

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN  
GENERAL MANAGER

*MSL*

DATE: APRIL 4, 2014



**CONSIDER WAIVING DISTRICT FEES AND CHARGES FOR  
PROPOSED  
JIM O. MILLER PARK**

**ITEM**

Consider waiving future service charges and fees for Jim O. Miller Park, a proposed park on Carrillo Street and Tefft Street [RECOMMEND CONSIDER SERVICE CHARGE WAIVER AND DIRECT STAFF]

**BACKGROUND**

On October 23, 2013, the District granted an Intent to Serve Letter to Olde Towne Nipomo Association in the support of developing Jim O. Miller Park. The project is located on APN 090-142-007 which is situated on the southeast corner of West Tefft and Carrillo Streets. The parcel is not currently served with District water, sewer and solid waste service.

The project will be required to obtain water, sewer and solid waste service in compliance with current District standards.

The County issued a Use Permit to Olde Towne Nipomo Association (OTNA) which formalizes the Association's role as a facilitator in the project working with the County and the District to further the vision, planning, funding, and ultimate development of Jim O. Miller Park. The Use Permit is an Exhibit to the District and County Memorandum of Understanding (MOU) regarding development of the proposed park. The MOU reflects the current project plan and the involvement of OTNA in the planning and advancement of the park vision.

The applicant will be required to submit an irrigation plan, a plant material layout plan, a plant material list, and a hardscape plan, if there are any water features (such as fountains and swimming pools) included in the project, to the District for review and approval prior to issuance of the Will-Serve letter for the project.

In accordance with District standards, the project would need a separate water service for each domestic, irrigation, and fire.

**FISCAL IMPACT**

Water and sewer capacity fees for the project will be based on the domestic meter size and irrigation meter size as shown on the District approved improvement plans for the final County and CAL FIRE approved park project.

Plans for the park are not currently available so an estimate of possible fees is provided below.

As an example using these assumed connection sizes:

- one (1) 1-inch domestic meter,
- one (1) 1-inch irrigation meter, and
- one (1) 1.5-inch fire connection, as well as
- one (1) sewer connection based on the domestic water meter size,

the estimated fee deposit for the project is \$53,048 based on the current District fee schedule.

**RECOMMENDATION**

Staff recommends your Board discuss action that is desired and feasible in regard to waiving the charges and fees for the proposed park and direct staff.

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

DATE: APRIL 4, 2014

**AGENDA ITEM  
E-2**

**APRIL 9, 2014**

**CONSIDER DRAFT PROPOSED WATER SHORTAGE RATES AND  
SUPPLEMENTAL WATER RATES**

**ITEM**

Receive presentation by rate consultant and staff on draft proposed water shortage rates and supplemental water rates. [RECOMMEND RECEIVE PRESENTATION AND PROVIDE DIRECTION]

**BACKGROUND**

In July 2013, following the approval of construction contracts for a supplemental water lifeline in June, your Board directed staff to circulate a request for proposals to prepare a water rate and capacity charge study including a review of rate increases necessary to fund the purchase of supplemental water. In October, your Board awarded a contract to conduct the rate study to Tuckfield and Associates. In December, after fall groundwater reports indicated historic low groundwater levels and well below normal rain fall, the rate project scope was expanded to include preparation of water shortage rates.

At the same time, District staff began working with other members of the court appointed Nipomo Mesa Management Area Technical Group to develop a water shortage response plan.

In February of this year, your Board's Finance and Audit Committee received a presentation on the preliminary Water System Financial Plan and Capacity Charges. The Committee also reviewed drought rate setting process and gave direction to staff.

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

The District is developing a Water Shortage Response Plan (see E-3 on this Agenda) to address this serious issue. The draft proposed drought rates are intended to, and designed to, motivate customers to reduce water use to a level that would result in the District meeting the reduction goals specified in the Shortage Response Plan.

New charges to pay for supplemental water purchased from the City of Santa Maria are also being developed. The supplemental pipeline project is scheduled for completion in summer 2015. When this needed water begins flowing, supplemental water charges will be applied to regular District customers and charged to area water suppliers who are purchasing a portion of the supplemental water.

## **SCHEDULE**

Today your Board will receive a presentation outlining proposed rates, receive public comment, and provide staff direction.

- April 23<sup>rd</sup> Regular Meeting; your Board is scheduled to consider a draft Rate Study which will include revised proposed water shortage and supplemental water rates and capacity charges.
- Public Workshops to discuss the draft Rate Study are tentatively scheduled for the week of May 5<sup>th</sup>.
- May 14<sup>th</sup> Regular Meeting; your Board is scheduled to approve the rate study, set the date of the Rate Hearing for July 9th, and direct staff to provide the required 45-day public notice for the hearing.
- May 23<sup>rd</sup>, Public Notice for the July 9 hearing will be mailed.
- Public Workshops to discuss the proposed rates are tentatively scheduled for the week of June 2<sup>nd</sup>.
- July 9<sup>th</sup>, Rate Hearing

San Luis Obispo County will measure area groundwater levels this month. The court appointed technical group is expected to publish the 2014 spring Key Wells Index based on the County well measurements in middle to late May. In spring 2013, the Index dropped more than 10-feet and came within inches of triggering Severe Water Shortage conditions. With the ongoing drought this past year, it is widely assumed the Index will trigger Severe Shortage Conditions this year.

Adopting a Shortage Response Plan and Shortage Rates are key steps in preparing for Severe Water Shortage Conditions.

## **FISCAL IMPACT**

Proper rate setting is critical to the operational solvency of all District enterprises. Adopting new rate schedules can take up to twelve months from the time a proposal is sought until rates are adopted and implemented.

Setting multi-year water rate schedules is challenging, especially when drought conditions are persistent.

## **STRATEGIC PLAN**

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

1.3 Develop water shortage response and management plan to respond to drought and other supply emergencies.

1.6 Continue to be a leader in management of area water resources.

Goal 4. FINANCE. Maintain conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.

- 4.1 Ensure that purveyors and others pay their fair share of financing water supply, supplemental water, conservation, and sustainability of the regional water supply. Purveyors should pay their share up front before getting water in order to help finance next phases of supplemental water program.

**RECOMMENDATION**

Receive the presentation and provide direction to staff.

**ATTACHMENT**

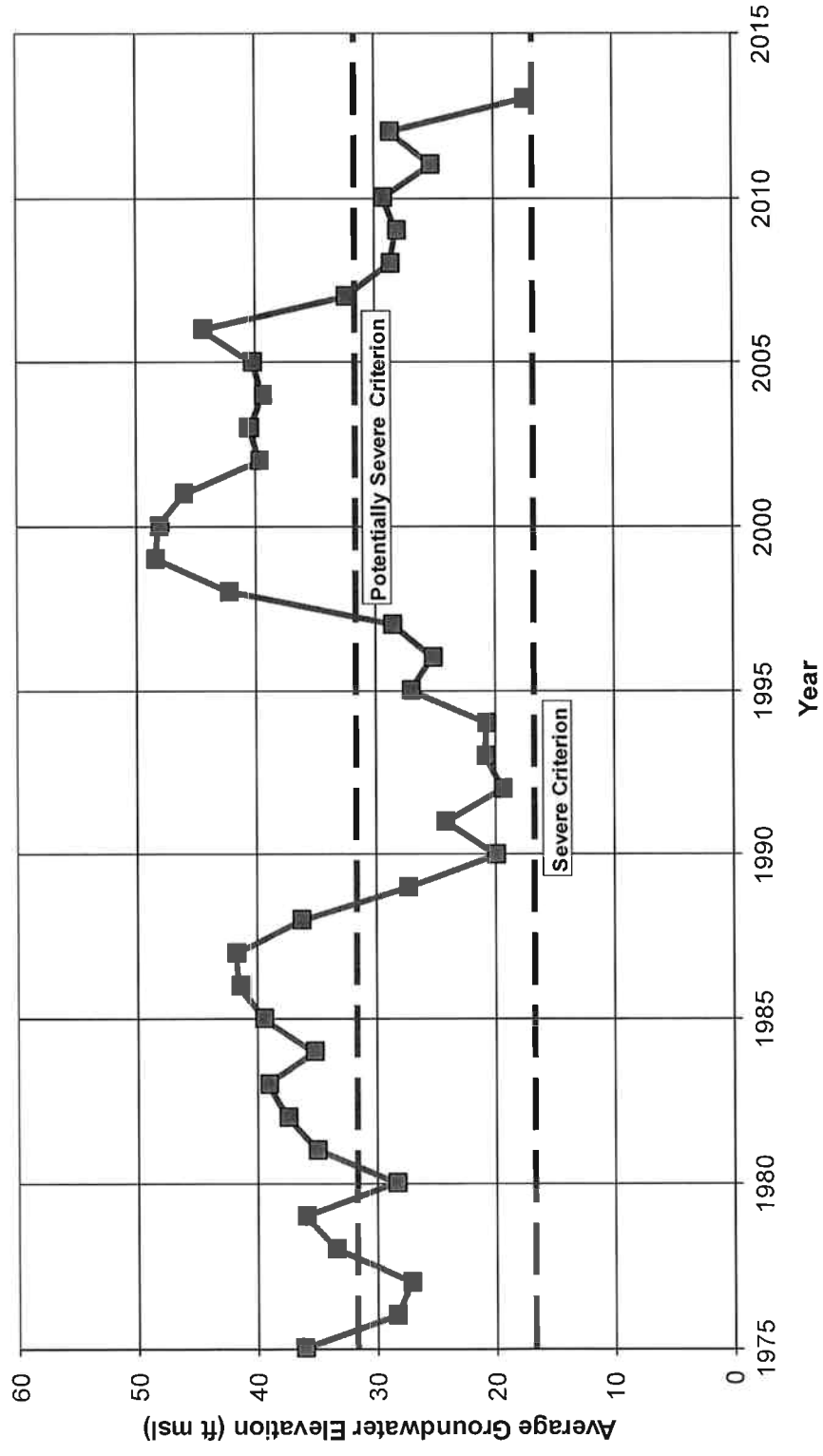
- A. 2013 Key Wells Index

APRIL 9, 2014

ITEM E-2

ATTACHMENT A

# Key Wells Index



TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

DATE: APRIL 4, 2014

**AGENDA ITEM  
E-3**

**APRIL 9, 2014**

**HEARING TO ADOPT SHORTAGE RESPONSE AND MANAGEMENT PLAN**

**ITEM**

Conduct a public hearing and consider adoption of a water shortage response plan [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE RESOLUTION ADOPTING WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN]

**BACKGROUND**

District staff worked with members of the Nipomo Mesa Management Area (NMMA) Technical Group to develop a set of drought stage triggers and response actions. The response actions are set to be approved by the NMMA at its next meeting later this month. The NMMA response plan includes targets for reduced groundwater pumping during advanced stages of drought. The reductions would be applicable to all purveyor members of the NMMA. These pumping reduction targets are a cornerstone of the District's proposed Water Shortage Response and Management Plan.

The Management Area entered Potentially Severe conditions in 2008. In response, the area water agencies instituted voluntary conservation measures. Groundwater pumping by the agencies dropped by more than 15% between 2008 and 2011. In 2012 and 2013, dry conditions prevailed across the area while development and the local economy began to recover. Throughout this time, the District aggressively pursued supplemental water sources.

In Spring 2013, the index of wells the Technical Group uses as a criteria for measuring health of the local groundwater dropped to its lowest level on record and nearly reached Severe Water Shortage condition.

In addition to reducing groundwater production, the proposed Response Plan defines how and when processing requests for new water service would be impacted during advanced stages of drought. Capacity charges collected from new water customers provide a major funding source for supplemental water development – both planning and construction. However developing water resources projects can take decades and allowing new customers to join the existing water system during drought may be confusing and/or controversial to existing customers who are being asked to reduce water use.

A summary of the Shortage Plan's key features is provided as Attachment A. The draft Resolution is Attachment B and contains the full proposed Water Shortage Response and Management Plan.

The District supplies water to only a fraction of the area overlying the local groundwater source and has no authority to halt development outside its services boundary. For this reason, your Board has directed staff to work with the County and the NMMA to adopt area-wide policies to



address drought conditions and require new supplemental water to serve all new water demands under all conditions.

A Board-approved Water Shortage Response and Management Plan will provide the basis for water shortage rates intended to solicit reduction in water sales and in turn result in the desired reduction in groundwater pumping.

### **FISCAL IMPACT**

Reducing groundwater production during drought equates to reducing water sales and income to the water fund. Additionally, the cost of providing water service during drought typically increases due to the administrative burden of implementing new rate structures. When active enforcement of detailed policy is required, cost can increase drastically. A point of rate volatility can be reached where high rates drive usage lower than expected, which in turn requires further rate increases to maintain solvency of the water fund.

Water shortage rates are considered under Agenda Item E-2.

### **STRATEGIC PLAN**

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

- 1.3 Develop water shortage response and management plan to respond to drought and other supply emergencies.
- 1.4 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.
- 1.6 Continue to be a leader in management of area water resources.

### **RECOMMENDATION**

1. By motion and roll call vote, approve Resolution adopting the Water Shortage Response and Management Plan.

### **ATTACHMENT**

- A. Key Features of Water Shortage Response and Management Plan
- B. Resolution 2014-XXXX, WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

APRIL 9, 2014

ITEM E-3

ATTACHMENT A

# NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

## Key Features of the Proposed Plan

	Stage I	Stage II	Stage III	Stage IV	Stage V
<b>TRIGGER ON:</b>	No trigger	Potentially Severe Water Shortage exists	Severe Water Shortage declared	Severe Water Shortage for more than 1 year or is triggered by both Key Wells Index and Coastal Criterion	Severe Water Shortage for more than 2 years or is triggered by both Key Wells Index and Coastal Criterion
<b>TRIGGER OFF</b>	<b>Normal usage</b>	Potentially Severe Water Shortage ends	Two years after Severe Water Shortage end	Severe Water Shortage ends	
<b>CONSERVATION</b>	Ongoing conservation education	More intensive education	Mandatory 30% reduction in production	Mandatory 50% reduction in production	Mandatory 60% reduction in production
<b>WATER RATES</b>	Four Tier escalating		Stage III Drought rates	Stage IV Drought rates	Stage V drought rates
<b>RECOMMENDED CUSTOMER CONSERVATION MEASURES</b>	<ul style="list-style-type: none"> <li>• Fix plumbing and irrigation leaks</li> <li>• Irrigate 8PM to 9AM only.</li> <li>• Check irrigation systems monthly</li> <li>• Avoid excessive run off</li> <li>• Recirculate water in water features</li> </ul>	<ul style="list-style-type: none"> <li>• All Stage I Measures</li> <li>• Cover Swimming Pools and spas</li> <li>• Do not use water on exterior surfaces</li> </ul>	<ul style="list-style-type: none"> <li>• All Stage I and II measures</li> <li>• Turn off irrigation systems. Minimum irrigation to preserve high-value landscape.</li> <li>• Do not fill swimming pools or spas. Drain ornamental water features</li> <li>• No water for dust control, construction.</li> <li>• No water to wash cars or equipment</li> </ul>	<ul style="list-style-type: none"> <li>• All Stage I, II, and III measures.</li> <li>• No District water for irrigation or any outdoor uses.</li> <li>• All customers are asked to use the minimum amount of water necessary.</li> </ul>	
<b>APPLICATIONS FOR WATER SERVICE</b>	Applications are accepted and processed		New applications NOT accepted. Existing applications processed with supplemental water	New applications NOT accepted. Suspend processing existing applications	
<b>SUPPLEMENTAL WATER</b>	Allocated to All New Projects				
<b>NEW SERVICE CONNECTIONS</b>	New service connections are made			New connections Only to completed commitments	No new service connections are made

APRIL 9, 2014

ITEM E-3

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2014-XXXX  
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO  
WATER CODE § 375**

**WHEREAS**, the Nipomo Community Services District (“District”) provides water service within the District’s water service area pursuant to § 61100 (a) of the Community Services District Law which provides:

“(a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail”; and

**WHEREAS**, § 61060 (b) of the Community Services District Law provides in relevant part:

“A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:

(b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with Section 61100)”; and

**WHEREAS**, California Water Code Section 375 States in pertinent part:

(a) Notwithstanding any other provision of the law, any public entity which supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity may, by ordinance or **resolution** adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program, adopt and enforce a water conservation program to reduce the quantity of water used by those persons for the purpose of conserving the water supplies of the public entity; and

**WHEREAS**, it is essential for the protection of the health, welfare, and safety of the residents of the District and the public benefit of the State of California (“State”), that the groundwater resources of the Nipomo Mesa be conserved; and

**WHEREAS**, Governor Jerry Brown on January 17, 2014 proclaimed that the entire State of California to be in a Drought State of Emergency; and

**WHEREAS**, the District’s current water supply is limited to groundwater extracted from the Nipomo Mesa Management Area (NMMA) (also referred to as the Nipomo Mesa Water

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CODE § 375**

Conservation Area (NMWCA) by the County of San Luis Obispo), of the Santa Maria Groundwater Basin; and

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

**WHEREAS**, pursuant to Section VI D(1) of the June 2005 Stipulation as incorporated into the January 25, 2008 Final Judgment in the Groundwater Litigation the Nipomo Mesa Management Area Technical Group declared that a Potentially Severe water shortage condition existed within the Nipomo Mesa Management Area as of the spring of 2013 and during the intervening year, the drought continued and it is anticipated that in May of 2014 that the Nipomo Mesa Management Area Technical Group will declare a Severe water shortage condition; and

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

**WHEREAS**, on June 26, 2007, the San Luis Obispo County Board of Supervisors certified the waters underlying the NMWCA at a Severity Level III; and

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

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

**WHEREAS**, District Code §3.28.020 provides:

“...all intent-to-serve letters shall be based on findings that sufficient excess water and sewer capacity exists to serve the project...”; and

**WHEREAS**, Water Code § 71640 of the Municipal Water Service District Law provides:

“A district may restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and may prohibit the wastage of district water or the use of district water during such periods for any

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CODE § 375**

purpose other than household uses or such other restricted uses as the district determines to be necessary. A district may also prohibit use of district water during such periods for specific uses which it finds to be nonessential"; and

**WHEREAS**, the District Board of Directors has noticed this public meeting pursuant to Water Code § 375 and has considered the Staff Report and public testimony regarding the adoption of this Resolution; and

**WHEREAS**, The District Board of Directors wishes to set forth a Water Shortage Response and Management Plan that provides a range of alternative actions that allows for flexibility in responding to a water shortage emergency; and

**WHEREAS**, based on the Staff Report, staff presentation, the reports and studies referenced in this Resolution and public comment, the District Board of Directors finds that:

- (a) That the Nipomo Mesa Management Area Technical Group has declared the Mesa to be in a Potentially Severe water shortage condition for the past three years; and
- (b) That based upon the lack of rainfall during the winter of 2013/2014 and the increase pumping by District and other purveyors in response, it is anticipated that in the near future, Nipomo Mesa Management Area Technical Group will find that the Nipomo Mesa is in a Severe water shortage condition; and
- (c) That it is necessary for the District to adopt a Water Shortage Response and Management Plan to be able to respond to the lack of available groundwater for the purpose of serving District residents.

**WHEREAS**, based on the Staff Report, staff presentation and public comment, the Board further finds:

- A. That the purpose and intent of this Resolution is consistent with the purposes found in the Judgment and Stipulation in the Groundwater Litigation imposing a physical solution to assure long-term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Severity Level III for the waters underlying the NMWCA; and
- B. That adoption of the Water Shortage Response and Management Plan will provide greater assurances that there will be adequate groundwater to meet the present needs of District residents consistent with District Code §3.28.020 and the resource protection goals of the San Luis Obispo County South County Area Plan; and
- C. That adopting this Resolution will further conserve the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection; and
- D. That this Resolution adopts Rules and Regulations for the administration, operation and use of District services; and

**WHEREAS**, by adopting this Resolution, the District does not intend to limit other means of managing, protecting and conserving the groundwater basin by the District. Further, the District

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CODE § 375**

intends to work cooperatively with the NMMA Technical Group and other agencies, such as the County of San Luis Obispo, to implement regional solutions such as groundwater management and the importation of Supplemental Water to the NMMA\NMWCA; and

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

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

1. That the above recitals are true and correct.
2. The Board adopts the Water Shortage Response and Management Plan attached as Exhibit "A" to this Resolution.
3. The Board of Directors reserves the right to order or not order all of the provisions within the Water Shortage Response and Management Plan based upon the circumstances at the time that this policy needs to be enforced.

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

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

the foregoing resolution is hereby passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
**CRAIG ARMSTRONG,**  
President of the Board of Directors

ATTEST:

APPROVED:

\_\_\_\_\_  
**MICHAEL S. LEBRUN**  
General Manager and Secretary to the Board

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



NIPOMO COMMUNITY SERVICES DISTRICT  
WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

EXHIBIT "A"

## NCS D WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
I	All times	<ul style="list-style-type: none"> <li>• Active outreach and education programs regarding water conservation best management practices.</li> <li>• Four Tier escalating water rates.</li> <li>• Recommended Customer Measures:               <ul style="list-style-type: none"> <li>○ Fix all plumbing and irrigation leaks immediately.</li> <li>○ Irrigate after 8PM and before 9AM.</li> <li>○ Minimum to no irrigation in winter months.</li> <li>○ Check all irrigation systems monthly.</li> <li>○ Do not allow excessive run off.</li> <li>○ Recirculate water in ornamental water features (fountains)</li> </ul> </li> <li>• New applications for water service are accepted and processed.</li> <li>• Supplemental water is allocated to all new projects</li> <li>• New water service connections are made.</li> </ul>	Not Applicable.
II	Potentially Severe Water Shortage Conditions exists	<ul style="list-style-type: none"> <li>• More aggressive conservation outreach and education efforts.</li> <li>• Four-Tier escalating water rates.</li> <li>• Encourage customers to implement the following practices:               <ul style="list-style-type: none"> <li>○ All Stage I Measures</li> <li>○ Cover Swimming Pools and spas.</li> <li>○ Do not use water to wash down exterior surfaces (e.g. driveway, deck, home)</li> </ul> </li> <li>• New applications for water service are accepted and processed.</li> <li>• Supplemental water is allocated to new projects.</li> <li>• New water service connections are made.</li> </ul>	Potentially Severe Water Shortage no longer exist.
III	Severe Water Shortage conditions exists	<ul style="list-style-type: none"> <li>• District targets a 30% reduction in production (Equating to a 752 acre foot or 245 million gallons of reduction in production on an annual basis).</li> <li>• Implement Stage III Drought Rates to encourage reduction in customer water demand.</li> <li>• Encourage customers to implement the following practices.               <ul style="list-style-type: none"> <li>○ All Stage I and II measures.</li> <li>○ Turn off all automated irrigation systems.</li> <li>○ Provide minimum necessary irrigation to preserve trees and high-value landscape by hand.</li> <li>○ Do not drain or fill swimming pools or spas.</li> <li>○ Do not use water for dust control or construction.</li> <li>○ Do not use hoses to wash cars or equipment.</li> <li>○ Turn off and drain ornamental fountains and water features</li> </ul> </li> </ul>	Severe Water Shortage no longer exist.**

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
		<ul style="list-style-type: none"> <li>• Suspend accepting applications for new water service.</li> <li>• Existing applications for new water service continue to be processed with allocations of supplemental water.</li> <li>• New water service connections are made.</li> </ul>	
IV	Severe Water Shortage conditions exists for >1YEAR or is triggered by both the Key Wells Index and the Coastal Criterion.	<ul style="list-style-type: none"> <li>• District targets a 50% reduction in production (Equating to a 1,254 acre foot reduction in production on an annual basis).</li> <li>• Implement Stage IV Drought Rates to encourage reduction in customer water demand.</li> <li>• Encourage customers to implement the following practices:               <ul style="list-style-type: none"> <li>○ All Stage I, II, and III measures.</li> <li>○ Do not use District water for irrigation/outdoor uses of any sort.</li> </ul> </li> <li>• New applications for water service are NOT accepted (Stage III)</li> <li>• Cease processing existing applications for new water service. No allocation of supplemental water is made.</li> <li>• New water service connections are made only to projects with preexisting service commitments.</li> </ul>	Severe Water Shortage conditions no longer exist.
V	Severe Water Shortage conditions for >2 years with BOTH triggers (Key Wells Index and Coastal Area Criterion).	<ul style="list-style-type: none"> <li>• District targets a 60% reduction in production. (Equating to a 1,504 acre foot reduction in production on an annual basis).</li> <li>• Implement Stage V Drought Rates to encourage additional reduction in customer water demand.</li> <li>• Declaration of a Water Shortage Emergency in accordance with CA Water Code Section 350.</li> <li>• Suspend all new water service connections.</li> <li>• Encourage customers to implement all Stage I-IV measures and to use only the absolute minimum water necessary for health and sanitation purposes.               <ul style="list-style-type: none"> <li>○ All Stage I, II, and III measures.</li> <li>○ Do not use District water for irrigation/outdoor uses of any sort.</li> <li>○ Do not drain or fill swimming pools or spas.</li> <li>○ All measures possible to reduce water use.</li> </ul> </li> <li>• New applications for water service are NOT accepted (Stage III)</li> <li>• Existing applications for new water service are not processed (Stage IV)</li> </ul>	Severe Water Shortage conditions no longer exist.

\*\* The Nipomo Mesa Management Area (NMMA) Technical Group may determine Severe Water Shortage Conditions no longer exist when groundwater quality criteria threshold are no longer exceeded in a single measurement.

General Notes

1. The implementation of all rate increases and changes in the acceptance and processing of new services applications are subject to approval by the Board of Directors at the time each stage is triggered.

2. Potentially Severe and Severe Water Shortage conditions, Key Wells Index, and Coastal Criterion are as defined in the NMMA Technical Group, Water Shortage Conditions Response Plan, dated April 2009. Key criterion are as follows:

<b><u>Potentially Severe Water Shortage Conditions</u></b>	<b><u>Severe Water Shortage Conditions</u></b>
<ul style="list-style-type: none"> <li>• <i>Key Wells Index less than 31.5 ft msl</i></li> <li>• <i>Greater than 250 mg/l chloride in any NMMA coastal monitoring well</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Key Wells Index is less than 16.5 ft. msl</i></li> <li>• <i>Greater than 500 mg/l chloride in any NMMA coastal monitoring well</i></li> </ul>

3. Reduction goals are a percentage of average annual production volumes for the five calendar years prior to the first year Nipomo Supplemental Water is delivered. NCSD's 2009-2013 average (2507 AFY) is used in the table above.