or within one quarter mile of the boundary line depicted in Exhibit D
12 shall comply with any applicable Corporations Code provisions, including good faith negotiations
13 with the local water purveyor(s), prior to forming a mutual water company to provide water
14 service.

15 3. The ConocoPhillips property, owned as of the date of this Stipulation and
16 located within the NMMA, is not in the sphere of influence or service area, nor is it in the process
17 of being included in the sphere of influence, of a municipality or within the certificated service
18 area of a publicly regulated utility as of the date of this Stipulation, nor is it adjacent to or in close
19 proximity to the sphere of influence of a municipality or the certificated service area of a publicly
20 regulated utility as of the date of this Stipulation, as those terms are used in Paragraphs VI(E)(1
21 and 2).

22 4. No modification of land use authority. This Stipulation does not modify the
23 authority of the entity holding land use approval authority over the proposed New Urban Uses.

24 5. New Urban Uses as provided in Paragraph VI(E)(1) above and new muni-
25 cipal and industrial uses as provided in Paragraph VI(E)(2) above shall provide a source of
26 supplemental water, or a water resource development fee, to offset the water demand associated
27 with that development. For the purposes of this Paragraph, supplemental water shall include all
28 sources of Developed Water or New Developed Water.

1 **VII. PHYSICAL SOLUTION: PROVISIONS SPECIFIC TO NORTHERN CITIES**
2 **MANAGEMENT AREA**

3 These terms, supplemented by the provisions of this Stipulation that apply to all
4 Management Areas, govern water rights and resources in the Northern Cities Management Area.

5 1. Groundwater Monitoring. Groundwater monitoring in the Northern Cities
6 Management Area will be conducted by the Northern Cities in the manner described above.

7 2. Lopez Project. The Lopez Project will continue to be managed by the SLO
8 District. The Northern Cities and Landowners will continue to bear costs of the Lopez Reservoir
9 and no costs of the Twitchell Reservoir.

10 3. Independent Management Per Settlement Agreement.

11 (a) Existing Groundwater, SWP Water and Storage Space in the
12 Northern Cities Management Area will continue to be allocated and independently managed by
13 the Northern Parties in accordance with the Northern Cities and Northern Landowners' 2002
14 Settlement Agreement (Exhibit "E") for the purpose of preserving the long-term integrity of water
15 supplies in the Northern Cities Management Area. That Settlement Agreement initially allocates
16 57% of the safe yield of groundwater in Zone 3 to the farmers and 43% to the cities; and it
17 provides *inter alia* that any increase or decrease in the safe yield will be shared by the cities and
18 landowners on a pro rata basis. That Settlement Agreement is reaffirmed as part of this Stipula-
19 tion and its terms are incorporated into this Stipulation, except that the provisions regarding con-
20 tinuing jurisdiction (§ 4), groundwater monitoring, reporting, and the Technical Oversight
21 Committee (§§ 7-20) are canceled and superseded by the provisions of this Stipulation dealing
22 with those issues.

23 (b) Without the written agreement of each of the Northern Cities, no
24 party other than Northern Parties shall have any right to:

25 (i) pump, store, or use Groundwater or surface water within the
26 Northern Cities Management Area; or

27 (ii) limit or interfere with the pumping, storage, management or
28 usage of Groundwater or surface water by the Northern Parties within the Northern Cities

1 Management Area.

2 (c) For drought protection, conservation, or other management pur-
3 poses, the Northern Parties may engage in contractual transfers, leases, licenses, or sales of any of
4 their water rights, including voluntary fallowing programs. However, no Groundwater produced
5 within the Northern Cities Management Area may be transported outside of the Northern Cities
6 Management Area without the written agreement of each of the Northern Cities.

7 4. Current and future deliveries of water within the spheres of influence of the
8 Northern Cities as they exist on January 1, 2005 shall be considered existing uses and within the
9 Northern Cities Management Area.

10 **VIII. INJUNCTION – ALL MANAGEMENT AREAS**

11 **A. Use Only Pursuant to Stipulation**

12 Each and every Stipulating Party, their officers, agents, employees, successors and
13 assigns, are enjoined and restrained from exercising the rights and obligations provided through
14 this Stipulation in a manner inconsistent with the express provisions of this Stipulation.

15 **B. Injunction Against Transportation From the Basin**

16 Except upon further order of the Court, each and every Stipulating Party and its officers,
17 agents, employees, successors and assigns, is enjoined and restrained from transporting Ground-
18 water to areas outside the Basin, except for those uses in existence as of the date of this Stipula-
19 tion; provided, however, that Groundwater may be delivered for use outside the Basin as long as
20 the wastewater generated by that use of water is discharged within the Basin, or agricultural
21 return flows resulting from that use return to the Basin.

22 **C. No Third Party Beneficiaries**

23 This Stipulation is intended to benefit the Stipulating Parties and no other Parties. Only a
24 Stipulating Party may enforce the terms of this Stipulation or assert a right to any benefits of, or
25 enforce any obligations contained in this Stipulation.

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1 **IX. RESERVED JURISDICTION – ALL MANAGEMENT AREAS**

2 **A. Reserved Jurisdiction; Modifications, Cancellations, Amendments**

3 Jurisdiction, power and authority are retained by and reserved to the Court as set forth in
4 this Paragraph. Nothing in the Court's reserved jurisdiction shall authorize modification, cancel-
5 lation or amendment of the rights provided under Paragraphs III; V(A, E); VI(A, B, D); VII(2, 3);
6 VIII(A); IX(A, C); and X(A, D) of this Stipulation. Subject to this limitation, the Court shall
7 make such further or supplemental orders as may be necessary or appropriate regarding the
8 following:

- 9 1. enforcement of this Stipulation;
- 10 2. claims regarding waste/unreasonable use of water;
- 11 3. disputes between Stipulating Parties across Management Area boundaries;
- 12 4. interpretation and enforcement of the judgment;
- 13 5. consider the content or implementation of a Monitoring Program;
- 14 6. consider the content, conclusions, or recommendations contained in an
15 Annual Report;
- 16 7. consider Twitchell Project operations, including, but not limited to: i) the
17 content of the Twitchell Project Manual; ii) TMA or District compliance
18 with the Twitchell Project Manual; iii) decisions to implement Extraor-
19 dinary Project Operations; or iv) the maintenance of Twitchell Yield;
- 20 8. claims of localized physical interference between the Stipulating Parties in
21 exercising their rights pursuant to this Stipulation; provided, however,
22 rights to use Groundwater under this Stipulation shall have equal status;
23 and
- 24 9. modify, clarify, amend or amplify the judgment and the Northern Parties
25 Settlement Agreement; Provided, however, that all of the foregoing shall
26 be consistent with the spirit and intent of this Stipulation.

27 ///

28 ///

1 **B. Noticed Motion**

2 Any party that seeks the Court's exercise of reserved jurisdiction shall file a noticed
3 motion with the Court. Any noticed motion shall be made pursuant to the Court's Order Con-
4 cerning Electronic Service of Pleadings and Electronic Posting of Discovery Documents dated
5 June 27, 2000, attached and incorporated as Exhibit "G". Any request for judicial review shall be
6 filed within sixty days of the act or omission giving rise to the claim. Upon a showing of good
7 cause, the Court may extend the sixty-day time limitation.

8 **C. De Novo Nature of Proceeding**

9 The Court shall exercise *de novo* review in all proceedings. The actions or decisions of
10 any Party, the Monitoring Parties, the TMA, or the Management Area Engineer shall have no
11 heightened evidentiary weight in any proceedings before the Court.

12 **D. Filing and Notice**

13 As long as the Court's electronic filing system remains available, all Court filings shall be
14 made pursuant to Exhibit "G". If the Court's electronic filing system is eliminated and not
15 replaced, the Stipulating Parties shall promptly establish a substitute electronic filing system and
16 abide by the same rules as contained in the Court's Order.

17 **X. MISCELLANEOUS PROVISIONS – ALL MANAGEMENT AREAS**

18 **A. Unenforceable Terms**

19 The Stipulating Parties agree that if any provision of this Stipulation or the judgment
20 entered based on this Stipulation is held to be invalid, void, or unenforceable, the remaining pro-
21 visions shall nevertheless continue in full force and effect; provided, however, any order which
22 invalidates, voids, deems unenforceable, or materially alters those Paragraphs enumerated in
23 Paragraph IX(A) or any of them, shall render the entirety of the Stipulation and the judgment
24 entered based on this Stipulation voidable and unenforceable, as to any Stipulating Party who
25 files and serves a motion to be released from the Stipulation and the judgment based upon the
26 Stipulation within sixty days of entry of that order, and whose motion is granted upon a showing
27 of good cause.

28 ///

1 **B. Water Quality**

2 Nothing in the Stipulation shall be interpreted as relieving any Stipulating Party of its
3 responsibilities to comply with state or federal laws for the protection of water quality or the
4 provisions of any permits, standards, requirements, or orders promulgated thereunder.

5 **C. Duty to Cooperate**

6 The Stipulating Parties agree not to oppose, or in any way encourage or assist any other
7 party in opposing or challenging, any action, approval, or proceeding necessary to obtain
8 approval of or make effective this Stipulation or the judgment to be entered on terms consistent
9 with this Stipulation.

10 **D. Stipulating Parties Under Public Utilities Commission Regulation**

11 1. To the extent allowed by law, SCWC and RWC shall comply with this
12 Stipulation, prior to obtaining California Public Utilities Commission ("PUC") approval. If the
13 PUC fails to approve SCWC's and RWC's participation or fails to provide approval of the neces-
14 sary rate adjustments so that SCWC and RWC may meet their respective financial obligations,
15 including the participation in Developed Water projects, Monitoring Programs, TMA and as
16 otherwise provided in this Stipulation, shall render the entirety of the Stipulation and those terms
17 of any judgment based on this Stipulation invalid, void and unenforceable, as to any Stipulating
18 Party who files and serves a notice of rescission within sixty days of notice by SCWC or RWC of
19 a final PUC Order.

20 2. Any Party, or its successors or assigns, agreeing to become a new customer
21 of SCWC or RWC, or an existing customer proposing to increase its water use through a change
22 in land use requiring a discretionary land use permit or other form of land use entitlement, that
23 has not executed reservation contracts for supplemental water as specified in Exhibit F will
24 provide the following, once approved by the PUC:

25 (a) If in the Santa Maria Valley Management Area, a water resource
26 development fee as specified in Exhibit F or a source of supplemental water sufficient to offset
27 the consumptive demand associated with the new use as provided in Paragraph V(E); or

28 ///

1 (b) If in the NMMA, a water resource development fee, or a source of
2 supplemental water sufficient to offset the consumptive demand associated with the new use.

3 3. Any Person who is not engaged in a New Urban Use and who agrees to
4 become a customer of SCWC or RWC shall retain its right to contest the applicable water
5 resource development fee, should that fee ever become applicable to that Person.

6 **E. Designation of Address, for Notice and Service**

7 Each Stipulating Party shall designate the name, address and e-mail address, if any, to be
8 used for purposes of all subsequent notices and service, either by its endorsement on the Stipula-
9 tion for entry of judgment or by a separate designation to be filed within thirty days after execu-
10 tion of this Stipulation. This designation may be changed from time to time by filing a written
11 notice with the Court. Any Stipulating Party desiring to be relieved of receiving notices may file
12 a waiver of notice on a form approved by the Court. The Court shall maintain at all times a
13 current list of Parties to whom notices are to be sent and their addresses for purposes of service.
14 The Court shall also maintain a full current list of names, addresses, and e-mail addresses of all
15 Parties or their successors, as filed herein. Copies of such lists shall be available to any Person.
16 If no designation is made, a Stipulating Party's designee shall be deemed to be, in order of
17 priority: i) the Party's attorney of record; ii) if the Party does not have an attorney of record, the
18 Party itself at the address specified.

19 **F. No Loss of Rights**

20 Nothing in this Stipulation shall be interpreted to require or encourage any Stipulating
21 Party to use more water in any Year than is actually required. As between the Stipulating Parties,
22 failure to use all of the water to which a Stipulating Party is entitled hereunder shall not, no matter
23 how long continued, be deemed or constitute an abandonment or forfeiture of such Stipulating
24 Party's rights, in whole or in part.

25 **G. Intervention After Judgment**

26 Any Person who is not a Party or successor to a Party, who proposes to use Groundwater
27 or Storage Space, may seek to become a Party to the judgment through a petition for intervention.
28 The Court will consider an order confirming intervention following thirty days notice to the

1 Parties. Thereafter, if approved by the Court, such intervenor shall then be a Party bound by the
2 judgment as provided by the Court.

3 **H. Stipulation and Judgment Binding on Successors, Assigns, etc.**

4 The Stipulating Parties agree that all property owned by them within the Basin is subject
5 to this Stipulation and the judgment to be entered based upon the terms and conditions of this
6 Stipulation. This Stipulation and the judgment will be binding upon and inure to the benefit of
7 each Stipulating Party and their respective heirs, executors, administrators, trustees, successors,
8 assigns, and agents. This Stipulation and the judgment to be entered based the terms and condi-
9 tions of this Stipulation shall not bind the Stipulating Parties that cease to own property within the
10 Basin, or cease to use Groundwater. As soon as practical after the effective date of this Stipula-
11 tion, a memorandum of agreement referencing this Stipulation shall be recorded in Santa Barbara
12 and San Luis Obispo Counties by Santa Maria, in cooperation with the Northern Cities and
13 SCWC. The document to be recorded shall be in the format provided in Exhibit "H".

14 **I. Costs**

15 No Stipulating Party shall recover any costs or attorneys fees from another Stipulating
16 Party incurred prior to the entry of a judgment based on this Stipulation.

17 **J. Non-Stipulating Parties**

18 It is anticipated that the Court will enter a single judgment governing the rights of all
19 Parties in this matter. The Stipulating Parties enter into this Stipulation with the expectation that
20 the Court will enter, as a part of the judgment, the terms and conditions of this Stipulation. This
21 Stipulation shall not compromise, in any way, the Court's legal and equitable powers to enter a
22 single judgment that includes provisions applicable to the non-Stipulating Parties that may
23 impose differing rights and obligations than those applicable to the Stipulating Parties. As against
24 non-Stipulating Parties, each Stipulating Party expressly reserves and does not waive its right to
25 appeal any prior or subsequent ruling or order of the Court, and assert any and all claims and
26 defenses, including prescriptive claims. The Stipulating Parties agree they will not voluntarily
27 enter into a further settlement or stipulation with non-Stipulating Parties that provides those non-
28 Stipulating Parties with terms and conditions more beneficial than those provided to similarly

1 situated Stipulating Parties.

2 **K. Counterparts**

3 This Stipulation may be signed in any number of counterparts, including counterparts by
4 facsimile signature, each of which shall be deemed an original, but all of which shall together
5 constitute one and the same instrument. The original signature pages shall be filed with Court.

6 **L. Effective Date**

7 This Stipulation shall be effective when signed by the Stipulating Parties listed on Exhibit
8 “A” and accepted by the Court.

Party	Signature, title, and date	Parcels Subject to Stipulation
Attorney of Record	Approved as to form: By: _____ Date: _____	

1 **PROOF OF SERVICE**

2 I am a resident of the State of California, over the age of eighteen years, and not a party to
3 the within action. My business address is HATCH & PARENT, 21 E. Carrillo Street, Santa
Barbara, California 93101.

4 Pursuant to the Court's Order dated June 28, 2000, I, Gina Lane, did the following:

- 5 • Posted the following document at approximately 4:30 p.m. on June 30, 2005.

6 **STIPULATION (JUNE 30, 2005 VERSION)**

- 7 • Mailed a Notice of Availability to all parties (designating or defaulting to mail
8 service) on the current website's service list.

9 I am readily familiar with the firm's practice of collection and processing correspondence for
10 mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day
with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion
of the party served, service is presumed invalid if postal cancellation date or postage meter date is
more than one day after date of deposit for mailing in affidavit.

11 I declare under penalty of perjury under the laws of the State of California that the above
12 is true and correct.

13 Executed on June 30, 2005, at Santa Barbara, California.

14 
15 _____
GINA M. LANE

Appendix F. Water Purchase Agreement

NIPOMO SUPPLEMENTAL WATER PROJECT
SUPPLEMENTAL WATER MANAGEMENT AND GROUNDWATER
REPLENISHMENT AGREEMENT

This Nipomo Supplemental Water Project Supplemental Water Management and Groundwater Replenishment Agreement ("Agreement") is made this 16th day of ~~September~~ ^{October}, 2015, between the Nipomo Community Services District, Rural Water Company, The Woodlands Mutual Water Company of San Luis Obispo County and Golden State Water Company with regards to the following facts:

I. RECITALS:

A. The Nipomo Community Services District ("NCSD") is a public entity, independent special district organized and operated pursuant to Govt. Code section 61000 et seq. NCSD provides water and related services within the NCSD boundary located in the southern portion of San Luis Obispo County, within an area generally referred to as the Nipomo Mesa.

B. Golden State Water Company ("GSWC") is a California corporation and a public utility water corporation as defined by Public Utilities Code §§ 216 and 241 providing water service to customers within the Nipomo Mesa subject to California Public Utilities Commission ("PUC") regulation.

C. Rural Water Company ("RWC") is a California corporation and a public utility water corporation as defined by Public Utilities Code §§ 216 and 241 providing water service to customers within the Nipomo Mesa subject to PUC regulation.

D. The Woodlands Mutual Water Company of San Luis Obispo County ("WMWC") is a California corporation and a mutual water company providing water service to its shareholder – customers within the Nipomo Mesa.

E. Collectively, GSWC, RWC and WMWC, are referred to as the "Water Companies" and individually as a "Water Company". NCSD, GSWC, RWC and WMWC are collectively referred to as the "Parties" and individually as a "Party".

F. The Parties, along with hundreds of other individuals and entities are parties to a certain legal proceedings entitled "*Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*", Superior Court of the State of California, County of Santa Clara, Consolidated Cases CV770214 ("Santa Maria Litigation"), regarding the respective rights of the litigants to groundwater resources in the Santa Maria Groundwater Basin ("Basin").

G. After lengthy proceedings, the court entered an amended judgment

("Judgment") on April 17, 2014, which provides for the long-term management of the Basin water resources.

H. The court retained jurisdiction over the Judgment to ensure the parties manage the Basin water resources consistently with the Judgment.

I. Incorporated into and made a part of the Judgment is a Stipulation dated June 30, 2005 ("Stipulation"), which establishes a detailed management plan for three subareas within the Basin. The Nipomo Mesa is included in the subarea called the Nipomo Mesa Management Area ("NMMA").

J. The Judgment (through the Stipulation) requires NCSD to purchase and transmit to the NMMA a minimum of 2,500 acre-feet of "Nipomo Supplemental Water" each year. NCSD is further required to employ its best efforts to timely implement the Nipomo Supplemental Water Project (NSWP).

K. The Judgment further provides that once the Nipomo Supplemental Water is capable of being delivered, the Parties shall purchase the following portions of the Nipomo Supplemental Water each year to offset groundwater pumping within the NMMA.

Entity	Percent Allocation	AFY (2,500 AF NSWP Yield)
NCSD	66.68	1667.00
GSWC	8.33	208.25
RWC	8.33	208.25
WMWC	16.66	416.50
Total	100.00	2500.00

L. NCSD has entered into a Wholesale Water Supply Agreement with the City of Santa Maria (City), dated May 7, 2013, ("NCSD-City Agreement," attached and incorporated as Exhibit "A"). The NCSD-City Agreement provides a mechanism through which NCSD may purchase Nipomo Supplemental Water for sale and distribution in the NSWP, consistent with the obligations in the Judgment.

M. NCSD has completed construction of the first stage of the NSWP such that NCSD is taking delivery of Nipomo Supplemental Water as of July 1, 2015. The additional stages of the NSWP to allow increased water delivery of a minimum of 2,500 AFY, as required under the Judgment, are currently being planned.

N. On or about June 25, 2015, the PUC approved GSWC's acquisition of RWC. Upon completion of GSWC's acquisition of RWC, GSWC will assume the entirety of RWC's benefits and obligations under this Agreement.

O. NCSD has designed the NSWP to deliver 3,000 AFY. All costs associated with

NSWP Supplemental Water Management and Groundwater Replenishment Agreement

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the capacity in excess of 2,500 AFY are solely assigned to NCSD. Should the Parties, or any faction thereof, elect to expand NSWSP facilities to deliver water in excess of 3,000 AFY, further negotiation and agreement among the participating Parties will be required.

P. The purpose of this Agreement is to implement the Parties' obligations with respect to the NSWSP as provided in the Stipulation and the Judgment.

In consideration of the foregoing recitals that are incorporated herein by reference and the mutual terms and conditions set forth herein, the Parties agree as follows:

II. DEFINITIONS:

Terms used herein with initial capitalization, whether in singular or plural, shall have the following meanings:

A. "AFY" shall mean acre-feet per year.

B. "Costs" shall mean all the administrative, planning, design, permitting, capital, financing, construction, operation, maintenance, repair, replacement and overhead allocation costs associated with and arising out of the construction and ongoing operation of the NSWSP, excluding costs of Points of Interconnection, which shall be funded as provided in Section VII. Costs shall include both actual expenses and reasonably anticipated NSWSP related expenses expected to be incurred for the completion of the NSWSP and for the ongoing operations of the NSWSP. Costs include future financing of phases of the NSWSP and future changes in water costs resulting from renegotiation of the NCSD-City Agreement.

C. "Effective Date" shall mean July 1, 2015.

D. "Fiscal Year" shall mean the twelve (12) month period commencing each July 1st during the term of this Agreement and ending the following June 30th.

E. "NSWP Enterprise Fund" shall mean the NSWSP Enterprise Fund used by NCSD to account for, budget and track the Costs.

F. "Judgment" shall mean the amended judgment entered by the Court in that case entitled *Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*, Superior Court of the State of California, County of Santa Clara, consolidated cases CV770214.

G. "NCSD-City Agreement" shall mean the agreement between the City of Santa Maria and Nipomo Community Services District titled "Wholesale Water Supply Agreement," dated May 7, 2013.

H. "Nipomo Mesa Management Area" or "NMMA" shall mean the area so defined and described in the Judgment.

I. "Nipomo Supplemental Water" shall mean up to 2,500 AFY of water delivered within the NMMA to offset groundwater pumping.

J. "Nipomo Supplemental Water Project" or "NSWP" shall mean the facilities and appurtenances, including each Point of Interconnection, necessary to deliver Nipomo Supplemental Water as provided in Section VI.(A) of the Stipulation.

K. "NMMA Technical Group" is the group formed pursuant to the requirements of the Stipulation and Judgment.

L. "Point of Interconnection" shall mean those components of the NSWP extending from NCSD's water distribution system to each Water Company through which Nipomo Supplemental Water may be delivered to each Water Company.

M. "Prudent Utility Practice" shall mean the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the water utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety, and expedition, taking into account the fact that Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result. Prudent Utility Practice includes due regard for manufacturers' warranties and requirements of agencies of competent jurisdiction.

N. "PUC" shall mean the California Public Utilities Commission, the entity with regulatory oversight responsibility for RWC and GSWC.

O. "PUC Application" shall mean those materials and testimony required so that GSWC and RWC may obtain PUC approval adequate to satisfy the conditions subsequent set forth in Section V below.

P. "Stipulation" shall mean the agreement dated June 30, 2005, by and between the majority of the litigants in the Santa Maria Litigation, settling their disputes and imposing a physical solution on the management of water resources in the Santa Maria Basin. The Stipulation is incorporated in and is a part of the Judgment.

Q. "Uncontrollable Force" shall mean any cause or event which is beyond the control of the Party affected, including, but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute or strike, labor or material shortage, sabotage, restraint by court order or public authority and action or non-action by or

failure to obtain the necessary authorizations or approvals from any governmental agency or authority which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome.

III. PURPOSE:

A. The purpose of this Agreement is to enable the Parties to meet their respective obligations under the Judgment, based on the percentage allocations presented in Section I.K, regarding the NSWP. In particular, the Parties intend this Agreement to provide for: (1) payment to NCSD for each Party's allocation of Costs, and (2) distribution and use of Nipomo Supplemental Water.

B. The underlying premise of the NSWP is to use Nipomo Supplemental Water within the NMMA to offset 2,500 AFY of groundwater pumping in those areas within the NMMA where groundwater levels are most depressed and thus augment the replenishment of groundwater in those critical areas within the NMMA. As described herein, the Parties will use the Nipomo Supplemental Water to increase groundwater replenishment within the NMMA and improve the long-term reliability and integrity of groundwater availability within the NMMA. The Nipomo Supplemental Water delivered to the Parties pursuant to this Agreement shall be used exclusively for the benefit of properties within the existing jurisdictions and service areas of the Parties and in accordance with the Judgment and Stipulation.

IV. EFFECTIVE DATE AND TERM:

A. This Agreement shall be effective on July 1, 2015 and shall terminate on June 30, 2085 ("Term").

B. Notwithstanding the Term, the delivery of Nipomo Supplemental Water to the Parties subsequent to June 30, 2035, is subject to the renewal of the contract for state water between the City and the Central Coast Water Authority. The NCSD-City Agreement provides that it is subject to renegotiation in the event that the City's contract with the Central Coast Water Authority is not renewed as of June 30, 2035 or if the renewal terms would create a significant financial burden to the City or impair the ability of the City to provide Nipomo Supplemental Water in the quantities set forth in the NCSD-City Agreement.

C. Should renegotiation of the NCSD-City Agreement be required, NCSD and the City are required to negotiate and use their best efforts to equitably amend the terms of the NCSD-City Agreement to allow for the continued delivery of Nipomo Supplemental Water on terms mutually beneficial to both parties for the duration of the Term. NCSD will consult and confer with the Water Companies prior to entering into any material amendments to the NCSD-City Agreement.

D. Obligations incurred hereunder but not satisfied prior to termination of this Agreement shall survive such termination until fully discharged, including any payments due by one Party to another Party hereunder.

V. CONDITIONS SUBSEQUENT:

This Agreement shall terminate and shall be of no further force and effect as to either or both GSWC and RWC, subject to the following conditions.

A. As promptly as is reasonably practicable and in no event later than October 30, 2015, GSWC shall apply for PUC approval for imposition of the necessary rate adjustments so that GSWC may meet its financial obligations provided under this Agreement. GSWC shall provide NCSD with written notice of the satisfaction or waiver of this provision. If GSWC fails to obtain this PUC approval, through a PUC decision or order that is no longer subject to appeal, on or before December 31, 2017, either NCSD or GSWC may, each in its sole discretion, declare a failure to satisfy this condition and terminate this agreement as to GSWC. If either NCSD or GSWC exercises this termination right, the provisions of Article X(D)(1) of the Stipulation shall apply.

B. As promptly as is reasonably practicable and in no event later than October 30, 2015, RWC shall apply to for PUC approval for imposition of the necessary rate adjustments so that RWC may meet its financial obligations provided under this Agreement. RWC shall provide NCSD with written notice of the satisfaction or waiver of this provision. If RWC fails to obtain this PUC approval, through a PUC decision or order that is no longer subject to appeal, on or before December 31, 2017, either NCSD or RWC may, each in its sole discretion, declare a failure to satisfy this condition and terminate this agreement as to RWC. If either NCSD or RWC exercises this termination right, the provisions of Article X(D)(1) of the Stipulation shall apply.

C. The Parties shall make every reasonable business effort to coordinate and cooperate in providing any necessary data, information and testimony to support the PUC approval processes contemplated in this Section.

D. GSWC and RWC shall each be responsible for its own PUC Application. However, each entity expects its PUC Application to be substantially the same in its content. Each PUC Application shall include a request for full financial participation in the NSWP as provided in this Agreement, as of the Effective Date. RWC and GSWC shall make their reasonable best efforts to obtain a prompt and reasonable response to the PUC Application from the PUC, including making every reasonable attempt to reach an acceptable settlement of the PUC Application in lieu of processing the PUC Application through a contested administrative hearing at the PUC. The Parties acknowledge that obtaining PUC approval of each PUC Application may take 12 months or more, following the date of submission of the PUC Application, and that neither GSWC nor RWC have control over the time it takes the PUC to process and

resolve each PUC Application. Notwithstanding the Effective Date, neither GSWC's, nor RWC's financial obligations provided in this Agreement accrue and are enforceable as to either entity, unless and until the PUC provides GSWC and RWC approval to make the necessary customer water rate adjustments equal to each entity's respective share of the Costs provided in this Agreement as of the Effective Date and otherwise consistent with Section IX.B.

E. Until the conditions subsequent in this section are satisfied with written notice, or waived, neither NCSD, RWC, nor GSWC waive their rights to exercise the provisions of Article X(D)(1) of the Stipulation.

VI. USE OF NIPOMO SUPPLEMENTAL WATER.

NCSD shall be responsible for the distribution and use of the Nipomo Supplemental Water between and among the Parties subject to the following:

A. Subject to the groundwater management and recharge protocols provided in this Agreement, the presumed quantity and rate of delivery of Nipomo Supplemental Water for each Party shall be as provided in the table below, based upon an assumed delivery of 2,500 AFY. To the extent Nipomo Supplemental Water is not available for delivery at the volumes or rates shown, each Party's deliveries shall be reduced on a proportional basis. To the extent the implementation of groundwater management and recharge protocols provide for alternative deliveries, each Party shall be responsible for its portion of the Costs as otherwise provided in this Agreement.

Entity	Annual (AF)	Quarterly (AF)	Maximum per Month (AF)
NCSD	1668	417	139
GSWC	208	52	17
RWC	208	52	17
WMWC	416	104	35

B. The highest priority use of Nipomo Supplemental Water shall be to offset groundwater pumping within those regions within the NMMA where depressed groundwater levels exist.

C. Provided that such reduction does not materially and adversely affect its ability to provide water for the reasonable and beneficial use of its customers, for each AF of the 2,500 AFY Nipomo Supplemental Water used within the NMMA, the user shall reduce its groundwater pumping by the same amount. The Parties shall develop a method of confirming this reduction in groundwater use.

D. Over the term of this Agreement, the Advisory Committee (as defined in XII.A) shall periodically meet and confer with the NMMA Technical Group regarding the distribution of the Nipomo Supplemental Water between the Parties, given the priority

specified in subsections VI.A and B, above. Based on the input from the Advisory Committee and the NMMA Technical Group, the status of Points of Interconnection as provided in the Section VII.A below and other relevant hydrologic conditions, NCSD shall determine the distribution of Nipomo Supplemental Water among the Parties. NCSD shall make its determination regarding the distribution of Nipomo Supplemental Water, following the consultation described in this subsection and based upon a reasonable, good faith interpretation of how best to manage the then existing hydrologic conditions within the NMMA, the availability of Nipomo Supplemental Water and the ability to rely on existing Points of Interconnection and establish a new Point of Interconnection with RWC, if one has not yet been established.

E. Pursuant to section VI(B)(3) of the Stipulation, provided WMWC is concurrently using or has made arrangements for other Parties to use within the NMMA the Nipomo Supplemental Water allocated to the WMWC under Section VI(A), above, WMWC shall not be subject to restriction in the reasonable and beneficial use of groundwater necessary for full development of its service area; provided however, nothing in this Agreement is intended to modify or amend the benefits and obligations provided in the Stipulation and the Judgment applicable to WMWC, or the court's retained jurisdiction pursuant to the Stipulation and the Judgment.

VII. POINTS OF INTERCONNECTION, CONTROL AND MEASUREMENT OF NIPOMO SUPPLEMENTAL WATER DELIVERIES.

A. Point(s) of Interconnection. As of the Effective Date, NCSD's water system is interconnected with GSWC and WMWC water systems. Each of these existing interconnections will require improvements, and possibly reconstruction, to be fully functional "Point(s) of Interconnection." No Point of Interconnection is in place between NCSD and RWC. If, pursuant to Section VI.D, the Parties determine each or all Points of Interconnection are necessary to make optimal use of Nipomo Supplemental Water, NCSD and each Water Company shall develop the most cost effective design and arrange for the construction of the Points of Interconnection as promptly as practical. The Cost of each Point of Interconnection, including the improvements required for existing Points of Interconnection with WMWC and GSWC, shall be incorporated into the NSWSP Costs and NSWSP Enterprise Fund as provided in this Agreement. The Parties acknowledge and agree that the Point of Interconnection with RWC, if and when established, will be included as a component of the NSWSP. However, the Parties agree that allocation of Costs for the pipeline portion of the RWC Point of Interconnection may differ from the allocation set forth in Section I.K above, to be agreed upon by the Parties once those Costs are determined. The Costs for the RWC Point of Interconnection, excluding the Costs of the pipeline portion of the RWC Point of Interconnection, shall be shared consistent with the allocation set forth in Section I.K in a magnitude equivalent to that included in the Costs for the WMWC and GSWC Points of Interconnection.

B. Each Point of Interconnection shall include flow control and metering devices

used to control and measure the delivery of Nipomo Supplemental Water at the Point of Interconnection. Each Point of Interconnection and the appurtenant facilities shall be considered part of the NSWP and shall be owned, operated and maintained by NCSD.

C. NCSD shall arrange for the inspection and testing of the metering devices at least once per calendar year, unless more frequent testing and inspection is appropriate as a result of repairs to or replacements of a metering device. NCSD shall provide reasonable advance notice to and coordinate with each Water Company to accomplish required testing or inspection activities.

D. The operation and maintenance of any Point of Interconnection will be detailed in an Operation Memorandum of Understanding that will be approved by the NCSD and other affected parties prior to connection. If the Parties cannot agree on the terms of the Operations Memorandum of Understanding then the disputed terms will be subject to the dispute resolution procedures referenced in XII of this Agreement.

VIII. NSWP ENTERPRISE FUND BUDGET:

A. NCSD shall operate the NSWP as an enterprise fund ("NSWP Enterprise Fund"), separating all Costs related to the NSWP within and only to that NSWP Enterprise Fund. Prudent Utility Practices shall apply to NCSD's management of the NSWP Enterprise Fund and the NSWP.

B. Each Fiscal Year NCSD shall prepare a NSWP Enterprise Fund Budget ("Budget") for all revenues and expenditures related to the NSWP Enterprise Fund. The Budget shall include a summary of projected Nipomo Supplemental Water deliveries and the Costs associated with those deliveries. A draft of the Budget shall be available to each Water Company for review by May 1st of each year. NCSD shall make every reasonable effort to adopt the final Budget during June of each year at a regularly scheduled NCSD board meeting. The Advisory Committee shall determine the most effective content, format and reporting frequency for financial and budget reports for the NSWP Enterprise Fund.

C. The Budget shall provide the basis for and detail the cost allocations and quarterly billings described in Section IX.

D. Unless the Parties agree otherwise, every five years, a third party expert accounting firm shall perform an overhead allocation analysis for NCSD, including the NSWP Enterprise Fund. The overhead allocation recommendations of that study shall be applied in the next annual budgeting cycle for the NSWP Enterprise Fund. The cost of this study shall be included in the administrative overhead allocated to the NSWP Enterprise Fund. The Advisory Committee shall appoint the accounting firm to perform the overhead allocation analysis.

E. The Water Companies acknowledge and agree that NCSD has incurred

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substantial Costs related to the completed portions of the NSWP as of the Effective Date and will incur additional Costs to complete the NSWP. These costs include, but are not limited to, planning, environmental reviews, legal fees, acquisition of easements, an assessment election, and the construction and financing of the primary distribution pipeline extending from the City to NCSD facilities and future stages of the NSWP project. These Costs have been funded by NCSD, with very limited contributions from the Water Companies.

F. The Budget shall include the amortized recovery of the NSWP capital costs (whether funded by NCSD with internal funds or borrowed funds) attributable to each Water Company, pursuant to Section I.K above, plus interest on the unamortized balance of such costs. The capital costs to be amortized in each Budget shall include amounts expended to date and the additional costs necessary to complete the NSWP. NCSD shall not recover interest on the capital portion of NSWP Costs that are funded through the use of NSWP Enterprise Fund assets or reserves.

G. The amortization period for capital costs shall be 30 years beginning July 1, 2015. Interest will be charged monthly on the remaining unamortized balance as of the prior month end.

H. Each Water Company may elect to make early payments of its amortized portion of the capital costs and such early payments shall be credited against the capital obligation of that Water Company.

I. The interest rates to be charged to each Water Company will be determined as follows:

1. For GSWC and RWC, the interest rate charged will be equal to the interest rate on amounts NCSD has borrowed to finance a portion of the project Costs plus one-half of one percent. In the event GSWC's credit rating drops materially below its current rating of A+, and such change would have a material impact on any expected borrowing or financial security related to the NSWP Enterprise Fund, the interest rate charged will be subject to renegotiation between GSWC, RWC and NCSD. The interest specified in this subsection applicable to RWC is predicated on expectation that GSWC will complete its acquisition of RWC prior to the PUC approval of this Agreement. The interest rate and security assurance applicable to RWC's capital obligation shall be subject to renegotiation should GSWC fail to complete its acquisition prior to the PUC's approval of this Agreement.

2. For WMWC, the interest rate charged will be equal to the interest rate on amounts NCSD has borrowed to finance a portion of the project Costs plus two percent. In the event there is a material change in WMWC's financial condition, the interest rate charged will be subject to renegotiation between NCSD and WMWC. WMWC acknowledges that its agreement to amend its bylaws to authorize recordation and enforcement of liens under Corporations

Code § 14304 ("Section 14304 Lien Rights") constitutes a material inducement to NCSD to forego other forms of security for repayment of WMWC's capital obligations, and agrees that it shall not subsequently revise its bylaws to relinquish its Section 14304 Lien Rights without having previously agreed to provide alternate security reasonably acceptable to NCSD.

3. In the event NCSD makes additional borrowings to finance subsequent stages of the NSWSP, the interest rates charged GSWC, RWC and WMWC will be adjusted based on the weighted average of the interest rates attributable to unamortized balances of prior stages of the NSWSP and the interest rate attributable to the capital costs of the new stage.

J. The NSWSP Enterprise Fund shall include a funded replacement reserve ("NSWSP Enterprise Fund Reserve") to accumulate funds for the future replacement of NSWSP equipment and facilities. The initial NSWSP Enterprise Fund Reserve amount shall be set at one percent of total project Costs. Thereafter, the NSWSP Enterprise Fund Reserve shall be increased annually based upon the percentage increase in the Consumer Price Index (CPI) – All Urban Consumers (Los Angeles-Riverside-Orange Co., CA area) for the immediately preceding calendar year, subject to the following.

1. The maximum balance in the NSWSP Enterprise Fund Reserve shall be \$3,000,000. The NSWSP Enterprise Fund Reserve maximum shall be increased annually based upon the percentage increase in the Consumer Price Index (CPI) – All Urban Consumers (Los Angeles-Riverside-Orange Co., CA area) for the immediately preceding calendar year. Once the balance in the NSWSP Enterprise Fund Reserve reaches the maximum then in effect, the annual reserve shall cease to be collected until such time as the NSWSP Enterprise Fund Reserve balance drops below the maximum. Should required expenditures exceed the balance then in the NSWSP Enterprise Fund Reserve, the Advisory Committee will establish a plan for funding the deficit in a timely manner. The maximum balance in the NSWSP Enterprise Fund Reserve may be increased or decreased subject to unanimous approval by the Advisory Committee.

2. Subject to approval by the Advisory Committee, the balance in the NSWSP Enterprise Fund Reserve can be used to fund extraordinary unbudgeted operations and maintenance expenses in those cases where the NSWSP Enterprise Fund does not have sufficient operating funds to cover the expenditure.

3. Interest income earned on the NSWSP Enterprise Fund Reserve shall remain in the NSWSP Enterprise Fund.

IX. RATES AND CHARGES: Based on the Budget, NCSD shall allocate Costs to and invoice the Water Companies as follows:

A. Each Water Company shall be responsible for its share of the Costs of Nipomo Supplemental Water and the NSWP based on the pro-rata shares of the NSWP as provided in Section I.K and the Budget. The Cost allocations shall take into account all Costs for the NSWP. An energy (pumping) credit shall be provided to each Party for any portion of its Nipomo Supplemental Water not delivered directly to that Party, but instead used by another Party pursuant to Section VI.

B. During the term of this Agreement, and where applicable subject to the jurisdiction and approval by the PUC, each Water Company shall charge and collect rates and charges for the water services furnished in its service area which will yield gross revenues sufficient to pay all costs of operating and maintaining the water system within the designated area, including all payments due under this Agreement, as they become due and payable.

C. Following each calendar quarter, NCSD shall provide a written invoice to each Water Company for its share of the Costs during the prior quarter. All invoices will be payable within thirty (30) days of delivery of the invoice. NCSD shall have the right to charge late fees of up to five (5) percent of the overdue amount for any invoice that is not paid within such period.

D. Until such time as GSWC and RWC receive approval from the PUC as provided in Section V, NCSD will not charge late fees on outstanding GSWC and RWC invoices; however, interest will accrue on outstanding charges at the rate specified in Section VIII.

E. In the event a Party disputes any charges on an invoice, the undisputed amount shall be paid and no late fee will be assessed pending resolution of the disputed amount. Along with payment of the undisputed amount, the Party shall provide a detailed written description of the nature and amount in dispute. NCSD and the Party with the dispute shall make every reasonable business effort to resolve the dispute promptly.

F. Within 90 days after the end of each fiscal year, NCSD shall compare prior year actual Costs to the total amount billed to the Parties for that year. If actual Costs exceed the amount billed for that year, each Party will be billed for its allocated share of the excess costs. If actual Costs are less than the amount billed for that year, each party will have the option to have its allocated share of the difference be (1) credited against any unamortized capital costs then due NCSD or (2) be refunded.

X. CONTINUITY OF SERVICE:

A. NCSD reserves the right to temporarily interrupt or curtail delivery of Nipomo Supplemental Water to make repairs, replacements, modifications, or to perform maintenance work on the NSWP, or to respond to an existing or impending Uncontrollable Force, as determined in NCSD's sole judgment. NCSD shall use its

reasonable best business efforts to provide advance written notice to the Water Companies of any restriction or interruption in the use of the NSWP or planned deliveries of Nipomo Supplemental Water.

B. In addition to limitations specified in X.A. above, NCSD may interrupt or curtail the use of the NSWP to the extent that the continued use of the NSWP could: (i) materially and adversely affect the reliability of the NSWP; or (ii) cause NCSD to violate the terms of any rule, regulation, or binding obligation it may otherwise have with respect to the production, treatment or delivery of Nipomo Supplemental Water.

XI. DEVELOPMENT OF EXPANDED GROUNDWATER MANAGEMENT AND RECHARGE CAPABILITY:

The Parties acknowledge and agree that the availability of additional Nipomo Supplemental Water would be beneficial for use within the NMMA. The Parties agree to negotiate an amendment to this Agreement to include the expanded use of Nipomo Supplemental Water for the benefit of the groundwater resources water balance within the NMMA. The Parties shall use their reasonable best efforts to complete the negotiation as promptly as practical.

XII. RESOLUTION OF DISPUTES:

The Parties' shall attempt to amicably and promptly resolve any dispute arising between the Parties and under this Agreement. Nothing in this Agreement shall preclude any Party from taking any lawful action it deems appropriate to enforce its rights under this Agreement. The Parties shall initially attempt to resolve any dispute by the means set forth below:

A. Advisory Committee. The Parties shall exercise best efforts to resolve disputes through consensus. An Advisory Committee shall be established and be comprised of two representatives of each Party. The Advisory Committee shall be convened whenever necessary to ensure this Agreement is being administered and implemented consistent with the intentions of all the Parties. An NCSD representative shall chair the Advisory Committee. The Chair shall be responsible for scheduling all meetings under this section. Any Party may request a meeting of the Advisory Committee.

B. Annual Meeting. The Advisory Committee shall meet annually, or as often as necessary, to review the administration and implementation of this Agreement. The Advisory Committee shall use its best efforts to obtain consensus on the resolution of technical, administrative, financial, legal and operational issues that may arise from time to time with regard to this Agreement.

C. Dispute Resolution Procedure. The Parties shall submit any dispute related to or arising out of this Agreement to the Advisory Committee for consideration. The

Chair may request the Party or Parties to any dispute to submit a description of the dispute in writing prior to convening the Advisory Committee. As soon as practical, and within 14 days of the submission of a written description of a dispute, the Chair shall schedule a meeting of the Advisory Committee. The Advisory Committee shall convene within 30 days of the submission of a written description of a dispute and shall make every reasonable effort to resolve the dispute.

D. Failure of the Advisory Committee to Resolve the Dispute. If the Advisory Committee fails to resolve a dispute, the Parties may elect to refer the dispute to mediation. If the Parties are unable to agree promptly upon a mediator or a mediation process, each Party may freely pursue any equitable and legal remedy.

E. Emergencies. Where an unresolved dispute may pose an imminent danger to the public, health, safety or welfare, the Parties shall not be subject to the provisions of this Section.

XIII. LIABILITY AND INDEMNIFICATION:

A. Limitation of Liability: Except as to the negligent or willful misconduct of a Party, each Party shall release and hold harmless the other Parties from and against any and all liability, loss, damage and expense arising from, alleged to arise from, in connection with, or incident to the services rendered under this Agreement.

B. Indemnification and Defense: Each Party shall indemnify, defend and hold harmless the other Parties, its directors, members, officers, employees and agents from and against any and all third-party claims, suits or actions instituted on account of personal injuries or death of any person (including but not limited to workers and the public) or physical damage to property resulting from or arising out of the indemnitor's willful misconduct or negligent act or omission while engaged in the performance of obligations or exercise of rights under this Agreement.

C. Limitation on Damages: No Party shall be liable to any other Party for any consequential, incidental, punitive, special or exemplary damages or lost opportunity costs, lost profit or other business interruption damages, by statute or in tort or contract, under any provision of this Agreement.

D. Water Quality. NCSD shall be responsible for ensuring that the quality of the Nipomo Supplemental Water made available for delivery is of the same pressure and quality of water that NCSD delivers to its residential customers. The quality of water which is delivered by NCSD to its residents shall comply with all federal, state and local laws, regulations and permit requirements which are applicable to NCSD, including standards applicable to wastewater discharge, as amended from time to time and subject to any compliance waiver granted to NCSD ("Quality Standards"). NCSD shall provide GSWC, RWC and WMWC with a copy of the Quality Standards (and any change thereto) which are applicable to NCSD and GSWC, RWC and WMWC shall be solely responsible for ensuring that the Quality Standards meet the federal, state and local laws, regulations and

permit requirements for potable water delivery by GSWC, RWC and WMWC to its customers, including the discharge of such water. To the extent that the quality standards which are applicable to GSWC, RWC and WMWC exceed the Quality Standards, then GSWC, RWC and WMWC shall be responsible for any necessary additional treatment of the Nipomo Supplemental Water. NCSD agrees to indemnify and hold GSWC, RWC and WMWC harmless from any liability which arises as a result of the failure of the Nipomo Supplemental Water which is delivered to the GSWC, RWC and WMWC to meet the Quality Standards. GSWC, RWC and WMWC shall be solely responsible for any actual liability resulting from a change in water quality following the Point of Interconnection (including any additional treatment undertaken by GSWC, RWC and WMWC) and shall indemnify and hold NCSD harmless from any actual liability which arises from any such change. NCSD and GSWC, RWC and WMWC shall promptly notify the other in the event that either becomes aware of a material adverse change in the quality of the Nipomo Supplemental Water and shall cooperate to identify the cause of such change.

XIV. RELATIONSHIP OF THE PARTIES:

The covenants, obligations and liabilities of the Parties are intended to be several and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to any Party. Each Party shall be individually responsible for its own covenants, obligations and liabilities as herein provided. No Party shall be under the control of or shall be deemed to control another Party. No Party shall be the agent of or have a right or power to bind another Party without such other Party's express written consent, except as provided in this Agreement.

XV. UNCONTROLLABLE FORCES:

If the existence of an Uncontrollable Force, as defined in Section II.Q above, disables a Party from performing its obligations under this Agreement (except for such Party's obligations to make payments hereunder), such Party shall not be considered to be in default in the performance of any such obligations while such disability of performance exists. A Party rendered unable to fulfill any of its obligations under this Agreement by reason of an Uncontrollable Force shall exercise due diligence to remove such inability with all reasonable dispatch. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved.

XVI. AUDITS:

Each Party shall have the right to audit any costs, payments, settlements or other supporting information pertaining to this Agreement, including the Costs and the Budget. Any such audit shall be undertaken by the requesting Party or its representative at reasonable times and in conformance with generally accepted auditing standards. The audited Party shall fully cooperate with any such audit, the cost of which shall be paid by the requesting Party. The right to audit a billing shall extend for a period of three (3) years

following the rendering of the bill. Each Party shall retain all necessary records or documentation for the entire length of such three (3) year period and shall, to the extent permitted by law, take all steps reasonably available to assure the confidentiality of the audited Party's accounting records and supporting documents.

XVII. THIRD PARTY BENEFICIARIES:

There are no third Party beneficiaries to this Agreement. This Agreement shall not confer any right or remedy upon any person or entity other than the Parties and their respective successors and assigns permitted under Section XVIII. This Agreement shall not release or discharge any obligation or liability of any third party to any Party or give any third party any right of subrogation or action over or against a Party.

XVIII. ASSIGNMENT OF INTERESTS:

A. No Party shall assign this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed. Each Water Company expressly understands and agrees that it shall not be unreasonable for NCSD to withhold or delay its consent to any proposed or purported assignment to any person or entity ("Assignee") that has not demonstrated to NCSD's reasonable satisfaction that NCSD's interests as contemplated herein will not be adversely affected thereby.

B. Any assignment by a Party of its interest in this Agreement which is made without the prior written consent of the other Parties shall not relieve the assigning Party from primary liability for any of its duties and obligations under this Agreement, and in the event of any such assignment, the assigning Party shall continue to remain primarily liable for payment of any and all money due the other Parties as provided under this Agreement, and for the performance and observance of all covenants, duties and obligations to be performed and observed under this Agreement by the Party to the same extent as though no assignment had been made.

C. Whenever an assignment of a Party's interest in this Agreement is made with the written consent of the other Parties, the assigning Party's assignee shall expressly assume in writing the duties and obligations under this Agreement of the assigning party and, within thirty (30) days after any such assignment and assumption of duties and obligations, the assigning Party shall furnish, or cause to be furnished, to the other Party a true and correct copy of such assignment and assumption of duties and obligations. Upon the effective date of such assignment, the assigning Party shall be relieved of its obligations and duties under this Agreement.

D. Subject to the foregoing restrictions on assignment, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

XIX. NO DEDICATION OF FACILITIES:

Any undertaking by a Party to another Party under this Agreement shall not constitute the dedication of the system, or any portion thereof, of that Party to the public or to another Party, nor affect the status of that Party as an independent system.

XX. COMPLETE AGREEMENT:

This Agreement contains the entire agreement and understanding between the Parties as to the subject matter of this Agreement and supersedes all prior commitments, representations and discussions between the Parties.

XXI. CONSTRUCTION OF AGREEMENT:

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the intent of the Parties when this Agreement was executed and is consistent with the nature of the rights and obligations of the Parties with respect to the matter being construed.

XXII. NON-DISCRIMINATION:

During the performance of this Agreement, no Party shall deny the Agreement's benefits to any person, nor shall any Party discriminate unlawfully against any employee or applicant for employment, on the grounds of or because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, marital status or disability, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto. Each party shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

XXIII. EVENTS OF DEFAULT:

In the event that a Party shall materially default in the performance of its obligations under this Agreement, the Authorized Representatives of the non-defaulting Parties may give written notice of the default to the Authorized Representative of the defaulting Party. If within thirty (30) days after the non-defaulting Parties' Authorized Representative shall have given such written notice to the defaulting Party's Authorized Representative, the defaulting Party shall have failed to cure the default in its performance of this Agreement, or if such default requires more than thirty (30) days to cure and the defaulting Party fails to commence such cure and diligently prosecute such cure to completion, in addition to any other remedies provided by law, the non-defaulting Parties may terminate this Agreement by written notice of termination as provided for in Section XXVIII. In addition to any other cause of default arising hereunder, a Party shall be in a default if:

- A. It becomes insolvent; or

B. It makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization or seeks other relief under any applicable insolvency laws; or

C. It has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed within sixty (60) days after it is filed.

D. In the event of a default and termination of the Agreement as to the defaulting Party, the non-defaulting Parties shall use commercially reasonable best efforts to negotiate any revisions to this Agreement that are necessary or appropriate in light of such termination, which revisions shall be consistent with the purpose and intent of this Agreement and shall preserve, to the maximum extent possible, all material consideration to the remaining parties. Termination of this Agreement, either in its entirety or as to one or more Parties, shall not affect the validity or enforceability of the Stipulation and Judgment or the rights and obligations of any Party thereunder.

XXIV. AMENDMENTS:

This Agreement may be modified, supplemented or amended only by a writing duly executed by the Parties.

XXV. WAIVERS:

A. Any waiver at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

B. Nothing in this Agreement shall limit, nor act as a waiver, of any Party's rights or defenses in pursuing or defending against any legal or equitable claim or remedy that may be asserted regarding each Party's rights and obligations to participate in the NSWP and bear its percentage allocation of the Costs of the NSWP (as presented in Recital K).

XXVI. SECTION HEADINGS:

All captions and headings appearing in this Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

XXVII. GOVERNING LAW:

This Agreement shall be interpreted, governed by and construed under the laws of the State of California or the laws of the United States as applicable, as if executed and to be performed wholly within the State of California.

XXVIII. NOTICES:

A. Any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person, by email or sent by United States mail, postage prepaid, to the persons specified below, unless otherwise provided for in this Agreement:

Nipomo Community Services District
Attention: General Manager
P.O. Box 326
Nipomo, California 93444-326
generalmanger@ncsd.ca.gov

Golden State Water Company
Attention: Senior Vice President of Regulated Utilities
630 East Foothill Blvd
San Dimas, CA 91773

Rural Water Company
c/o Frank B. & Associates
Attention: Frank Brommenschenkel
134 Davis Street
Santa Paula, CA 93060

Woodlands Mutual Water Company
c/o Wallace Group
Attention: Robert S. Miller
612 Clarion Ct.
San Luis Obispo, CA 93401

B. Any Party may at any time, by written notice to the other Parties, change the designation or address of the person so specified as the one to receive notices pursuant to this Agreement.

[signatures on following page]

XXIX. SIGNATURE CLAUSE:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

NIPOMO COMMUNITY SERVICES DISTRICT


Date: October 16, 2015
By: MICHAEL S. LEBRUN
GENERAL MANAGER

GOLDEN STATE WATER COMPANY

Date: _____, 2015
BY: _____

RURAL WATER COMPANY

Date: _____, 2015
BY: _____

WOODLANDS MUTUAL WATER COMPANY

Date: _____, 2015
BY: _____

XXIX. SIGNATURE CLAUSE:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

NIPOMO COMMUNITY SERVICES DISTRICT

Date: _____, 2015
By: MICHAEL S. LEBRUN
GENERAL MANAGER

GOLDEN STATE WATER COMPANY

Date: Robert J. Spronks
September 10, 2015
BY: Robert J. Spronks
President & CEO

RURAL WATER COMPANY

Date: _____, 2015
BY:

WOODLANDS MUTUAL WATER COMPANY

Date: _____, 2015
BY:

XXIX. SIGNATURE CLAUSE:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

NIPOMO COMMUNITY SERVICES DISTRICT

Date: _____, 2015
By: MICHAEL S. LEBRUN
GENERAL MANAGER

GOLDEN STATE WATER COMPANY

Date: _____, 2015
BY: _____

RURAL WATER COMPANY

Date: Charles M Baker
Sept 9, 2015
BY: Chuck Baker

WOODLANDS MUTUAL WATER COMPANY

Date: _____, 2015
BY: _____

XXIX. SIGNATURE CLAUSE:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

NIPOMO COMMUNITY SERVICES DISTRICT

Date: _____, 2015
By: MICHAEL S. LEBRUN
GENERAL MANAGER

GOLDEN STATE WATER COMPANY

Date: _____, 2015
BY:

RURAL WATER COMPANY

Date: _____, 2015
BY:

WOODLANDS MUTUAL WATER COMPANY

Date: Don R. G... Pres
10 / 15, 2015
BY:

Appendix G. CUWCC BMP 2013 & 2014 Coverage Reports



CUWCC BMP Retail Coverage Report 2014

Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

7030 Nipomo Community Services District

**1. Conservation Coordinator
provided with necessary resources
to implement BMPs?**

Name: Spencer Waterman

Title: Contract Consultant

Email: swaterman@wsc-inc.com

2. Water Waste Prevention Documents

WW Document Name	WWP File Name	WW Prevention URL	WW Prevention Ordinance Terms Description
Option A Describe the ordinances or terms of service adopted by your agency to meet the water waste prevention requirements of this BMP.	Chapter 3.24 as Modified by Ordinance 2009-113.pdf		- Nipomo Community Services District Ordinance 2009-113- Voluntary restrictions on non-essential and/or wasteful use of water. Prohibits waste of water as well as facilitates implementation of water shortage response measures.
Option B Describe any water waste prevention ordinances or requirements adopted by your local jurisdiction or regulatory agencies within your service area.			
Option C Describe any documentation of support for legislation or regulations that prohibit water waste.			
Option D Describe your agency efforts to cooperate with other entities in the adoption or enforcement of local requirements consistent with this BMP.			
Option E Describe your agency support positions with respect to adoption of legislation or regulations that are consistent with this BMP.			
Option F Describe your agency efforts to support local ordinances that establish permits requirements for water efficient design in new development.			

At Least As effective As

No



CUWCC BMP Retail Coverage Report 2014
Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

Exemption

No

Comments:

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CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.2 Water Loss Control

NOT ON TRACK

7030 Nipomo Community Services District

Completed Standard Water Audit Using AWWA Software? Yes

AWWA File provided to CUWCC? Yes

AWWA_WaterAudit_2014.xls

AWWA Water Audit Validity Score?

Complete Training in AWWA Audit Method Yes

Complete Training in Component Analysis Process? Yes

Component Analysis? Yes

Repaired all leaks and breaks to the extent cost effective? Yes

Locate and Repair unreported leaks to the extent cost effective? Yes

Maintain a record keeping system for the repair of reported leaks, including time of report, leak location, type of leaking pipe segment or fitting, and leak running time from report to repair. Yes

Provided 7 Types of Water Loss Control Info

Leaks Repairs	Value Real Losses	Value Apparent Losses	Miles Surveyed	Press Reduction	Cost Of Interventions	Water Saved (AF)
21	754.71	75403.02	21	True	105000	0.7

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.3 Metering With Commodity

ON TRACK

7030 Nipomo Community Services District

Numbered Unmetered Accounts No

Metered Accounts billed by volume of use Yes

Number of CII Accounts with Mixed Use Meters 56

Conducted a feasibility study to assess merits of a program to provide incentives to switch mixed-use accounts to dedicated landscape meters? Yes

Feasibility Study provided to CUWCC? Yes

Date: 8/26/2013

Uploaded file name:

Completed a written plan, policy or program to test, repair and replace meters Yes

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.4 Retail Conservation Pricing

On Track

7030 Nipomo Community Services District

Implementation (Water Rate Structure)

Customer Class	Water Rate Type	Conserving Rate?	(V) Total Revenue Commodity Charges	(M) Total Revenue Fixed Carges
Single-Family	Increasing Block	Yes	2007671	797122
Multi-Family	Increasing Block	Yes	176791	125965
Commercial	Increasing Block	Yes	119109	36874
Dedicated Irrigation	Increasing Block	Yes	361851	37849
Agricultural	Uniform	Yes	20227	950
Other	Uniform	Yes	5213	2910
			2690862	1001670

Calculate: $V / (V + M)$

73 %

Implementation Option: Use Annual Revenue As Reported

☐

Use 3 years average instead of most recent year

Canadian Water and Wastewater Association

Upload file:

Agency Provide Sewer Service: No

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

7030

Nipomo Community Services District

Retail

Does your agency perform Public Outreach programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

The name of agency, contact name and email address if not CUWCC Group 1 members

Did at least one contact take place during each quarter of the reporting year? Yes

Public Outreach Program List	Number
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	9
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	2
Newsletter articles on conservation	58
Total	69

Did at least one contact take place during each quarter of the reporting year? Yes

Number Media Contacts	Number
News releases	48
Newspaper contacts	70
Television contacts	1
Total	119

Did at least one website update take place during each quarter of the reporting year? Yes

Public Information Program Annual Budget

Annual Budget Category	Annual Budget Amount
Conservation	34767
Total Amount:	34767

Public Outreach Additional Programs

Town hall meetings

Description of all other Public Outreach programs

SLO County Water Wise Landscaping, Gardensoft

Comments:

At Least As effective As

No



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

Exemption

No

0



CUWCC BMP Coverage Report 2014

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.2 School Education Programs

ON TRACK

7030 Nipomo Community Services District

Retail

Does your agency implement School Education programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Materials meet state education framework requirements? Yes

This presentations have a central focus of water conservation designed for grades 3-6, as these grades incorporate water curriculum, as directed by the California Science Content Standards. The program is approximately 45 minutes.

Materials distributed to K-6? Yes

The program is implemented with a set of four, interactive visuals called the water puzzle.

Materials distributed to 7-12 students? No (Info Only)

Annual budget for school education program: 1767.75

Description of all other water supplier education programs

Distributed Water Ways newsletter to all grade 3-6 teachers at the three public elementary schools in Nipomo.

Comments:

At Least As effective As

No

Exemption

No

0



CUWCC BMP Coverage Report 2014

7030 Nipomo Community Services District

Baseline GPCD: 238.27

GPCD in 2014 164.54

GPCD Target for 2018: 195.40

Biennial GPCD Compliance Table

ON TRACK

Year	Report	Target		Highest Acceptable Bound	
		% Base	GPCD	% Base	GPCD
2010	1	96.4%	229.70	100%	238.30
2012	2	92.8%	221.10	96.4%	229.70
2014	3	89.2%	212.50	92.8%	221.10
2016	4	85.6%	204.00	89.2%	212.50
2018	5	82.0%	195.40	82.0%	195.40



CUWCC BMP Retail Coverage Report 2013

Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

7030 Nipomo Community Services District

**1. Conservation Coordinator
provided with necessary resources
to implement BMPs?**

Name: Spencer Waterman

Title: Contract Consultant

Email: swaterman@wsc-inc.com

2. Water Waste Prevention Documents

WW Document Name	WWP File Name	WW Prevention URL	WW Prevention Ordinance Terms Description
Option A Describe the ordinances or terms of service adopted by your agency to meet the water waste prevention requirements of this BMP.	Chapter 3.24 as Modified by Ordinance 2009-113.pdf		- Nipomo Community Services District Ordinance 2009-113- Voluntary restrictions on non-essential and/or wasteful use of water. Prohibits waste of water as well as facilitates implementation of water shortage response measures.
Option B Describe any water waste prevention ordinances or requirements adopted by your local jurisdiction or regulatory agencies within your service area.			
Option C Describe any documentation of support for legislation or regulations that prohibit water waste.			
Option D Describe your agency efforts to cooperate with other entities in the adoption or enforcement of local requirements consistent with this BMP.			
Option E Describe your agency support positions with respect to adoption of legislation or regulations that are consistent with this BMP.			
Option F Describe your agency efforts to support local ordinances that establish permits requirements for water efficient design in new development.			

At Least As effective As

No



CUWCC BMP Retail Coverage Report 2013
Foundational Best Management Practices for Urban Water Efficiency

BMP 1.1 Operation Practices

ON TRACK

Exemption

No

Comments:

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CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.2 Water Loss Control

NOT ON TRACK

7030 Nipomo Community Services District

Completed Standard Water Audit Using AWWA Software? Yes

AWWA File provided to CUWCC? Yes

AWWA_WaterAudit_2013.xls

AWWA Water Audit Validity Score?

Complete Training in AWWA Audit Method Yes

Complete Training in Component Analysis Process? Yes

Component Analysis? Yes

Repaired all leaks and breaks to the extent cost effective? Yes

Locate and Repair unreported leaks to the extent cost effective? Yes

Maintain a record keeping system for the repair of reported leaks, including time of report, leak location, type of leaking pipe segment or fitting, and leak running time from report to repair. Yes

Provided 7 Types of Water Loss Control Info

Leaks Repairs	Value Real Losses	Value Apparent Losses	Miles Surveyed	Press Reduction	Cost Of Interventions	Water Saved (AF)
40	744.82	204126.24	40	True	200000	1.3

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.3 Metering With Commodity

ON TRACK

7030 Nipomo Community Services District

Numbered Unmetered Accounts	No
Metered Accounts billed by volume of use	Yes
Number of CII Accounts with Mixed Use Meters	56
Conducted a feasibility study to assess merits of a program to provide incentives to switch mixed-use accounts to dedicated landscape meters?	Yes
Feasibility Study provided to CUWCC?	Yes
Date:	8/26/2013
Uploaded file name:	
Completed a written plan, policy or program to test, repair and replace meters	Yes
At Least As effective As	No
Exemption	No
Comments:	



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 1.4 Retail Conservation Pricing

On Track

7030 Nipomo Community Services District

Implementation (Water Rate Structure)

Customer Class	Water Rate Type	Conserving Rate?	(V) Total Revenue Commodity Charges	(M) Total Revenue Fixed Carges
Single-Family	Increasing Block	Yes	1749085	729804
Commercial	Increasing Block	Yes	96978	33627
Multi-Family	Increasing Block	Yes	156124	115463
Dedicated Irrigation	Increasing Block	Yes	312523	34402
Agricultural	Uniform	Yes	21155	878
Other	Uniform	Yes	3165	2581
			2339030	916755

Calculate: $V / (V + M)$

72 %

Implementation Option: Use Annual Revenue As Reported

☐

Use 3 years average instead of most recent year

Canadian Water and Wastewater Association

Upload file:

Agency Provide Sewer Service: Yes

Customer Class	Rate Type	Conserving Rate?
Single-Family	Uniform	Yes
Multi-Family	Uniform	Yes
Commercial	Increasing Block	Yes

At Least As effective As

No

Exemption

No

Comments:



CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.1 Public Outreach

ON TRACK

7030

Nipomo Community Services District

Retail

Does your agency perform Public Outreach programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

The name of agency, contact name and email address if not CUWCC Group 1 members

Did at least one contact take place during each quarter of the reporting year? No

Public Outreach Program List	Number
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	8
Flyers and/or brochures (total copies), bill stuffers, messages printed on bill, information packets	2
Newsletter articles on conservation	27
Total	37

Did at least one contact take place during each quarter of the reporting year? Yes

Number Media Contacts	Number
News releases	60
Total	60

Did at least one website update take place during each quarter of the reporting year? Yes

Public Information Program Annual Budget

Annual Budget Category	Annual Budget Amount
Conservation	25045
Total Amount:	25045

Description of all other Public Outreach programs

SLO County Water Wise Landscaping, Gardensoft

Comments:

At Least As effective As

No

Exemption

No

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CUWCC BMP Coverage Report 2013

Foundational Best Management Practices For Urban Water Efficiency

BMP 2.2 School Education Programs

ON TRACK

7030 Nipomo Community Services District

Retail

Does your agency implement School Education programs? Yes

The list of wholesale agencies performing public outreach which can be counted to help the agency comply with the BMP

Materials meet state education framework requirements? Yes

This presentations have a central focus of water conservation designed for grades 3-6, as these grades incorporate water curriculum, as directed by the California Science Content Standards. The program is approximately 45 minutes.

Materials distributed to K-6? Yes

The program is implemented with a set of four, interactive visuals called the water puzzle.

Materials distributed to 7-12 students? No (Info Only)

Annual budget for school education program: 1767.75

Description of all other water supplier education programs

Distributed Water Ways newsletter to all grade 3-6 teachers at the three public elementary schools in Nipomo.

Comments:

At Least As effective As

No

Exemption

No

0

Appendix H. Notices of Preparation and Public Hearings

NIPOMO COMMUNITY

BOARD MEMBERS

CRAIG ARMSTRONG, PRESIDENT
DAN GADDIS, VICE PRESIDENT
BOB BLAIR, DIRECTOR
ED EBY, DIRECTOR
DAN WOODSON, DIRECTOR



SERVICES DISTRICT

STAFF

MARIO IGLESIAS, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
PETER SEVCIK, P.E., DIRECTOR OF ENG. & OPS.
MICHAEL W. SEITZ, GENERAL COUNSEL

Serving the Community since 1965

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

March 22, 2016

Dan Buckshi
San Luis Obispo County Administrator
County Government Center
1055 Monterey Street
San Luis Obispo, CA 93408

Dear Mr. Buckshi:

SUBJECT: PUBLIC HEARING FOR THE DRAFT URBAN WATER MANAGEMENT PLAN

The Nipomo Community Services District (NCSD) invites you to its Public Hearing for the Draft Urban Water Management Plan - Wednesday, May 25, at 9:00 AM at NCSD's Jon S. Seitz Board Room (148 S Wilson St., Nipomo).

Every five years, the Department of Water Resources (DWR) requires that water suppliers like the NCSD update its Urban Water Management Plan. During preparation of this update, the NCSD encourages involvement from community members in the service area. The draft Plan will be available on the District's website at www.ncsd.ca.gov and at the District office at 148 S Wilson St, Nipomo by May 11, 2016 between the hours of 9 AM and 4 PM Monday through Friday. Please provide any comments to the preparer, Michael K. Nunley & Associates, Inc., (MKN & Associates, Inc.) in writing at the following address:

Mike Nunley, PE
MKN & Associates, Inc.
PO Box 1604
Arroyo Grande, CA 93421
(805) 904-6530 x102
mnunley@mknassociates.us

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT

Mario Iglesias
General Manager



Nipomo Community Services District

URBAN WATER MANAGEMENT PLAN PLANNING WORKSHOP

The Nipomo Community Services District invites you to its

Local Agency Coordination Meeting for the Draft Urban Water Management Plan

Tuesday, April 12, 2016 from 9:00 AM to 10:00 AM

at NCSD's Jon S. Seitz Board Room (148 S Wilson St., Nipomo)

Every five years, the Department of Water Resources (DWR) requires that water suppliers like the NCSD update its Urban Water Management Plan. During preparation of this update, the NCSD encourages involvement from coordinating agencies.

Contact: info@ncsd.ca.gov | RSVPs encouraged, but not required



148 S. Wilson Ave.
PO Box 326
Nipomo, CA 93444

NIPOMO COMMUNITY SERVICES DISTRICT

Presorted Standard
US Postage Paid
PRP Companies
93401

[[ADDRESS]]

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA.

SANTA MARIA TIMES

NIPOMO COMMUNITY SERV DISTRICT
PO BOX 326
NIPOMO, CA 93444

ORDER NUMBER 81836

I AM THE PRINCIPAL CLERK OF THE PRINTER OF THE SANTA MARIA TIMES, NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ADJUDICATION #463687.

THAT THE NOTICE OF WHICH THE ANNEXED IS A PRINTED COPY (SET IN TYPE NOT SMALLER THAN NONPAREIL), HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO-WIT:

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURE THAT THE FOREGOING IS TRUE AND CORRECT.

PUBLISHED ON: 05/11/2016, 05/18/2016

TOTAL AD COST: 150.92

FILED ON: 5/18/2016

DATED AT SANTA MARIA, CA THIS 18th DAY OF May,
2016

SIGNATURE

Deresa Ramirez

NOTICE OF PUBLIC HEARING
2015 URBAN WATER
MANAGEMENT PLAN UPDATE
NIPOMO COMMUNITY SERVICES
DISTRICT
THE NIPOMO COMMUNITY
SERVICES DISTRICT
WILL HOLD A PUBLIC HEARING
TO CONSIDER ADOPTION OF
THE 2015 URBAN WATER
MANAGEMENT PLAN, (UWMP)
ON MAY 25, 2016, AT 9:00 A.M.
AT THE DISTRICT'S
JON S SEITZ BOARD ROOM
148 S. WILSON STREET
NIPOMO, CALIFORNIA
THE 2015 URBAN WATER
MANAGEMENT PLAN IS
AVAILABLE FOR REVIEW AT THE
DISTRICT OFFICE, 148 S WILSON
STREET, BETWEEN THE HOURS
OF 8:00 AM TO 4:00 P.M.
MONDAY THROUGH FRIDAY
AND ON THE DISTRICT'S
WEBSITE AT NCSD.CA.GOV.
AFTER RECEIPT OF PUBLIC
TESTIMONY, THE DISTRICT
BOARD MAY APPROVE THE
UWMP OR CONTINUE ITS
CONSIDERATION AND
APPROVAL OF THE UWMP TO
ANOTHER DATE.
THE DISTRICT ENCOURAGES
PUBLIC PARTICIPATION AND
COMMENT
Legal #81836
Pub dates: May 11 & 18, 2016

THE Newspaper of the Central Coast TRIBUNE

3825 South Higuera • Post Office Box 112 • San Luis Obispo, California 93406-0112 • (805) 781-7800

In The Superior Court of The State of California
In and for the County of San Luis Obispo
AFFIDAVIT OF PUBLICATION

AD # 2436729
NIPOMO CSD

STATE OF CALIFORNIA

ss.

County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates to wit; MAY 11, 18, 2016, that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.


(Signature of Principal Clerk)

DATED: MAY 18, 2016
AD COST: \$208.12

NOTICE OF PUBLIC HEARING 2015 URBAN WATER MANAGEMENT PLAN UPDATE NIPOMO COMMUNITY SERVICES DISTRICT THE NIPOMO COMMUNITY SERVICES DISTRICT WILL HOLD A PUBLIC HEARING TO CONSIDER ADOPTION OF THE 2015 URBAN WATER MANAGEMENT PLAN, (UWMP) ON MAY 25, 2016, AT 9:00 A.M. AT THE DISTRICT'S JON S SEITZ BOARD ROOM 148 S. WILSON STREET NIPOMO, CALIFORNIA THE 2015 URBAN WATER MANAGEMENT PLAN IS AVAILABLE FOR REVIEW AT THE DISTRICT OFFICE, 148 S WILSON STREET, BETWEEN THE HOURS OF 8:00 AM TO 4:00 P.M. MONDAY THROUGH FRIDAY AND ON THE DISTRICT'S WEBSITE AT NCSD.CA.GOV. AFTER RECEIPT OF PUBLIC TESTIMONY, THE DISTRICT BOARD MAY APPROVE THE UWMP OR CONTINUE ITS CONSIDERATION AND APPROVAL OF THE UWMP TO ANOTHER DATE. THE DISTRICT ENCOURAGES PUBLIC PARTICIPATION AND COMMENT May 11, 18, 2016 2436729

Appendix I. Adoption Resolution

**Appendix J. UWMP Submittal to DWR, the State library, and the County of San
Luis Obispo**