

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER  
DATE: APRIL 5, 2013



**REVIEW UPDATED SUPPLEMENTAL WATER PROJECT PHASE 1  
PROJECTED COST AND PROPOSED FINANCING PLAN**

**ITEM**

Review projected Supplemental Water Project Phase 1 project costs based on preliminary bid review and consider proposed Financing Plan [RECOMMEND DISCUSS PROJECTED PROJECT COSTS AND PROPOSED FINANCING PLAN, DIRECT STAFF]

**BACKGROUND**

The District has been pursuing a source to supplement its groundwater only supply since the early 1990's. A chronology of this effort is attached.

On February 13, 2013 your Board authorized circulating bid documents for Supplemental Water Project Phase 1 and approved a Financing Plan based on the Engineer's Estimate for the Phase 1 project.

Project bids have been received for the three bid packages included in the Phase 1 project. The bids are summarized below.

**FISCAL IMPACT**

Since 2004, the District has invested over \$4 million in designing, permitting, and conducting environmental review of a water pipeline to intertie the District's water system with that of the City of Santa Maria for the purpose of delivering supplemental water to the District and community (expenditure summary attached).

In addition, the District has dedicated significant staff resources to pursuing supplemental water sources and significant legal fees in representing itself in the groundwater lawsuit that commenced in 1997.

District received bids for the Phase 1 project the week of March 24. The total low bid exceeds the estimated project cost (including contingency) by 24%. Detailed analysis of the bid results is being conducted. Projected project costs, based on the apparent low bids, is presented below.

- Next Page

Comparison of current projected costs to estimated costs presented on February 13, 2013:

Description	Estimated Cost (as reported Feb. 2013)	Projected Cost (based on apparent low bidder)
Bid Package 1 - Santa Maria River Crossing	\$4,347,000	\$7,179,140
Bid Package 2 - Nipomo Area Pipeline Improvements	Not part of this Phase	Not part of this Phase
Bid Package 3 - Blosser Road Waterline and Flow Meter	\$2,418,000	\$2,575,710
Bid Package 4 - Joshua Street Pump Station and Wellhead Chloramination Systems	\$3,160,000	\$4,344,710
<b>Construction Subtotal</b>	<b>\$9,925,000</b>	<b>\$14,099,560</b>
Construction Contingency (15%)	\$1,485,000	
Construction Contingency BP1 (5%)		\$359,000
Construction Contingency BP3 (5%)		\$129,000
Construction Contingency BP4 (5%)		\$217,000
<b>Construction Contingency Subtotal</b>	<b>\$1,485,000</b>	<b>\$705,000</b>
<b>Estimated Construction Total</b>	<b>\$11,410,000</b>	<b>\$14,804,560</b>
Right-of-Way (ROW) Acquisition	\$250,000	\$250,000
Design Engineering	\$450,000	\$450,000
Construction Management	\$1,736,000	\$1,736,000
<b>Non-Construction Subtotal</b>	<b>\$2,436,000</b>	<b>\$2,436,000</b>
Non-Construction Contingency (10%)	\$ 243,000	\$243,600
<b>Estimated Total Non-Construction Costs</b>	<b>\$ 2,679,000</b>	<b>\$2,679,600</b>
<b>Estimated Total Cost</b>	<b>\$14,089,000</b>	<b>\$17,484,160</b>

Comparison of Funding Plan approved on February 13 to a revised prospective Funding Plan for the project:

Fund Source	Funding Plan (Approved 2/13/13)	Funds (proposed for consideration)
DWR Proposition 84 Grant	\$2,200,000	\$2,200,000
Certificates of Participation secured by existing property tax revenue	\$5,000,000	\$5,000,000
Fund #500 Supplemental Water Fund	\$1,000,000	\$1,000,000
Fund #600 Property Tax Fund	\$2,400,000	\$2,400,000
Fund #805 Funded Replacement – Water Fund	\$3,489,000	\$4,000,000
Fund #125 Water Fund		\$1,500,000
Fund #700 Water Capacity		\$1,384,160
<b>Total From All Funding Sources</b>	<b>\$14,089,000</b>	<b>\$17,484,160</b>

## **DISCUSSION OF FUNDS**

The \$2.2 million California Department of Water Resources (DWR) grant awarded to the District through San Luis Obispo County's Integrated Regional Water Management Grant application is still available for the project if the project proceeds in a timely manner.

New Certificates of Participation (COP) would be issued, in coordination with the refinancing of the 2003 COPs to raise approximately \$5,000,000 in capital. The annual debt service for the combined issue would be approximately \$486,000. The District would pledge its annual property tax revenue stream of approximately \$500,000 per year for repayment of the debt.

The majority of Fund #500, Supplemental Water Fund, is designated for the project. Approximately \$75,000 of this fund is designated for desalinization supplemental water project. The desalinization designated funds are not reflected in the estimate above and would not be used on this project.

Fund #600, Property Tax Fund, is reserves generated by annual property tax revenues. Your Board made a finding on February 13, 2013, to use the reserves for the supplemental water project and pledge/dedicate the annual property tax revenue stream for repayment of the debt.

Fund #805, Funded Replacement – Water Fund, is designated for replacing existing water infrastructure. Use of this fund would be appropriate since the proposed supplemental water project would replace/offset current water sources (wells).

Fund #125 Water Fund, these funds represent current balance of the Water Fund in excess of District Reserve policy.

Fund #700 Water Capacity Fund, capacity funds are set aside for constructing new District infrastructure and adding capacity.

## **STRATEGIC PLAN**

Strategic Plan Goal 1.2 – Secure New Water Supplies

Strategic Plan Goal 6.1 – Operate all enterprise funds to be financially sound

Strategic Plan Goal 6.2 – Achieve targeted operating and non-operating reserves

Strategic Plan Goal 6.3 – Ensure that decisions consider short and long term fiscal impacts

## **RECOMMENDATION**

Staff recommends that your Board review and discuss the Supplemental Water Project Phase 1 projected costs and proposed Financing Plan and direct staff.

## **ATTACHMENT**

- A. District Supplemental Water Chronology
- B. Waterline Intertie Project cost summary, 2004 to date.

APRIL 10, 2013

ITEM E-1

ATTACHMENT A

# Nipomo Community Services District Supplemental Water History

Updated April 5, 2013

## Chronology

- **1970's and 1980's**; Nipomo Community Services Board of Directors (District) expresses concern over groundwater resources in response to County approved development projects across the Nipomo Mesa, including Blacklake Golf Resort.
- **1991**; District customer's Vote to not participate in County led State Water Project. The vote is considered 'advisory' and NCSD Board moves forward with participation in the State Water project.
- **1992**; District customers demand and receive a binding vote regarding participation in the State Water project. Customers vote overwhelmingly to not participate in State Water.
- **1993**; Prolonged drought and failing wells leads to emergency annexation of the Summit Station area of the Nipomo Mesa into Nipomo CSD.
- **1994**; In the midst of continued drought conditions, the District commissions first study of alternatives for supplementing its groundwater only supply. Evaluation of Alternative Supplemental Water Supplies, Bookman-Edmonston Engineering, Inc. Robert Beeby, Project Manager, July 15, 1994. The report concludes/recommends: Construct turn-out in Nipomo on CCWA (State Water) pipeline; Negotiate for City of Santa Barbara Desal water; Negotiate for other sources of 'State Water'; Reclaim wastewater at South County Sanitation; Deep fractured rock wells; Groundwater Management District formation and leadership; Conservation.
- **1996**; District attempts, unsuccessfully, to get an 'Emergency Turnout' built on State Water line traversing Nipomo.
- **1997**; Santa Maria Valley Groundwater Litigation begins
- **2001**; District commissions an updated study of supplemental water alternatives. Evaluation of Water Supply Alternatives, Kennedy/Jenks Consultants, October 2001. Conclusions: Conservation; Intertie with City of Santa Maria; Refinery reclaim water; SLOCSD reclaim to offset agricultural pumping, and; Deep fractured rock wells. Direct connection to State Water is found to be too politically complicated to be viable any longer.
- **2004**; San Luis Obispo County consultant S.S. Papadopulos & Associates completes the Nipomo Mesa Groundwater Resource Capacity Study, March 2004. Conclusion is the Mesa area groundwater is in overdraft.
- **2004**; District signs MOU with City of SM outlining the future purchase of City water by District. The cost of building an inter-tie connection is estimated at \$4 million based on conceptual river crossing approaches.
- **April 2005**; District completes Waterline Feasibility Study, Santa Maria River Crossing Alternatives and Probable Cost Estimates, Cannon Associates, April & June 2005. Conclusions – horizontal directional drill under the river is best crossing method. Crossing and connection estimated at \$10 million.
- **June 2005**; Groundwater Court files a settlement Stipulation agreed to by vast majority of litigants. Nipomo CSD–City of Santa Maria Intertie pipeline and supplemental water delivery is incorporated in to settlement as a 'Physical Solution' for the Nipomo Mesa Management Area (NMMA). The other three major municipal water purveyors within the NMMA stipulate to paying for paying for 33% of the first 2,500 Acre-feet of water delivered annually. Additionally, the Stipulation requires all new urban water demands within the NMMA are required to pay fee or delivery supplemental water.
- **August 2005**; District abandons deep well project in Nipomo Valley - \$400K loss

- **May 2006;** SLO County adopts Ordinance 3090 requiring new subdivisions within Nipomo Mesa Water Conservation Area to pay a supplemental water fee toward the Nipomo/CSM intertie. 3090 requires amendments to the General Plan which increase urban water demand to to rely on imported or supplemental water – thereby holding amendments until supplemental water is delivered.
- **June 2006;** Preliminary Engineering Memorandum and Cost Estimate for intertie with Santa Maria; Boyle Engineers. – Cost opinion = \$25M, capacity 3000 AFY project. Board suspends work on design and orders a review of alternatives and costs.
- **June 26, 2006;** SLO County Board of Supervisors certify a Level of Severity III (most severe) for Nipomo Mesa water resource. Certification is based on the 2004 Resource Capacity Study.
- **2007;** District completes a series of Technical Memoranda (*Evaluation of Supplemental Water Alternatives, Boyle, June 2007; Evaluation of Desalination as a Source of Supplemental Supply, Boyle, September 2007; Evaluation of Water Supply from CCWA/State Water Pipeline, Boyle, November 2007*), evaluating alternatives for supplemental water supply – intertie with SM found most feasible and cost effective. Board directs intertie project design be restarted and completed as quickly as possible.
- **2007 – 2011;** District works to complete project design and construction cost detail. District works with County and project partners to define a funding approach for raising capital.
- **January 2008;** Superior Court of California, County of Santa Clara, issues *Final Judgment in Santa Maria Groundwater Litigation*. Court "... approves the Stipulation, orders the Stipulating Parties to comply with each and every term thereof, .... Case is appealed by non-stipulating parties.
- **October 2008;** SLO County adopts Ordinance 3160 based on findings of 'overdraft' of groundwater underlying Nipomo Mesa Water Conservation Area. Ordinance implements conservation measures such as toilet retrofits.
- **March 2009;** NCSD/City of Santa Maria waterline intertie project Environmental Impact Report certified.
- **January 2010;** District enters a Water Wholesale Agreement with City of Santa Maria – this agreement replaces/supersedes the 2004 sales memorandum.
- **January 2011;** intertie project is awarded \$2.3M grant of State water bond funds through County coordinated grant requests.
- **May 2012** Assessment District formation to fund \$19 million of the intertie pipeline infrastructure is defeated by property owners.
- **June 2012,** District revises policy and ceases processing of applications for new water service (Moratorium).
- **August 2012,** Board of Directors appoints an independent volunteer citizen's committee ("Supplemental Water Alternatives Review Committee") to conduct a fourth formal review of alternatives for supplemental water.
- **October 2012,** District approves feasibility study of a phased intertie pipeline with Santa Maria and authorizes design to proceed.
- **November 2012,** CA Court of Appeal, Sixth Appellate District, upholds the majority of the Superior Court original ruling. (Ruling filed 11/21/12). Non-stipulating parties petition CA Supreme court to review the case.
- **February 2013;** District receives Final report from citizen's committee. The Committee ranks an intertie pipeline with City of Santa Maria as most feasible and cost effective near-term (5-

10) source of supplemental water. Committee recommends the District and other Mesa water users redouble efforts in conservation, educations, and groundwater basin management.

- **February 2013**; District approves funding plan for a \$14 Million Phase 1 intertie pipeline and authorizes staff to bid the construction project. Construction award is scheduled for end of April with a construction schedule of May 2013- September 2014.
- **February 2013**; Board reestablishes processing of applications for new water connections.
- **February 2013**; Supreme Court of CA denies appellants petition for review of Groundwater ruling effectively marking the end of sixteen-year adjudication.
- **March 2013**; Total of construction bid exceeds project cost estimate by 24%. Total project construction costs projected to be \$17.8 Million for Phase 1 project.

Note: All referenced reports and additional information can be found on the District website (ncsd.ca.gov)

**Expenditure Summary (As of December 2012)**

District has expended ~\$4.2M developing an intertie project with the City of SM.  
 District has expended ~\$3M representing itself in groundwater lawsuit.  
 District has expended ~\$100K annually since 2006 maintaining a leadership role on the Groundwater court appointed Nipomo Mesa Management Area Technical Group and otherwise supporting implementation of the Court ordered settlement and development of basin management practices. *These figures represent formal expenditures on intertie pipeline since 2004 and lawsuit since 1997. District staff time is not represented.*

Phase 1 Project Cost Projection (based on preliminary bid analysis, 4/5/2013)

Description	Projected Cost
Bid Package 1 - Santa Maria River Crossing	\$7,179,140
Bid Package 2 - Nipomo Area Pipeline Improvements	Not part of this Phase
Bid Package 3 - Blosser Road Waterline and Flow Meter	\$2,575,710
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<b>Estimated Total Non-Construction Costs</b>	<b>\$2,679,600</b>
<b>Estimated Total Cost</b>	<b>\$17,484,160</b>

APRIL 10, 2013

ITEM E-1

ATTACHMENT B

NIPOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER INTERTIE PROJECT COST SUMMARY

A/C #	DESCRIPTION	7/1/2004 TO 6/30/2005	7/1/2005 TO 6/30/2006	7/1/2006 TO 6/30/2007	7/1/2007 TO 6/30/2008	7/1/2008 TO 6/30/2009	7/1/2009 TO 6/30/2010	7/1/2010 TO 6/30/2011	7/1/2011 TO 6/30/2012	7/1/12 TO 6/30/2013 thru Feb 2013	GRAND TOTAL 6/30/2013
1645	Reservation Fee-City of Santa Maria	37,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,500.00
1590-A1	Feasibility Study (Cannon)	25,887.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,887.29
1590-A2	EIR Preparation (Wood & Assoc)	29,037.48	87,100.23	16,053.83	45,407.70	76,544.11	500.00	0.00	14,836.89	0.00	269,480.24
1590-A3	Est/Preliminary Schedule (Cannon)	3,706.19	2,602.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,308.94
1590-A4	Proposed Routes/Facilities (Cannon)	5,050.07	520.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,570.07
1590-A5	Prop 50 Grant Application	2,757.00	6,210.00	0.00	1,857.60	0.00	0.00	0.00	0.00	0.00	10,824.60
1590-A6	Project Support (Cannon)	0.00	11,797.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,797.44
1590-A7	Groundwater Grant Assistance (SAIC)	0.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	0.00	15,000.00
1590-B1	Shipsev & Seitz	0.00	23,095.55	17,564.25	2,201.50	18,224.00	16,601.58	18,664.80	34,355.20	440.00	131,146.88
1590-B2	McDonough, Holland & Allen	0.00	34,177.28	15,871.65	0.00	0.00	0.00	0.00	0.00	0.00	50,048.93
1590-B3	Richard, Watson & Gershon	0.00	9,472.36	27,954.81	0.00	0.00	0.00	0.00	0.00	0.00	37,427.19
1590-C1	Appraisals (Tarvin & Reeder Gilman)	0.00	0.00	16,170.00	10,000.00	0.00	8,000.00	3,600.00	0.00	0.00	37,770.00
1590-C2	Property Negotiations (Hammer, Jewell)	0.00	0.00	0.00	0.00	15,250.00	14,748.75	36,481.90	13,794.53	10,865.62	91,140.80
1590-C3	Property Acquisitions	0.00	0.00	0.00	0.00	673.00	2,772.00	600.00	2,800.00	13,855.00	20,700.00
1590-D1	Financial	0.00	2,809.85	0.00	0.00	7,585.45	4,476.25	0.00	0.00	5,130.00	20,001.55
1590-D2	Lobbying	0.00	0.00	0.00	38,801.11	38,950.00	54,000.00	9,000.00	0.00	0.00	140,751.11
1590-E1	Preliminary Engineering Design (Boyle)	0.00	6,470.33	223,286.67	103,460.19	2,194.43	0.00	0.00	0.00	982.80	336,394.42
1590-E2	Water Modeling by Carollo (City of SM)	0.00	0.00	24,942.00	0.00	0.00	0.00	0.00	0.00	0.00	24,942.00
1590-E3	Alternative Water Supplies (Boyle)	0.00	0.00	164,230.48	70,772.01	0.00	0.00	0.00	0.00	0.00	235,002.49
1590-E4	Project Information (Boyle)	0.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00
1590-E5	Project Design (AECOM)	0.00	0.00	0.00	0.00	752,319.66	228,952.01	172,765.69	212,942.04	123,721.72	1,490,721.12
1590-E6	Pressure Testing	0.00	0.00	0.00	0.00	8,682.92	0.00	0.00	0.00	0.00	8,682.92
1590-E7	Peer Review	0.00	0.00	0.00	0.00	7,571.05	37,349.25	12,134.80	0.00	0.00	57,055.10
1590-E8	Pot Holing	0.00	0.00	0.00	0.00	0.00	29,053.05	0.00	0.00	0.00	29,053.05
1590-E9	Phasing Feasibility Study	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,548.15	2,968.85	7,517.00
1590-F1	Lab Testing (FGL Environmental)	0.00	0.00	5,047.00	0.00	0.00	0.00	0.00	0.00	0.00	5,047.00
1590-F2	Copy/Print	0.00	0.00	740.24	1,022.01	0.00	0.00	52.07	0.00	7,567.64	9,381.96
1590-G1	Permits	0.00	0.00	0.00	0.00	130.00	0.00	0.00	0.00	0.00	130.00
1590-H1	Assessment District	0.00	0.00	0.00	0.00	83,030.71	21,227.92	56,931.64	212,504.75	0.00	373,695.02
1590-H2	SLO County Reimb Agreement-JPA Purveyor Partner Reimbursements to NCGSD	0.00	0.00	0.00	0.00	0.00	36,603.80	6,799.89	11,476.99	0.00	54,880.68
1590-H4	A/D Financial Advisor	0.00	0.00	0.00	0.00	0.00	0.00	(10,492.04)	0.00	0.00	(10,492.04)
1590-H5	A/D Outreach/Education	0.00	0.00	0.00	0.00	0.00	0.00	8,835.63	39,375.00	0.00	48,210.63
1590-H6	A/D Bond Counsel	0.00	0.00	0.00	0.00	0.00	0.00	74,571.75	221,121.09	0.00	295,692.84
1590-H7	A/D Bailout Tabulation/Observation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85,000.00	0.00	85,000.00
1590-H7	A/D Bailout Tabulation/Observation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,262.21	0.00	8,262.21
1590-I1	Construction Management (MNS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,035.00	8,595.00	18,630.00
1590-I2	Arborist (A&T Arborist)	0.00	0.00	0.00	0.00	0.00	2,830.00	0.00	0.00	0.00	2,830.00
1590-J1	Supp Water Evaluations Committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29,102.50	29,102.50
1590-Z1	Wages-Capitalized	0.00	29,076.92	35,884.51	28,197.08	31,926.57	50,005.29	46,698.55	45,173.63	0.00	266,962.55
1590-Z2	Payroll Taxes-Capitalized	0.00	587.22	587.42	455.96	504.53	2,058.44	1,918.13	806.86	0.00	6,918.56
1590-Z3	Retirement-Capitalized	0.00	8,418.08	10,344.53	8,110.84	8,690.47	9,443.17	6,729.62	11,325.19	0.00	63,061.90
1590-Z4	Medical-Capitalized	0.00	2,861.36	3,367.02	2,564.88	2,757.36	3,390.94	3,352.92	4,114.98	0.00	22,409.46
1590-Z5	Dental/Vision-Capitalized	0.00	0.00	247.90	328.23	348.15	459.62	239.83	492.93	0.00	2,116.66
1590-Z6	Workers Compensation-Capitalized	0.00	260.35	341.83	225.21	259.81	271.21	277.61	182.39	0.00	1,818.41
103,938.03		225,459.74	562,634.14	334,404.32	1,055,642.22	522,743.28	449,182.79	933,147.83	203,229.13	4,390,381.48	

**NIPOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER PROJECT  
MONTHLY REPORT TO THE BOARD OF DIRECTORS  
(FY JUNE 30, 2013)**

REVENUES FY 2012-13	<u>MONTH OF</u> <u>FEBRUARY</u>	<u>FISCAL YEAR</u> <u>7/1/2012 TO</u> <u>6/30/2013</u>
Supplemental Water Capacity Fees Collected	0.00	121,132.62
Interest Income (monthly & quarterly posting)	63.83	909.89
Revenue Subtotal	<u>63.83</u>	<u>122,042.51</u>
EXPENDITURES FY 2012-2013 (1)		
<u>CONSULTANTS</u>		
1590-A2 EIR Preparation (Wood & Assoc)	0.00	0.00
<u>LEGAL</u>		
1590-B1 Shipsey & Seitz	176.00	440.00
<u>LAND ACQUISITION</u>		
1590-C1 Appraisals (Tarvin & Reeder Gilman)	0.00	0.00
1590-C2 Property Negotiations (Hamner Jewell)	5,550.00	10,865.62
1590-C3 Property Acquisitions	0.00	13,855.00
<u>FINANCIAL</u>		
1590-D1 Tuckfield & Associates	5,130.00	5,130.00
<u>ENGINEERING</u>		
1590-E1 Preliminary Engineering Design (AECOM)	0.00	982.80
1590-E2 Water Modeling by Carollo (City of Santa Maria)	0.00	0.00
1590-E3 Alternative Water Supplies (AECOM)	0.00	0.00
1590-E4 Project Information (AECOM)	0.00	0.00
1590-E5 Project Design (AECOM)	1,598.24	123,721.72
1590-E6 Pressure Testing	0.00	0.00
1590-E7 Peer Review	0.00	0.00
1590-E8 Pot Holing	0.00	0.00
1590-E9 Phasing Feasibility Study	0.00	2,968.85
<u>OTHER</u>		
1590-F1 FGL Environmental	0.00	0.00
1590-F2 Print/Copy	7,567.64	7,567.64
<u>PERMITS</u>		
1590-G1 Santa Maria Valley Water Conservation District	0.00	0.00
<u>CONSTRUCTION</u>		
1590-I1 Construction Management (MNS)	8,595.00	8,595.00
<u>OTHER</u>		
1590-J1 Suppl Water Alternatives Evaluation Committee	5,662.50	29,102.50
Expenditure Subtotal	<u>34,279.38</u>	<u>203,229.13</u>
Net Revenues less Expenditures	(34,215.55)	(81,186.62)
Beginning Fund #500 Balance as of July 1, 2012		1,155,903.10
Ending Fund 500# Balance as of February 28, 2013		<u>1,074,716.48</u>

(1) See attached "Supplemental Water Cost Summary" for more detail.

TO: BOARD OF DIRECTORS  
FROM: MICHAEL S. LEBRUN *MGL*  
GENERAL MANAGER  
DATE: APRIL 5, 2013



**LOCAL AREA FORMATION COMMISSION BALLOT FOR  
SPECIAL DISTRICT MEMBER**

**ITEM**

Consider the individuals nominated to fill the Special District seat on Local Agency Formation Commission (LAFCO). [RECOMMEND DIRECT STAFF TO CAST BALLOT FOR SELECTED SPECIAL DISTRICT REPRESENTATIVE, IF ANY]

**BACKGROUND**

Three candidates have been nominated for the vacant Special District seat on LAFCO. The candidates are:  
Marshall Ochylski, Director Los Osos CSD  
Anthony Kalvans, Director San Miguel CSD  
Brian Kreowski, Port SLO Harbor District

The term for the position expires December 2014.

**FISCAL IMPACT**

Minor budgeted staff time preparing these materials.

**RECOMMENDATION**

Consider LAFCO materials by motion and roll call vote direct staff to file completed ballot with LAFCO no later than May 2, 2013.

**ATTACHMENTS**

- A. LAFCO Ballot Materials

APRIL 10, 2013

ITEM E-2

ATTACHMENT A



LAFCO - San Luis Obispo - Local Agency Formation Commission  
SLO LAFCO - Serving the Area of San Luis Obispo County

**TO: EACH INDEPENDENT SPECIAL DISTRICT**  
**FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER**  
**DATE: APRIL 2, 2013**  
**SUBJECT: BALLOT FOR LAFCO SPECIAL DISTRICT MEMBER**

Three individuals have been nominated for the vacant LAFCO Special District position currently filled by Alternate Commissioner Marshall Ochylski of the Los Osos CSD. The term for this position would expire in December 2014. Please schedule this item on a meeting agenda and select one of the nominees:

- Marshall Ochylski, Los Osos Community Services District
- Anthony Kalvans, San Miguel Community Services District
- Brian Kreowski, Port San Luis Harbor District

District: \_\_\_\_\_

Agenda Date: \_\_\_\_\_

General Manager or President: \_\_\_\_\_

**E-Mailed Ballot.** The Government Code allows for the balloting to be conducted electronically by the LAFCO Executive Officer if it is not possible for the Selection Committee to achieve a quorum. The Special Districts Selection Committee agrees that completing the election electronically is appropriate because attaining a quorum is not possible.

**Ballot Instructions.** Each Independent Special District may vote for one nominee. The vote by a District must be considered by the District's Board of Directors as an item on its agenda. The District's selection must be submitted to the LAFCO office no later than **May 2, 2013** via one of the following ways:

- 1) An email indicating the meeting date, attached agenda, and selection considered by the Board of Directors;
- 2) A scanned pdf of this ballot attached to an email with one of the nominees selected and the meeting date it was considered, or
- 3) A fax of the ballot with a cover memo sent to LAFCO with one of the nominees selected and the agenda date of the Board's decision. FAX number 805-788-2072.

Please contact me directly at 788-2096 or [Dchurch@slolafco.com](mailto:Dchurch@slolafco.com) if you have any questions. Thank you.

cc: Members, Formation Commission

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## **Marshall Ochylski**

### **Statement of Qualifications**

I am running for election as your Special District Representative to LAFCO because I believe I have the experience and ability to best represent our Special Districts and our unique needs on that Commission.

I have been serving as your Alternate Commissioner for the past year and a half. During that time I have diligently attended all LAFCO Meetings as your Special District representative. Since the first of this year I have sat on the Commission because of a vacancy in one of our Special District seats. I look forward to continuing to represent our Special Districts on the Commission and request your support.

As one of your two regular Commissioners on LAFCO, I will make decisions that promote the efficient use of our limited natural resources and infrastructure capacity, while providing for the interests and concerns of each of our Special Districts.

My record since my election in 2008 as a Director of the Los Osos Community Services District, including three as Board President, has proven my ability to listen, learn, and lead on a variety of issues - skills that I will continue to bring to LAFCO.

I sincerely appreciate the previous support I have received from our various Special Districts and ask for your District's vote in this election.

### **Current Activities:**

- **Board Member, Los Osos Community Services District**
- **Alternate Commission Member  
Local Agency Formation Commission (LAFCO)**
- **President, California Special Districts Association  
San Luis Obispo County Chapter**
- **California Special Districts Association  
2012 Statewide Board President of the Year**

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Commissioner Brian Kreowski, known to his family and friends by his middle name "Craig", is a graduate of Arroyo Grande High School and his family has resided in San Luis Obispo County for more than 30 years. In the 80's, while attending Cuesta College and Cal Poly, Commissioner Kreowski worked at Port San Luis as a Sport Launch Operator and Maintenance Worker for the District.

Brian is one of the founding members of the Central Coast Aquarium Society, and helped facilitate the establishment and continuation of a mobile, interactive sea life educational program *Tidepool Treasures*, which has served in educating countless children and adults about our Ocean environments. He has participated in fostering many collaborative activities and programs with other marine organizations and was instrumental in facilitating the initial discussions for the Cal Poly take over of the Unocal Pier at Port San Luis.

In 1996, Brian was appointed to the Dinosaur Caves Task Force for the City of Pismo Beach. He served for over one year as vice-chairperson and was instrumental in the formulation of the Task Force recommendation to establish the property as an "open space" park.

Following the dissolution of the Task Force, Brian, and three other members created the Dinosaur Caves Preservation Society (DCPS), a non-profit 501(c)(3) organization, dedicated to preserving the Dinosaur Caves Property. He continues to serve as vice president of the society. Together with the City of Pismo Beach, the society has raised close to \$900,000 to develop the park.

In addition to practicing law, Commissioner Kreowski has taught at Cuesta College for the past 15 years and was the first part-time professor to receive the prestigious M'may Diffley Teaching award.

In 2003, Brian was appointed as a Commissioner to the Port San Luis Harbor Commission, by his fellow Commissioners, and then subsequently affirmed in his position as a Commissioner by an election of the people of the District. Since becoming a Commissioner, Brian has traveled to Washington, DC to represent the District and assist in the lobbying effort to acquire Federal Funding for the District's breakwater, which suffered earthquake damage in 2003. In 2008, Brian became President of the San Luis Obispo County Historical Society, and currently serves in that capacity, as well as a Commissioner for the Port San Luis Harbor District, Professor of Political Science at Cuesta College and managing member of the Shell Beach Law Group.

*Let the districts decide their own destiny*

*Elect Anthony R. Kalvans for LAFCO*



### **Who is Anthony Kalvans?**

- **President of the San Miguel Community Services District.**
- **Councilmember on the San Miguel Advisory Council**
- **Lifelong resident of San Miguel**
- **Member of the San Miguel Lions Club**
- **Member of The Native Sons**

### **Why am I running?**

#### Background

- Over the course of my life I have seen my town struggle with regards to our aging infrastructure and lack of development. Our current vacant lands have been deemed mostly unusable while expansion has been ruled out because of those same vacant lands.

#### Put Special Districts in control of their future

- I believe that the future of a districts boundaries should be determined by that district itself and that districts have the right to determine whether they want to expand or not and what services they want to provide. Before voting on any changes to a districts Sphere of Influence I will personally make all efforts to visit that district and derive my decision based on their expressed desires.

#### A House is House no matter where it is.

- I Personally disagree with point 7 of SLO LAFCOs Policies "***The Commission prefers urban development within Cities as opposed to development in the unincorporated area***" I believe that this policy has the potential to put special districts at a disadvantage, who want to expand with the intent of addressing shrinking revenues, aging infrastructure, scarce grant funding, and unmet needs.

Let's treat our districts with the same rights as incorporated cities. Vote for **Anthony Kalvans**, as I believe your district deserves the right to determine what is best for itself.

If you have any questions please feel free to call me at (805)-610-2480 or email [ar.kalvans@gmail.com](mailto:ar.kalvans@gmail.com)