

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: MARCH 21, 2014

**AGENDA ITEM
E-1
MARCH 26, 2014**

**CONSIDER GRANT REQUEST FROM NIPOMO CHAMBER OF
COMMERCE IN AMOUNT OF \$24,552 FOR SOLID WASTE REMOVAL
IN NIPOMO COMMUNITY COMMON AREAS**

ITEM

Nipomo Chamber of Commerce is requesting grant funds in the amount of \$24,552 to provide clean up of solid waste in the Nipomo area [RECOMMEND CONSIDER REQUEST FOR GRANT FUNDS IN AMOUNT OF \$24,552].

BACKGROUND

The Nipomo Chamber of Commerce is requesting grant funds to continue a successful program for cleaning up litter within the Nipomo Community.

The program was pilot tested in late 2012. Since that time your Board has approved three grant requests for progressively longer duration. The current six month grant funds the program through April 2014. Over the past twelve months, program costs have averaged \$1,705/month.

The Chamber is requesting twelve months of program funding at a cost of \$24,522 (\$2,043 per month). Chamber President Mr. Richard Malvarose has provided the attached proposal and will present the proposal and answer questions from your Board.

FISCAL IMPACT

Grant funds are paid against Achievement House Invoices for services provided in Nipomo plus 10% for Chamber administration. Funds to support solid waste services may be allocated from the District solid waste fund. The solid waste franchise income is approximately \$11,000 monthly. The balance of the solid waste fund is \$375,350.

STRATEGIC PLAN

Strategic Plan Goal 7.A.2 – Provide additional solid waste services
Strategic Plan Goal 7.A.3 – Communicate with customers

RECOMMENDATION

Receive presentation, consider grant request. If desired, approve grant request by motion and roll call vote. Should your Board desire to approve grant request, direct staff to execute a Grant Agreement with Nipomo Chamber of Commerce for not to exceed \$24,552.

ATTACHMENT

- A. March 17, 2014, Nipomo Chamber of Commerce Grant Request

MARCH 26, 2014

ITEM E-1

ATTACHMENT A



March 17, 2014

To: Nipomo Community Services District

Re: Solid Waste Grant Program

Dear NCSD Board & Staff,

It has been a little more than one year since NCSD generously granted funding to the Nipomo Chamber of Commerce in order to help facilitate the removal of solid waste from the streets of our town. If you remember, there was considerable litter in the streets and vacant lots, weeds were growing in the gutters and sidewalks and parts of the town looked sadly neglected. This has since been remedied due in no small part to the support of NCSD.

Your grant of Solid Waste Funds has allowed the Nipomo Chamber of Commerce staff to hire Achievement House personnel to carry out the much needed work of keeping our great community clean. As you may know, Achievement House works with developmentally disabled adults to provide training and much needed jobs while offering a higher quality of life and a chance to contribute to the community. The workers on these crews have enormous feelings of pride for what they have accomplished and they know that in conjunction with your support that they have truly helped to transform our town.

We continue to improve our efforts to gain more recognition of what can be accomplished in a community when public and private entities collaborate to solve a problem. In the near future expect to see announcements on our Chamber website, through the various forms of social media (Face Book, Twitter), an article in the Adobe Press and possibly formal recognition from our District Supervisor. We would like to request funding for a one year period in the amount of \$24,552.00 to cover the months of May 2014 through May 2015. Thank you for your consideration and we look forward to continue this excellent example of community partnership.

Amber Wilson – Executive Director

/

Richard Malvarose - President

*Nipomo Chamber of Commerce 239 W. Tefft St. Nipomo, CA 93444
(805)929-1583*

MARCH 26, 2014

STAFF REPORT
NIPOMO COMMUNITY SERVICES DISTRICT

TO: BOARD OF DIRECTORS
FROM: MICHAEL W. SEITZ, DISTRICT LEGAL COUNSEL *M.S.*
DATE: MARCH 18, 2014
RE: BOARD CONSIDERATION OF A WATER SHORTAGE RESPONSE
AND MANAGEMENT PLAN (WSRMP)

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INTRODUCTION

As the Board is aware, the Nipomo Mesa Management Area Technical Group will issue a report regarding the status of well levels on the Nipomo Mesa at the end of April or early May. Based upon the last report of the NMMA Technical Group, the Nipomo Mesa Groundwater Basin is in a Potentially Severe water shortage condition. Based upon the lack of rainfall during the 2013/2014 winter and the commensurate increase in District and other purveyor pumping in response to these conditions, it is anticipated that the NMMA Technical Group will find that the groundwater basin is in a severe water shortage condition.

The Board has considered generally responses to a five stage WSRMP based on the NMMA Technical Group criteria outlined above. The Board tentatively approved an earlier response plan and directed that staff bring back a Response Plan that provided more detail in terms of the response.

Attached is a draft Resolution and Exhibit "A" which sets forth the Response Plan.

If directed going forward, staff will notice a public hearing at the next meeting pursuant to Govt. Code § 375 for consideration and adoption.

REVIEW OF THE PLAN

As you will note, the Plan provides additional detail to the District's ability to respond to a water shortage emergency in Stages three, four and five. It is intended that these responses be alternatives for the Board to consider allowing the Board maximum flexibility in responding to the changing conditions of the groundwater basin.

END OF MEMO

**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, 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 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

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX
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WATER CODE § 375**

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 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

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RESOLUTION NO. 2014-XXXX
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WATER CODE § 375**

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 intends to work cooperatively with the NMMA Technical Group and

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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 NMMANMWCA; 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 RESOVLED, 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"

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

STAGE	TRIGGER-ON	TRIGGER-OFF	RESPONSE ACTIONS
I	All times	Not Applicable.	<ul style="list-style-type: none"> • Active outreach and education programs regarding conservation. • Four Tier escalating water rates. • Recommended Customer Measures: <ul style="list-style-type: none"> ○ Fix all plumbing and irrigation leaks immediately. ○ Irrigate after 8PM and before 9AM. ○ Minimum to no irrigation in winter months. ○ Check all irrigation systems monthly. ○ Do not allow excessive run off. ○ Recirculate water in ornamental water features (fountains) • New applications for water service are accepted and processed. • Supplemental water is allocated to all new projects • New water service connections are made.
II	Potentially Severe Water Shortage exists	Potentially Severe Water Shortage does not exist.	<ul style="list-style-type: none"> • More aggressive conservation outreach and education efforts. • Four-Tier escalating water rates. • Encourage customers to implement the following practices: <ul style="list-style-type: none"> ○ All Stage I Measures ○ Cover Swimming Pools and spas. ○ Do not use water to wash down exterior surfaces (e.g. driveway, deck, home) • New applications for water service are accepted and processed. • Supplemental water is allocated to new projects. • New water service connections are made.
III	Severe Water Shortage exists	Severe Water Shortage does not exist for >2 years. **	<ul style="list-style-type: none"> • 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). • Implement Stage III Drought Rates to encourage reduction in customer water demand. • Encourage customers to implement the following practices. <ul style="list-style-type: none"> ○ All Stage I and II measures. ○ Turn off all automated irrigation systems. ○ Provide minimum necessary irrigation to preserve trees and high-value landscape by hand. ○ Do not drain or fill swimming pools or spas. ○ Do not use water for dust control or construction. ○ Do not use hoses to wash cars or equipment. ○ Turn off and drain ornamental fountains and

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

** 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 conditions, Severe 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:

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

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. NCS D's 2009-2013 average (2507 AFY) is used in the table above.

TO: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E. *P.V.S.*
DIRECTOR OF
ENGINEERING & OPERATIONS

DATE: March 21, 2014

**AGENDA ITEM
E-3
MARCH 26, 2014**

**AUTHORIZE CONTRACT FOR
EUREKA WELL REPAIR**

ITEM

Authorize Contract for Eureka Well Repair to Fisher Pump and Well Service Inc. in the amount of \$63,180 and authorize change order contingency in the amount of \$30,000 [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE RESOLUTION AUTHORIZING STAFF TO EXECUTE CONTRACT IN THE AMOUNT OF \$63,180 WITH FISHER PUMP AND WELL SERVICE INC. AND AUTHORIZING CHANGE ORDER CONTINGENCY IN THE AMOUNT OF \$30,000].

BACKGROUND

The Eureka Well is one of the District's three largest producing wells. It was drilled in 1979 and the current pump has been in place since 1999. The 2007 Master Plan Update identified a nominal flow capacity of 890 gallons per minute (gpm) based on the long-term average of flow records.

After years of service, a leak around the center shaft developed in February of this year. The pump was pulled, disassembled and inspected. The inspection revealed that the pump needs some maintenance but replacement of the pump is not warranted at this time. However, the inner column pipe and column pipe need to be replaced. The well was also video inspected. The video inspection revealed a completely plugged inlet area. The well needs to be chemically cleaned to restore the plugged inlet area.

Staff obtained a quote from Fisher Pump and Well Service Inc. in the amount of \$63,180 to repair the Eureka Well. District staff is requesting a 50% contingency given the condition of the well to allow for additional rehabilitation work if necessary. District Purchasing Policy Resolution 2010-1201 provides for the procurement of materials, supplies and equipment through non-competitive negotiations in limited situations where the purchase price is reasonable and public exigency will not permit delay. Time is of the essence as the District's peak water production months are typically June, July and August. Furthermore, the District's Standpipe Tank is currently out of service and the Eureka Well is critical to supplying water to the Summit Station area when the tank is out of service. Thus, the well needs to be repaired in a timely manner.

FISCAL IMPACT

The approved FY 13-14 budget includes funding for well rehabilitation in the amount of \$200,000.

STRATEGIC PLAN

Strategic Plan Goal 1.3 – Upgrade and Maintain Water Storage and Distribution Works

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, approve Resolution 2014-XXXX Eureka Well Repair, authorizing a contract for Eureka Well Repair to Fisher Pump and Well Service Inc. in the amount of \$63,180 and authorizing a change order contingency in the amount of \$30,000.

ATTACHMENTS

- A. Resolution 2014-XXXX Eureka Well Repair

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT
AUTHORIZING A CONTRACT FOR EUREKA WELL REPAIR
WITH FISHER PUMP AND WELL SERVICE INC.**

WHEREAS, the months of June, July, and August are typically the District's high water demand months; and

WHEREAS, the District's Standpipe Tank is currently out of service for repairs; and

WHEREAS, the repair of the Eureka Well needs to be completed in a timely manner to restore the District's pumping capability; and

WHEREAS, Fisher Pump and Well Service Inc. has previously provided well repair services to the District; and

WHEREAS, District Purchasing Policy Resolution 2010-1201 provides for the procurement of materials, supplies and equipment through non-competitive negotiations in limited situations; and

WHEREAS, the purchase price is reasonable and public exigency will not permit delay.

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

- 1) The District Board of Directors does hereby direct District staff to execute a contract for the Eureka Well Repair with Fisher Pump and Well Service Inc. in the amount of \$63,180 and authorizes the General Manager to approve change orders for a not-to-exceed total aggregate amount of \$30,000.
- 2) The above recitals are true and correct and constitute findings for the exclusive use of the Fisher Pump and Well Service Inc. to repair the Eureka Well.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 26th day of March 2014.

CRAIG ARMSTRONG
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

TO: MICHAEL S. LEBRUN *M.S.L.*
GENERAL MANAGER

FROM: PETER V. SEVCIK, P.E. *P.V.S.*
DIRECTOR OF ENGINEERING
AND OPERATIONS

DATE: March 20, 2014



AUTHORIZE CHANGE ORDER FOR SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 4

ITEM

Consider authorizing Change Order for construction of Flow Meter and Flow Control Station as part of Supplemental Water Project Phase 1 Bid Package 4 [RECOMMEND AUTHORIZE STAFF TO ISSUE CHANGE ORDER IN THE AMOUNT OF \$529,670 TO SPIESS CONSTRUCTION INC. FOR CONSTRUCTION OF THE FLOW METER AND FLOW CONTROL STATION AS PART OF SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 4].

BACKGROUND

The Nipomo Supplemental Water Project Phase 1 (Project) will interconnect the District water distribution system with the City of Santa Maria water distribution system. The Project consists of approximately 7500 lineal feet of 24 inch diameter ductile iron pipe (DIP) waterline, 2600 lineal feet of 24 inch nominal inside diameter high-density polyethylene (HDPE) pipe under the Santa Maria River, a flow meter and flow control station, a 400 gallon per minute (gpm) pump station with two (2) pumps, a chloramination system, and related power, back-up power, controls and instrumentation systems, a pressure reducing station, and chloramination systems at four (4) existing District production wells (Attachment A).

The Project will deliver 650 acre-feet per year (AFY) of supplemental water purchased by the District from the City of Santa Maria and will allow the District to reduce pumping from existing wells to slow the depletion of groundwater and reduce the potential for seawater intrusion on the Nipomo Mesa. The Project will also increase the reliability of the District water supply by providing an additional source other than groundwater. The Project is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin.

The design drawings and specifications, prepared by AECOM, were developed as three separate bid packages as follows:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Flow Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems

In June 2013, the Board awarded three construction contracts for the project. Construction of Bid Package 1 subsequently began in July 2013 and was completed in December 2013. Construction of Bid Package 3 and Bid Package 4 was initiated after construction of Bid Package 1 was completed.

In January 2014, the Board terminated for convenience the Bid Package 3 construction contract with Specialty Construction Inc. Bid Package 3 included the Blosser Road waterline as well as the flow meter and flow control station. AECOM is currently working to revise the Bid Package 3 bid documents, based on a detailed review of the bid documents by AECOM, District staff and MNS, the District's construction manager, so that the project can be rebid.

The review identified that constructing the flow meter and flow control station as part of Bid Package 4 would facilitate the startup of the overall Phase 1 project and reduce the District's risk since operation of the pump station, that is to be constructed as part of Bid Package 4, is dependent on instrumentation located at the flow meter and flow control station. District staff, with assistance from AECOM and MNS, has negotiated a change order with Spiess Construction Co Inc. in the amount of \$529,670 for construction of the flow meter and flow control station.

FISCAL IMPACT

The total Supplemental Water Project Phase 1 construction costs, including contingency, is estimated at approximately \$14.6 million. To date, Bid Package 1 has been completed at a total cost of \$6,068,228. Bid Package 3 costs will be determined after the District's costs related to termination of the Specialty contract are fully known and the project is rebid. Bid Package 4 actual costs will be determined once construction is nearing completion.

Contract	Projected Cost	Notes
BP 1	\$5,847,090	\$6,068,228 actual cost
BP 3	\$3,007,897	To be determined after rebid
BP 4	\$4,364,030	Current contract cost
Contingency	\$1,310,000	\$1,088,862 remaining contingency
Estimated Construction Total	\$14,529,017	

STRATEGIC PLAN

Strategic Plan Goal 1.2 – Secure New Water Supplies

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, adopt Resolution 2014-XXXX Supplemental Water Project Phase 1 Bid Package 4 Change Order, to approve a change order with Spiess Construction Co. Inc. in the amount of \$529,670 for the construction of the Flow Meter and Flow Control Station as part of the Supplemental Water Project Phase 1 Bid Package 4.

ATTACHMENTS

Attachment A – Project Overview

Attachment B – Resolution 2014-XXXX SWP Phase 1 BP 4 Change Order

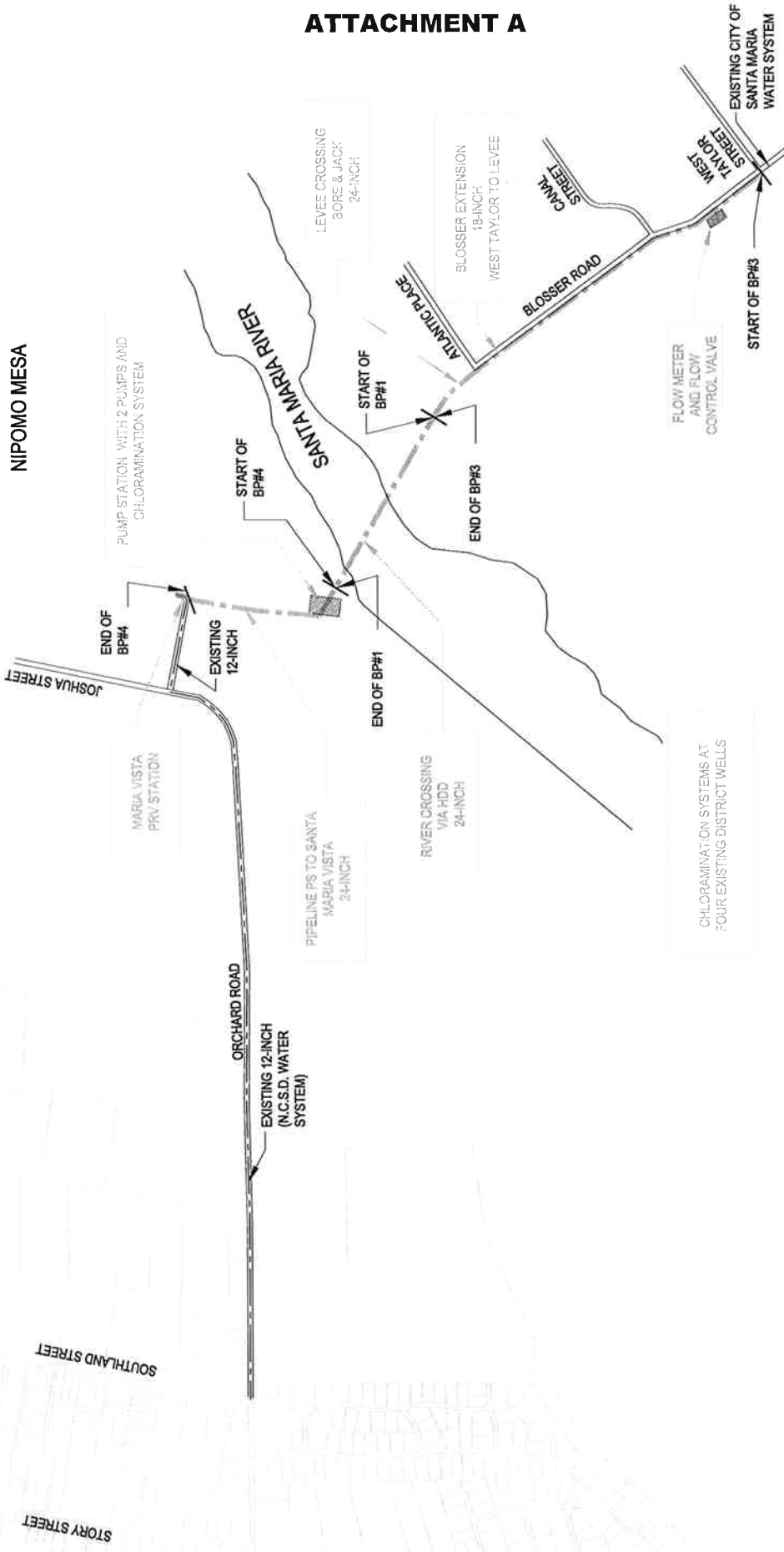
MARCH 26, 2014

ITEM E-4

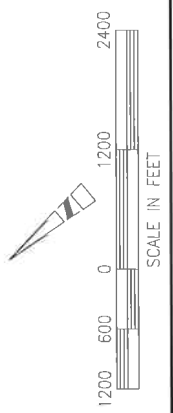
ATTACHMENT A

ATTACHMENT A

NIPOMO MESA



NCS D SUPPLEMENTAL WATER PROJECT		AECOM PROJECT NO.
PHASE 1 PROJECT COMPONENTS		60270503



SOUTHLAND STREET
 STORY STREET

MARCH 26, 2014

ITEM E-4

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING CHANGE ORDER FOR
SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 4**

WHEREAS, the District's Strategic Plan and 2010 Urban Water Management Plan outline the need for securing supplemental water sources; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will increase the reliability of the District's water supply by providing an additional source other than groundwater; and

WHEREAS, the construction of Supplemental Water Project Phase 1 is consistent with the settlement agreement and the judgment related to the groundwater adjudication of the Santa Maria Groundwater Basin; and

WHEREAS, the construction of Supplemental Water Project Phase 1 will have beneficial effects on groundwater supplies within the Nipomo Mesa Management Area; and

WHEREAS, the design drawings and technical specifications for Supplemental Water Project Phase 1, dated February 2013, were developed by AECOM as three separate bid packages:

1. Bid Package 1 – Santa Maria River Crossing
2. Bid Package 3 – Blosser Road Waterline, Meter, and Flow Control Station
3. Bid Package 4 – Joshua Street Pump Station and Wellhead Chloramination Systems; and

WHEREAS, the District awarded the bid for the Supplemental Water Project Phase 1 Bid Package 4 to the lowest responsive and responsible bidder, Spiess Construction Co., Inc., in the amount of \$4,364,030; and

WHEREAS, constructing the flow meter and flow control station as part of Bid Package 4 would facilitate the startup of the overall Phase 1 project and reduce the District's risk; and

WHEREAS, Spiess Construction Co., Inc. has provided the District with a change order in the amount of \$529,670 for construction of the flow meter and control station.

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

1. The General Manager is authorized to execute a Change Order with Spiess Construction Co. Inc. for construction of the flow meter and flow control station in the amount of \$529,670.
2. The above recitals and findings are incorporated herein by this reference.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT AUTHORIZING CHANGE ORDER FOR
SUPPLEMENTAL WATER PROJECT PHASE 1 BID PACKAGE 4**

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

**AYES:
NOES:
ABSENT:
CONFLICTS:**

The foregoing resolution is hereby adopted this 26th day of March 2014.

CRAIG ARMSTRONG
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
Deputy District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

MSL

DATE: MARCH 21, 2014

AGENDA ITEM

E-5

MARCH 26, 2014

**CONSIDER REQUEST BY DEVELOPER OF HILLSIDE TERRACE
APARTMENT PROJECT**

ITEM

Consider request by Mr. Bill Kengel, developer of Hillside Terrace Apartment Project, APN 092-577-002, 530 Hill Street, Nipomo [RECOMMEND CONSIDER STATUS AND DIRECT STAFF].

BACKGROUND

Hillside Terrace Apartment Project

The Hillside Terrace Apartment Project, APN 092-577-002, 530 Hill Street, Nipomo, is a proposed twenty (20) unit multi-family development. Attachment A is a location map. The project is being developed by Bill Kengel, Mesa Dunes Investments Inc.

Your Board considered a project status report and request from Mr. Kengel on August 14, 2013. More recently, Mr. Kengel made a request during public comment that your Board consider exceptions to District policy to facilitate his project.

The Apartment project is proposed on one of two parcels created by Parcel Map 06-0225 that was filed by Mr. Kengel in 2010. The District issued a Will-Serve letter, Attachment B, which allowed the filing of the Parcel Map 06-0225 and division of the parcel. The November 18, 2009 Will-Serve letter is for a single one-inch meter serving a single residential unit on each parcel. To date, none of the conditions noted in the Will-Serve letter have not been satisfied by the developer.

The improvements for Parcel Map 06-0225 consisted solely of water services and sewer laterals that connected the single family residence on each of the two parcels to the planned water and sewer lines associated with the adjacent development, Tract 2689. The District approved the improvement plans for Parcel Map 06-0225 on November 16, 2009. The planned street (Blume) and public water and sewer utilities associated with Tract 2689 are now substantially complete, however they have not been offered for dedication to the District by the owner.

After receiving the Will Serve Letter and completing the property division, Mr. Kengel subsequently applied for an Intent-to-Serve letter for a twenty (20) unit apartment project on Parcel 2 of CO 06-0225, APN 092-577-002, 530 Hill Street. The District originally issued an Intent-to-Serve letter for the project on September 9, 2009, that was subsequently revised and reissued on January 27, 2010 and that was set to expire on September 9, 2013. The developer applied for a new Intent-to-Serve letter on July 9, 2013 and the Board authorized the issuance a new Intent-to-Serve letter at the July 24, 2013 Board meeting. Attachment C is a copy of the new Intent-to-Serve letter that will expire in July 2016.

In accordance with the District's Water Allocation Ordinance, a total of 6.6 acre-feet per year (20 X .33) was allocated for the project in Water Years 2008-09 and 2009-10. On July 24, 2013,

your Board authorized this allocation be carried forward to the new Intent-to-Serve letter for the project. Therefore the Project has full water allocation.

One of the complicating factors regarding the Hillside Terrace Apartment project is that as of the last design provided to the District by the developer, water service for fire protection for the project and sewer service to the project is to be via future Blume Street. However, the District does not own the water and sewer infrastructure in future Blume Street. The water and sewer related underground infrastructure that was installed as part of Tract 2689 in future Blume Street has not been offered for dedication to the District or accepted by the District. The District cannot provide service via infrastructure that has not been dedicated or accepted by the District. The District can provide water service to the project via existing water system infrastructure located in Hill Street and sewer service for the project is available at the intersection of Blume Street and Hill Street.

The District has a multi-step development approval process that works in conjunction with the County of San Luis Obispo's development approval process. The process begins with a developer applying for an Intent-to-Serve letter and ultimately ends with the District setting water meters and providing water and/or sewer service after the developer has completed all of the required steps. Attachment D is a summary of the District's current development procedure as well as a flowchart that overviews the entire process.

The Hillside Terrace Apartment Project is currently at Step 3. District review of the improvement plans is pending re-submittal by the developer in response to the District's last review and comment letter. Once the District receives, reviews and approves the revised improvement plans, and the developer pays the fee deposit, provides a bond to cover the cost of completing the improvements, provides all required easement documents, and satisfies the administrative conditions outlined in the Intent-to-Serve letter, the District can issue the Will-Serve letter so that the developer can obtain a building permit for the project. The District can provide water service to the project via existing water system infrastructure located in Hill Street and sewer service for the project is available at the intersection of Blume Street and Hill Street until such time that the water and sewer infrastructure in Blume Street is dedicated to the District.

697 West Tefft Street Commercial Project (Former Tract 2689)

At the July 10, 2013 Board meeting, the Board approved a request for a new Intent-to-Serve Letter for 697 West Tefft Street, APN 092-577-008, and rescinded the Intent-to-Serve letter issued to the previous owner for Tract 2689. At this time, the current property owner is building a single commercial building, with no division of property.

FISCAL IMPACT

Development of this staff report did use previously budgeted staff time.

Water and sewer capacity fees for the Hillside Terrace Apartment Project will be based on the domestic meter size and irrigation meter size requested for the final County approved project as well as CAL FIRE's fire service requirements. Assuming one (1) 2 inch water meter for indoor water use, one (1) 1 inch irrigation water meter, one (1) 6 inch fire sprinkler service, and one (1) sewer connection based on the domestic meter size, the estimated fee deposit for the project is \$220,659 less a credit of \$24,729 (related to Parcel Map 06-0225) paid by the owner for a net amount of \$195,930 based on the current District fee schedule.

RECOMMENDATION

Staff requests your Honorable Board review the status of the project, consider any specific request of the developer, and provide direction to staff.

ATTACHMENTS

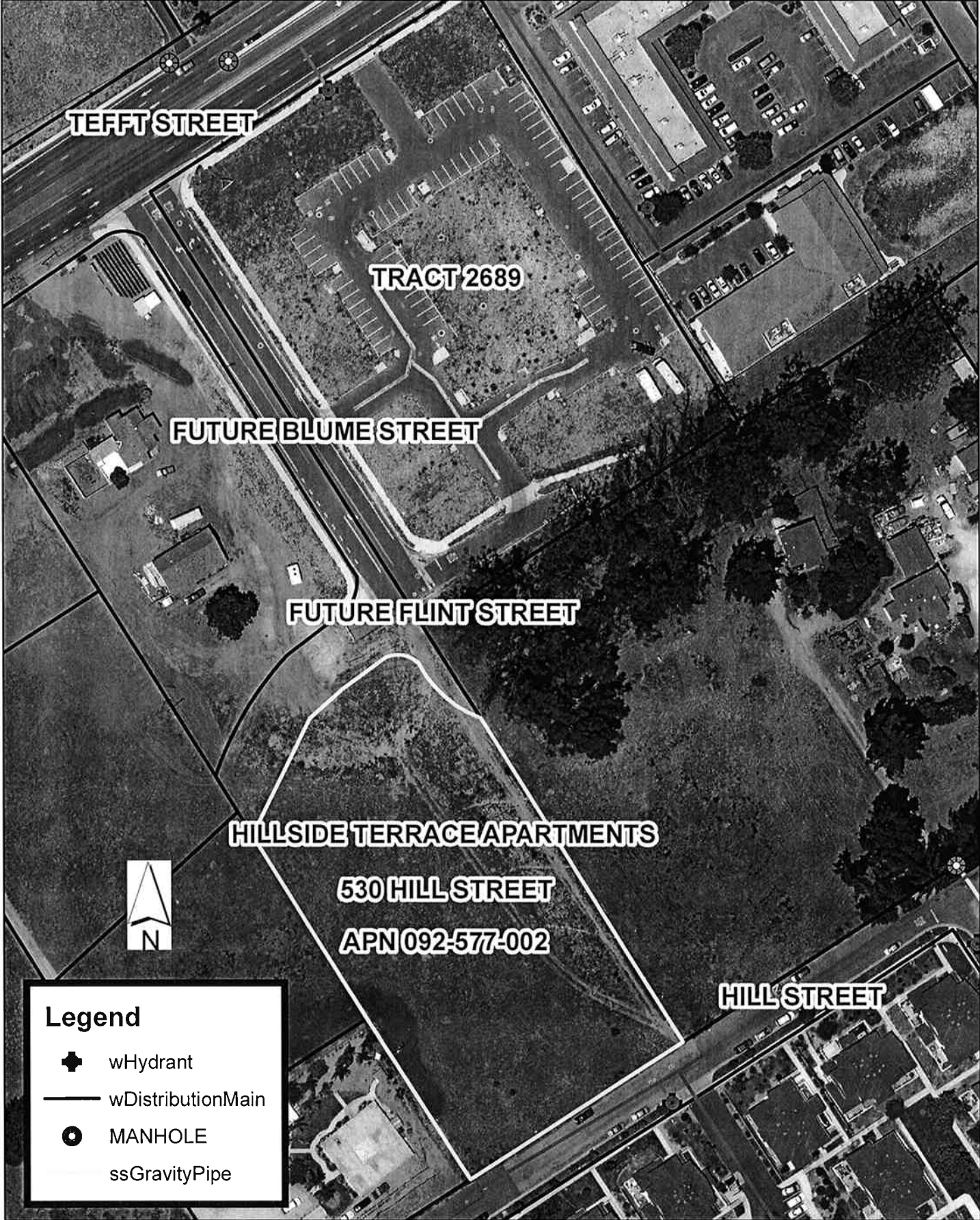
- A. Hillside Terrace Apartments Project Location Map
- B. Parcel Map 06-0225 Will-Serve Letter
- C. Hillside Terrace Apartments Intent-to-Serve Letter
- D. Current Development Process Summary

MARCH 26, 2014

ITEM E-5

ATTACHMENT A

LOCATION MAP HILLSIDE TERRACE APARTMENTS



MARCH 26, 2014

ITEM E-5

ATTACHMENT B

NIPOMO COMMUNITY

BOARD MEMBERS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
MICHAEL WINN, DIRECTOR
ED EBY, DIRECTOR
BILL NELSON, DIRECTOR



SERVICES DISTRICT

STAFF

LISA BOGNUDA, ACTING GENERAL MANAGER
JON SEITZ, GENERAL COUNSEL
PETER SEVCIK, P.E., DISTRICT ENGINEER

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Website address: ncsd.ca.gov

November 18, 2009

San Luis Obispo County
Government Center
Building and Planning Department
San Luis Obispo, CA 93401

Bill Kengel
Mesa Dunes Investments, Inc.
P.O. Box 267
Avila Beach, CA 93424

SUBJECT: VERIFICATION OF WATER AND SEWER SERVICE
2 LOT PARCEL MAP CO 06-0225
APN 092-130-012

As required by Section 19.20.238 Title 19 of the San Luis Obispo County Code, the Nipomo Community Services District ("District") certifies that subject to the conditions provided herein, it will provide potable water service (single 1-inch meter for each parcel) and sewer service for Parcel Map CO 06-0225, a two (2) lot parcel, in Nipomo (APN 092-130-012), and that it has sufficient water resources and system capacity to provide such service. Such service will be provided on the same basis as the District provides new service to any other legal parcel within the District service area and once the new service is established for the single family residential units within the development, the District will provide service to said parcels on the same basis it provides service to other customers with the same land use designation.

The District will set water meters and provide service when:

1. Final fees for connection are paid; and
2. Upon proof of a building permit from the County of San Luis Obispo for each individual parcel; and
3. Improvements are constructed in accordance with the Plan Check and Inspection Agreement including the submission of the following for District approval:
 - o Reproducible "As-Builts" - A mylar copy and digital format disk (AutoCad) which includes engineer, developer, tract number and water improvements
 - o Offer of Dedication
 - o Engineer's Certification
 - o A summary of all water and sewer improvement costs; and
4. District has accepted improvements to be dedicated to the District; and
5. Proof is submitted to the District that the Project is provided with solid waste removal services.

Pursuant to District Code 3.28.040 notice is provided as follows:

- A. This Will-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the district. This Will-Serve letter may be revoked as a result of conditions imposed upon the District by a court or by a change in ordinance, resolution, rules, or regulations adopted by the District for the protection of health, safety, and welfare of the District and its residents.
- B. The Nipomo Community Services District has been made a party to that lawsuit entitled Santa Maria Valley Water Conservation District, et al. v. City of Santa Maria, et al., Santa Clara Superior Court Case No. CV 770214. The case involves competing claims to the right to produce water from and/or store water in the Santa Maria Valley Groundwater Basin, the water source from which Nipomo Community Services District derives the water, which it serves. The District is now unable to predict with any certainty the outcome of the above-referenced litigation. However, the litigation conceivably could result in a limitation on the availability of groundwater for the District's production and/or an increase in the cost of water, which the District serves to its water customers.

That this Will-Serve letter and the project are subject to the San Luis Obispo County's Growth Control Ordinance which establishes annual limits on building permits for the Nipomo Mesa. The District by issuance of this Will-Serve letter cannot guarantee that you will receive a project permit from the County of San Luis Obispo.

Very truly yours,
Nipomo Community Services District

Lisa Bognuda
Acting General Manager

VALID ONLY
WITH DISTRICT
SEAL

MARCH 26, 2014

ITEM E-5

ATTACHMENT C

NIPOMO COMMUNITY

BOARD MEMBERS

JAMES HARRISON, PRESIDENT
LARRY VIERHEILIG, VICE PRESIDENT
DAN GADDIS, DIRECTOR
BOB BLAIR, DIRECTOR
CRAIG ARMSTRONG, DIRECTOR



SERVICES DISTRICT

STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, FINANCE DIRECTOR
PETER SEVCIK, P.E., DIRECTOR OF ENG. & OPS.
MIKE SEITZ, GENERAL COUNSEL

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Website address: ncsd.ca.gov

July 24, 2013

Bill Kengel
Mesa Dunes Investments, Inc.
P.O. Box 267
Avila Beach, CA 93424

This is not a Will Serve letter

**SUBJECT: INTENT-TO-SERVE WATER AND SEWER SERVICE
530 HILL STREET
MULTI-FAMILY RESIDENTIAL DEVELOPMENT IN NIPOMO, CA**

An Intent-to-Serve letter for water and sewer service for APN 092-577-002, a twenty (20) unit multi-family residential development at 530 Hill Street in Nipomo (the "Project"), is approved with conditions.

This Intent-to Serve-letter is limited to the Project as described above.

This Intent-to-Serve Letter shall be effective upon Owner's signature below. The Applicant must return a signed copy of the Intent-to-Serve Letter within thirty (30) days of issuance.

The following conditions must be satisfied prior to the Nipomo Community Services District (District) issuing a Project Will Serve Letter:

GENERAL CONDITIONS

- Project shall obtain solid waste, sewer and water service for all units.
- Water for the project in the amount of 6.6 AF will be allocated in Water Year 2012-2013.
- The parcel shall be served by a single appropriately sized meter and backflow assembly for indoor use.
- A separate one (1) inch irrigation meter shall be provided for the parcel. Irrigation meter capacity charges are applicable.
- A single separate appropriately sized fire service and backflow assembly as required by CAL FIRE of SLO County shall be provided for the parcel. CAL FIRE of SLO County must approve the development plans prior to District approval. Fire service capacity charges will be applicable.
- Record a restriction, subject to District approval, on the property prohibiting the use of well(s) to provide water service to any parcel within the Project.
- Properly abandon any existing groundwater wells and provide documentation to District.
- Record a restriction, subject to District approval, on all parcels prohibiting use of self-regenerating water softeners.
- Comply with District water conservation program.

This is not a Will Serve letter

- Pay all appropriate District fees associated with this development.
- Applicant shall provide the District with a copy of County application approval and County project conditions of approval.
- Enter into a Plan Check and Inspection Agreement and provide a deposit.
- Submit improvement plans in accordance with the District Standards and Specifications for review and approval. Applicant shall provide plans consistent with current District Standards and based on the proposed lot configuration.
- Any easements required for water and sewer improvements that will be dedicated to the District shall be offered to the District prior to final improvement plan approval.
- On-site water and sewer mains shall be private in accordance with District standards.
- Any easements required for private water and sewer laterals shall be recorded prior to final improvement plan approval and shall be subject to District approval.
- All water and sewer improvements to be dedicated to the District shall be bonded for or otherwise secured in the District's name.
- Project will be served by existing water and sewer lines in Hill Street until such time as water and sewer lines in Blume Street area are accepted by the District.
- A Will-Serve letter for the Project will be issued after improvement plans are approved and signed by the District.
- Applicant shall make a non-refundable deposit ("Deposit") at the time the District issues a Will Serve Letter in an amount equal to the then calculated Fees for Connection.
- Fees for Connection shall be calculated and owing as of the date the District sets the water meter(s) to serve the affected property from which the amount of the Deposit shall be deducted.
- Water and sewer capacity fees will be based on the domestic meter size and irrigation meter size requested for the final County approved project as well as CAL FIRE's fire service requirements. Assuming one (1) 2 inch water meter for indoor water use, one (1) 1 inch irrigation water meter, one (1) 6 inch fire sprinkler service, and one (1) sewer connection based on the domestic meter size, the estimated fee deposit for the project is \$220,659 less a credit of \$24,729 (related to Parcel Map 06-0225) paid by the owner for a net amount of \$195,930 based on the current District fee schedule.

CONDITIONS TO SETTING WATER METERS

- Construct the improvements required and submit the following:
 - Reproducible "As Builts" - A mylar copy and digital format disk (AutoCAD) which includes engineer, developer, tract number and water and sewer improvements
 - Offer of Dedication
 - Engineer's Certification
 - Summary of all water and sewer improvement costs
- The District will set water meter(s) upon proof of a building permit from the County of San Luis Obispo, the District's acceptance of improvements to be dedicated to the District, if applicable, and the final payment of all charges and fees owed to the District.

AUTOMATIC TERMINATION

- This letter is void if land use is other than multi-family residential use as defined by the District.
- Intent-to-Serve letters shall automatically terminate on the first to occur:
 - Failure of the Applicant to provide District with written verification that County application for the Project has been deemed complete within two hundred forty (240) calendar days of the date the Intent-to-Serve Letter is issued; or

This is not a Will Serve letter

- o Three (3) years, from date of issuance. However, Applicant shall be entitled to a one-year extension upon the following conditions:
 - Applicant makes written application for the extension prior to the expiration of the Intent-to-Serve Letter.
 - Applicant provides proof of reasonable due diligence in processing the Project.
 - Applicant agrees to revisions of the conditions contained in the Intent-to-Serve letter consistent with then existing District policies.
- This Intent-to-Serve letter shall be subject to the current and future rules, agreements, regulations, fees, resolutions and ordinances of the District.
- This Intent-to-Serve letter may be revoked, or amended, as a result of conditions imposed upon the District by a court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors.
- The District reserves the right to revoke this "Intent-to-Serve letter at any time.
- The Applicant shall provide a signed copy of the Intent-to-Serve letter within thirty (30) days of issuance.

This "Intent-to-Serve" letter shall be subject to the current and future rules, regulations, fees, resolutions and ordinances of the Nipomo Community Services District. This "Intent-to-Serve" letter may be revoked as a result of conditions imposed upon the District by a Court or availability of resources, or by a change in ordinance, resolution, rules, fees or regulations adopted by the Board of Directors for the protection of the health, safety, and welfare of the District. The District reserves the right to revoke this "Intent-to-Serve" letter at any time.

Please be aware, all building(s) in your development will be required to be connected to District water and sewer service. Water and sewer laterals serving one parcel and crossing subsequent parcel(s) prior to joining mainlines are not allowed unless they are within dedicated easements acceptable to the District.

If you have any questions, please call.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT



Michael S. LeBrun, P.E.
General Manager

I, William G. Kengel have read the foregoing Intent-to-Serve Letter for solid waste, sewer and water service for 530 Hill Street, APN 092-577-002, and by my signature below, agree to the conditions contained herein.

Date: 9/16/2013

Owner: Mesa Dunes Investments, Inc.
William G. Kengel Pres.
Print Name (Owner)
William G. Kengel

MARCH 26, 2014

ITEM E-5

ATTACHMENT D



NIPOMO COMMUNITY SERVICES DISTRICT

DEVELOPMENT SERVICE PROCEDURE SUMMARY

The following is only a summary of the District's Development Service Procedure. Please refer to the District's Code, Policies, Procedures and Standard Specifications for details of the District's requirements.

1. DEVELOPER/APPLICANT:

- Submit a complete, signed, Intent-to-Serve letter application (water and/or water and sewer) including six (6) sets of 24" by 36" site maps and one (1) 8 ½" x 11" site map as well as pay applicable application fee. Application must include a Water Demand Certification for non-commercial projects and dwelling unit portion of mixed-use developments. Commercial projects must estimate annual water demand in acre-feet per year and sewer loading in gallons per day.

Note: Request to transfer existing, valid ITS letters to new owners must be made in writing to District for approval. New owner must acknowledge conditions of ITS in writing. The District may revise and/or update approval conditions.

2. DISTRICT:

- The request is submitted to the Board of Directors for consideration if project is commercial or a lot split with more than 4 lots (i.e. – tract). Smaller projects are considered by General Manager.
- If approved an Intent-to-Serve letter with conditions will be issued along with a Plan Check and Inspection Agreement (PCIA) specifying the required deposit.
- Intent-to-Serve letters expire: 1) Eight months from date of issue, unless proof of complete COUNTY building application is received; and/or 2) three years from date of issue.

3. DEVELOPER/APPLICANT:

- Enter into Plan Check and Inspection Agreement (PCIA), make deposit. (NOTE: All District costs directly associated with the project will be charged to the Project). A deficient deposit account balance will result in suspension of District activity on the project.
- Submit four (4) sets of improvements plans and two (2) sets of Tract Maps for District review showing the water and sewer off-site and on-site improvements, in accordance with the *District Standard Specifications* (available at the NCSD Office or on the District's website at ncsd.ca.gov).

4. DISTRICT:

- Plans reviewed and mark ups returned to developer after PCIA executed and deposit received.
- Depending on the developer's schedule, complexity of the project and compliance of the project plans with the District's standards and specifications, steps 3, 4 and 5 can take a period of months or years.

5. DEVELOPER/APPLICANT:

- Improvement plans incorporating District corrections, if any, are completed and returned to the District. When plans are ready for District approval, Applicant shall provide District with one mylar copy and two paper sets of drawings for approval.
- Submit proof of CalFire approval of plans.

6. DISTRICT:

- District Engineer approves plans.
- District issues a Notice to Proceed.

7. DEVELOPER/APPLICANT:

- Upon written request, connection fee estimate is provided (based on approved plans).
- Pay estimated fees.
- All easements required by District shall be offered and accepted PRIOR to issuance of Will-Serve letter.

8. DISTRICT:

- Once estimated capacity and meter fee deposit and final balance due on application fee are paid, and conditions of Intent-to-Serve letter are met to District satisfaction (Bonding for incomplete off-site improvements is required), a Will-Serve letter is issued.

9. DEVELOPER/APPLICANT:

- Schedule a pre-construction meeting.
- Applicant's engineer to provide daily inspection and serve as engineer of record.
- Request for District presence at specific construction milestones (e.g. pipe installation, sewer video, final inspection) shall be made 48 hours in advance.

10. DISTRICT:

- District staff will inspect the site during construction phase.
- Upon written request for final sign-off/inspection a "Punch List" will be provided by District.

11. DEVELOPER/APPLICANT: When the applicant completes all required improvements and is ready for the District to accept the project the following must be completed:

- Pay final capacity and meter, if required.
- Pay final PCIA balance.
- All conditions of PCIA satisfied.
- Corrected Punch List, with final signature from District inspector.
- Reproducible "As Built" of Utilities – A mylar copy and AutoCAD file(s) which include engineer, developer, tract number and water/sewer improvements
- Offer of Dedication
- Engineer's Certification
- A summary of all water and/or sewer improvement costs
- Recorded Assessor's Parcel Numbers and street addresses
- Written request for meter(s)

12. DISTRICT:

- Resolution of acceptance is presented to the Board.
- Board accepts improvements.
- Water meters set.
- Water and sewer charges begin the day meter is set.

Effective 8/7/2013 - Procedure subject to change without notice.

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: MARCH 21, 2014

AGENDA ITEM

E-6

MARCH 26, 2014

STRATEGIC PLAN ADOPTION

ITEM

Receive a presentation by strategic planning consultant Rauch Communications and adopt 2014 Strategic Plan [RECOMMEND RECEIVE PRESENTATION]

BACKGROUND

In October 2013, your Board approved a contract with Rauch Communications to develop an updated strategic plan for the District.

Your Board held all day strategic planning workshops on January 16 and February 3.

Martin Rauch of Rauch Communications will present an overview of the workshops and draft plan.

RECOMMENDATION

It is recommended that the Board of Directors consider the presentation, revise the draft Plan if desired and by motion and roll call vote, approve Resolution 2014-XXXX adopting the 2014 Strategic Plan.

ATTACHMENTS

- A. Draft Resolution 2014-XXXX including Exhibit A, Draft 2014 Strategic Plan and Work Plan

MARCH 26, 2014

ITEM E-6

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING THE 2014 STRATEGIC PLAN**

WHEREAS, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

WHEREAS, the District Board of Directors conducted two Strategic Plan Workshops; and

WHEREAS, the District Board of Directors has reviewed and edited the attached Strategic Plan that provides for strategic planning; and

WHEREAS, the District Board of Directors desires to integrate strategic planning into the District's operations.

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

1. 2014 Strategic Plan Exhibit A is adopted; and
2. Staff is directed to integrate the 2014 Strategic Plan into District operations.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 26th day of March 2014.

CRAIG ARMSTRONG
President, Board of Directors

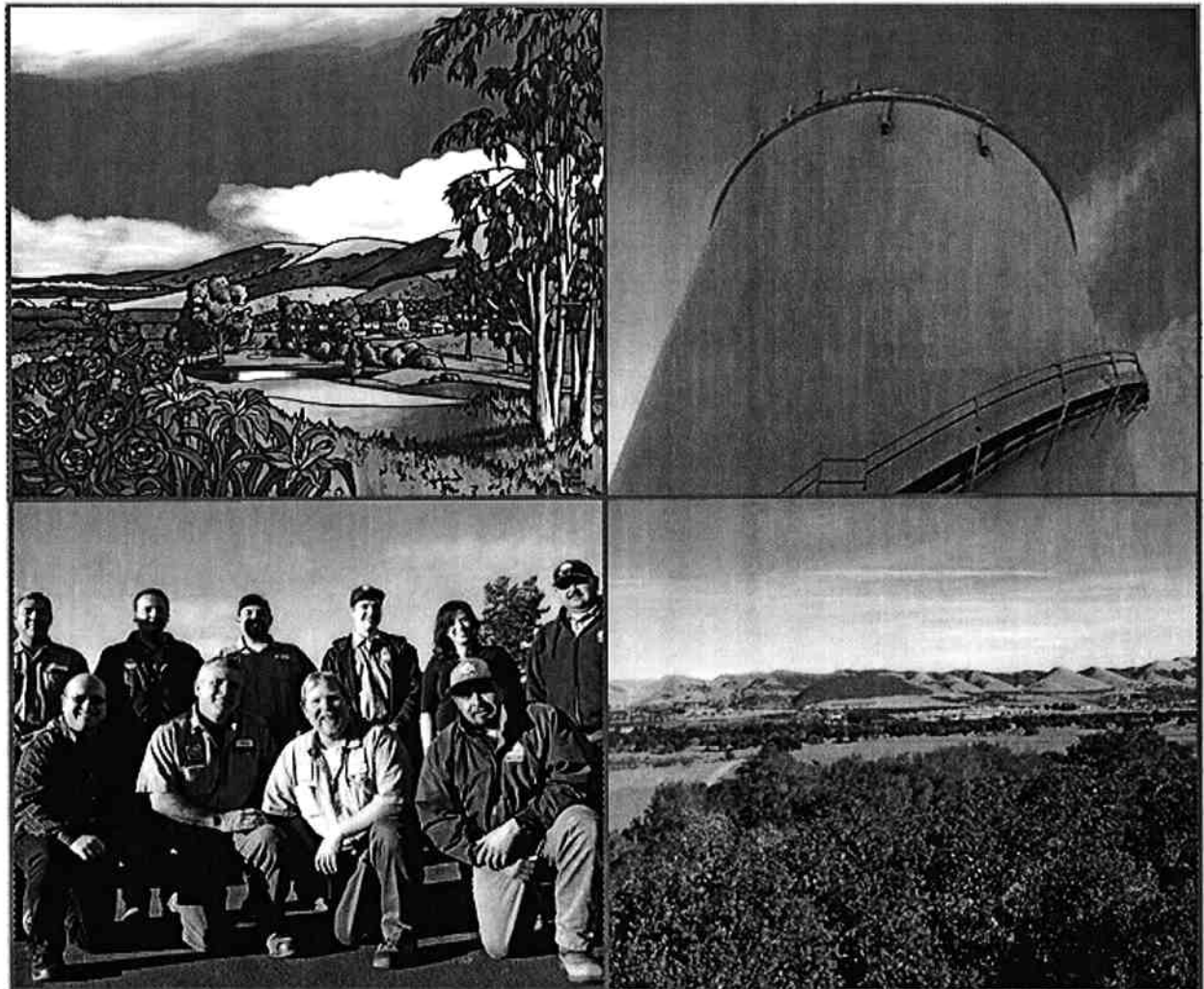
ATTEST:

APPROVED AS TO FORM:

MICHAEL S. LEBRUN
General Manager and Secretary to the Board

MICHAEL W. SEITZ
Deputy District Legal Counsel

EXHIBIT A



**Nipomo Community Services District
2014
Strategic Plan**

March 2014



DRAFT

Nipomo Community Services District 2014 Strategic Plan

BOARD OF DIRECTORS

Craig Armstrong, President

Jim Harrison, Vice President

Larry Vierheilig, Director

Dan A. Gaddis, Director

Bob Blair, Director

NCSD MANAGEMENT STAFF

Michael S. LeBrun: General Manager

Lisa Bognuda: Finance Director/Assistant General Manager

Peter Sevcik: Director of Engineering and Operations

CONSULTANT

Martin Rauch, Managing Consultant

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2. Strategic Plan

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1. DEVELOPING THE STRATEGIC PLAN

2014

Strategic Plan

INTRODUCTION TO THE STRATEGIC PLAN

The District has taken a proactive planning approach for many years, developing and utilizing strategic analysis, planning and action. Since it has been a number of years since the last formal strategic planning effort, it is appropriate to undertake a full evaluation of the District's situation and develop a new strategic plan that is presented in this document, with recent achievements and key priorities summarized below.

Water Supply Achievements. The District's most notable strategic success in recent years is development of multiple programs to responsibly manage the groundwater Basin and ensure its long-term reliability and health. These include implementation of supplemental charges and numerous policy and legal activities to protect the Basin. Its agreement to purchase supplemental water and invest millions of dollars to bring that water into the Basin are unique and substantial successes.

Water Supply Challenges. Despite these successes, water supply remains the number one priority identified in the strategic plan. The Basin has long been stressed, but the current drought is making additional progress on water supply more urgent: especially such tasks as completing Phase I of the supplemental water project, which is the District's top priority. In addition, additional water supply actions are prioritized, including developing agreements for neighboring purveyors to pay for their share of the supplemental project to make development of additional phases possible.

Completing the Major Facility Upgrades. The District has \$31 million in capital projects underway from previous strategic plans—a never-before achieved level of improvement projects. These include: a new wastewater plant, the supplemental water projects and work at Black Lake wastewater collection system. Completing these projects on schedule and budget is another top priority.

Bring Operations to the Next Level. The new treatment plant and supplemental water system required a new level of operating sophistication. The District is prioritizing programs that ensure readiness of systems and cost-effectiveness of operations. For example: continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management)

ABOUT STRATEGIC PLANNING

Planning is strategic when it helps move an organization forward from its current situation to its desired future and anticipates new challenges and conditions.

The Strategic Plan is Nipomo Community Services District's highest level planning document, and represents the Board's direction for the future, and the staff's work plan for implementing it. It is developed through a step-by-step process that includes understanding the situation and the operating environment, identifies the highest priority issues, identifies the strengths and weaknesses of the organization, as well as its opportunities.

It defines the agency's mission, vision, and values, while providing a framework of goals and objectives that becomes a basis for all decision-making.

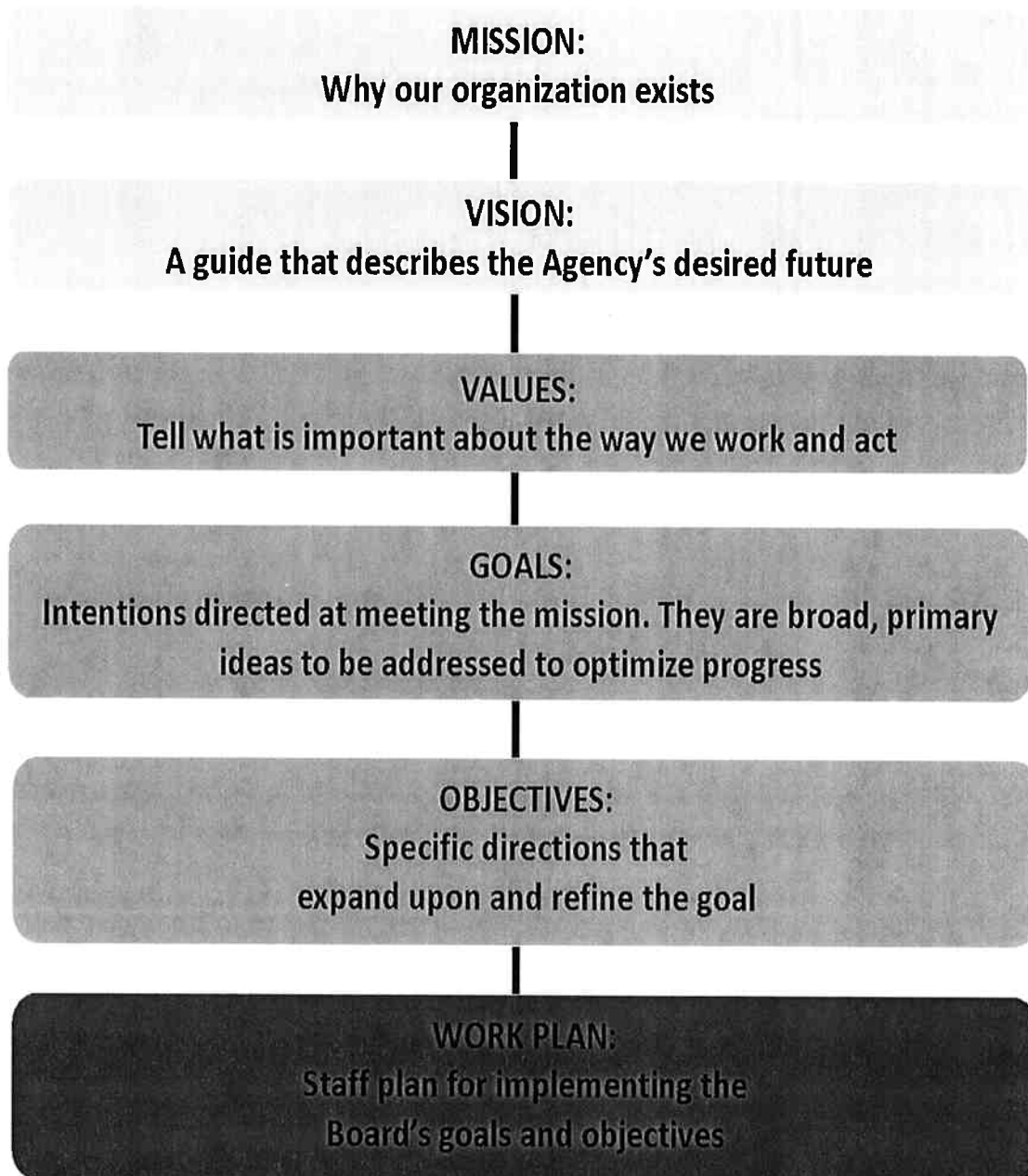
The Strategic Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives, and includes a practical Work Plan developed by the staff to implement those goals and objectives.

Given its importance, it should be referred to regularly as a guide to agency actions during the period covered.

To keep it fresh, it should be updated annually as new factors enter the picture, and rolled forward so that there is always a multi-year guide to the future.

STRATEGIC PLAN STRUCTURE

The strategic plan is built using a series of logical components as shown in the graphic below.



HOW THE STRATEGIC PLAN WAS DEVELOPED

The strategic planning process was carried out in the series of steps as outlined below.

Background Research.

Research. The consultant began by holding discussions with the Manager and assistant manager and by reviewing background documents including agendas and minutes, as well as a number of other documents and reports, the budget, and other pertinent information.

Confidential Interviews. The research phase was followed by a series of confidential interviews carried out by the consultant. The goal is for the interviewees to candidly express their interests and perspectives on the District. Interviewees included the Board of Directors, General Manager and Management team.

Planning Workshops

The Board of Directors and senior management staff participated in two strategic planning workshops facilitated by Rauch Communication Consultants.

The first workshop. During the first workshop, the group reviewed the results of the interviews, undertook a number of exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. They also undertook an initial review of the mission, vision and values

The second board workshop. During the second workshop, the group reviewed the progress to-date and developed strategic direction: goals, objectives, and provided final direction on the mission, vision, values, goals and objectives.

Staff Workshop To Develop the Strategic Plan. Staff worked with the consultant to develop a Work Plan showing priorities, what the staff will do to accomplish each action; who is responsible; and when it will be done and its overall priority.

Additional Information From the Planning Process

During the planning process a number of exercises and discussions were undertaken to review.

They provide useful additional information and ideas.

Expectations of the Participants.

Summary of the Interviews.

Rating the District Today.

What is Coming Down the Road: Challenges and Opportunities.

HIGHEST PRIORITY ISSUES

Having reviewed numerous current and future issues, the participants identified the items below as being truly important to deal with in the coming years. It is important to focus on just a few priority issues, recognizing that in practice it is not possible to accomplish everything at once and that there are limits on time, money and personnel resources. Below is the groups selection of priority issues in order of priority.

HIGHEST PRIORITY ISSUES

- 1 Complete supplemental water project.** Drought may make it urgent. Complete Supplemental Water with reasonable rate increases.
- 2 Complete all \$31 million in capital projects on schedule and budget.** These include the Supplemental water project, completing the new wastewater plant and Black Lake improvements.
- 3 Raise the Bar on Operational Effectiveness.** Integrating supplemental water project within current operations will require a higher level of operational effectiveness: 1) defining and following operating rules and agreements with purveyors; 2) Coordinate with city on a daily basis on operating supplemental water; 3) Implement new disinfection; 4) Manage the transmission system at a more sophisticated level.
- 4 Upgrade Black Lake wastewater system.** It is aging and worn. Need public to understand and accept the rates.
- 5 Developing agreements to pay for supplemental water supplies.** We must cease mining water.
- 6 Meet all regulations.** Continue to provide quality services.

2. STRATEGIC PLAN

2014

Strategic Plan

MISSION, VISION AND VALUES

Mission

A good mission statement should accurately explain why your organization exists and what it hopes to achieve in the future. It articulates the organization's essential work. The Board made minor edits to the existing mission and approved the following:

Provide our customers with reliable, quality, and cost-effective services now and in the future.

Vision

A clear vision provides a guide for an agency. The clearer the vision, the easier it is for the Board, Staff and stakeholders to picture what the Board is trying to achieve and then achieve it. The following is the Vision of Nipomo Community Services District:

Provide superior and cost-effective services to our customers, a valued place to work for employees, respected and supported by our public and peers, and helping to maintain the rural quality of life in Nipomo.

Values

Values are what we consider important—what we believe is right. The Board is responsible for identifying and being the guardian of values. Effective organizations identify and develop clear, concise and shared values, beliefs, priorities, and provide direction so that every employee understands and can contribute by implementing their work in line with the organization's values. The Board reviewed the existing values and made minor edits. The values are written as questions which can be posed to help make difficult decisions.

- *Is it open, transparent and responsive to our customers?*
- *Is it sensitive to rates, cost efficient and financially responsible?*
- *Does it support our commitment to maintaining-quality facilities and infrastructure?*
- *Does it support our ability to provide quality and reliable services?*
- *Does it support the welfare of our employees?*
- *Does it support the quality of life and rural character of our community?*

GOALS AND OBJECTIVES

The goals and objectives are presented on the following pages. They represent, along with the mission, vision and values, the core strategic direction provided in this 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.

- 1.1 Complete Phase 1 of Supplemental Supply Projects.
- 1.2 Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).
- 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.
- 1.5 Update Water Master Plan to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements.
- 1.6 Continue to be a leader in management of area water resources.

Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

- 2.1 Complete treatment plant construction on-time and budget.
- 2.2 Manage the collection system with the objective of zero spills and zero permit violations.
- 2.3 Manage both treatment facilities with the objective of zero permit violations and long-term preservation of assets.
- 2.4 Carry out treatment plant expansion on the scheduled trigger of 700,000 gallons per day of capacity. District is currently at 650,000 gallons per day. (3-5 years)

Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.

- 3.1 Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.
- 3.2 Maintain a strong commitment to a safe work place.
- 3.3 Maintain effective disaster response capability

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.
- 4.2 Monitor liabilities for post-employment benefits. Continue to track State progress to reform post-employment benefit programs.
- 4.3 Monitor opportunities for grant funding.
- 4.4 Maintain sound investment policy and investments.

Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.

- 5.1 Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management).
- 5.2 Ensure a safe work environment.
- 5.3 Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance.

Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.

- 6.1 Board carry out an annual self-evaluation seeking to provide better policy guidance, by-laws, and increase efficiency and effectiveness
- 6.2 Utilize technology to maximize productivity and communications.
- 6.3 Provide excellent customer service.
- 6.4 Periodically review, update and reaffirm District policies and procedures.

Goal 7. COMMUNICATION. Use public outreach to communicate effectively with the public to obtain their input and build understanding and support for the District.

- 7.1 Develop and implement a complete outreach plan and timeline with specific goals and budget each year.
- 7.2 Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.

Goal 8. ADDITIONAL COMMUNITY SERVICES. Staff should focus on meeting the goals and objectives of existing services. Adding new services will be considered on a case-by-case basis and entered into only if funding can be found and existing services are not harmed.

- 8.1 PARK. Remain engaged in community planning at the Board level.
- 8.2 PARK. Communicate district's commitment to follow through pending acquisition and/or availability of funding source.
- 8.3 SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.
- 8.4 STREET LIGHTING. Monitor maintenance of facilities and respond to observed problems.
- 8.5 DRAINAGE. Monitor maintenance of facilities and respond to observed problems.
- 8.6 STREET LANDSCAPING. Monitor landscape maintenance and respond to observed problems.

IMPLEMENTATION AND MONITORING

Ensuring Results

A review of the contents of this plan, including the work plan, demonstrates that the expectations were met. In order to ensure results are achieved it will be important to have a plan for implementation and monitoring:

We recommend the following.

1. That the Mission, Vision, Goals and Objectives be printed, presented to staff, and displayed around the office.
2. That the Work Plan be published and regularly referred to by the management team.
3. That a Board Committee be named to oversee implementation of the Strategic Plan as appropriate. We recommend quarterly or biannually review.
4. That the Strategic Plan be reviewed and updated annually and rolled forward. Usually this is accomplished through a half-day Board workshop followed by Staff updating the Work Plan. Some organizations update it biannually, usually through a whole-day workshop.
5. Utilize progress in implementing the Strategic Plan as part of performance monitoring of the General Manager.

STAFF WORK PLAN

The staff work plan is a linked series of actions developed by staff that, when accomplished, will meet the mission, vision, goals and objectives identified by the Board of Directors. The work plan is organized in a table format with the following features:

Priorities:

There are two kinds of priorities assumed in this work plan: 1) Importance; and 2) Time. It is possible for a priority to be critical in importance but not due for a long time. Conversely a priority may have low importance but be due promptly. The 1-3 numbering system focuses on relative importance. The timing column indicates due dates. The numbering system is as follows:

1. Critical project that must be accomplished on time.
2. Important project that can be delayed if needed to complete a #1 priority project.
3. Desirable project that can be delayed or cancelled to complete a #1 or #2 priority project.

Key to Abbreviations

These abbreviations refer to who is named as responsible for a given action under the column titled LEAD:

MSL—Michael LeBrun	PVS—Peter Sevcik	LSB—Lisa Bognuda
JDH—Jim Harrison		

NOTE: The Work Plan is Presented Separately for Convenient Review. It Will Be inserted After This Page in The Final Document

3. APPENDIX

2014

Strategic Plan

APPENDIX :

The following pages contain summations from some of the key discussions in the interviews and workshops. These ideas, opportunities, threats and proposed directions were discussed and led to the formal policy direction found in the mission, vision, values, goals and objectives.

Expectations of the Participants

The first question asked in the first workshop was for each of the participants to share their initial expectations for the workshop by considering their own goals for the workshop, and what they hoped would be the outcome. The expectations are organized into topic headings below. A review of these expectations and the results found in this report show that the expectations were met or will be met as the work plan is implemented.

CLEAR, PRACTICAL PLAN WITH PRIORITIES

- Develop a viable plan that can be implemented and is doable financially, politically, etc.
- Clear priorities and reasonable expectations.
- Develop a reasonable plan that recognizes the reality of the District's resources.
- Develop a plan that outlines priorities to help guide staff.

OUTREACH

- Improve the District's outreach.
- Develop a plan to develop the full 6,200 acre-feet of needed water.

COLLABORATION

- Join with a joint use plan to develop desalination with San Luis Obispo County, Santa Barbara County, Local cities, etc.
- Work with south county leaders to start the process for regional desalination and/or water supply development.
- Ensure that in any collaborative agreements the District retains the ability to do what is best for its customers.

WATER SUPPLY

- Focus on current services.

Summary of the Interviews

The following is a summary of the interviews. These viewpoints are a good starting point for participants in this workshop as they formulate the strategic plan.

STRENGTHS

In sum, the interviewees report that the District is successfully carrying out its mission in a proactive and progressive manner with an effective Board and staff.

Staff and administration

- Excellent management team.
- Work ethic. Lean staff keeps costs down. Staff is characterized by motivated, hard-working team

Finance

- Solid finances. Have AA rating from Standard and Poors. Have good reserves and financial policies.

Capital Facility Accomplishments.

- Most progress on capital facilities in District history. Completed big trunk lines, nearly completed treatment plant, installed a big well. Phase I of Supplemental Pipeline underway.

Operations

- Recently upgraded SCADA system.

Water Supply.

- Supplemental Water program a major achievement

CHALLENGES

While the District is reported to currently function well, there are a number of areas where work is needed, particularly around facilities, and, of course, long-term water supply challenges.

Staffing

- Understaffed. Biggest problem is hiring and keeping good field people.
- Have a brand new wastewater plant to bring online, requiring additional field staff. The Supplemental water system will require additional help for 24/hr. service. Together these will further increase the need for staffing

Operations and preventive maintenance

- Director of Engineering and Operations has made great improvements in facilities/operations. Now the District has \$30 million in new infrastructure to manage. Have demanding warranty requirements for

those new facilities. Need a new maintenance management system. In sum: operation and maintenance demands will increase.

Administration

- Billing system is antiquated and needs replacement.

Master Plans

- Water Master plan is out-of-date--slipped on timelines. Need long term relook at transmission system. Need guidance on priority upgrades.
- Sewer Master plan. Long term effluent disposal is a future issue. Need to make progress on sewerage rural areas and paying for it. Black

Lake facilities review underway but need master plan for Town sewer.

Water Supply

- Need Regional Long Term Water Supply Plan. We are mining water supply by 2,500 af/year. District has a plan to bring in about 3,000 af, but needs long term water supply strategic plan for long-term needs.
- County Needs to Act Responsibly
- Critical need for county to ensure there are supplemental supplies for new development. Also needs to implement supplemental water fees. As we take care of our problem, county allows continued development and unlimited pumping continuing to mine the water supply. County does not comply with law to identify source of water for new development.
- Preparation for Water Supply emergency. Have we done enough?

Board meetings

- Recent meetings have been faster and should continue to focus on that. Historically, board meetings have been long. The Board can micromanage(details on vehicle types for instance). If the Board focused on having efficient meetings, it would be possible to have a single meeting each month and still get Board work done, saving all time, including staff.
- All boards, even good ones can benefit from continued work on self-management. Are Bylaws right and properly followed? Can it be more efficient? Can it provide better policy guidance?

Capital Improvement Program

- Does District have enough staff to manage contractors.

- Is District behind on Black Lake sewer work.

Park

- Variety of opinions and questions:) are we in or not; 2) we are a CSD and should be involved; 3) I wouldn't touch it; 4) I would stick to what we do well and not get into this additional service; 5) If there is funding, I am ok. Is there funding?

Outreach and community relations

- We work hard at outreach but have a temporary black mark from assessment. People still mistrust the District but we are getting past that. Rates reasonable.
- Need to do more direct outreach with regional leaders: Need to consciously maintain relationships with County, State Assembly, State and Federal legislators, Santa Maria, Arroyo Grande, Pismo, Grover and Oceano. Mayors, chambers, service clubs, etc.

Finance

- Need to look at long-term salaries and pensions
- Need policy on annexations for when supplemental water flows
- Outside user agreements will transition to annexation following supplemental water
- 500 acre feet within current boundary. There are two projects in the LAFCO pipeline that will be incorporated into the District's boundaries. They are on the District's immediate boundaries and the County was posted to approve the projects and have them receive water from a Mutual Water Company – in other words add to groundwater demand.

Rating the District Today

Each participant in the workshop was asked to rate various aspects of the District based on its performance as it stands today. Each participant selected aspects of the District to rate, graded them on a scale of 1 to 10 (10 being excellent), and included words to explain the reason for the rating. The results were averaged and summarized.

BELOW ARE THE CATEGORIES AND RATINGS PROVIDED BY THE PARTICIPANTS

Avg. 9 9	Administrative Office. The administration always works well.
Avg. 8+ 9, 8	Overall. Great manager, staff and Board. Best in last 21 years. Overall team and District quality.
Avg. 8 8, 8	Project Management and the Capital Program. Staff brought the treatment plant and supplemental water project from dream to reality. These major construction projects are under budget and on schedule
Avg. 7+ 9, 6	Finance. We have good financial management and have handled our current substantial need to finance and pay for major capital projects well. However, we are near maxed financial and have additional future financial needs. We have done well so far, but there is more to be done.
Avg. 7+ 8, 7	Board. Board micromanages less than it did in the past. One concern is that the Board adopts policies but sometimes reverses them under pressure and pressure is expected with potential drought and need by new customers and those outside boundaries for supplemental water.
Avg. 7 8, 8, 6, 6	Operations. Staff is efficient, and gets a lot done, but we face major challenges and are always shorthanded. Installation of the SCADA system is an improvement, but operations/maintenance is running a little behind the curve in cleaning, valve exercising, etc. Staff developed a paper maintenance system but need to automate record keeping. We need to keep better track of scheduled maintenance so we don't react to failure. The \$30 million in facilities require improved maintenance and operations to maintain warranties and to protect our investment. The supplemental water system also requires additional staff, putting further pressure on limited staff. We need more help. Some say need operations manager.
Avg. 6+ 6, 6, 6, 7	Staffing. District is understaffed. All planned work is not getting done. Staffing challenges will increase as the new plant and supplemental water system come online. However, Operations brought in three new people in the last three months and assistant engineer was hired in the last year
Avg. 6 6	Water supplies. We have make progress but more needs to be done.

What is Coming Down the Road: Challenges and Opportunities

Taking account of the business and regulatory environment that the District faces today and is expected to face in coming years is an important step in creating context for the development of the strategic plan. What are the critical challenges or opportunities facing the District? Each participant was asked to predict what issues the District would confront in the future. That list follows:

WATER SUPPLY

- **Getting Refineries to use recycled water.** Oil refinery uses 15% of Mesa water. This is equal to South Coast Sanitary discharge. Could they use recycled water and carbon credit money?
- **Develop an additional 3,000 acre-feet of water.** Where can we get an additional 3,000 acre-feet of water for a total of 6,000 acre feet to meet future growth
- **Complete phase II and III supplemental water program**
- **Get supplemental water built into the adjudication**
- **Follow water supply developments in Paso Robles.** Be good neighbors and link to changes there if positive.
- **Deal with issue of other water suppliers pumping and using up the same aquifer in an uncontrolled way.**
- **Develop drought plans:** stepped conservation and rationing. Appropriate rates. Incentives.
- **Pressure County to stop approving development without enforcing sustainable water supply policies.**

ADMINISTRATION

- **Need to develop new billing system** with paperless and e-billing services

FINANCE

- **How to raise resources in future:** rates, and bonds
- **Maintain reserves, rates, resources**
- **Getting purveyors to pay their share of supplemental water costs**

SANITARY

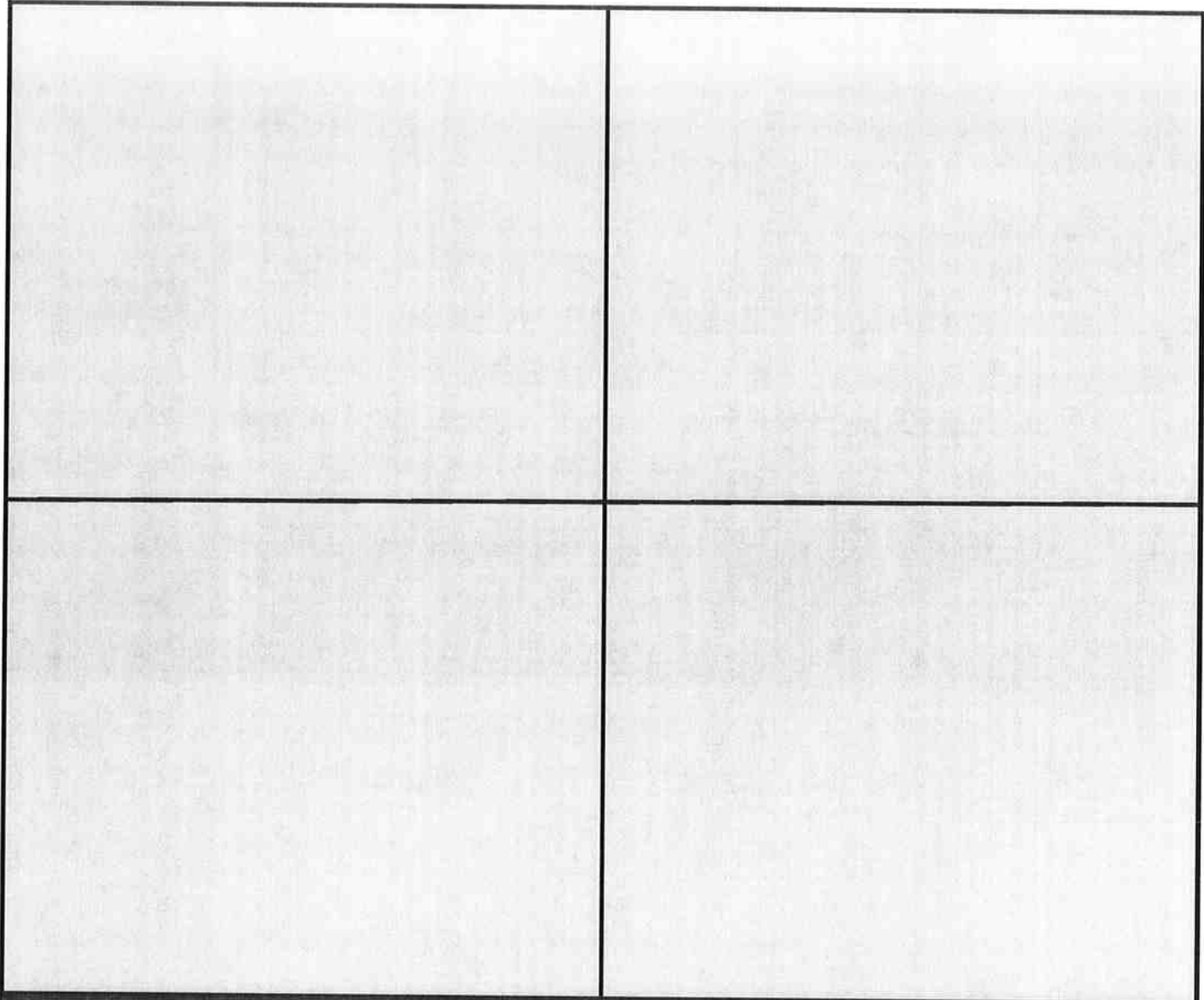
- **Develop Sewer Master Plan**
- **Conduct Black Lake facilities review, set and approve appropriate rates to fund**

OPERATIONS AND MAINTENANCE

- **Will need more staff for O&M** once the treatment plant is online
- **Bring deferred maintenance up to date.**

LONG TERM SERVICE NEEDS OF COMMUNITY

- **Meet Demands Caused by Growth.** Provide services to future customers. The general plan calls for doubling in next 20 years. Need to be prepared for that with appropriate finances, facilities, policies and quality since future customers will have higher expectations.
- **Annexation policy**
- **Serve the Proposed Park.** The District has an MOU. How will it fund and staff that?
- **What services should we provide?** Can we go beyond latent powers? How would we staff and where would funding come from?



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No.	P.	Action	Lead	Timing	Timing/Status
1.0.0	1	Goal 1. WATER SUPPLY: Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.	Goal		
1.1.0	1	Complete Phase 1 of Supplemental Supply Projects.	Obj	Jul-15	
1.1.1	1	Rebid and construct bid package 3 (Blosser Rd Main)	PVS	Dec-14	Preparing to Bid
1.1.2	1	Complete construction package 4 (Pump Station) and Phase 1 of Project	PVS	Jul-15	Under Construction
1.1.3	1	Negotiate sales agreements with purveyor partners. Include interconnection infrastructure and draft operating agreement (to be finalized after operating agreement with Santa Maria)	MSL	Sep-14	Assembling negotiating team. Rate consultant is developing basis for sales agreements. With legal counsel
1.1.4	1	Negotiate operations agreement with City of Santa Maria	PVS	May-15	With MSL
1.1.5	1	Negotiate final operations agreement with purveyors	PVS	May-15	With MSL
1.1.6	1	Prepare for delivery of water (obtain permits, public notice an education of changes in disinfection methods and water quality, transition water supply to chloramines disinfection)	PVS	May-15	
1.1.7	1	Design and develop separate accounting fund for supplemental water, design and develop a rate approach to support the purchase of water through sale to customers and purveyor partners. A Proposition 218 process is required and will be conducted concurrently with 1.3.3.	MSL	Sep-14	With Lisa and consultant
1.2.0	1	Expedite funding and implementation of Phases 2 and 3 of Supplemental Supply Projects (up to 3,000 acre-feet).	Obj	Jan-18	
1.2.1	1	Define funding options and review with Board and select approach to scheduling. At minimum, seek to construct tank (\$2.5 million) before Phase 1 construction is complete. This would save restaging costs and increase delivery capacity. Pipeline up orchard is second priority (\$2 million) pending funding.	MSL	Jul-14	With LSB
1.2.2	1	Develop bid documents for the Phase 2 tank or additional projects depending on selected scheduling approach	PVS	Dec-14	
1.2.3	1	Update sales agreements as additional pipeline capacity is constructed	MSL	Dec-15	Time agreements with construction progress
1.2.4	1	Construct Phase 2 tank or additional projects depending on selected scheduling approach	PVS	Dec-15	
1.2.4	1	Complete construction of 3,000 AFY capacity interconnection with the City of Santa Maria	PVS	Jan-18	Timing is funding dependent - may accelerate.
1.3.0	1	Develop water shortage response and management plan to respond to drought and other supply emergencies.	Obj	Jun-14	
1.3.1	1	Coordinate with NIMMA purveyors on triggers and levels of reduction in groundwater pumping and get Board approval.	MSL	Feb-14	Complete
1.3.2	1	Design drought rates and response programs to meet the mandated reduction in groundwater production. This task is concurrent with 1.1.7 above.	MSL	Mar-14	With LSB and rate consultant
1.3.3	1	Public review and 218 process. Conduct Rate Hearing. This task is concurrent with 1.1.7 above.	MSL	Sep-14	LSB
1.3.4	1	Coordinate with the County to implement restrictions on building permits during advanced stages of drought.	MSL	Jun-14	
1.3.5	1	Design and implement outreach and information on rate adoption	MSL		Through out process, consultant services

1.4.0	1	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.	Obj	Jul-14	
1.4.1	1	Assist and insist on the development of area wide Water Resources Policy to sustain local groundwater health. Base the Policy on implementation of approved County Ordinances 3090 and 3160 and the 2005 court ordered stipulation that requires all new demands be met with supplemental water.	MSL	Jul-14	
1.4.2	1	Support the County in developing and implementing additional supplemental supply to meet the demands of County planned growth across the Nipomo Mesa. This may include added capacity to the 3,000 AFY pipeline project, desalination of sea water or other water supply alternatives.	MSL	Not known	Timing depends on county funding and action
1.5.0	2	Update Water Master Plan to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements	Obj		
1.5.1	2	Develop and Issue RFP for Water Master Plan Update. Select Consultant	PVS	Jun-15	
1.5.2	2	Complete Water Master Plan Update	PVS	Jun-16	
1.6.0	2	Continue to be a leader in management of area water resources	Obj		
1.6.1	2	Actively promote conservation of water through outreach, education and rate setting. Meet and exceed State mandated conservation goals and programs.	MSL	On-going	
1.6.2	2	Develop a conservative and protective water allocation program to allocate the 500 acre-feet of supplemental water the District has reserved for County approved growth within District boundaries.	MSL	Jan-15	
1.6.3	2	Advance dialog with other water suppliers, municipal leaders and others about possible regional program.	Board	Long-term	
2.0.0	2	Goal 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, Goal and efficient District operations.	Goal		
2.1.0	1	Complete treatment plant construction on-time and budget	Obj		
2.1.1	1	Carry out construction oversight. Start-up new facilities.	PVS	Jul-14	
2.2.0	3	Manage the collection system with the objective of zero spills and zero permit violations.	Obj		
2.2.1	2	Implement computerized maintenance management system for water and sewer. (RFP, purchase and install hardware and software, integrate, train, implement) See goal 5.1.1	PVS	Jan-16	
2.2.2	2	Catch-up on proactive maintenance and planning	PVS	Jan-15	
2.3.0	2	Manage both treatment facilities with the objective of zero permit violations and long-term preservation of assets.	Obj		
2.3.1	2	Complete Black Lake facilities review	PVS	Jan-15	
2.3.2	2	Conduct rate hearings (218 Rate Adoption Process) and set and approve appropriate rates to fund Black Lake upgrades and repairs recommended by the facilities review.	MSL	Jul-15	
2.3.3	1	Expedite the update of Town Sewer Capacity Charge update to reflect the newly build facilities.	MSL	Sep-14	
2.3.4	2	Carry out Town Sewer System Master Plan update to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements.	PVS	Jan-16	

2.3.5	2	Set and approve appropriate rates to fund timely expansion of the Southland Wastewater Treatment and Reclamation Facilities and Town Sewer upgrades and repairs recommended by the Master Plan Update.	MSL	Jul-16	
2.4.0	3	Carry out treatment plant expansion on the scheduled trigger of 700,000 gallons per day of capacity. District is currently at 650,000 gallons per day. (3-5 years)	Obj		
2.4.1	3	Select design and construction management consultants, design expansion project	PVS		Schedule will trigger on influent flow volume
2.4.2	3	Develop funding plan for plan for construction of facilities to expand the Southland Wastewater Treatment and Reclamation Facilities			Schedule will trigger on influent flow volume
3.0.0	2	Goal 3. PERSONNEL AND ORGANIZATION. Maintain a qualified, long-term and productive workforce to assure an effective organization.	Goal		
3.1.0	1	Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.	Obj		
3.1.1	1	Maintain staffing competency by providing regular training opportunities	MSL		Ongoing
3.1.2	1	Provide formal performance evaluations to all staff at least annually. The evaluations will be balanced and provide meaningful feedback and measurable performance goals.	MSL		Annually
3.1.3	1	Foster good morale by maintaining high standards for professionalism and accountability of all employees	MSL		Ongoing
3.1.4	2	Provide advancement and growth opportunities for all employees	MSL		Ongoing
3.2.0	1	Maintain a strong commitment to a safe work place.	Obj		
3.2.1	1	Maintain and implement Safety Program. Ensure all operational procedures and demands prioritize worker safety over work production.	MSL		
3.2.2	1	Provide regular and appropriate safety training to all staff.	PVS		
3.2.3	2	Conduct semi-annual review of District facilities with a focus on safety related issues.	MSL		
3.3.0	4	Maintain effective disaster response capability.	Obj		
3.3.1	2	Maintain contact and communication with emergency response agencies of the County	MSL		Ongoing
3.3.2	2	Maintain contact and communication with local water and sewer providers to foster and develop mutual aid	PVS		Semi-annual
4.0.0	1	Goal 4. FINANCE. Maintain, conservative, long-term financial management to minimize rate impacts on customers while meeting program financial needs.	Goal		
4.1.0	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	Obj		See 1.1.3 above
4.1.1	1	See 1.1.3 above: Negotiate sales agreements with purveyor partners.			
4.2.0	3	Monitor liabilities for post-employment benefits. Continue to track State progress to reform post-employment benefit programs.	Obj		
4.2.1	3	NEED WORK PLAN ITEM			

DRAFT NCSO Strategic Work Plan

4.3.0	3	Monitor opportunities for grant funding	Obj	
4.3.1	3	Participate in SLO County Integrated Regional Water Management priority setting and grant application process.	MSL	ongoing
4.4.0	2	Maintain adequate rates to fund future capital replacements	Obj	
4.4.1	2	Conduct regular reviews of infrastructure readiness and needs (a.k.a. Master Plan) and incorporate capital project needs in regular rate studies to insure rates support infrastructure needs.	MSL	See 1.6.0 Master Plan Updates
4.5.0	4	Maintain sound investment policy and investments	Obj	
4.5.1	1	Conduct annual review of Reserve Policy, Debt Policy, and Investment Policy.	MSL	
5.0.0	1	Goal 5. OPERATIONS. Maintain a proactive program to ensure readiness of systems and cost-effectiveness of operations.	Goal	
5.1.0	1	Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management)	Obj	
5.1.1	2	See 2.2.1 Development of Maintenance Management System	PVS	Jan-16 See 2.2.1 above
5.2.0	1	Ensure a safe work environment	Obj	
5.2.1	1	Implement and update safety program	MSL	See 3.2.0 above
5.3.0	3	Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance.	Obj	
5.3.1	2	Regularly report on capital project and maintenance goals adopted in the Master Plan.	PVS	Annually
5.3.2	3	Develop metrics as data reporting accuracy and history improve.	PVS	
6.0.0	1	Goal 6. GOVERNANCE AND ADMINISTRATION. Conduct District activities in an efficient, equitable and cost-effective manner.	Goal	
6.1.0	1	Board carry out an annual self-evaluation seeking to provide better policy guidance, by-laws, and increase efficiency and effectiveness	Obj	
6.1.1				
6.2.0	2	Utilize technology to maximize productivity and communications	Obj	
6.2.1	2	Research and install new billing system, including paperless and e-billing services.	LSB	Jan-16 Budget for implementation in 2014-2015. Complete by 1/1/16.
6.2.2	2	Maintain electronic archive of records.	LSB	Ongoing
6.2.3	2	Update District website to improve presentation of information	MSL	Apr-14
6.2.4	2	Keep website up to date and 'fresh'	MSL	Ongoing
6.3.0	4	Provide excellent customer service	Obj	
6.3.1	1	Provide regular updates and coaching of all staff to ensure a consistent and courteous message is delivered to the customer.	MSL	
6.4.0	4	Periodically review, update and reaffirm District policies and procedures	Obj	
6.4.1	3	Address dated policies and incorporate new policies as needed.	MSL	

DRAFT NCSD Strategic Work Plan

7.0.0 X	Goal 7. COMMUNICATION. Use public outreach to communicate effectively with the public to obtain their input and build understanding and support for the District.	Obj
7.1.0 1	Develop and implement a complete outreach plan and timeline with specific goals and budget each year.	Obj
7.1.1 1	Review outreach program and budget annually in concert with budget development.	MSL Annually
7.2.0 3	Maintain productive communication and relationships with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.	Obj
7.2.1 2	Utilize Board assigned Directors as liaisons to assist General Manager	MSL Manager and Directors
8.0.0 3	Goal 8. ADDITIONAL COMMUNITY SERVICES. Staff should focus on meeting the goals and objectives of existing services. Adding new services will be considered on a case-by-case basis and entered into only if funding can be found and existing services are not harmed.	Goal
8.1.0 4	PARK. Remain engaged in community planning at the Board level	Obj
8.1.1 4	Continue to represent District at the Olde Towne Nipomo Association park planning meetings.	JH Jim Harrison will represent and report over time
8.1.2 4	Support Olde Towne Association park planning efforts as needed.	MSL
8.2.0 1	PARK. Communicate district's commitment to follow through pending acquisition and/or availability of funding source	Obj
8.2.1 4	Clarify District position on development of Jim Miller Park	JH
8.2.2		
8.3.0 3	SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role.	Obj
8.3.1 3	Solidwaste Committee to meet and engage public on ideas for franchise fee expenditures that would provide meaningful services.	
8.5.0 4	STREET LIGHTING. Monitor maintenance of facilities and respond to observed problems	Obj
8.5.1 4	Maintain the assessment income for the services adequate to meet the cost of services	MSL Annually Annual assessment review process.
8.5.2 4	Minimize to administrative cost increment of these services	MSL
8.6.0 4	DRAINAGE. Monitor maintenance of facilities and respond to observed problems	Obj
8.6.1 4	Provide minimum necessary oversight to ensure facilities are functional and safe.	PVS Annually
8.7.0 4	STREET LANDSCAPING. Monitor landscape maintenance and respond to observed problems	Obj
8.7.1 4	Maintain the assessment income for the services adequate to meet the cost of services	MSL Annually Annual assessment review process.