

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: MAY 9, 2014

AGENDA ITEM

F

MAY 14, 2014

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is April 18, 2014 through May 9, 2014.*

DISTRICT BUSINESS

Administrative

- In Spring 2013, the Nipomo Mesa Management Area groundwater basin's Key Wells Index was at its lowest level in the forty-year record. The County of San Luis Obispo has provided groundwater well level data taken in April 2014 to the District. The District has made these data available to the Nipomo Mesa Management Area Technical Group for analysis and calculation of the 2014 Key Wells Index. It may take a number of weeks before the Group reviews the results and performs all quality assurance checks to insure data validity.
- Should the Key Wells Index reach Severe Water Shortage, the District will be required to reduce groundwater pumping 30%.
- The District's Supplemental Water Project, Phase 1 is under construction and on schedule for completion in July 2015. A portion of Phase 2 of the project (a 0.5 million gallon tank at the pump station) is included in the draft 2014-2015 budget. However, funding for the work is not defined.
- The District continues to encourage all customers to **conserve water**. Annual average customer water use has declined steadily since the District implemented an inclining tiered water rate structure in 2011. However, customer demand last fall and this winter was higher than typical due to the lack of rainfall.
- In our District, the average use of a single family home is 36 units or ~27,000 gallons of water every two months. However, half of our customer bills are for 22 units (~16,500 gallons) or less every two months. Not surprisingly, nearly 7% of District water bills are for over 100 units (75,000 gallons) every two months. The vast majority of water use over 36 units is for landscape irrigation and most landscapes are over watered.
- Implementation of drought rates (premiums on top of existing rates) and/or water use restrictions may be necessary this summer if winter rain fall levels remain low.
- San Luis Obispo County maintains two rain gauges in the area. One is located at the District's Southland Wastewater Plant (Nipomo South) and one at the District's Tefft Street water storage site (Nipomo East). On April 25, 2014, each gauge registered a fraction of an inch of rain. The seasonal rain total for Nipomo South is 4.6-inches. Average for this gauge is 16-inches per year. The seasonal total for Nipomo East is 5.8-inches. Average seasonal rainfall total for Nipomo East is 18-inches.
- New District facilities associated with the supplemental water projects have been assigned APN's and addresses – see the attached letter from SLO County.

Safety Program

- No accidents or incidents to report

Connection Report

| Nipomo Community Services District Water and Sewer Connections | END OF MONTH | | | | | | | | |
|-------------------------------------------------------------------|--------------|---------|--------|--------|--------|--------|--------|--------|--------|
| | AUG-13 | SEPT-13 | OCT-13 | Nov-13 | Dec-13 | JAN-14 | FEB-14 | MAR-14 | APR-14 |
| Water Connections (Total) | 4290 | 4290 | 4293 | 4310 | 4312 | 4313 | 4313 | 4314 | 4315 |
| Sewer Connections (Total) | 3084 | 3084 | 3086 | 3102 | 3104 | 3104 | 3104 | 3105 | 3107 |
| Meters turned off (Non-payment) | 28 | 30 | 23 | 20 | 37 | 11 | 19 | 6 | 28 |
| Meters off (Vacant) | 48 | 45 | 45 | 44 | 32 | 44 | 46 | 49 | 46 |
| Sewer Connections off (Vacant) | 18 | 14 | 14 | 11 | 11 | 12 | 14 | 16 | 16 |
| New Water Connections | 1 | 0 | 3 | 17 | 2 | 1 | 0 | 1 | 1 |
| New Sewer Connection | 1 | 0 | 2 | 16 | 2 | 0 | 0 | 1 | 2 |
| | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Sewer Connections billed to the County | 462 | 462 | 463 | 463 | 463 | 463 | 463 | 463 | 463 |

The District has made 157 new water connections in the past 2.75 years, an average of 57 connections per year.

Public Outreach

The following Public Outreach Program materials are provided:

- A summary of outreach and education activities
- Inside NCSD column
- Adobe Press advertising
- District Newsletter Issue 6
- Recent press releases and press release log
- District related news articles

Other Items and News of Interest (Attachments to this Report)

- San Luis Obispo County Board of Supervisors May 13, 2014 Meeting Agenda with materials for Item 21. Note, materials for Item 3 are included in E-2 in your Boards Agenda packet for today.
- May 2, 2014, San Luis Obispo County Integrated Regional Water Management Plan Update summary of 18 projects submitted for Emergency Drought Relief and screening methodology.
- May 15, 2014 San Luis Obispo Local Area Formation Commission Agenda
- SLO County Public Notice regarding proposed amendments to Growth Management Ordinance.
- San Luis Obispo Local Area Formation Commission 2014-2015 Adopted Budget.
- April 25, 2014 notice by APCD of draft budget availability.
- April 30 and May 2 filings by Rural Water Company related water and sewer services.

Meetings

Meetings Attended (telephonically or in person):

- April 21, District Counsel and Special Counsel
- April 22, SLO Realtors – on water resources
- April 22, Water Resources Consultant
- April 22, Board President
- April 23, Regular Board Meeting
- April 24, Outreach and Rate Consultant
- April 24, May 1, & May 8, Management Coordination
- May 5, Community Meetings on Water and Rates
- May 6, Outreach Assistant
- May 7, Finance and Audit Committee
- May 7, General Counsel and Special Counsel
- May 8, All-Staff
- May 9, General Counsel and Special Counsel
- May 9, Rate Consultant
- May 9, Outreach Consultant

Meetings Scheduled:

- May 12, SCAC Land Use Committee
- May 13, Rate and Outreach Consultants
- May 13, Mr. Art Herbon of SCAC
- May 14, Regular Board Meeting
- May 15 & 22, Management Coordination
- May 16, SLO County Chapter CSDA
- May 16, Board Officers
- May 19, NMMA Technical Group

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

- A. May 2, 2014 Address and APN Assignment
- B. District Outreach Summary and Materials
- C. May 13, 2014 SLO County Supervisors Agenda and Materials
- D. Proposed IRWM Emergency Drought Grant Funding Projects
- E. May 15, 2014 LAFCO Agenda
- F. County Notice on Growth Mgmt Ordinance
- G. LAFCO Budget for 2014-2015
- H. APCD Budget Availability
- I. April 30 and May 2, 2014 Rural Water Rate Notices

MAY 14, 2014

ITEM F

ATTACHMENT A



SAN LUIS OBISPO COUNTY

DEPARTMENT OF PLANNING AND BUILDING

Promoting the wise use of land - Helping to build great communities

May 2, 2014

Nipomo CSD
Attn: Peter Sevcik
P.O. Box 326
Nipomo, CA 93444

SUBJECT: ADDRESSES FOR: Valve Station & Pump Station

ON ASSESSOR'S PARCEL #'S: 090-291-044 & 047

The following are your new addresses for the subject structures, which the county has assigned as the active street addresses:

1660 Santa Maria Vista Lane (Valve Station, 090-291-044)
&
805 Alta Vista Lane (Pump Station, 090-291-047)

The County of San Luis Obispo will notify interested agencies and service providers of the new addresses. Such agencies and service providers include Cal Trans, Public Works, County Assessor, Emergency 911 dispatch, US Postal Service and utility companies like PG&E and The Gas Company.

This notice will be included in the May 2014 San Luis Obispo Notice of New Addresses and Road Names. **It is the responsibility of the agencies and service providers to update their records accordingly. The subject address can also be verified on the Planning and Building website at:**

<http://www.sloplanning.org/PermitViewMap/TextSearch>

If you have any questions regarding these addresses, please call me at (805) 781-5157 or email cscheel@co.slo.ca.us.

Sincerely,

Cody Scheel
Planner – Current Planning

MAY 14, 2014

ITEM F

ATTACHMENT B

**NCSO Outreach Summary
May 2014**

| Date Started | Outreach | Description | Status | Date Completed |
|---------------------|----------------------------|----------------------------------------------------------------------------|-------------------|-----------------------|
| 2/28/2014 | Brochure | Creation of "Detecting Leaks" insert for "Water Meter" brochure | In Progress | |
| 3/17/2014 | Website Upgrade | Content archiving | In Progress | |
| 4/1/2014 | Public Hearing Notice | Notice of public hearing regarding water rate increase | In Progress | |
| 4/17/2014 | Manager's Column | Article 15 for Manager's Column in Adobe Press, pub date 4/25 | Complete | 4/21/2014 |
| 4/21/2014 | Ad | Public Workshop 1/4 page ad in 4/25 Adobe | Complete | 4/23/2014 |
| 4/28/2014 | Ad | Public Workshop 1/4 page ad in 5/2 Adobe | Complete | 4/28/2014 |
| 4/3/2014 | District Newsletter | 2014 2nd quarter newsletter for May (late April) distribution | Complete | 4/28/2014 |
| 4/21/2014 | Bulletin Board | Update of lobby and Board room bulletin boards | Complete; Ongoing | 4/28/2014 |
| 5/5/2014 | Public Workshop | Held public workshop at Blacklake and NCSO regarding Nipomo water shortage | Complete | 5/5/2014 |
| 4/23/2014 | Press Release | "Board Declares Stage II Drought and Moves Forward with Response Plan" | Complete | 5/7/2014 |
| 4/21/2014 | Website Updates | Press Releases, reports, presentations, links | Complete; Ongoing | 5/8/2014 |
| 5/8/2014 | Website | Added a drought page for drought documents and questions | Complete; ongoing | 5/8/2014 |
| 4/23/2014 | Consumer Confidence Report | Update and redesign of 2013 Consumer Confidence Report | In Progress | |
| 5/5/2014 | FAQs | Compilation of FAQs regarding water shortage and rates | In Progress | |
| 5/6/2014 | Ad Campaign | Intensive ad campaign regarding conservation | In Progress | |

SPEAKING OUT

Drought: What it means, how you can help the community



INSIDE NCSD
Michael LeBrun

because currently our only source of water is groundwater.

Our groundwater aquifers are recharged when it rains, but it takes significant rain over a significant period of time to replace the water we use on a daily basis.

Since there has not been much rain and we are so close to the ocean, that is serious.

Our overpumping and declining groundwater levels mean risking the quality of our water due to seawater intrusion.

Second, "How can some-

one like me really help?" Be aware of every drop you use. That water we all need in order to survive is a precious resource.

Simply turning off the faucet while brushing teeth, taking shorter showers and checking for leaky toilets are a start to doing your part.

Nipomo Community Services District can provide information on how to check for leaks and read your water meter.

But cutting back or turning off outdoor irrigation is the largest contribution most customers can make to help

conserve water, since the largest amount of water is used outside.

Yes, that means stop watering your lawn -- it doesn't need it right now and will likely survive on much less than you normally water.

We are lucky to live in an area with a cooler climate where watering/landscape is not always necessary.

NCSD is also taking steps to make sure Nipomo has a reliable source of water now and in the future.

Last fall the district began construction on a pipeline from Santa Maria to Nipomo.

Supplemental water it will deliver is scheduled to be available to Nipomo in summer 2015.

Additionally, the district's board of directors adopted a Water Shortage Response Plan that lays out steps to address our water issue.

More information can be found on our website at www.ncsd.ca.gov.

Finally, we want to hear from you. What are your concerns, questions or feedback?

The district is providing an opportunity for the public to be heard Monday, May 5th.

Learn more about the issue and how the district is responding and provide your input.

There will be two workshops: the first at 3 p.m. at Blacklake Golf Resort Club House, 1490 Golf Course Lane, and the second at 6:30 p.m. in NCSD's board room, 148 S. Wilson St.

We hope you can take the time to come out.

Michael LeBrun is the general manager of the Nipomo Community Services District. He can be reached by calling 929-1133 or by email at info@ncsd.ca.gov.

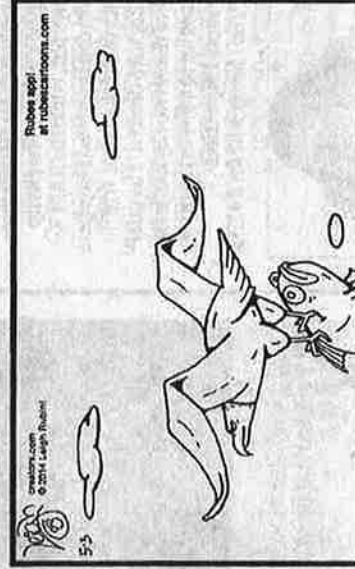
Letters to the Editor

Give Caren Ray four years

To the Editor:

Caren Ray is the dynamic representative we need to keep on the Board of Supervisors representing Oceano, Arroyo Grande and Nipomo. Caren is ethical and digs deep into issues before making decisions.

Water, Phillips 66 connection into the air quality



ARTS & ENTERTAINMENT

Hillman, Pedersen coming to Clark

Annex Staff

Chris Hillman and Herb Pedersen have performed to sold-out crowds at benefit concerts in the Edwards Room in Nipomo.

Now the duo will return to the Central Coast for a rock, folk, rock and country rock concert set for 8 p.m. Saturday, April 26, in the Clark Center for the Performing Arts.

A rock and roll Hall of Famer, Hillman was an original member of the Byrds, a groundbreaking 1960s band that included Roger McGuinn, Gene Clark, David Crosby and Michael Clarke.

Although he started out as a guitarist and mandolinist, Hillman was recruited to play bass — a new instrument for him — in the newly forming Byrds.

The group is best known for such hits as "Mr. Tambourine Man," "Turn, Turn, Turn," "Eight Miles High" and "So You Want to Be a Rock and Roll Star" as they found a return niche at the British Invasion.

A frequent collaborator with Gram Parsons, Hillman went on to define country rock with the Flying Burrito Brothers, Manassas, the Southern-Hillman-Furay Band with J.D. Souther and Richie Furay, a founding member of Buffalo Springfield and Poco.

After that trisubanded, Hillman recorded two acclaimed albums with Pedersen, who for a time fronted his own band, the Laurel Canyon Ramblers.

Pedersen is a master of



Chris Hillman and Herb Pedersen will perform at 8 p.m. on Saturday, April 26, in the Clark Center for the Performing Arts.

numerous styles, including country, bluegrass, progressive bluegrass, folk, folk rock and country rock.

Over his 40-year career, he has worked with several bands, including the Pine Valley Boys, the Dillards, the Smokey Grass Boys, the New Kentucky Colonels and Old and In the Gray.

He also has worked with numerous individuals, including Michael Martin Murphey, Earl Scruggs, David Guzman, Peter Rowan, Vassar Clements, Gram Parsons, Emmylou

Harris, Tony Rice, Dan Fogelberg, Stephen Stills, Linda Ronstadt, Kris Kristofferson, John Prime, Jackson Browne, John Denver, John Johansson and Leland Sklar.

After recording with Hillman, the two subsequently formed the Desert Rose Band.

Their first LP in 1987 generated two top 10 country hits — "Love Reunited" and "One Step Forward" — and the No. 1 single "He's Back and I'm Blue."

In all, the band recorded seven albums with 16 country hits.

Hillman will take the stage with Pedersen, a longtime friend and legendary singer, instrumentalist and recording artist from the Desert Rose Band.

Tickets are now on sale at \$12 for Bronze Boxes, \$37 for Silver Seating and \$42 for Gold Circle seats at the Clark Center box office, 457 Fair Oaks Ave., from noon to 6 p.m. Monday through Friday and noon to 4 p.m. Saturday.

Tickets also are available by calling 489-9444 or visiting www.clarkcenter.org.

OperaSLO to stage 'Show Boat' at PAC

Towers-Howles to fill grandmother's role in film version

Annex Staff

Opera San Luis Obispo is collaborating with other Central Coast performing arts organizations to present the musical "Show Boat" in two performances only on Mother's Day weekend.

Tri-citywide collaboration includes the Civic Ballet of San Luis Obispo, with choreography by Drew Silvaggio, and Ketrak Productions, with stage direction by Erik Anzola.

Other partners in the collaboration are the Morro Bay High School Choir, led by Colleen Wall, and the Opera San Luis Obispo Chorus and Orchestra, conducted by artistic and general director Brian Aher Alhadeff.

Award-winning performer Kaiti Towers-Howles will sing the part of Magnolia, a leading role that holds a very special meaning for her, an OperaSLO spokeswoman said.

Towers-Howles' mother was the only child of Kathryn Grayson, a glamorous Hollywood soprano who appeared in movie musicals in the 1940s and '50s. Grayson performed the role of Magnolia in the classic 1951 MGM film version of "Show Boat."

"In honor of my grandmother, I have been looking to sing this role for some



Towers-Howles

time, and I am so happy to be coming to San Luis Obispo to do so," Towers-Howles said.

"Show Boat" takes audiences on a sweeping journey into the lives, loves and losses of three generations of the "show folk" who work on the Cotton Blossom, one of the many river boats on the Mississippi River.

Performances are scheduled for 7 p.m. Saturday, May 10, and 2 p.m. Sunday, May 11, in Harmon Hall of the Performing Arts Center at Cal Poly.

Advance tickets ranging from \$10 to \$75 may be purchased at the Performing Arts Center Ticket Office from noon to 6 p.m. Tuesday through Saturday.

To order by phone, call 756-4849; to order online, visit www.opaslo.org. One hour before the curtain rises, Alhadeff will present a 30- to 45-minute digitally projected program that will set the tone and pace for each performance. For details, visit www.opaslo.org.

Bits:

Continued from B1

The Hike-A-Thon officially kicks off on 9 a.m. to

noon Saturday, May 3, at Laguna Lake Park.

Participants can track their first hiking, biking or horseback riding miles with a decent in-hike, then keep hiking through noon Friday,

May 30, when mileage sheets are to be turned in.

ECOSLO supports trails because their presence increases a community's quality of life and strengthens its economy and its desirability

as a place to live and work.

Trails increase public access to open space and improve connections between neighborhoods, transit hubs and shopping areas.

Trails also provide a safe place for such recreation as walking, jogging, cycling and horseback riding.

Development of a trail network helps reduce traffic congestion, air pollution and energy consumption by reducing the need for a car. But with continual use, trails need to be frequently closed or made safe. Park managers can only do so much to maintain them and rely heavily on dedicated volunteers to help.

As a coordinator of volunteers, ECOSLO organizes weekly trail workdays throughout the year.

Local artist David Kreizer's art show will continue from 11 a.m. to 5 p.m. daily through Sunday, April 27, at the San Luis Obispo Museum of Art, 1010 Broad St.

Titled "David Kreizer: The Painted Memory," the show features 15 of his oil, pencil and mixed-media landscapes, floral and figurative works.

Kreizer reaches back into his memories of growing up in Nebraska, the fourth child of five and the son of a Lutheran minister.

His parents' names from those and from California, his home for the last 45 years. He also takes inspiration from the opera, a subject close to his heart, since his wife, Jaclyn, is an opera singer.


He received his master's degree from San Jose State University and has been painting professionally since he graduated there in 1967.

His work has been shown in galleries across the country, including a 2011 exhibit at the SLO Museum of Art.

His paintings are owned by corporations that include Campbell Corp., H&M Corp., Weston Corp., Barnes & Noble Corp. and Lloyd's Bank and private collectors who include Joseph Hirschhorn, Ray Bradbury, Mary Tyler Moore, Michael Douglas, the Howard Abramson and Billy Goldenberg.

For more information, visit www.davidkreizer.com. Jacqueline Pedersen is a lawyer and former triathlete and can be reached at jped@att.com or 929-1120.

Nipomo Community Services District Invites You to a Public Workshop



Monday, May 5th
3:00 PM
Blacklake Club House
1490 Golf Course Lane
Nipomo

6:30 PM
Nipomo Community Services Board Room
148 South Wilson Street
Nipomo

Learn more and provide input on Nipomo's water shortage and how the District is responding:

- Bringing in a New Supply of Supplemental Water
- Implementing a Water Shortage Response Plan

AND

- Evaluating Drought Rates to Reduce Water Demand

Nipomo Community Services District, 148 S. Wilson St., Nipomo 93444 • (805) 929-1133 | info@ncsd.ca.gov

Nipomo Firefighters' Annual Bar-B-Que

Saturday, April 26 - 11 a.m. - 3 p.m.

Von's parking lot - 520 W. Tefft St., Nipomo

Sandwich tickets are available at the Nipomo Fire Station, 450 Pioneer Ave., Nipomo, or from any Nipomo Firefighter.

Funds raised will benefit the community with safety education and will provide advanced training and equipment for the Nipomo Paid Call Firefighters.

Willow

Open Daily 9am-9pm • Serving Breakfast, Lunch & Dinner

April 25th Music by **Mark Crisp** 6pm to Close

April 26th Music by **Piano Brand** From Dr. Danger Band Noon to 3pm

1050 Willow Rd., Nipomo, CA 93444
(805) 929-0322 www.willownipomo.com

Events:

Continued from B1

Support Group, 6 to 7:30 p.m. Thursday, May 1, The Village at the Palms, 55 N. Broad St., San Luis Obispo. Info: April, 834-9234.

• Central Coast Corvette Club, 7 p.m. Thursday, May 1, Merrill Gardens, 1220 Sway Road, Santa Maria. Membership is open to Corvette owners and enthusiasts. Info: Mike, 834-5946; visit www.centralcoastcorvettes.com.

• California Poppy Decadence Artists, 9:30 a.m. Saturday, May 3, Oxnard Sheriff's Substation, 1681 First St. (Highway 1). Newcomers welcome. Info: 772-1916 or 235-4966.

VETERANS AWARENESS NIGHT

Nipomo Library (918 W. Tefft St)
Tuesday April 29 6:30-8pm

Learn about veteran's rights, benefits and local activities. Meet other veterans and representatives of veteran's assistance organizations. This is a free event sponsored by the Nipomo Veterans of Foreign Wars.

For more information call 868-3171

Contact us at 805-929-1133 | www.ncsd.ca.gov | info@ncsd.ca.gov



148 S. Wilson Ave.
PO Box 326
Nipomo, CA 93444

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NIPOMO COMMUNITY SERVICES DISTRICT

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Dan A. Gaddis, Director
Bob Blair, Director

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Michael S. LeBrun, General Manager
Lisa Bognuda, Finance Director
Peter Sevelik, Director of Engineering and Operations
Jessica Matson, Public Information Assistant



Important Information from Nipomo Community Services District • Issue 6

Water Shortage Worsens— District's Plan to Deal With it

Our Stressed Water Supply

Nipomo's sole source of water—the groundwater basin—has declined below sustainable levels. The current unprecedented drought is one important cause, but continued growth and increased water demand are additional long-term causes. Declining groundwater levels threaten to begin allowing ocean saltwater to infiltrate and contaminate our freshwater supply.

You Are Invited to a Public Workshop

**Monday, May 5th
3:00 PM**

**Blacklake Club House
1490 Golf Course Lane
Nipomo**

6:30 PM

**Nipomo Community
Services District Board Room
148 South Wilson Street,
Nipomo**

Learn more and provide
input on Nipomo's water
shortage and how the
District is responding:

- Bringing in a New Supply of Supplemental Water
 - Implementing a Water Shortage Response Plan
- AND**
- Evaluating Drought Rates to Reduce Water Demand

New Customer-Friendly Website

Nipomo CSD just launched its new and improved website

- It is more user-friendly
- Includes Online Bill Pay
- Provides easy access to board packets, reports, news, forms and more

Check it out at www.ncsd.ca.gov

- If you have ideas or feedback, email us at info@ncsd.ca.gov



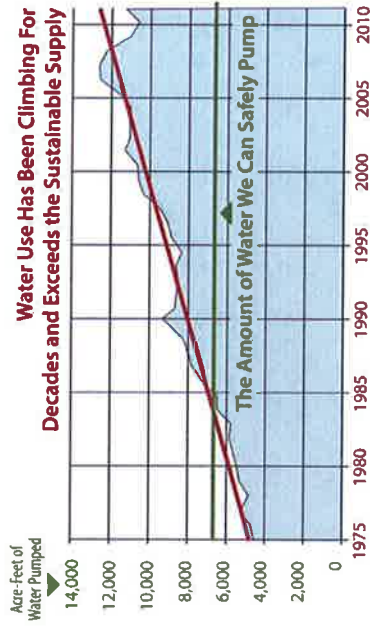
The District Offers These Convenient Options for Bill Payment

Online: Click on the "Pay My Bill" option on the District's website.

Mail: Payments can be mailed to P.O. Box 326, Nipomo, CA 93444.

Drop Box: Checks or money orders can be placed in our drop box in the District's parking lot. The box is emptied daily Mon - Fri.

Office: Customers can pay in the office Mon - Fri 8:00am - 4:30pm except holidays.



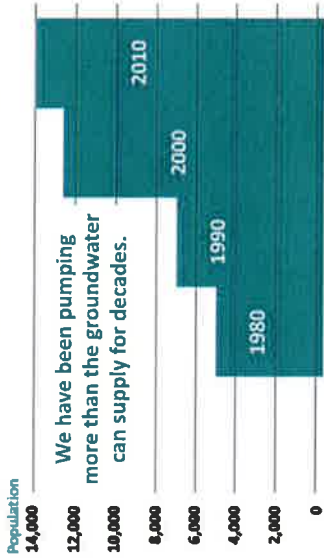
Water Use Has Been Climbing Steadily Since the 1970s

Continued increases in water use is unsustainable and a threat to our water supply. See the inside pages for our plan to protect the basin and ensure long-term water supplies for our community.

YOUR DISTRICT'S PLAN TO ADDRESS NIPOMO'S WATER SHORTAGE

Our Groundwater Supply Is In Trouble

Nipomo Mesa Population is Growing and Groundwater Supplies are Shrinking



We have been pumping more than the groundwater can supply for decades.

We Are Bringing New Water to Nipomo

A Long-Term Solution That Will Help to Balance Our Water Supply and Protect the Basin

The District has completed an agreement to buy water from Santa Maria. This is a new, supplemental supply that was previously unavailable.

Construction is Underway for Delivery of Water in 2015

The District is currently building the needed facilities, and the project is on-schedule to be completed by summer 2015 when the first 650 acre-feet per year of water will start arriving.

Phase I Underway With More Water to Come

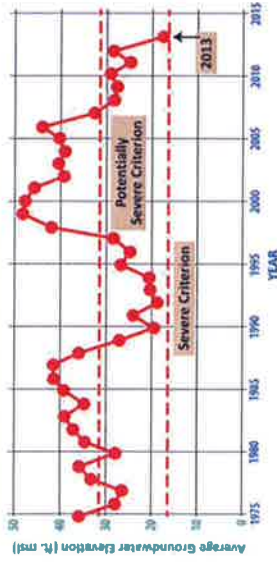
The pipeline to bring in the supplemental water is sized to bring in the 2,500 acre-feet of water needed to balance the basin. Neighboring water agencies are sharing in the cost of the project and purchase of water.

Supplemental Water Rates Starting Next Year

The District's rates are currently among the lowest in the region. But our low-cost groundwater supply is no longer enough. When supplemental water arrives in 2015, a supplemental charge will be added to pay for this needed new water source.

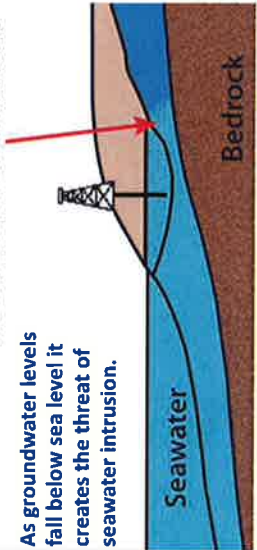
We are currently evaluating alternatives for apportioning supplemental water costs to our customers once that water becomes available in 2015. Based upon preliminary estimates, the amount needed to pay for Phase I supplemental water will be approximately \$20 per month for the average water user.

Last Year Groundwater Levels Nearly Fell to "Severe Level". This Year May Be Worse.



Fresh/Seawater Interface

As groundwater levels fall below sea level it creates the threat of seawater intrusion.



Water Shortage Response Plan & Proposed Drought Rates

This Plan Will Help Manage Water Supplies During Drought by Reducing Water Use to Match Water Availability

The District recently approved a Water Shortage Response Plan with the following features:

1. Five Escalating Drought Stages

This Plan is based on five escalating stages of drought. These stages are based on the court-mandated water use limits that are designed to protect the groundwater basin.

2. Targeted Water Use Reduction by Voluntary Conservation

As the drought stages escalate, the plan calls for increasing levels of voluntary conservation by customers. In higher stages, there are targeted reductions in overall water use designed to protect long-term groundwater supplies. At stages 3, 4 and 5 the targeted reductions are 30%, 50% and 60% respectively. The later stages represent extreme drought that has not occurred to-date.

3. Processing Permits for New Water Would Decrease — Then Stop

In stage 4, new water connections would only be made to existing commitments. In Stage 5, no new water service connections would be made.

4. Proposed Drought Rates May Be Implemented

To motivate customers to conserve water, the District is considering drought rates designed to signal customers to reduce water use should advance stages of drought be experienced. These rates would be based on the same five stages in the Drought Response Plan. In stages 3 through 5, the drought rates would be designed to motivate people to conserve increasing amounts of water, and also make up for the financial loss from reduced water sales.

Timeline for Implementing the Water Shortage Response Plan

| Month | Key Action |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March - May | Public outreach on drought, supplemental water and the Drought Response Plan. |
| May | Learn Basin Status. The Court-appointed groundwater management group is expected to announce the groundwater condition. Since last year almost reached "Severe" drought condition, and this year conditions worsened, we expect "Severe Water Shortage" conditions and Stage 3 drought to be declared. This would call for a targeted 30% cutback in water use. |
| June | Likely 30% Conservation Cutbacks. Presumed 30% cutback in water supplies due to Stage 3 drought. District will seek to achieve cutback through voluntary conservation by customers. |
| May - October | Coordinate with Neighbors for Shared Conservation and Supplemental Water Responsibilities. Work with neighboring water suppliers to finalize agreements for them to purchase their share of supplemental water and institute similar conservation programs and rates. Work with the County to implement water resource management policies to protect the basin and fund purchase of new water supplies for any new development. |

FOR IMMEDIATE RELEASE

Date: May 7, 2014
Contact: Michael S. LeBrun, General Manager
Nipomo Community Services District
148 S. Wilson St., Nipomo, CA 93444
Phone: (805) 929-1133 – Email: mlebrun@ncsd.ca.gov



Board Declares Stage II Drought and Moves Forward with Response Plan

On April 23, 2014, the Nipomo Community Services District Board declared a Stage II Water Shortage condition in accordance with the District's Water Shortage Response Plan.

The Water Shortage Response 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. In Stage II, the Drought Response Plan asks customers to voluntarily reduce water use.

General Manager Michal LeBrun stated, "We expect to hear by the end of May about the current health of our groundwater supply. We don't expect good news—a Stage III shortage condition is likely." In the event the District declares Stage 3 drought, a 30% reduction in District pumping will be needed.

In addition, the District is evaluating water shortage rates that may be implemented to help motivate conservation by customers and make up for lost revenue from decreased water sales.

The District recently contracted to obtain supplemental water supplies from Santa Maria and is constructing essential, but costly facilities to bring that water to our community. Delivery of supplemental water is planned for summer 2015.

The drought response plan is designed to manage water supplies during the current drought. The new supplemental water supplies are part of a long-term solution to balance water supply and demand.

In addition, the District is working with neighboring water agencies that share our groundwater basin to ensure they institute similar conservation programs and pay their share for supplemental water. The District is also working with the County to ensure they implement policies that require new development to pay for new water supplies.

For more information about the drought, conservation programs and rebates and other water related issues, please contact the Nipomo Community Services District at 929-1133 or visit www.ncsd.ca.gov.

###

Established in 1965 to meet the health and sanitation needs of the local community, Nipomo Community Services is pleased to provide a wide variety of services throughout its district including the provision of water, sewer, and waste management services as well as lighting and drainage in limited areas. The mission of Nipomo Community Services District is: Provide our customers with reliable, quality, and cost-effective services now and in the future.

**Press Release Log
2014**

| Date of PR | Title | Date Sent to Media | Date Placed On Website | Media Pub | Date PR Published | Media Published | Date PR Published | Media Published | Date PR Published |
|-------------------|---------------------------------------------------------------------------------|---------------------------|-------------------------------|------------------|--------------------------|------------------------|--------------------------|------------------------|--------------------------|
| 1/22/2014 | NCSD Board of Directors Review SLO County Resource Management System | 1/24/2014 | 1/24/2014 | | | | | | |
| 1/22/2014 | NCSD Director of Engineering and Operations Summarizes a Busy Year | 1/24/2014 | 1/24/2014 | SM Times | 1/29/2014 | Adobe | 1/31/2014 | | |
| 1/22/2014 | NCSD Board of Directors Accept Completion of Supplemental Water Project Phase 1 | 1/24/2014 | 1/24/2014 | SM Times | 1/29/2014 | Adobe | 1/31/2014 | | |
| 3/3/2014 | January Water Demand up Significantly over 2013 | 3/4/2014 | 3/4/2014 | SM Times | 3/5/2014 | Adobe | 3/7/2014 | | |
| 3/26/2014 | Nipomo CSD Board of Directors Authorize Contract for Eureka Well Repair | 4/3/2014 | 4/3/2014 | | | | | | |
| 3/27/2014 | Nipomo Community Services District Taking Action to Address the Drought | 3/31/2014 | 4/3/2014 | Sun | 4/3/2014 | Adobe | 4/4/2014 | | |
| 4/2/2014 | Nipomo CSD Launches New Customer-Friendly Website | 4/3/2014 | 4/3/2014 | | | | | | |
| 4/11/2014 | Board Actions Address Water Shortage and Drought | 4/11/2014 | 4/16/2014 | Tribune | 4/9/2014 | KSBY | 4/10/2014 | Adobe | 4/18/2014 |

Tiered drought rates would hit water gluttons

By Mike Hodgson/mhodgson@theadobepress.com

If a draft rate study is accepted by Nipomo Community Services District directors at their Wednesday, May 14, meeting, it will just be the start of a long process toward adoption of “drought rates” and supplemental water fees.

If the drought rates are adopted as proposed, they could have a major impact on water conservation as high-use customers cut back to avoid a major escalation in costs.

But whether they’re adopted and implemented will depend on whether customers agree they’re acceptable in a Proposition 218 vote this spring.

NCSD is proposing to continue using a four-tier water rate structure that already encourages conservation by increasing the cost per unit as consumption rises.

But the cost per unit would increase far more sharply from tier to tier if a stage 3 “severe water shortage” is triggered by the levels measured in key wells (see related story).

At current rates, a single-family home using the very-low volume of 10 units of water in a two-month billing period pays nearly \$52.

Under the stage 3 rates designed to reduce consumption 30 percent, that would rise to almost \$56.

Those using 20 units would see their bills increase from more than \$71 to more than \$79. The average home uses 36 units and would see monthly rates jump from about \$109 to more than \$163.

High-use homes consuming 80 units would see bills soar from almost \$257 to more than \$705, and bills for very-high-use homes drawing 120 units would skyrocket from about \$444 to more than \$1,407.

If the drought persists and key well levels remain at or below the “trigger point” for more than one year or if chloride levels rise to a “trigger point” in sentry wells near the ocean, the severe water shortage would escalate to stage 4.

That would call for a 50-percent reduction in water use, and bimonthly water bills would rise to more than \$75 for 10 units, more than \$116 for 20 units, more than \$276 for the average 36 units, more than \$1,152 for 80 units and more than \$2,291 for 120 units.

NCSD’s plan also includes rates for a stage 5 severe water shortage, which would result if key wells remain below the trigger point and high chloride levels remain above the trigger point in sentry wells for more than two years.

“We have never reached that level, but we must be ready (for that possibility),” NCSD General Manager Michael LeBrun said.

Stage 5 would require a

60-percent reduction in water use.

Under the tiered rate structure, stage 5 water bills would rise to more than \$94 for 10 units, almost \$156 for 20 units, nearly \$352 for the average 36 units, just over \$1,859 for 80 units and just over \$3,309 for 120 units.

“Our water is not expensive,” LeBrun said. “But if you buy 75,000 gallons every two months, that adds up.”

The rate study also includes potential supplemental water charges to pay a portion of the pipeline construction costs, water purchases and operations and maintenance costs.

A flat rate of almost \$40 is proposed, but the board has directed the staff to also provide a volume-based charge to ease the burden on those who use little water.

Two public workshops on the proposed rates are currently scheduled for Tuesday, May 6, one at 3 p.m. in Blacklake Golf Resort Conference Center and the other at 6:30 p.m. in the district board room, LeBrun said.

Approval of the rate study would then likely take place May 14, and the public notices could be mailed out May 23.

Additional public workshops could be held the week of June 2, with the final public hearing to adopt the rates set for July 9.

Posted Friday April 18, 2014

MAY 14, 2014

ITEM F

ATTACHMENT C

AGENDA

Dan Buckshi
County Administrator



BOARD OF SUPERVISORS

Frank R. Mecham, Vice-Chairperson, 1st District
Bruce Gibson, Chairperson, 2nd District
Adam Hill, 3rd District
Caren Ray, 4th District
Debbie Arnold, 5th District

Tuesday, May 13, 2014

CONSENT AGENDA

9:00 AM

REVIEW AND APPROVAL

PUBLIC COMMENT PERIOD

BOARD BUSINESS

HEARINGS

CLOSED SESSION

RECESS

AFTERNOON SESSION

1:30 PM

REPORT ON CLOSED SESSION

PRESENTATIONS

HEARINGS

BOARD BUSINESS

ADJOURNMENT

5:00 PM

- The Board of Supervisors' weekly agenda and staff reports are available at the following website: www.slocounty.ca.gov. Packets are also available at the County Government Center and may be viewed on-line at the Atascadero, Arroyo Grande, Paso Robles, Nipomo, Morro Bay, SLO City/County Libraries and the SLO Law Library.
- All persons desiring to speak on any Board item, including the Consent agenda, Closed Session or during the general public comment period are asked to fill out a "Board Appearance Request Form" and submit to the Clerk of the Board *prior* to the start of the Board item. Each individual speaker is limited to a MAXIMUM of three (3) minutes.
- Please refer to the information brochure located in the back and outside of the Board Chambers for additional information regarding accommodations under the Americans with Disabilities Act, supplemental correspondence, and general rules of procedure.

9:00 FLAG SALUTE

CONSENT AGENDA – REVIEW AND APPROVAL

The items listed on this portion of the agenda are scheduled for consideration as a group. The staff recommendations will be approved as outlined within the staff report. Any Supervisor may request an item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action for an item.

Bid Opening:

1. Letter transmitting plans and specifications (Clerk's File) for 2013-14 Asphalt Overlay, South Bay Boulevard from Los Osos Valley Road to Santa Ysabel Avenue, Los Osos, CA, for Board approval and advertisement for construction bids. Bid opening date set for Thursday, June 12, 2014. District 2.
2. Letter transmitting contract documents (Clerk's File) for approval and advertisement of bids, and authorize Director of General Services Agency to award two (2) Job Order Contracts. Bid opening date set for Thursday, June 12, 2014. All Districts.

Consent Agenda - Auditor - Controller - Treasurer - Tax Collector Items:

3. Request to approve: 1) a Rate Setting Agreement with Cold Canyon Landfill approving an increase to tipping fees; 2) Amendment No. 3 to the Solid Waste Collection Franchise Agreements with San Luis Garbage Company, South County Sanitary Service, Inc. and Mission Country Disposal to exclude the tipping fees in the cumulative cost of living rate comparison calculation and provide the authority to deny any portion of collection fee increases attributable to the Rate Setting Agreement that are greater than 1.5%; 3) find that the Rate Setting Agreement is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Section 21065, CEQA Guidelines Sections 15378(b)(5) and 15378(b)(4); and CEQA Section 21065 and State CEQA Guidelines Section 15261(a) and 4) find that Amendment No. 3 to the Solid Waste Collection Franchise Agreements are exempt from CEQA pursuant to: State CEQA Guidelines Section 15301 and State CEQA Guidelines Section 15061(b)(3). All Districts.

Consent Agenda - Board of Supervisors Items:

4. Submittal of Supervisor's expense report on meetings attended pursuant to Government Code section 53232.3 (d). Districts 1 & 2.
5. Request to appoint Michael McMahon as a District 1 representative to the Bicycle Advisory Committee. District 1.

Consent Agenda - General Services Agency Items:

6. Request to approve a new 25 year ground lease to replace an existing lease with the SLO T-Hangar Association for Lease Site T at the San Luis Obispo County Regional Airport. District 3.
7. Request to approve of Amendment No. 2 to the Lease and Operating Agreement with Aviation Consultants, Inc. (ACI) to reduce the size of Site G at the San Luis Obispo County Regional Airport. District 3.

Consent Agenda - Health Agency Items:

8. Request to approve a three year (May 2014 through May 2017) paramedic base hospital agreement (Clerk's File) with Arroyo Grande Community Hospital. Districts 3 & 4.

Consent Agenda - Public Works Items:

9. Submittal of bid opening report for Bridge Painting Project - Various County-wide Bridges, San Luis Obispo County, to award the subject contract to FD Thomas Inc., the lowest responsible bidder, in the amount of \$657,111. Districts 1, 2, 3 and 5.

Public Comment Period:

10. The general public comment period is intended to provide an opportunity for members of the public to address the Board on matters within the Board's purview that are not scheduled on the current agenda. Individuals interested in speaking are asked to fill out a "Board Appearance Request Form" and submit it to the Clerk of the Board prior to the start of general public comment. When recognized by the Chair, each individual speaker may address the Board and is limited to a MAXIMUM of three (3) minutes or a reasonable period of time as determined by the Board Chairperson.

Board Business:

11. Introduction of the Fiscal Year 2014-15 Proposed County Budget including special districts. (Clerk's File). All Districts.

Hearings:

12. Hearing to consider public testimony regarding the renewal of the San Luis Obispo County Tourism Business Improvement District (CBID) and continued levy of assessments for FY 2014-15. All Districts.
13. Hearing to consider an ordinance amending Chapter 8.23 of the County Code regarding the licensure of tobacco retailers in County unincorporated areas. All Districts.

Closed Session Items:

14. I. PENDING LITIGATION (Government Code, section 54956.9.) It is the intention of the Board to meet in closed session concerning the following items: Conference with Legal Counsel-Existing Litigation (Government Code, section 54956.9(a).) (Formally initiated) 1. North County Watch v. County of San Luis Obispo (SMR Subd., CV 098031); 2. Nipomo Parks Conservancy v. County of San Luis Obispo.
- II. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code section 54957.6.) It is the intention of the Board to meet in closed session to have a conference with its Labor Negotiator Tami Douglas-Schatz concerning the following: Name of employee organizations are: 3. SLOCEA-Trades and Crafts; 4. DCCA; 5. SLOGAU; 6. SLOCEA-Public Services, Supervisors, Clerical.

RECESS**1:30 REPORT ON CLOSED SESSION**

Presentations:

15. Submittal of a resolution to recognize May as "National Foster Care Month". All Districts.
16. Submittal of a resolution proclaiming May 18-24, 2014 as "National Public Works Week" and recognizing the 100th Anniversary of the County Engineers Association of California. All Districts.
17. Submittal of a resolution honoring Retired and Senior Volunteer Program volunteers in San Luis Obispo and Northern Santa Barbara Counties. All Districts.
18. Submittal of a resolution proclaiming May 19, 2014 as "Viral Hepatitis Awareness Day" in San Luis Obispo County. All Districts.

Hearings:

19. Hearing to consider a resolution adopting a revised Community Participation Plan for the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) Programs. All Districts.

Board Business:

20. Presentation by the San Luis Obispo Council of Governments on the U.S. Highway 101 Mobility Study Update. All Districts.

Board Business - Public Works - Board Sitting the Board of Supervisors and as Flood Control District

21. Request to appoint 22 members and 20 alternate members to the Paso Robles Groundwater Basin Advisory Committee. All Districts.

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| (1) DEPARTMENT Public Works | (2) MEETING DATE 5/13/2014 | (3) CONTACT/PHONE Courtney Howard, Water Resources Engineer (805) 781-1016 | |
| (4) SUBJECT Request to appoint 22 members and 20 alternate members to the Paso Robles Groundwater Basin Advisory Committee. All Districts. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board, acting as both San Luis Obispo County and the San Luis Obispo County Flood Control and Water Conservation District, appoint 22 members and 20 alternate members to the Paso Robles Groundwater Basin Advisory Committee as listed in Attachment "1." The Paso Robles Groundwater Basin Advisory Committee serves at the pleasure of the Board of Supervisors. | | | |
| (6) FUNDING SOURCE(S) N/A | (7) CURRENT YEAR FINANCIAL IMPACT N/A | (8) ANNUAL FINANCIAL IMPACT N/A | (9) BUDGETED? N/A |
| (10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>60 min.</u>) | | | |
| (11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A | | | |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A | | (13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A | |
| (14) LOCATION MAP Attached | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 4/8/14; #10 | |
| (17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i> | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts | | | |

Reference: 14MAY13-BB-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Courtney Howard, Water Resources Engineer (805) 781-1016

VIA: Dean Benedix, Utilities Division Manager

DATE: 5/13/2014

SUBJECT: Request to appoint 22 members and 20 alternate members to the Paso Robles Groundwater Basin Advisory Committee. All Districts.

RECOMMENDATION

It is recommended that the Board, acting as both San Luis Obispo County and the San Luis Obispo County Flood Control and Water Conservation District, appoint 22 members and 20 alternate members to the Paso Robles Groundwater Basin Advisory Committee as listed in Attachment "1." The Paso Robles Groundwater Basin Advisory Committee serves at the pleasure of the Board of Supervisors.

DISCUSSION

The Paso Robles Groundwater Basin (Paso Basin) Advisory Committee was formed on January 28, 2014¹, to advise the Board of Supervisors, acting either as the San Luis Obispo County Flood Control and Water Conservation District or San Luis Obispo County, concerning policy decisions relating to:

1. Implementation of the Basin Groundwater Management Plan
2. Development of an "enhanced" AB 3030 Groundwater Management Plan for the Basin
3. Formation of a new water district
4. Transition of an initial County-supported district to an independent district
5. Other policies and ordinances

The Paso Basin Advisory Committee also serves as a public forum to discuss and collect comments on Paso Basin issues and is comprised of 26 members (each with an alternate) split into two categories:

¹ The Paso Basin Advisory Committee was modified by the Board on February 11, 2014 and April 8, 2014.

- Agency, Organization and Association Members
- At-Large Members

Since the Paso Basin Advisory Committee was recently created, all member and alternate member positions are currently vacant. After receiving appointments from District 1 and 5; nominations from agencies, organizations and associations; and reviewing applications for the At-Large member positions, staff has developed recommendations for appointments to the Paso Basin Advisory Committee as outlined in Attachment "1" for your Board's consideration. Staff will continue to reach out to the agencies with no current membership nominations.

At-Large Members

At-large members must reside or have a business overlying the Paso Basin, and all applicants met this requirement. Recommendations as outlined in Attachment "1" are for a member and alternate member for each of the following at-large categories:

- One At-Large viticulture agriculturalist
- One At-Large non-viticulture irrigated crop agriculturalist
- One At-Large environmental representative
- One At-Large rural residential representative (District 1 Appointment)
- One At-Large rural residential representatives (District 5 Appointment)
- Five At-Large rural residential representatives
- One At-Large (Undesignated)

The District 1 and District 5 Supervisors' appointments noted in Attachment "1" were provided to staff in order to carry forth recommendations for the Paso Basin Advisory Committee under this single Board item.

Staff developed recommendations for the remaining at-large membership positions based on previous participation on the Blue Ribbon Committee, the geographic location of applicants' residences (a diverse representation geographically in the Basin was sought), and after consultation with other County staff. A map with the general residential location of the recommended at-large members is also included in Attachment "1." The number of applicants exceeds the number of applicable at-large membership and alternate membership positions by 2. Each application is provided in Attachment "3."

OTHER AGENCY INVOLVEMENT/IMPACT

Correspondence regarding the appointments from District 1 and District 5 Supervisors are included in Attachment "2."

The nominations for the agencies, organizations and associations on the Paso Basin Advisory Committee were made by those entities, as indicated in the attached correspondence (Attachment "4").

The County Clerk properly noticed the vacancies in compliance with the Maddy Act. Should your Board approve today's action, Attachment "1" is a list of the entire Paso Basin Advisory Committee membership.

FINANCIAL CONSIDERATIONS

There are no financial impacts as a result of this action.

RESULTS

Approval of the recommended action will appoint new members and new alternate members to the Paso Basin Advisory Committee and provide your Board with the best possible recommendations on Paso Basin related issues, resulting in a more livable and well-governed community.

File: CF 340.280.01 Fund 19 – Paso Robles Groundwater Basin

Reference: 14MAY13-BB-2

L:\UTILITYMAY14\BOS\PRGBAC Appointments brd ltr 20140513.doc.ch:taw

ATTACHMENTS

1. Vicinity Map
2. Recommended Agency, Organization and Association Members and Alternates, Paso Robles Groundwater Basin Advisory Committee
3. District 1 and District 5 Appointments Correspondence
4. Applications from All At-Large Applicants
5. Agency, Organization and Association Membership Nomination Correspondence

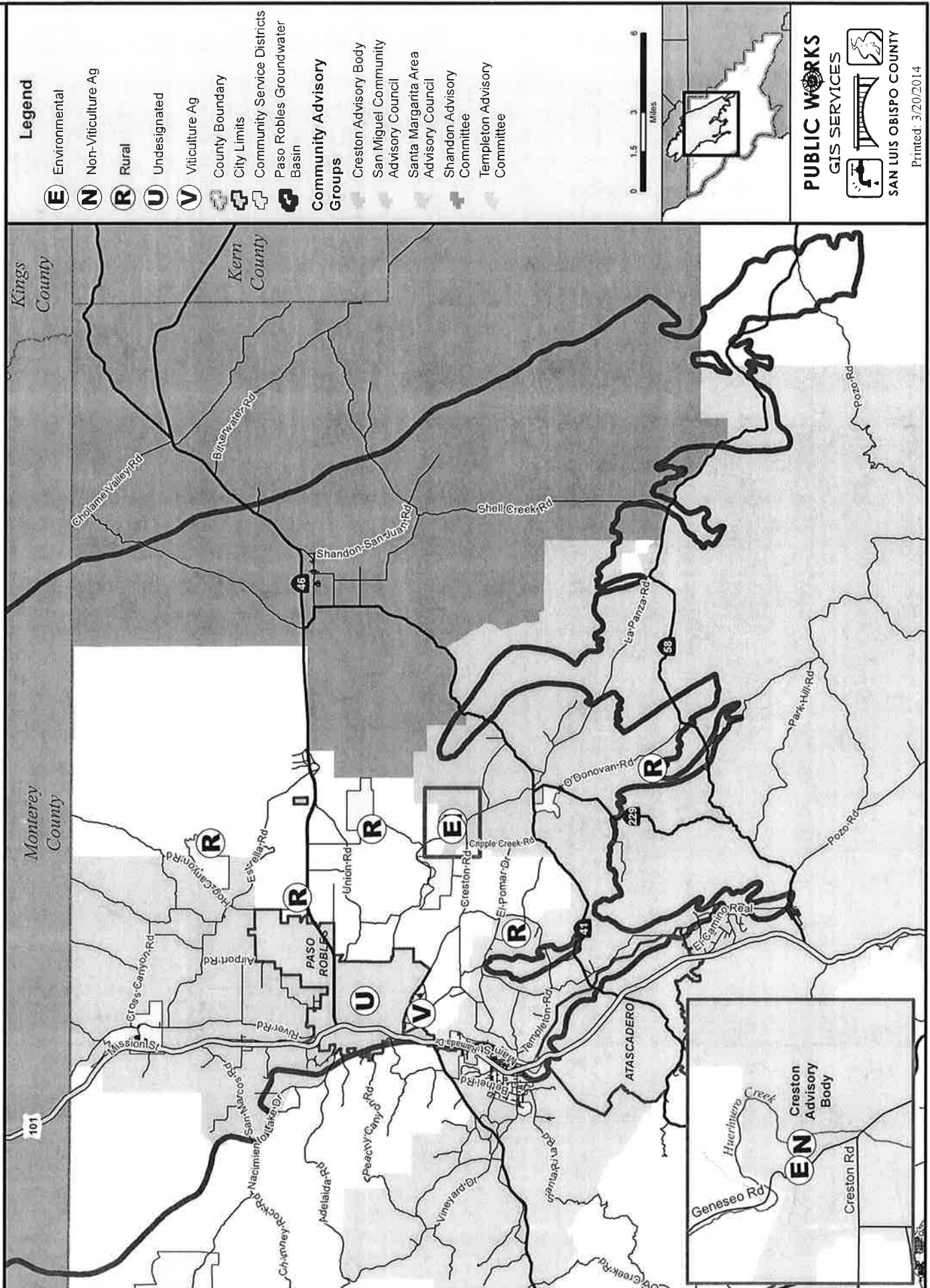
Attachment 1
 Recommended Agency, Organization and Association Members and Alternates
 Paso Robles Groundwater Basin Advisory Committee

| | | |
|----------------------------------------------------------------|---|--------------------|
| Atascadero Mutual Water Company | | |
| | M | John Neil |
| | A | Jaime Hendrickson |
| Central Coast Vineyard Team | | |
| | M | Kris Beal |
| | A | Willy Cunha |
| City of Atascadero | | |
| | M | Vacant |
| | A | Vacant |
| City of Paso Robles | | |
| | M | Christopher Alakel |
| | A | Christine Halley |
| County of Monterey (Resources Agency) | | |
| | M | Vacant |
| | A | Vacant |
| Monterey County Water Resources Agency | | |
| | M | Vacant |
| | A | Vacant |
| Paso Robles Imperiled Overlying Rights (PRIOR) | | |
| | M | Steve Sinton |
| | A | Kent Gilmore |
| Paso Robles Wine Country Alliance | | |
| | M | Patricia Wilmore |
| | A | Jerry Reaugh |
| San Miguel Community Services District | | |
| | M | Anthony Kalvans |
| | A | Dan Gilmore |
| Shandon (County Service Area 16) | | |
| | M | Donna Ellis |
| | A | Vacant |
| SLO County Cattlemen's Association | | |
| | M | Kurt Bollinger |
| | A | Dale Evanson |
| SLO County Farm Bureau | | |
| | M | Paul Clark |
| | A | Megan Silcott |
| Templeton Community Services District | | |
| | M | Jeff Britz |
| | A | Tina Mayer |
| Upper Salinas-Las Tablas Resource Conservation District | | |
| | M | Laura Edwards |
| | A | Devin Best |
| City of San Luis Obispo | | |
| | M | Vacant |
| | A | Vacant |

Attachment 1
 Recommended At-Large Members and Alternates
 Paso Robles Groundwater Basin Advisory Committee

| Undesignated Representative Type (1) | | |
|-----------------------------------------------------------|---|---------------------|
| | M | Larry Werner |
| | A | Miller Newlon |
| Viticulture Agriculturalist (1) | | |
| | M | Dana Merrill |
| | A | Robert Brown |
| Non-Viticulture Irrigated Crop Agriculturalist (1) | | |
| | M | Bill Spencer |
| | A | Vacant |
| Environmental Representative (1) | | |
| | M | Sue Harvey |
| | A | Daniel Meade |
| Rural Residential Representative (District 1) | | |
| | M | Randy Diffenbaugh |
| | A | Randy Heinzen |
| Rural Residential Representative (District 5) | | |
| | M | Greg Grewal |
| | A | Dr. Serena Friedman |
| Rural Residential Representatives (5) | | |
| | M | Sue Luft |
| | A | Micheal Baugh |
| | | |
| | M | Claudia Engel |
| | A | Maria Lorca |
| | | |
| | M | Edward C. Redig |
| | A | Jim DeRose |
| | | |
| | M | Steve Crouch |
| | A | William Frost |
| | | |
| | M | George Tracy |
| | A | Don Wilson |
| Not recommended for a position at this time | | |
| | | Sheila Lyons |
| | | Barry Kinman |

General Locations of Recommended At-Large Members (DRAFT)
 Paso Basin Advisory Committee



MAY 14, 2014

ITEM F

ATTACHMENT D

PROPOSED SAN LUIS OBISPO COUNTY IRWM 2014 EXPEDITED DROUGHT GRANT FUNDING ALLOCATION

| Project | Meets IRWM Objectives & Goals | Proposal Specific Project Criteria and Score | Assessment | Score | Project Cost | P84 IRWM Drought Grant Request Amount | Other Potential Funding Sources (see end notes) | Recommended Drought Funding in Application |
|-----------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------|-------|---------------------------|---------------------------------------|-------------------------------------------------|--------------------------------------------|
| CSA 23-Atascadero-Garden Farms Emergency | Yes | Human Right to Water - 1 Readiness to Proceed - 3 Drought Mitigation - 3 Community At Risk of Meeting Drinking Water Demand - 3 | | 10 | \$1,930,000 | \$1,450,000 | Not applicable | \$1,930,000 |
| Heritage Ranch CSD Emergency Turnout | Yes | Human Right to Water - 1 Readiness to Proceed - 3 Drought Mitigation - 3 Community At Risk of Meeting Drinking Water Demand - 3 | | 10 | \$150,000 | \$112,500 | Not applicable | \$112,500 |
| Cambria CSD Emergency Water Supply | Yes | Human Right to Water - 1 Readiness to Proceed - 2 Drought Mitigation - 3 Community At Risk of Meeting Drinking Water Demand - 3 | | 9 | \$5,000,000 | \$3,750,000 | Not applicable | \$3,750,000 |
| Salinas Nacimiento Emergency Intertie | Yes | Human Right to Water - 1 Readiness to Proceed - 1 Drought Mitigation - 3 Community At Risk of Meeting Drinking Water Demand - 3 | | 8 | \$4,050,000 | \$3,040,000 | Not applicable | \$3,040,000 |
| Total Recommended Grant Funding for SLO Co IRWM Region Drought Grant Application | | | | | | | | |
| \$8,832,500 | | | | | | | | |
| City of Morro Bay Chorro Valley Wells Nitrate | Yes | Human Right to Water - 1 Readiness to Proceed - 2 Drought Mitigation - 2 Community At Risk of Meeting Drinking Water Demand - 1 | | 6 | \$250,000- \$500,000 | \$375,000 | CDPH SWRCB | 0 |
| Heritage Ranch CSD Vertical Well Project | Yes | Human Right to Water - 1 Readiness to Proceed - 1 Drought Mitigation - 1 Community At Risk of Meeting Drinking Water Demand - 3 | | 6 | \$250,000- \$500,000 | \$375,000 | USDA/CDFR CDPH | 0 |
| San Miguel CSD New Well Water Supply | Yes | Human Right to Water - 1 Readiness to Proceed - 1 Drought Mitigation - 1 Community At Risk of Meeting Drinking Water Demand - 3 | | 6 | \$500,000- \$1,000,000 | \$375,000-\$750,000 | USDA/CDFR CDPH SWRCB | 0 |
| Chorro Reservoir Rehabilitation | Yes | Human Right to Water - 1 Readiness to Proceed - 1 Drought Mitigation - 2 Community At Risk of Meeting Drinking Water Demand - 1 | | 5 | \$500,000- \$1,000,000 | \$375,000-\$750,000 | CDPH | 0 |
| City of San Luis Obispo Recycled Water Distribution System Expansion | Yes | Human Right to Water - 0 Readiness to Proceed - 3 Drought Mitigation - 1 Community At Risk of Meeting Drinking Water Demand - 1 | | 5 | \$500,000 | \$375,000 | Unknown | 0 |
| City of Pismo Beach Recycled Water Project | Yes | Human Right to Water - 0 Readiness to Proceed - 3 Drought Mitigation - 1 Community At Risk of Meeting Drinking Water Demand - 1 | | 5 | \$16,247,000 | \$12,018,000 | Unknown | 0 |

PROPOSED SAN LUIS OBISPO COUNTY IRWM 2014 EXPEDITED DROUGHT GRANT FUNDING ALLOCATION

5/2/2014

| Project | Meets IRWM Objectives & Goals | Proposal Specific Project Criteria | Assessment | Score | Project Cost | P84 IRWM Drought Grant Request Amount | Other Potential Funding Sources | Recommended Drought Funding in Application |
|--------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------|-------|---------------------------|---------------------------------------|----------------------------------------------|--------------------------------------------|
| Coastal San Luis RCD Edna Valley Groundwater | Yes | Human Right to Water - 1 Readiness to Proceed - 1 Drought Mitigation - 2 | Community At Risk of Meeting Drinking Water Demand - 1 | 5 | \$250,000 - \$500,000 | \$375,000 | USDA/CDFA CDPH | 0 |
| NRWMC Interlake Tunnel Project | Yes | Human Right to Water - 0 Readiness to Proceed - 1 Drought Mitigation - 2 | Community At Risk of Meeting Drinking Water Demand - 1 | 4 | \$595,000 | \$446,200 | Unknown (funding focused on design/planning) | 0 |
| San Simeon Small Scale Recycled Water | Yes | Human Right to Water - 0 Readiness to Proceed - 2 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 1 | 4 | \$1,000,000 - \$5,000,000 | \$3,750,000 | USDA/CDFA CDPH SWRCB | 0 |
| Templeton CSD Upper Salinas, Conjunction Use Project | Yes | Human Right to Water - 0 Readiness to Proceed - 2 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 1 | 4 | \$1,000,000 - \$5,000,000 | \$3,750,000 | USDA/CDFA CDPH | 0 |
| City of Paso Robles Phase 1 Lake Nacimiento Water Treatment Plant Construction | Yes | Human Right to Water - 0 Readiness to Proceed - 3 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 1 | 4 | \$5,000,000 | \$3,750,000 | Unknown | 0 |
| San Miguel CSD Toilet | Yes | Human Right to Water - 0 Readiness to Proceed - 1 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 0 | 3 | \$250,000 | \$250,000 | Unknown | 0 |
| Vineyard Team & USLT RCD Improving On-Farm Water Management | Yes | Human Right to Water - 0 Readiness to Proceed - 1 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 1 | 3 | \$250,000 | \$187,500 | USDA/CDFA | 0 |
| USLT RCD Rehabilitation & Installation of Retention Ponds | Yes | Human Right to Water - 0 Readiness to Proceed - 1 Drought Mitigation - 1 | Community At Risk of Meeting Drinking Water Demand - 1 | 3 | \$250,000 | \$187,500 | USDA/CDFA | 0 |

Notes on Other Potential Funding Sources:

CDPH: Maximum of \$500,000 per project drinking water emergency funding. [http://www.cdph.ca.gov/certific/drinkingwater/Documents/Drought/PWSDE%20-%20Drought%20Emergency%20-%20Criteria\(Guidelines\)%203-28-14-final.pdf](http://www.cdph.ca.gov/certific/drinkingwater/Documents/Drought/PWSDE%20-%20Drought%20Emergency%20-%20Criteria(Guidelines)%203-28-14-final.pdf)
 SWRCB: Maximum not listed, but approved \$4 million in funding to provide interim replacement drinking water for economically disadvantaged communities with contaminated water supplies (e.g., bottled water, vending machines, point of use devices, hauled water, wellhead treatment, and planning). http://www.waterboards.ca.gov/water_issues/programs/grants_loans/caa/dw_droughtfund/

USDA: Maximum of \$150,000 for repairs to breaks or leaks in existing water distribution lines and related maintenance; and Maximum of \$500,000 for construction of new water source, intake and/or treatment facility or waterline extension. http://www.usda.gov/ows/portal/usda/usdahome?contentid=usda_drought_programs.html&contentidonly=true

CDFA: Various funding programs available. <http://www.cdca.ca.gov/drought/>



SLO Drought Project Screening Process

5/2/2014

SLO County received 18 projects through the County's Project Selection Process. Prior to screening projects through the methodology below, the team also had a conversation with DWR staff to ensure consistency with the interpretation of the Draft Guidelines and PSP.

Screening Process Methodology entailed the following:

1. IRWM Consistency
 - a. IRWM Related (Y/N)
 - b. Includes related IRWM Goals and Objectives (Y/N)
2. Screen out ineligible projects and document rationale
3. Evaluate and rank project readiness
 - a. Confirm April 1, 2015 start date
 - b. Rank degree of certainty (High/Medium/Low)
 - i. CEQA Complete
 - ii. Permitting Completeness
 - iii. Level of Design
4. Categorize project submittals into water supply, water quality, groundwater recharge and conservation projects
 - a. Water Supply
 - b. Water Quality
 - c. Groundwater Recharge
 - d. Water Conservation
5. Evaluate competitiveness and degree of benefit for each project category
 - a. Water Supply/Water Quality/Groundwater Recharge
 - i. Drought impacts to service area (H/M/L)
 - ii. Project mitigation of drought impacts (H/M/L)
 - iii. At risk of meeting drinking water demands (Y/N)
 - iv. Address Human Rights to Water (Y/N)
 - b. Water Conservation
 - i. Drought impacts to service area (H/M/L)
 - ii. Project mitigation of drought impacts (H/M/L)
 - iii. Locally not cost-effective

Fine Screening:

Once the Projects for the Application have been accepted, should a project not meet the criteria below, they will be dropped from the Application.

6. Evaluate project development and documentation
 - a. Technical Justification (i.e. Feasibility Study, Alternatives Analysis)
 - b. Benefit Cost Analysis (i.e. Project Cost Estimate, Benefits Estimates)

MAY 14, 2014

ITEM F

ATTACHMENT E



SAN LUIS OBISPO LAFCO

Local Agency Formation Commission

Meeting Agenda

May 15, 2014 at 9:00 a.m.

MISSION STATEMENT

The Local Agency Formation Commission is committed to serving the residents of San Luis Obispo County and the State of California by discouraging urban sprawl and encouraging the orderly formation and development of local agencies based on local conditions and circumstances.

COMMISSIONERS

Bruce Gibson, County
Frank Mecham, County
Duane Picanco, City

Roberta Fonzi, Chairperson, City
Tom Murray, Vice-Chair Public
Muriel Clift, Special District
Marshall Ochytski, Special District

David Brooks, Alt Public
Robert Enns, Alt Special District
Adam Hill, Alt County
Kris Vardas, Alt City

Meeting Location

Board of Supervisors Chambers
County Government Center
1055 Monterey Street
San Luis Obispo, California

Contact Information

David Church, AICP, Executive Officer
Phone: (805) 781-5795
Fax: (805) 788-2072
www.slolafo.com

MEETING AGENDA

Pledge of Allegiance

Call to Order/Roll Call:

Approval of the Minutes: April 17, 2014

Non-Agenda Public Comment Period

This is the period where persons may speak on items that are not on the regular agenda. All persons wishing to speak on agenda items or during this non-agenda public comment portion of the meeting are asked to fill out a "request to speak form" and provide it to the Commission Clerk prior to the beginning of that item. Each speaker will be limited to a three-minute presentation. During public hearings, applicants or their representatives will be given the opportunity to speak first after the staff report is given and questions of the Commission have been addressed.

Regular Matters:

A-1: Sphere of Influence /Municipal Services Review Update - Coastal Districts (Recommend Continuance to June 19, 2014)

Informational Matters:

B-1: Water Status Update: Formation Process of a Water District Report, AB 2453 Update and Recent Letters (Recommend Receive and File)

Commissioner Comments:

Legal Counsel Comments:

Executive Officer Comments:

Adjournment:

Submitted Proposals:

- Heights at Vista Del Mar Annexation # 31 to the City of Arroyo Grande
- California Valley CSD Activation of Parks and Recreation Powers-On Hold
- Broad Street Annexation (Farmhouse Lane) to the City of San Luis Obispo-On Hold
- Templeton Community Services District Outside User Agreement-On Hold

MAY 14, 2014

ITEM F

ATTACHMENT F



**NOTICE OF PUBLIC HEARING
SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS
PROPOSED AMENDMENTS TO TITLE 26 OF THE COUNTY CODE
THE GROWTH MANAGEMENT ORDINANCE**

WHO: San Luis Obispo County Board of Supervisors

WHEN: **Tuesday, May 20, 2014**, at 9:00 a.m. (All items are advertised for 9:00 a.m. To find out the agenda placement contact the County Administrative Office the Thursday afternoon before the scheduled hearing date).

WHAT: Hearing to consider a request by the **COUNTY OF SAN LUIS OBISPO** to amend the Growth Management Ordinance, Title 26 of the County Code, to update the fiscal year references for the maximum number of new dwelling units allowed for the Nipomo Mesa area for Fiscal Year 2014-2015. This ordinance amendment affects the land use categories within the Nipomo Mesa area within the South County planning area.

County File No: LRP2013-00010
Supervisory District: 4

Date Authorized: May 15, 2007
Assessor Parcel Numbers: Various

On April 10, 2014, the Planning Commission recommended to the Board of Supervisors to approve the amendment to the Growth Management Ordinance.

WHERE: The hearing will be held in the San Luis Obispo County Board of Supervisors Chambers, 1055 Monterey St., Room #D170, County Government Center, San Luis Obispo, CA. The Board of Supervisors Chambers are located on the corner of Santa Rosa and Monterey Streets. At the hearing all interested persons may express their views for or against, or to change the proposal.

FOR FURTHER INFORMATION: You may contact **Jo Manson, Project Manager**, in the San Luis Obispo County Department of Planning and Building, County Government Center, San Luis Obispo, California 93408 (805) 781-5600.

ENVIRONMENTAL INFORMATION: The Environmental Coordinator is proposing a General Rule Exemption be given to the proposed amendment in accordance with the applicable provisions of the Environmental Quality Act.

****If you challenge this matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this public notice or in written correspondence delivered to the appropriate authority at or before the public hearing****

DATED: 04/28/2014

JULIE L. RODEWALD, COUNTY CLERK-RECORDER

By /s/ Angela McCormick
Deputy Clerk

MAY 14, 2014

ITEM F

ATTACHMENT G



RECEIVED
APR 29 2014
NIPOMO COMMUNITY
SERVICES DISTRICT

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

COMMISSIONERS

Chairperson
ROBERTA FONZI
City Member

Vice-Chairperson
TOM MURRAY
Public Member

DUANE PICANCO
City Member

BRUCE GIBSON
County Member

FRANK MECHAM
County Member

MURIL CLIFT
Special District Member

MARSHALL OCHYLSKI
Special District Member

ALTERNATES

KRIS VARDAS
City Member

DAVID BROOKS
Public Member

ADAM HILL
County Member

ROBERT ENNS
Special District Member

STAFF

DAVID CHURCH
Executive Officer

RAYMOND A. BIERING
Legal Counsel

MIKE PRATER
Analyst

DONNA J. BLOYD
Commission Clerk

**TO: EACH CITY MANAGER
EACH SPECIAL DISTRICT MANAGER
BOARD OF SUPERVISORS (Clerk of the Board)
COUNTY ADMINISTRATOR'S OFFICE**

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER

DATE: APRIL 24, 2014

**SUBJECT: TRANSMITTAL OF ADOPTED FISCAL YEAR 2014-15
LAFCO BUDGET**

Attached is a copy of the Adopted LAFCO Budget for fiscal year 2014-15 as considered by the Commission on April 17, 2014. The Budget is being transmitted pursuant to the requirements in the Cortese-Knox-Hertzberg Act. The County, Cities, and Special Districts each fund one-third of the LAFCO Budget respectively. These charges are allocated by the County Auditor to the Cities and Districts based on the revenues reported for each jurisdiction in the most recent State Controller's Annual Report.

Please contact me at 805-788-2096 if you have any questions about the adopted LAFCO budget. Thank you.

c. Jim Erb, County Auditor's Office

Exhibit A
San Luis Obispo Local Agency Formation Commission
Adopted Budget - Fiscal Year 2014-2015

Adopted - April 17, 2014

| EXPENDITURES SUMMARY | Current Year | Expense YTD | Proj. Yr End | Adopted 14-15 | Inc/Dec | % Inc/Dec |
|-----------------------------|---------------------|--------------------|---------------------|----------------------|----------------|------------------|
| Salaries | 226,164 | 164,591 | 226,164 | 233,907 | 7,743 | 3.4% |
| Benefits and Taxes | 165,184 | 112,151 | 156,335 | 176,109 | 10,925 | 6.6% |
| Services and Supplies | 116,913 | 84,344 | 111,042 | 117,822 | 909 | 0.8% |
| Total Expenses | 508,261 | 361,087 | 493,541 | 527,838 | 19,577 | 3.9% |

| EXPENDITURES DETAIL | Current Year | Expense YTD | Proj. Yr End | Adopted 14-15 | Inc/Dec | % Inc/Dec |
|--------------------------------------------------|---------------------|--------------------|---------------------|----------------------|----------------|------------------|
| Salaries and Benefits | | | | | | |
| Salaries | 226,164 | 164,591 | 226,164 | 233,907 | 7,743 | 3.4% |
| Benefits and Taxes | 165,184 | 112,151 | 156,335 | 176,109 | 10,925 | 6.6% |
| Subtotal Salaries & Benefits | 391,348 | 276,743 | 382,499 | 410,016 | 18,668 | 4.8% |
| Variable Costs (%) : | | | | | | |
| FICA -Employer Match | 14,357 | 10,286 | 14,357 | 14,837 | 480 | 3.3% |
| Medicare - Employer Match | 3,358 | 2,484 | 3,358 | 3,470 | 112 | 3.3% |
| Retirement-Employer Contribution | 57,879 | 41,975 | 57,879 | 60,442 | 2,563 | 4.4% |
| Retirement-Employer for Employee | 29,410 | 21,406 | 29,410 | 30,384 | 974 | 3.3% |
| Retirement - Employee Contribution ¹⁾ | 3,164 | 2,737 | 3,164 | 3,872 | 708 | 22.4% |
| Pension Obligation Bond Payment | 13,963 | 10,090 | 13,963 | 16,127 | 2,164 | 15.5% |
| SDI/SUI-Employer Contribution | 2,963 | 777 | 2,963 | 3,064 | 101 | 3.4% |
| Fed Unemploy Tax-Employer Cont | 905 | 126 | 905 | 936 | 31 | 3.4% |
| Fixed Costs (\$) : | | | | | | |
| Health Plan/Café Cash | 30,600 | 22,407 | 30,600 | 35,100 | 4,500 | 14.7% |
| Life Insurance | 750 | 0 | 300 | 750 | 0 | 0.0% |
| Def Comp - EO Employer Match | 11,000 | 2,600 | 2,600 | 11,000 | 0 | 0.0% |
| Total Benefits | 165,185 | 112,151 | 156,335 | 176,109 | 10,924 | 6.6% |

¹⁾ Not included in the LAFCO budget. Share paid by employee.

| Services and Supplies | Current Year | Expense YTD | Proj. Yr End | Adopted 14-15 | Inc/Dec | % Inc/Dec |
|-----------------------------------------|---------------------|--------------------|---------------------|----------------------|----------------|------------------|
| Food | 1,000 | 863 | 1,000 | 1,000 | 0 | 0.0% |
| Maintenance - Equipment | 500 | 378 | 700 | 500 | 0 | 0.0% |
| Maintenance - Software | 500 | 0 | 400 | 500 | 0 | 0.0% |
| CALAFCO/Other Memberships | 4,000 | 4,085 | 4,085 | 4,200 | 200 | 5.0% |
| Office Supplies | 2,700 | 995 | 2,600 | 2,500 | -200 | -7.4% |
| Commissioner/Consultant Exp | 10,000 | 7,245 | 8,500 | 10,000 | 0 | 0.0% |
| Publication/Legal Notices | 1,000 | 677 | 1,200 | 1,000 | 0 | 0.0% |
| Rent | 38,000 | 27,509 | 36,700 | 38,000 | 0 | 0.0% |
| Small Equipment | 250 | 0 | 250 | 400 | 150 | 60.0% |
| Large Equipment | 3,000 | 2,944 | 2,944 | 2,000 | -1,000 | -33.3% |
| Computer Software | 500 | 87 | 300 | 500 | 0 | 0.0% |
| Employee Mileage | 600 | 0 | 400 | 400 | -200 | -33.3% |
| Commissioner Mileage | 1,800 | 948 | 1,800 | 2,000 | 200 | 11.1% |
| Airfare/Public Transportation | 500 | 0 | 300 | 500 | 0 | 0.0% |
| Accommodations/Travel | 4,000 | 4,445 | 5,000 | 5,000 | 1,000 | 25.0% |
| Auto Allowance | 5,400 | 3,946 | 5,400 | 5,400 | 0 | 0.0% |
| Training/Conf Registration | 4,000 | 3,179 | 3,600 | 4,500 | 500 | 12.5% |
| Utilities | 3,250 | 2,210 | 3,100 | 3,250 | 0 | 0.0% |
| Car/Vehicle Rentals | 750 | 670 | 800 | 800 | 50 | 6.7% |
| Postage | 1,000 | 723 | 1,000 | 1,200 | 200 | 20.0% |
| Custodian | 910 | 520 | 910 | 910 | 0 | 0.0% |
| Copying | 1,000 | 0 | 1,000 | 800 | -200 | -20.0% |
| ITD-SAP/Board Chambers | 850 | 398 | 850 | 850 | 0 | 0.0% |
| Phones | 1,450 | 848 | 1,450 | 1,450 | 0 | 0.0% |
| County Auditor | 6,953 | 6,953 | 6,953 | 7,162 | 209 | 3.0% |
| Insurance | 8,000 | 4,410 | 6,000 | 8,000 | 0 | 0.0% |
| Legal Counsel/Other Co Billings | 15,000 | 10,312 | 13,800 | 15,000 | 0 | 0.0% |
| Subtotal Services & Supplies | 116,913 | 84,344 | 111,042 | 117,822 | 909 | 0.8% |

| | | | | | | |
|-----------------------|----------------|----------------|----------------|----------------|---------------|-------------|
| Total Expenses | 508,261 | 361,087 | 493,541 | 527,838 | 19,577 | 3.9% |
|-----------------------|----------------|----------------|----------------|----------------|---------------|-------------|

MAY 14, 2014

ITEM F

ATTACHMENT H



Air Pollution Control District
San Luis Obispo County

RECEIVED
APR 28 2014
NIPOMO COMMUNITY
SERVICES DISTRICT

TO: APCD Permit Holders and Other Interested Parties
FROM: Larry R. Allen, Air Pollution Control Officer *LRA*
DATE: April 25, 2014
SUBJECT: Notice of Availability of Proposed District Budget for 2014-2015

Availability of Proposed District Budget for 2014-2015 for Review and Comment

You are invited to provide input on the proposed annual budget for the District for Fiscal Year (FY) 2014-2015. Comments on the budget or suggested changes may be submitted in writing prior to two scheduled public budget hearings or may be made orally at those hearings. The Air Pollution Control District (APCD) Board will hold hearings on May 28, 2014 at 9:00 a.m. and on June 18, 2014 at 9:00 a.m. in the Board of Supervisors Chambers at the County Government Center, San Luis Obispo, California. Formal adoption of the budget by the APCD Board is scheduled for their June 18, 2014 meeting.

The Air Pollution Control District's budget request of \$4,263,671 for Fiscal Year (FY) 2014-2015 represents a 6% decrease from the current budget for FY 2013-2014. A summary of the FY 2014-2015 Proposed Budget is scheduled to be available for public review beginning April 25, 2014 on weekdays between 8:00 a.m. and 5:00 p.m. at the Air Pollution Control District office, located at 3433 Roberto Court, San Luis Obispo, California. Copies of the budget summary will also be available for review at the public libraries in Arroyo Grande, Atascadero, Morro Bay, Nipomo, Paso Robles, and San Luis Obispo during their normal business hours. The budget information is available to be mailed to permit holders and interested parties on request, and is also available on the District's website at www.slocleanair.org.

Incorporated with the summary of the proposed budget are supporting documents, including a current schedule of fees charged by the District. There are no proposed changes to the District's fees, hourly billing rate, or permit renewal factor.

If you would like further information about the proposed budget or its hearing and adoption process, contact Larry Allen, Air Pollution Control Officer, or Kevin Kaizuka, Fiscal Manager. For questions on District fees, contact Gary Willey, Engineering Division Manager. All three can be reached at (805) 781-5912.

MAY 14, 2014

ITEM F

ATTACHMENT I

FRANK B & ASSOCIATES

WATER MANAGEMENT CONSULTING

April 30, 2014

E-mailed & Mailed

California Public Utilities Commission
Attn. Water Branch
505 Van Ness Avenue, Room 3106
San Francisco, CA 94102-3106

Subject: Advice Letter 76-W, Rural Water Company Asset and CPCN Transfer

Attached are the original and 2 copies of the Advice Letter 76-W a filing with attachments, which are summarized as follows:

- 1) Advice Letter Cover Sheet
- 2) Advice Letter No. 76-W with attachments
 - a) Exhibit A Rural 2000 Annual Report
 - b) Exhibit B Cypress GRC Rate Resolution W-4795
 - c) Exhibit C Cypress 2013 Annual Report
 - d) Exhibit D Cypress/Rural Shared Facilities Agreement
 - e) Exhibit E Shared Structure Plan View
 - f) Exhibit F Aerial View of Shared Structure
- 3) Service List

Should you have any questions please call me at 805-525-4200

Sincerely,

Frank Brommenschenkel

Frank Brommenschenkel
Frank B & Associates

Attachments

| | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------|--------------|---------------------------------------------------|---------------------------|--|
| CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet | | | | (Date Filed / Received Stamp by CPUC) | | | | |
| AL # 76-W | | Date Mailed to Service List: April 30, 2014 | | Requested Effective Date: ASAP | | Requested Tier: Tier 1 Tier 2 Tier 3 | | |
| Replacing AL#: | | Authorization for Filing: ALJ Resolution W-268 & GO 96-B 7.3.3 (12) | | Compliance Filing? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | | Rate \$ \$0.00 Impact % 0% | | |
| <u>The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:</u> | | | | Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102 | | | | |
| <u>and if you have email capability, also email to:</u> | | | | water_division@cpuc.ca.gov | | | | |
| <u>Your protest also must be served on the Utility</u> | | | | (see attached advice letter for more information and grounds for protest) | | | | |
| Company Name: Rural Water Company | | | | | | CPUC Utility Number: | | |
| Address: PO Box 1826 | | | | | | WTA _____ | | |
| City, State, Zip: Pismo Beach, CA 93448 | | | | | | WTB _____ | | |
| | | | | | | WTC 311 | | |
| | | | | | | WTD _____ | | |
| | | | | | | SWR _____ | | |
| Contact Name: | | Phone No. | | Fax No. | | Email Address: | | |
| Filer | Frank Brommenschenkel | | 805-525-4200 | | 805-525-7284 | | Frank.brommen@verizon.net | |
| Alternate | Charles M. Baker | | 805-481-4150 | | 805-481-6642 | | ruralwater@me.com | |
| Description: | | | | | | | | |
| In this space or on the back of this form: | | | | | | | | |
| 1. Explain justification for requested Tier: ALJ Resolution 268, GO 96-B 7.3.3 (12) | | | | | | | | |
| 2. Describe service affected and how it is affected; No change in service is required nor requested | | | | | | | | |
| 3. Describe differences from related Advice Letters (Similar service, replacement filing) | | | | | | | | |
| (FOR CPUC USE ONLY) | | | | | | | | |
| WTS Budget/Activity/Type | | | | Process as: .Tier 1 .Tier 2 .Tier 3 | | | | |
| _____ / _____ / _____ | | | | 20th Day | | 30th Day | | |
| Project Manager: | | | | Suspended on: | | | | |
| Analyst: | | | | Extended on: | | | | |
| Due Date: | | | | Resolution No.: | | | | |
| Completion Date: | | | | AL/Tariff Effective Date: | | | | |

RURAL WATER COMPANY

San Luis Obispo County

April 30, 2014

Advice Letter No. 76-W

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rural Water Company (Rural) hereby submits this advice letter filing pursuant to Public Utilities Code Section 851, ALJ Resolution 268 dated August 21, 2012 and in accordance with an Asset Purchase Agreement entered into by and between Rural and Golden State Water Company (Golden State) that is currently pending before the California Public Utilities Commission (Commission) in Application No. 13-10-011.

Rural requests that the Commission authorize it to formally transfer to its sister company, Cypress Ridge Sewer Co. (Cypress), a certificate of public convenience (CPCN) to provide sewer service to the Cypress Ridge housing development in San Luis Obispo County (Cypress Ridge Community) as well as all assets related to the provision of such sewer service, including a structure currently used in both water and sewer operations.

Rural requests Tier III advice letter treatment for its request for authorization to transfer these assets.

BACKGROUND:

The Cypress Ridge Community is a residential development in the northwest portion of the Nipomo Mesa in San Luis Obispo County, adjacent to the City of Arroyo Grande, consisting of roughly 400 homes, a golf course, community center and other facilities.

In 2000, pursuant to Advice Letter No. 42, the water system used to serve the Cypress Ridge Community was added to Rural's pre-existing Water Service Area. Specifically, Rural accepted into its contributed plant account \$1,700,000 from Cypress Ridge L.P., the developer of the Cypress Ridge Community, consisting of the domestic water production, distribution, and storage facilities for the provision of water service to the customers of the Cypress Ridge Community. The various sub accounts and dollar amounts of this contributed domestic water system were as follows as reported to the Commission in Rural's 2000 annual report in Schedule B and the total of the assets reflected in the depreciation schedule attached to that report.

| | |
|---------------------------------|-----------|
| 1. Structures | \$ 50,000 |
| 2. Wells | \$350,000 |
| 3. Pumping Equipment | \$165,000 |
| 4. Water Treatment | \$ 10,000 |
| 5. Reservoirs Tank & Standpipes | \$200,000 |
| 6. Water Mains | \$582,998 |

| | |
|-------------------------------------|------------------|
| 7. Services and Meter Installations | \$137,000 |
| 8. Hydrants | \$150,000 |
| 9. Meters | \$ 25,002 |
| 10. Other Equipment | <u>\$ 30,000</u> |
| | \$1,700,000 |

The structure referred to in line 1 above refers to a control building that is currently used for both the water and sewer systems, and which houses both water and sewer assets (referred to herein as the Shared Structure).

In Decision 02-06-005, issued on June 6, 2002, the Commission granted Rural a CPCN authorizing Rural to provide sewer service to the Cypress Ridge Community. The Commission also directed Cypress Ridge Service Company, Inc., a subsidiary of Cypress Ridge L.P., to transfer its sewer system property to Rural. *See* D.02-06-005 at Ordering Paragraph 3 (June 6, 2002). Pursuant to the Commission's order, Rural established a separate operating unit for the sewer system and accepted into that operating unit's contributed plant account all of the sewer assets of Cypress Ridge Service Company, Inc.

On April 11, 2008, Mr. Charles M. Baker, the owner of Rural, established a new corporation called Cypress Ridge Sewer Co. (Cypress) for the purpose of owning and operating the contributed sewer assets that had been held by a separate operating division of Rural pursuant to Decision 02-06-005. Attached as Exhibit A is the first Commission annual report by Rural reflecting the original assets received in the 2000. As with Rural, Mr. Baker owns 100% of Cypress. Pursuant to GRC Resolution W-4795 dated November 20, 2009, the Commission recognized Cypress and Rural as separate entities. Indeed, since the formation of Cypress in 2008, the Commission has approved several advice letter filings made by Cypress related to the provision of sewer service, including the approval of an amended tariff indicating that Cypress is the utility providing sewer service to the Cypress Ridge Community. See attached Resolution W-4795, Exhibit B.

The sewer assets currently identified in Cypress' 2013 Annual Report are as follows from the attached Exhibit C:

| | |
|----------------------------------|------------------------------|
| a. Intangible Plant | \$ 2,669 |
| b. Pumping Equipment | \$ 239,908 |
| c. Water Treatment Plant (Sewer) | \$3,200,000 |
| d. Water Mains (Sewer) | \$1,504,500 |
| e. Other Equipment | \$ 192,416 |
| f. Office Furniture & Equipment | <u>\$ 10,000</u> |
| Total Plant (12-31-13) | \$5,149,493 |
| Contributed Capital | \$4,764,500 |
| Company Capital | \$ 384,993 |
| Undepreciated Company Capital | \$ 341,606 (Net Plant Value) |

Prior to this filing, Rural had not formally requested Commission approval to transfer to Cypress its CPCN to operate a sewer system or the above-referenced sewer assets.

On October 10, 2013, Rural and Golden State filed Application 13-10-011, seeking the Commission's authorization for Golden State to purchase Rural's water system assets pursuant to an Asset Purchase Agreement (APA). Golden State is not purchasing the sewer system facilities or the Shared Structure related to Cypress' provision of sewer service to customers located within the Rural water system. Pursuant to Section 5.1 of the APA, Rural has agreed to file an advice letter with the Commission, pursuant to Public Utilities Code Section 851, to formally transfer to Cypress its CPCN to operate a sewer system and all of the assets described above that are used and useful for the provision of such sewer service, including but not limited to the Shared Structure.

DISCUSSION:

The Commission should authorize and approve the formal transfer of sewer assets from Rural to Cypress, including the CPCN, the Shared Structure, and all other assets used in the provision of sewer service.

As discussed above, Mr. Baker has been operating the sewer system serving the Cypress Ridge Community since the Commission granted the sewer CPCN to Rural in 2002. The formation of Cypress in 2008 by Mr. Baker formalized this separate operating unit as its own entity, but otherwise has had no impact to the operations of the sewer system. Mr. Baker, as the 100% owner of both Rural and Cypress, operates the sewer system in the name of Cypress in same manner, with the same assets and with the same staff and management as when the system was operated in the name of Rural. The Commission should approve this advice letter authorizing the formal transfer of the CPCN and all of the sewer assets currently being used by Cypress because this will clarify the Commission's Administrative record, and confirm that Cypress—the entity that the Commission has examined and endorsed as the sewer service provider over the last several years—remains the Commission regulated sewer service provider.

Rural also requests that the Commission approve the transfer of the Shared Structure to Cypress. This Shared Structure has been and continues to be used to house controls and equipment for the operation of both water and sewer systems. Rural seeks to transfer the Shared Structure to Cypress because the APA excludes the Shared Structure from the water system assets that shall be purchased by Golden State. Pursuant to the APA, Rural has therefore agreed to seek the Commission's approval to transfer this asset to Cypress.

The Shared Structure is currently listed in Rural's plant account in the amount of \$50,000 with an un-amortized value of \$30,050 as of December 31, 2013. Transfer of this Shared Structure from Rural to Cypress will have zero impact on rate base or rates because this plant is contributed plant and therefore is not (and shall not be in the future) in Rural's or Cypress's rate base for ratemaking purposes. Moreover, both Cypress and Rural do not

earn a return on rate base, but rather base rates on a return on margin methodology. Thus, transfer of the Shared Structure from Rural to Cypress shall have no impact on rates.

Moreover, there will be no change in the operation of the Shared Structure. Attached hereto as Exhibit D is a form of Shared Facilities Agreement that will be entered into by and between Rural and Cypress for the purpose of permitting Rural to continue to use the Shared Structure to provide water service to its customers until the Commission approves the APA in Application 13-10-011. In the event the Commission does not authorize the transfer of Rural's water system assets to Golden State, this Shared Facilities Agreement will continue to permit Rural to use the Shared Structure in connection with its water system operations.

For the reasons set forth above, the public interest is promoted by the transfer of sewer assets from Rural to Cypress, including the CPCN, the Shared Structure, and all other assets used in the provision of sewer service. Upon approval of this advice letter, Rural will formally transfer these assets to Cypress by an appropriate mechanism that may include the following: (1) by quitclaim deed (without payment of consideration) from Rural to Cypress; or (2) a distribution of the assets from Rural to its sole shareholder Mr. Baker, and subsequent contribution of the assets from Mr. Baker to Cypress.

Commission Resolution ALJ-268 also provides direction on filings of this nature. Rural sets forth below its responses to the relevant topics and questions identified in ALJ-268 in **bold** text.

Rule 3. Section 851 Transactions Eligible for Advice Letter Treatment

Regulated utilities may file advice letters for transactions which require Commission approval under Section 851 and meet the following criteria:

a. The activity proposed in the transaction will not require environmental review by the Commission as a Lead Agency under the California Environmental Quality Act (CEQA), either because:

- (1) A statutory or categorical exemption applies (the applicant must provide a Notice of Exemption from the Lead Agency or explain why it believes that an exemption applies), or **Not applicable as there is no project. The CPCN and asset transfer requested is an administrative function, not a construction project involving environmental issues and the assets are being transferred from one corporation to another corporation owned by the same individual.**
- (2) The transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or **This transaction does not come under CEQA as no new facilities are being built that could constitute a construction project, existing facilities are being transferred**

from one corporation to another corporation that are both owned by the same individual.

- (3) Another public agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA. **Not applicable as there is no project. An Environmental Impact Report (FEIR) for Cypress Ridge subdivision including the original construction of both the water and sewer system was certified by the Board of Supervisors of San Luis Obispo County by Resolution 97-134 adopted March 18, 1997.** So the water and sewer facilities in place are covered by an Environmental study.
- b. The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates. **There will be no change in the sewer system operations resulting from the approval of this advice letter request as the same staff, management and ownership will remain in place. The purpose of this request is to clarify the Administrative record of the Commission and to demonstrate the proper authorizations have been granted for Cypress to continue to operate as a separate entity with all the necessary assets.**
- c. Any financial proceeds from the transaction will be either:
 - (1) Booked to a memorandum account for distribution between shareholders and ratepayers during the next general rate case or other applicable proceeding for that utility, or
 - (2) Immediately divided between shareholders and ratepayers based on a specific distribution formula previously approved by the Commission for that utility. **No financial proceeds will be transferred as the same person owns both corporations as only the administrative record is being corrected.**
- d. If the transaction results in a fee interest transfer of real property, the property does not have a fair market value in excess of \$5 million. **The Shared Structure will be transferred without the underlying land. Easements for the continued use of the Shared Structure and underground facilities have already been properly recorded for their continued use of above and below ground wastewater treatment facilities. All easements have already been transferred from Rural to Cypress and were recorded at no value on the recorded documents as no money changed hands.**
- e. If the transaction results in a sale of a building or buildings (without an accompanying fee interest transfer of the underlying land), the building(s) does not have a fair market value in excess of \$5 million. **The only building to be transferred is the Shared Structure. The Fair Market Value of the Shared Structure is well below this \$5 million limit. The Shared Structure's original contributed book value was \$50,000 and, as discussed above, will not result in any change in rate base for Rural or**

Cypress. In fact, the Shared Structure is the only asset that upon Commission approval of this advice letter will be accounted for in a different manner, as all remaining sewer and water assets have already been continually reported to the Commission as separate operations.

f. If the transaction is for the sale of depreciable assets (other than a building or buildings), the assets do not have a fair market value in excess of \$5 million. **The shared structure was a contributed asset and this value has been amortized by Rural since it was received into its plant in 2000 along with the developer constructed water assets, separate from the sewer assets and it is requested to have the structure value moved from the Rural list of assets to the Cypress list of assets in the same net amortized value. As of 12-31-2013 Cypress has total assets with a gross book value in the amount of \$5,149,493 as reflected in the 2013 Annual Report to the Commission, of which \$4,764,500 are contributed capital. So the company funded portion is \$384,893 and after depreciation through 12-31-2013 the net plant book value of company funded capital is \$341,606. Net book value may be more or less than what a willing buyer or seller could agree upon if sold on the open market. Considering the Rate of Margin earning authorized by the Commission, the fair market value of Cypress is estimated at \$1 million, considerably under the \$5 million limit for Advice Letter filings.**

g. If the transfer is a lease or a lease-equivalent, the total net present value of the lease payments, including any purchase option, does not have a fair market value in excess of \$5 million, and the term of the lease will not exceed 25 years. **No leases are required for any of the physical facilities nor for the CPCN being transferred.**

h. If the transaction conveys an easement, right-of-way, or other less than fee interest in real property, the fair market value of the easement, right-of-way, or other interest in the property does not exceed \$5 million. **All easements have already been transferred from Rural to Cypress and were recorded at no value on the recorded documents as no money changed hands.**

i. The transaction will not materially impact the rate base of the utility. (This requirement does not apply to telephone corporations subject to the Uniform Regulatory Framework (URF) or which are not subject to rate of return regulation.) **No rate base impacts will occur because of this administrative record clarification of the CPCN and physical assets.**

j. If the transaction is a transfer or change in ownership of facilities currently used in regulated utility operations, the transaction will not result in a significant physical or operational change in the facility. **There will be no physical or operational changes as Charles M. Baker owns the assets of both Rural and Cypress; this request is to clarify the administrative records of Cypress sewer assets and the CPCN.**

k. The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application. **Formal review is not required as this request is not a project under CEQA, assets remain under the ownership of Charles M. Baker, value of the assets are less than \$5 million, and the amount of rate base will remain the same for both Cypress and Rural.**

The following instructions are from ALJ 268 and the responses to those items are again in **bold** text:

APPENDIX A GENERAL ORDER 173 REGARDING SECTION 851 ADVICE LETTERS

Rule 4. Contents of Advice Letters

In addition to other information required by GO 96-B or its successor regulation, advice letters shall include the following:

a. Identity and addresses of all parties to the proposed transaction; **Rural Water Company, Inc. and Cypress Ridge Sewer Co, are wholly owned by Charles M. Baker 2299 Tattler Arroyo Grande CA.**

b. A complete description of the property, including its present location, condition, and use;

1. A contributed shared structure from the Rural plant account "Structures" in the amount of \$50,000 with an un-amortized value of \$30,050 as of 12-31-2013 that has been and continues to be used to house controls and equipment for the operation of both water and sewer systems currently within the Cypress community. See attached plan view of the shared structure, Exhibit "E".

2. All other assets reflected in Schedule B and the amortization schedule from the attached 2013 annual report (Exhibit "C") and the CPCN originally granted to Rural.

c. The transferee's intended use of the property; **The use of the property and equipment will continue the treatment of wastewater under the same management.**

d. A complete description of the financial terms of the proposed transaction; **No financial terms are required for this transaction as no money changes hands with the approval of this filing. Approval of this advice letter will more clearly define the administrative records of the Cypress and Rural assets with regard to the control building, the wastewater treatment and collection system and the CPCN.**

e. A description of how the financial proceeds of the transaction will be distributed; **No distribution of proceeds is required, recorded rate base will remain the same after approval as was the case before this request was made and no cash changes hands for the building, wastewater treatment and collection system nor the CPCN.**

f. A statement of the impact of the transaction on rate base (except for advice letter applications filed by telephone corporations subject to URF or which are not subject to rate of return regulation), and any effect on the ability of the utility to serve customers and the public; **No rate base change is requested nor necessary as Rural and Cypress asset values change only to the extent of the shared structure being moved from Rural's list of contributed assets to Cypress list of contributed assets.**

g. For sales of real property and depreciable assets, the original cost, present book value, and present fair market value, and a detailed description of how the fair market value was determined (e.g., appraisal); **The shared structure was a contributed asset and this value has been amortized by Rural since it was received into its plant in 2000 along with the developer constructed water assets, separate from the sewer assets and it is requested to have the structure value moved from the Rural list of assets to the Cypress list of assets in the same net amortized value. As of 12-31-2013 Cypress has total assets with a gross book value in the amount of \$5,149,493 as reflected in the 2013 Annual Report to the Commission, of which \$4,764,500 are contributed capital. So the company funded portion is \$384,893 and after depreciation through 12-31-2013 the net plant book value of company funded capital is \$341,606. Net book value may be more or less than what a willing buyer or seller could agree upon if sold on the open market. Considering the Rate of Margin earning authorized by the Commission, the fair market value of Cypress is estimated at \$1 million, considerably under the \$5 million limit for Advice Letter filings.**

h. For leases of real property, the fair market rental value, a detailed description of how the fair market rental value was determined, and any additional information necessary to show compliance with Rule 3 (g) above; **Not Applicable.**

i. For easements or rights-of-way, the fair market value of the easement or right-of-way and a detailed description of how the fair market value was determined; **Not Applicable.**

j. A complete description of any recent past (within the prior two years) or anticipated future transactions that may appear to be related to the present transaction, such as sales or leases of interests in the same real property or real property that is located near the property at issue or that are being transferred to the same transferee; or for depreciable assets, sales of the same or similar assets or sales to the same transferee; **As discussed above, A. 13-10-011 currently pending before the Commission relates to the purchase of Rural's water system assets by the Golden State.**

k. Sufficient information and documentation (including environmental documentation) to show that all of the eligibility criteria stated in Rule 3 above have been met; **Yes**

l. The filing utility may submit additional information to assist in the review of the advice letter, including recent photographs, scaled maps, drawings, etc; **See attached aerial view of the control building structure and other assets in the area, Exhibit F.**

m. **Environmental Information:**

(1) **If the Applicant Believes that the Transaction is Exempt from Review under CEQA.** If the applicant believes that the transaction is exempt from environmental review under a statutory or categorical exemption from CEQA, the applicant shall provide the following information:

(a) Has the proposed transaction been found exempt from CEQA by another government agency? **Not Applicable.**

(i) If yes, the applicant shall attach the Notice of Exemption to the advice letter and shall state the name of the applicable public

agency, the date of the Notice of Exemption, and the State Clearinghouse number.

- (ii) If no, the applicant shall state the specific CEQA exemption or exemptions that the applicant claims apply to the transaction, including citations to the applicable State CEQA Guideline(s) and/or statutes, and an explanation of why the applicant believes that each exemption applies. The applicant shall confirm that no exceptions to the claimed CEQA exemption(s) apply.

(2) If the Applicant Believes that the Transaction is not a Project under CEQA. If the applicant believes that the transaction is not a project under CEQA, the applicant shall include an explanation of its position. **This transaction does not come under CEQA as no new facilities is being constructed or requested to be constructed. Only existing asset ownership and CPCN documentation are being clarified between two existing corporations owned by the same individual is requested with this Advice Letter. All sewer operations will continue doing business in the same manner after this this approval.**

- (3) If another Public Agency, Acting as the Lead Agency, has Completed Environmental Review of the Project and the Applicant Believes that the Commission is a Responsible Agency under CEQA. If another public agency, acting as the Lead Agency under CEQA, has completed an environmental review of the project and has approved the final CEQA documents, and the Commission is a Responsible Agency under CEQA, the applicant shall submit the following information to the Commission Energy Division staff handling CEQA issues: **The development for which this wastewater treatment facility was originally built caused the necessary CEQA documentation to be completed as was approved by the County of San Luis Obispo and was adopted under County Resolution 97-134 on March 18, 1997.**

CONCLUSION:

For the reasons set forth above, the Commission should authorize and approve the transfer of sewer assets from Rural to Cypress, including the CPCN, the Shared Structure, and all other assets used in the provision of sewer service.

Rural Water Company

Frank Brommenschenkel, for

By: _____
Charles M. Baker, President

Attachments, Exhibits A through F and Service List

FRANK B & ASSOCIATES

WATER MANAGEMENT CONSULTING

May 2, 2014

California Public Utilities Commission
Attn. Water Branch
505 Van Ness Avenue, Room 3106
San Francisco, CA 94102-3106

Subject: Advice Letter 22-SS, CPI-U, Cypress Ridge Sewer Co.

Attached please find an original and two copies of Advice Letter 22-SS in addition to the emailed PDF file. In accordance with Decision No. 92-03-093 and Resolutions W-4540, W-4493 and GO 96-B the following are a part of Advice Letter 22-SS filing requesting authority to collect \$7,036 for 2013 CPI-U increase of 1.5% for Cypress Ridge Sewer Co:

1. Advice Letter Cover Sheet
2. Advice Letter 22-SS
3. Tariff Sheets and Table of Contents
4. Summary of Earnings
5. Service List

Should you have any question please call me at 805-525-4200.

Sincerely,

Frank Brommenschenkel

Frank Brommenschenkel
Frank B & Associates

| | |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet | (Date Filed / Received Stamp by CPUC) |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------|

| | | | |
|-----------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------|
| AL # 22-SS | Date Mailed to Service List: May 2, 2014 | Requested Effective Date: May 15, 2014 | Requested Tier: Tier 1 Tier 2 Tier 3 |
| Replacing AL#: | Authorization for Filing: D.92-03-093 W-4493 & W-4540 GO96-B | Compliance Filing? Yes No <input type="checkbox"/> | Rate \$ 7,036 Impact % 1.5% Increase |

| | |
|--|------------------------------------------------------------------------------------------|
| | Director Division of Water and Audits 505 Van Ness Ave. San Francisco, CA 94102 |
| | water_division@cpuc.ca.gov |
| | (see attached advice letter for more information and grounds for protest) |

| | |
|------------------------------------------------|-----------------------------|
| Company Name: Cypress Ridge Sewer Co | CPUC Utility Number: |
| Address: PO Box 1826 | WTA _____ |
| City, State, Zip: Pismo Beach, CA 93448 | WTB _____ |
| | WTC _____ |
| | WTD _____ |
| | SWR (Not Assigned) |

| | Contact Name: | Phone No. | Fax No. | Email Address: |
|-----------|-----------------------|--------------|--------------|---------------------------|
| Filer | Frank Brommenschenkel | 805-525-4200 | 805-525-7284 | frank.brommen@verizon.net |
| Alternate | Charles Baker | 805-481-4150 | 805-481-4266 | ruralwater@me.com |

Description:
 In this space or on the back of this form:

1. Explain justification for requested Tier: **CPI-U Resolution W-4540 & W-4493 GO96B9.3.1(4)**
2. Describe service affected and how it is affected; **1.5% Service Charge Increase**
3. Describe differences from related Advice Letters (Similar service, replacement filing) **Standard filing within Commission policy and procedures**

| (FOR CPUC USE ONLY) | | | |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------|-------------------------------|
| WTS Budget/Activity/Type _____/_____/_____ | Process as: <input type="radio"/> Tier 1 <input type="radio"/> Tier 2 <input type="radio"/> Tier 3 | | |
| Project Manager: | 20th Day | <input type="text"/> | 30th Day <input type="text"/> |
| Analyst: | Suspended on: | <input type="text"/> | |
| Due Date: | Extended on: | <input type="text"/> | |
| Completion Date: | Resolution No.: | <input type="text"/> | |
| | AL/Tariff Effective Date: | <input type="text"/> | |

Cypress Ridge Sewer Co

San Luis Obispo County

May 2, 2014

Advice Letter No. 22-SS

TO THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Cypress Ridge Sewer Company (Cypress) hereby transmits for filing the following changes in its tariff schedules, which are attached hereto:

| <u>Cal. P. U. C.</u> <u>Sheet No.</u> | <u>Title of Sheet</u> | <u>Canceling</u> <u>Sheet No.</u> |
|------------------------------------------|-----------------------------------------------------|--------------------------------------|
| 194-SS | Schedule No. 1, Residential Flat Rate Sewer Service | 191-SS |
| 195-SS | Schedule No. 2, Commercial Flat Rate Sewer Service | 192-SS |
| 196-SS | TABLE OF CONTENTS | 193-SS |

The last general rate increase became effective on December 1, 2009 pursuant to Resolution W-4795 dated November 20, 2009 which authorized a General Rate Increase of \$98,628 or 29.8% for test year 2008 with a Rate of Margin of 20%. Current rates were effective on December 11, 2013, pursuant to Resolution W-4968, which authorized a surcharge of \$6.45 per month or 4.5% annual revenue increase over a 24-month period.

These tariffs are submitted pursuant to Ordering Paragraph No. 1 of Decision No. 92-03-093, dated March 31, 1992, Ordering Paragraph No. 2 of Resolution (Res.) W-4493, dated September 2, 2004, or Ordering Paragraph No. 1 of Res. W-4540, dated June 16, 2005. The decision and resolutions authorize Class B, C, and D water utilities and sewer utilities to file a request for a Consumer Price Index increase once a year by advice letter. The increase is to be passed on to the utility's customers in their quantity rate and service charge. The above referenced decision and resolutions authorize Cypress to file the attached rate schedules and to concurrently withdraw and cancel its present schedules for such service.

Cypress requests permission to increase its monthly service charge revenues by 1.5%, the CPI-U for 2013. This projected revenue increase of \$7,036 will not result in a Rate of Margin that exceeds the authorized Rate of Margin of 20%. Work papers justifying this increase have been provided to the CPUC Division of Water and Audits staff.

This filing is made under provisions of General Order No. 96-B. The attached service list has been noticed today by email. The customers will be informed of the increase with the first billing which includes the surcharge, in accordance with G.O. 96-B, Water Industry Rule 3.2. This filing will not cause withdrawal of service, nor conflict with any other schedule or rule.

CYPRESS RIDGE SEWER CO

Frank Brommenschenkel, for
By: _____
Charles M. Baker, President

Attachments: Tariff Sheets, Service List, Advice Letter Cover Sheet, and Summary of Earnings

Schedule No. 1

RESIDENTIAL FLAT RATE SEWER SERVICE

APPLICABILITY

Applicable to all residential sewer service.

TERRITORY

Cypress Ridge, within Tract # 1933, and including Golf Course Complex, San Luis Obispo County.

RATES

| | <u>Per Connection</u> <u>Per Month</u> | |
|----------------------------------------|-------------------------------------------|-----|
| For all residential sewer service..... | \$109.83 | (I) |

SPECIAL CONDITIONS

1. For a period of 36 months beginning April 29, 2013, all sewer service will have a monthly surcharge of \$8.87, subject to interest at the 90-day commercial paper rate on the unpaid balance in the excess labor memorandum account.
2. For a period of 24 months beginning January 1, 2014, all sewer service will have a monthly surcharge of \$6.45, subject to interest at the 90-day commercial paper rate on the unpaid balance in the excess labor memorandum account.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 22-SS

Charles M. Baker

Date Filed _____

Decision No. 92-03-093

President

Effective _____

Resolution No. W-4493 & W-4540

Schedule No. 2

COMMERCIAL FLAT RATE SEWER SERVICE

APPLICABILITY

Applicable to all commercial sewer service.

TERRITORY

Cypress Ridge, within Tract # 1933, and including Golf Course Complex, San Luis Obispo County.

RATES

Per Connection
Per Month

| | | |
|------------------------------------|----------|-----|
| For Golf Pro Shop..... | \$109.83 | (I) |
| For Golf Maintenance Facility..... | \$109.83 | (I) |
| For Commercial/Office Facility... | \$109.83 | (I) |
| For Pavilion..... | \$109.73 | (I) |

SPECIAL CONDITIONS

1. A late charge will be imposed per Schedule No. LC.
2. Bills will be rendered in advance of the period for which service will be provided.
3. For a period of 36 months beginning April 29, 2013, all sewer service will have a monthly surcharge of \$8.87, subject to interest at the 90-day commercial paper rate on the unpaid balance in the excess labor memorandum account.
4. For a period of 24 months beginning January 1, 2014, all sewer service will have a monthly surcharge of \$6.45, subject to interest at the 90-day commercial paper rate on the unpaid balance in the excess labor memorandum account.
5. All bills are subject to the reimbursement fee set forth in Schedule No. UF.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 22-SS

Charles M. Baker

Date Filed _____

Decision No. 92-03-093

President

Effective _____

Resolution No. W-4493 & W-4540

TABLE OF CONTENTS

The following listed tariff sheets contain all effective rates and rules affecting the charges and service of the utility, together with other pertinent information:

| <u>Subject matter of Sheet</u> | Cal. P.U.C. <u>Sheet No.</u> |
|-------------------------------------------------------------------------------------|---------------------------------|
| Title page | 162-SS |
| Table of Contents | 196-SS, 70-SS (T) |
| Preliminary Statement | 71-SS, 72-SS, 179-SS, 180-SS |
| Service Area Map | 73-SS |
| <u>Rate Schedules:</u> | |
| Schedule No. 1, Residential Flat Rate Sewer Service | 194-SS (C) |
| Schedule No. 2, Commercial Flat Rate Sewer Service | 195-SS (C) |
| Schedule No. UF, Surcharge to Fund PUC Reimbursement Fee | 165-SS |
| Schedule No. LC, Late Payment Charge | 77-SS |
| <u>Rules:</u> | |
| No. 1 Definitions | 78-SS - 80-SS |
| No. 2 Description of Service | 81-SS |
| No. 3 Application for Service | 82-SS, 83-SS |
| No. 4 Contracts | 84-SS |
| No. 5 Special Information Required on Forms | 85-SS - 87-SS |
| No. 6 Establishment & Re-Establishment of Credit | 88-SS |
| No. 7 Deposits | 89-SS, 90-SS |
| No. 8 Notices | 91-SS - 93-SS |
| No. 9 Rendering and Payment of Bills | 94-SS - 96-SS |
| No. 10 Disputed Bills | 97-SS, 98-SS |
| No. 11 Discontinuance and Restoration of Service | 99-SS - 107-SS |
| No. 12 Information Available to Public | 108-SS, 109-SS |
| No. 13 Temporary Service | 110-SS, 111-SS |
| No. 14 Continuity of Service | 112-SS |
| No. 15 Main Extensions | 113-SS - 123-SS |
| No. 16 Service Connections, Meters and Customer's Facilities | 124-SS - 127-SS |
| No. 17 Measurement of Service | 128-SS |
| No. 18 Meter Tests and Adjustment of Bills for Meter Error | 129-SS - 132-SS |
| No. 19 Service to Separate Premises and Multiple Units; and Resale of Sewer Service | 133-SS |
| No. 20 Limitation of Wastes Discharged into the Utility's Sewer System | 134-SS, 135-SS |
| No. 21 Commercial, Institution, and Industrial Wastes | 136-SS |

(Continued)

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 22-SSCharles M. Baker

Date Filed _____

Decision No. 92-03-093President

Effective _____

Resolution No. W-4493 & W-4540

Cypress Ridge Sewer Co.
Summary of Earnings AL 22-SS
May 2, 2014

| | Res. W-4795 20-Nov-09 | 2009 CPI-U Increase 2.7% | 2010 CPI-U Increase 1.5% | 2011 CPI-U Increase 3.0% | 2012 CPI-U Increase 1.7% | Recorded 2013 | 2013 CPI-U Increase 1.5% | Authorized 2014 |
|--------------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|------------------|--------------------------------|--------------------|
| Operating Revenues: | | | | | | | | |
| Unmetered Revenue | \$ 429,530 | \$ 11,597 | \$ 6,646 | \$ 13,433 | \$ 7,841 | \$ 483,735 | \$ 7,036 | \$ 490,771 |
| Operating Expenses: | | | | | | | | |
| Purchased Power | \$ 17,067 | | | | | \$ 27,393 | | \$ 27,393 |
| Other Vol. Rel. Exp. | \$ 39,150 | | | | | \$ 12,306 | | \$ 12,306 |
| Employee Labor | \$ 120,000 | | | | | \$ 149,549 | | \$ 149,549 |
| Materials | \$ - | | | | | \$ 7,502 | | \$ 7,502 |
| Contract Work | \$ 66,000 | | | | | \$ 77,008 | | \$ 77,008 |
| Transportation | \$ 6,700 | | | | | \$ 1,209 | | \$ 1,209 |
| Other Plant Maintenance | \$ 17,981 | | | | | \$ 657 | | \$ 657 |
| Office Salaries | \$ - | | | | | \$ - | | \$ - |
| Management | \$ 3,000 | | | | | \$ 10,000 | | \$ 10,000 |
| Employee Pensions & Benefits | \$ - | | | | | \$ 6,681 | | \$ 6,681 |
| Uncollectible Accounts Expense | \$ - | | | | | \$ - | | \$ - |
| Office Services & Rentals | \$ 3,289 | | | | | \$ 6,169 | | \$ 6,169 |
| Office Supplies & Exp. | \$ 2,224 | | | | | \$ 2,729 | | \$ 2,729 |
| Professional Services | \$ 15,027 | | | | | \$ 26,577 | | \$ 26,577 |
| Insurance | \$ 23,843 | | | | | \$ 24,583 | | \$ 24,583 |
| Reg. Comm Exp. | \$ 5,618 | | | | | \$ 16,807 | | \$ 16,807 |
| General Expenses | \$ 337 | | | | | \$ 58 | | \$ 58 |
| Total Operating Expenses | \$ 320,236 | | | | | \$ 369,228 | | \$ 369,228 |
| Depreciation Expense | \$ 9,146 | | | | | \$ 11,423 | | \$ 11,423 |
| Taxes Other than Income | \$ 15,000 | | | | | \$ 14,075 | | \$ 14,075 |
| State Tax | \$ 7,567 | | | | | \$ 8,942 | | \$ 8,942 |
| Federal Income Taxes | \$ 11,705 | | | | | \$ 16,798 | | \$ 16,798 |
| Interest Expense | \$ - | | | | | \$ - | | \$ - |
| Total Deductions | \$ 363,654 | | | | | \$ 420,466 | | \$ 420,466 |
| Net Operating Income (Loss) | \$ 65,876 | | | | | \$ 63,269 | | \$ 70,305 |
| Avg Plant | \$ 4,851,461 | | | | | \$ 5,149,493 | | \$ 5,149,493 |
| Avg Accum Depreciation | \$ 661,300 | | | | | \$ 1,637,176 | | \$ 1,637,176 |
| Net Plant | \$ 4,190,161 | | | | | \$ 3,512,317 | | \$ 3,512,317 |
| Less: CIAC | \$ 4,760,000 | | | | | \$ 3,170,711 | | \$ 3,170,711 |
| Plus: Working Cash | \$ 237 | | | | | \$ 237 | | \$ 237 |
| Rate Base | \$ (569,602) | | | | | \$ 341,843 | | \$ 341,843 |
| Rate of Return | -12% | | | | | 19% | | 21% |
| Rate of Margin | 20% | | | | | 16% | | 18% |

Authorized Rate of Margin (ROM) = 20%
Actual Rate of Margin (ROM) = 18%

Since ROM of 18% based on increased revenues is less than authorized ROM of 20% CPI should be granted.

Cypress Ridge Sewer Co.

May 2, 2014

Advice Letter 22-SS

Service List:

(As per section 4.3 of General Order No. 96-B)

Michael LeBrun, NCSD Mgr.
mlebrun@ncsd.ca.gov

Rural Water Company
ruralwater@me.com

Denise Kruger
Golden State Water Company
dikruger@gswater.com

California Regional Water Control Bd.
Attn. David Le Caro
895 Aerovista Place, Ste. 101
San Luis Obispo, CA 93401-7906
DLaCaro@waterboards.ca.gov

Thomas J. MacBride Jr.
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CERTIFICATE OF SERVICE

I certify that the above referenced service list has been served a copy of Advice Letter # 22-SS on May 2, 2014.

Executed in Santa Paula, California on May 2, 2014

Cypress Ridge Sewer Co

By: *Frank Brommenschenkel*
Frank Brommenschenkel, Consultant

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MGL*
GENERAL MANAGER

DATE: MAY 9, 2014



COMMITTEE REPORTS

ITEM

Review and discuss Committee meeting minutes.

BACKGROUND

The following committee meetings were held for which meeting minutes are being provided:

- May 7, 2014 Finance and Audit Committee Meeting

RECOMMENDATION

It is recommended that your Honorable Board discuss the meeting minutes as appropriate.

ATTACHMENTS

- A. Finance and Audit Committee Meeting Minutes

MAY 14, 2014

ITEM G

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

WEDNESDAY, MAY 7, 2014

9:00 A.M.

SPECIAL MEETING MINUTES

FINANCE AND AUDIT COMMITTEE

1. CALL TO ORDER, FLAG SALUTE AND ROLL CALL

Chairman Armstrong called the meeting to order at 9:00 a.m. Chairman Armstrong and Director Vierheilig were in attendance along with Staff members Michael LeBrun, Lisa Bognuda and Peter Sevcik. No public was in attendance.

2. REVIEW THE DRAFT 2014-2015 FISCAL YEAR BUDGET

Lisa Bognuda, Finance Director, presented the Item. Lisa Bognuda, Finance Director, and Michael LeBrun, General Manager answered questions from the Committee. The Committee suggested minor corrections.

The Committee did not take any action.

3. ADJOURN –The meeting was adjourned at 9:20 a.m.