

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN 
GENERAL MANAGER

DATE: JULY 3, 2014

AGENDA ITEM

F

JULY 9, 2014

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is June 21, 2014 through July 3, 2014.*

DISTRICT BUSINESS

Administrative

- The Nipomo area groundwater remains in potentially severe water shortage condition as defined by the court appointed group that monitors basin health. The District remains in Stage II (2) conditions in accordance with the recently adopted Water Shortage Response and Management Plan. A summary table outlining the District's Shortage Response Plan is attached hereto.
- A renewed conservation outreach message "Reduce Your Use" is underway. A 30% reduction in District groundwater pumping is the goal. The District's ability to lower demand through entirely voluntary methods and no drought rates will inform the Board's rate setting process this fall.
- Drought rates and/or water use restrictions may be necessary to further encourage water conservation if drought continues. Drought rates (premiums on top of existing rates) would impact all water rates and significantly increase the cost of high water use.
- San Luis Obispo County maintains two rain gauges in the area. One is located at the District's Southland Wastewater Plant (Nipomo South) and one at the District's Tefft Street water storage site (Nipomo East). The seasonal rain total for Nipomo South is 4.6-inches, which is just 29% of average for the gauge. The seasonal total for Nipomo East is 5.8-inches, which is 32% of average for this gauge. This is the second year of well below normal rainfall, or drought.
- The District is actively recruiting to fill five vacancies. Application period is currently open for Customer Service position in operations. On Monday June 30, staff administered a written examination for some fifty applicants for the Clerk/Secretary vacancy. First round interviews are scheduled for mid-July.
- On June 25, staff sent the required Form 470 to the County Clerk Recorder and forwarded the District's CSDA Region 5, Seat C Ballot to the Special Districts Association.
- The Chamber of Commerce reports the Adopt-A-Highway program being sponsored by NCSW solid waste funds is under way along Highway 101 south of Tefft Street.
- Three seats on the Board of Directors are up for election in the fall general election to be held on November 4, 2014. Notice of the election will be published by the County July 7 – August 6. The nomination period will run July 14 – August 8, and may be extended to August 13 should an incumbent not file a declaration of candidacy.

Safety Program

- No injuries, accidents or incidents.

Public Outreach

The following Public Outreach Program materials are provided:

- A summary of outreach and education activities
- June 26, Manager's Column
- Conservation Campaign Message
- Recent press releases and press release log
- District related news articles
- 2014 District Website Data

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

- San Luis Obispo County Board of Supervisors July 8, 2014 Agenda
- Local Area Formation Commission Budget Allocations for 2014-2015
- San Luis Obispo County June 3, 2014 Drought News
- June 20, 2014 Water War news, The Economy Hub
- July 1, 2014 Water pricing news, KTVU and Associated Press
- July 1, 2014 Home Owner Association/Conservation news

Manager's Meetings

Meetings Attended (telephonically or in person):

- *June 23, Operation Crew*
- *June 23, Rate Consultant*
- *June 24, Counsel and Special Counsel on water sales*
- *June 25, Regular Board Meeting*
- *June 26, Finance and Audit Committee*
- *June 26 & July 3, Management Coordination*
- *June 27, General Counsel*
- *July 1, Outreach Assistant*
- *July 1, Nipomo Native Gardens*
- *July 1, Board Officers*

Meetings Scheduled:

- *July 7, Parks Committee*
- *July 8, Director of Engineering and Operations*
- *July 9, Regular Board Meeting*
- *July 10 & 17, Management Coordination*
- *July 11, tour Nipomo Native Garden with Information Assistant*
- *July 14, Finance and Audit Committee*
- *July 14, Board Officers*
- *July 17, Nipomo Mesa Management Area Technical Group*
- *July 17, Personnel Committee*

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

- A. Water Shortage Response Plan Summary
- B. District Outreach Materials
- C. July 8, 2014 Board of Supervisors Agenda
- D. June 25, 2014 LAFCO Budget Allocation
- E. June 3, 2014 SLO County Drought Report
- F. Water War Article
- G. Water Pricing Article
- H. HOA Water Article

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ATTACHMENT A

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Key Features of the Plan

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

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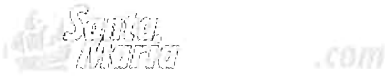
ATTACHMENT B

**NCS D Outreach Summary
June 2014**

Date Started	Outreach	Description	Status	Date Completed
2/28/2014	Brochure	Creation of "Detecting Leaks" insert for "Water Meter" brochure	In Progress	
3/17/2014	Website Upgrade	Content archiving	In Progress	
5/5/2014	FAQs	Compilation of FAQs regarding water shortage and rates	In Progress	
5/22/2014	Manager's Column	Article 16 for Manager's Column in Adobe Press, pub date 5/30	Complete	5/23/2014
5/28/2014	Press Release	NCS D Board of Directors Review Fiscal Year 2014-2015 Budget and Schedules Adoption Hearing	Complete	5/30/2014
6/3/2014	Conservation Outreach	Complete list of current District outreach channels and potential outlets	Complete	6/4/2014
5/29/2014	Website	Coordination of creation of Emergency Alert System on website; information page	Complete	6/5/2014
4/23/2014	Consumer Confidence Report	Update and redesign of 2013 Consumer Confidence Report	Complete	6/11/2014
5/27/2014	Bulletin Board	Update of lobby and Board room bulletin boards	Complete; Ongoing	6/11/2014
5/30/2014	Conservation Education	Contact with poster contest winners; certificate creation	Complete	6/16/2014
5/22/2014	Website Updates	Job opportunities, CCR	Complete; Ongoing	6/17/2014
6/19/2014	Press Release	NMMA TECHNICAL GROUP RELEASE SPRING 2014 GROUNDWATER INDEX	Complete	6/19/2014
6/19/2014	Manager's Column	Article 17 for Manager's Column in Adobe Press, pub date 6/27	Complete	6/20/2014
6/25/2014	Press Release	NCS D Board of Directors Dedicate District Board Room to the Late Jon S. Seitz	Complete	6/26/2014
6/25/2014	Press Release	NCS D Board of Directors Recognize Nipomo Students for Efforts in Conservation Poster Contest	Complete	6/26/2014
6/18/2014	Ad Campaign	Creative brainstorm for conservation ad campaign	Complete	6/27/2014

**NCSO Outreach Summary
June 2014**

Date Started	Outreach	Description	Status	Date Completed
6/6/2014	Conservation Outreach	Creation of District outreach/marketing plan and schedule; budget summary	Complete	7/1/2014
6/30/2014	Press Release	A New Appeal for Nipomo: USE LESS WATER (Reduce Your Use)	Complete	7/1/2014
6/20/2014	Website Updates	Reimbursement record; forms; conservation page update	Complete; Ongoing	7/2/2014
6/3/2014	Mission & Vision	Finished revised Mission & Vision statements to post in office, lobby, Board room, and at Operations	Complete	7/2/2014
6/30/2014	Ad	Conservation 1/4 page ad in 7/4 Adobe	Complete	7/2/2014
6/3/2014	Social Media	Creation of District social media accounts for information distribution	In Progress	
6/5/2014	Emergency Information	Pre-written emergency communications for local news, website, online outlets	In Progress	
6/12/2014	Social Media	Creation/review of District social media policy	In Progress	
7/1/2014	Banners	Conservation banners for conservation outreach	In Progress	
7/1/2014	E-newsletter	Creation of monthly e-newsletter and additional web sign-up	In Progress	
7/1/2014	Bill Insert	Creation of bill insert for Aug/Sept bills with conservation message and tips	In Progress	



Inside NCSD

JUNE 26, 2014 12:00 AM

My name is Michael LeBrun, and I am — or was — a water waster.

You would think a person who has dedicated his professional career to water resources management would know all the tricks of water conservation frontwards and backwards.

However, I recently discovered I was watering my lawn excessively.

I have the high-efficiency rotor heads on my sprinklers. I carefully adjust the spray. I water at dawn and was watering the lawn just twice a week for 20 minutes.

I thought I was using the minimum amount needed — then I tried an experiment.

The weeds in my Bermuda lawn were winning out, and I wanted to see if I could kill off the weeds by drying them out while keeping my lawn alive enough to recover.

I shut off my sprinkler clock in mid-April. It was hot and dry. I left it off for a week — I saw no change. Another week went by — two weeks with zero applied water. A few dry patches showed, and the weeds were definitely stressed.

I mowed my lawn very low and kept the water off. After three weeks with no water, the lawn was still mostly green.

I realized I had been overwatering this very drought-tolerant lawn. I readjusted my sprinklers to water just once a week for 20 minutes.

It has been over a month now, and my lawn has never looked better. An added bonus: It is growing slower and needs less frequent mowing.

Most homeowners have long-blade lawns, or fescue, but the water needs of a lawn depend on the type, health and age of the lawn and soils at your home, among other things.

To really find out how much water your lawn needs, consider experimenting. Cut the water back — less time and fewer times per week — and watch your lawn.

If you step on the lawn and it does not spring back up, or if it has excessive yellow or brown dry spots, give it a bit more water.

When it comes to water conservation, we can all do better.

Drought update

We remain in a Stage 2 drought condition, and all Nipomo residents and businesses are encouraged to reduce water use by at least 20 percent.

Last month, Nipomo Community Services District pumped nearly 77 million gallons of groundwater to meet customer demand.

That is a 10-percent improvement, or reduction, compared to the five-year average for May.

With a long, hot summer ahead, please do your best to cut back on that landscape irrigation. And never forget: Saving water is its own reward, because saving water, saves money.

The district's website provides helpful tips on how to reduce use both inside and outside the home. Visit it at www.ncsd.ca.gov.

As always, if you have any questions, concerns, or feedback, we want to hear from you. Feel free to contact us at info@ncsd.ca.gov.

If you have questions on water quality, please call us at 929-1133.

**Does Your Landscape Have a
DRINKING PROBLEM?**



**Nipomo Community
Services District**

REDUCE YOUR USE!

For tips go to our website: www.ncsd.ca.gov

Ad for The Adobe: ¼ page - 6 columns (9.889 inches across) by 5.25" tall.

**Press Release Log
2014**

Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Pub	Date PR Published	Media Published	Date PR Published	Media Published	Date PR Published	Media Published
5/14/2014	Supervisor Ray Presents the Certificates of Appreciation for Solid Waste Removal to the District and Nipomo Chamber of Commerce	5/16/2014	5/16/2014	Adobe	5/23/2014					
5/28/2014	NCSD Board of Directors Review Fiscal Year 2014-2015 Budget and Schedules Adoption Hearing	5/29/2014	5/29/2014							
6/19/2014	NMMA TECHNICAL GROUP RELEASE SPRING 2014 GROUNDWATER INDEX	6/19/2014	6/20/2014	Adobe	6/27/2014					
6/25/2014	NCSD Board of Directors Dedicate District Board Room to the Late Jon S. Seitz	6/26/2014	6/26/2014	Adobe	6/30/2014					
6/25/2014	NCSD Board of Directors Recognize Nipomo Students for Efforts in Conservation Poster Contest	6/26/2014	6/26/2014	Adobe	6/30/2014					
7/1/2014	A New Appeal for Nipomo: USE LESS WATER (Reduce Your Use)	7/1/2014	7/1/2014	New Times	7/2/2014					

FOR IMMEDIATE RELEASE

Date: June 25, 2014
Contact: Michael S. LeBrun, General Manager
Nipomo Community Services District
148 S. Wilson St., Nipomo, CA 93444
Phone: (805) 929-1133 – Email: mlebrun@ncsd.ca.gov



NCS D Board of Directors Dedicate District Board Room to the Late Jon S. Seitz

On Wednesday, June 25th, the District's Board presented a Resolution of Appreciation (posthumously) and dedicated the Jon S. Seitz Board Room.

Jon S. Seitz served as District General Counsel from November 1993 until his untimely death in May 2013.

Jon Seitz led the District to its current position of outstanding legal and policy standing. Jon served the District with great dedication for more than twenty years and was honored by naming the District Board Room in his memory.

The Board proclaimed that "in memory of Jon S. Seitz, all those who conduct the public's business in the Jon S. Seitz Board Room will do so with the highest regard for public service, professionalism, and transparency – as did Jon Steven Seitz."

Among the attendees were Vicky Janssen from Assemblyman Katcho Achadjian's office along with former NCS D Directors.

Jon's wife, Roseann, stated "Jon would be honored by this recognition." General Manager, Michael LeBrun added "we appreciate and commend Jon Seitz for his service. He was not only an excellent advisor to the District, but also a cherished friend to many."

For more information, please contact the Nipomo Community Services District at 929-1133 or visit www.ncsd.ca.gov.

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

FOR IMMEDIATE RELEASE

Date: June 25, 2014
Contact: Michael S. LeBrun, General Manager
Nipomo Community Services District
148 S. Wilson St., Nipomo, CA 93444
Phone: (805) 929-1133 – Email: mlebrun@ncsd.ca.gov



NCSD Board of Directors Recognize Nipomo Students for Efforts in Conservation Poster Contest

At its Regular Board meeting on Wednesday, June 25th, the District's Board presented students from Dorothea Lange Elementary and Nipomo Elementary with awards recognizing their efforts with the District's Conservation Poster Contest.

Through a partnership with Science Discovery, the District provided conservation education in 3rd through 6th grade classes at Dorothea Lange Elementary, Dana Elementary and Nipomo Elementary schools during the 2013-2014 school year.

The students were given an opportunity to portray what they learned and submitted hand-drawn posters to the District in May. Three classes participated and awards for first, second, third and an Honorable Mention were presented by Board President, Craig Armstrong.

The posters will be displayed in the District office lobby.

President Armstrong thanked the students for their efforts and commended the teachers for educating students on the importance of conservation.

For more information, please contact the Nipomo Community Services District at 929-1133 or visit www.ncsd.ca.gov.

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FOR IMMEDIATE RELEASE

Date: July 1, 2014
Contact: Michael S. LeBrun, General Manager
Nipomo Community Services District
148 S. Wilson St., Nipomo, CA 93444
Phone: (805) 929-1133 – Email: mlebrun@ncsd.ca.gov



A New Appeal for Nipomo: USE LESS WATER

“In light of the current historic drought, we need everyone to cut water use by 30%,” said District General Manager Michael LeBrun. “Our groundwater supply is in trouble, so we are intensifying our water conservation public outreach program. We need everyone’s help.”

Nipomo depends entirely on groundwater. Water use has been climbing for decades, exceeding the sustainable supply. As a result, groundwater levels have been at the edge of severe condition for the past year. As groundwater levels fall below sea level, it threatens seawater intrusion, potentially contaminating the groundwater with salt.

Focus Conservation Outdoors, But Save Water Everywhere You Can.

Customers are encouraged to use the District’s website to obtain conservation information at www.ncsd.ca.gov/. They can also watch for water conservation announcements in the mail, in the newspaper, park banners, and more.

Most water is used outdoors to irrigate landscapes so landscaping is the best place for customers to focus their water saving efforts.

We are Bringing New Water to Nipomo.

The District has completed agreements to buy water from Santa Maria. Pipelines and pumps are under construction to bring that water next year. This is part of a long-term solution that will help to balance water supply and demand.

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

Supplemental water costs will be shared with neighboring water agencies. Details are still being negotiated. Once completed, we will bring proposed supplemental rates to the public for review and comment.

We are Developing Drought Rates to Support the Water Shortage Response Plan

New drought rates are also being evaluated to help motivate customers to conserve water during severe droughts and also make up for the financial loss from reduced water sales. We have saved for a ‘non rainy day’ and have funds in our Water rate stabilization fund that should get us through the current period until new drought rates can be developed.

For more information, contact the District at (805) 929-1133 or visit our website at www.ncsd.ca.gov.

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.com

Key Wells Index shows slight rise in groundwater

JUNE 27, 2014 12:00 AM • MIKE HODGSON MIKE.HODGSON@LEE.NET

Nipomo Community Services District customers won't face mandatory water conservation measures or rising rates soon after spring well levels were high enough to avoid triggering a severe water shortage.

In fact, the Spring Key Wells Index released by the Nipomo Mesa Management Area Technical Group showed the average level of the eight selected wells actually rose almost a foot over last year's levels.

However, the report noted the level still remains very close to the trigger point for a severe water shortage.

As a result, NCSD directors likely will not move forward with adopting so-called "drought rates," said Michael LeBrun, district general manager.

"That is the driver for the water shortage response plan," LeBrun said of the severe water shortage condition. "We remain in what's defined as a Stage 2 or potentially severe water shortage."

He said it's unlikely the board will move forward with the drought rates that would increase customers' costs for water across the board and rise at a greater rate as water use climbs.

One of the tasks of the court-ordered NMMA Technical Group is to monitor the health of the Mesa's groundwater basin.

That process includes creating an index by combining the levels measured in eight wells scattered across the Nipomo Mesa as representative of the overall groundwater level.

The index stood at 17.9 feet above mean sea level in 2013 following one of the lowest rainfall seasons on record.

Yet even though the area is in the third year of a severe drought, the 2014 index increased to 18.5 feet, which the technical group attributed to differences in when the rain fell.

"Last April (2013) was very dry, so when the levels were measured, we were in full-blown irrigation season, and pumps were in full operation all over the Mesa," LeBrun explained.

"This year, we got some rain in April," he continued. "That rain would not percolate down into the basin, but it allowed agriculture to do less pumping, which allowed the basin to recover a little."

But the NMMA Technical Group noted the Key Well Index remains dangerously close to 16.5 feet above mean sea level — the point that would trigger the declaration of a severe water

shortage.

LeBrun said the district continues to urge residents to conserve water to keep the level above that point and avoid triggering mandatory conservation measures and higher rates.

“Water conservation is paramount to protecting our groundwater basin and provides the direct reward of saving money on your water bill,” he said.

Higher water rates are still on the horizon for NCSD customers, however, as directors wrestle with how to pay for supplemental water and the pipeline to bring it to the Mesa from Santa Maria.

“What the board is stuck on is supplemental water rates,” LeBrun said. “They know they have to pay Santa Maria for the water. The question is how to build those (fees) into our rates.”

The district is currently negotiating contracts with the Mesa’s other three water purveyors — Golden State Water Co., Rural Water Co. and Woodlands Mutual Water Co. — to pay for their share of the supplemental water.

Collectively, the three companies are obligated to cover 30 percent of the cost.

“So the board wants to see those contracts in place before they go through the rate setting hearings,” LeBrun said.

He said the staff hopes to get those contracts to the board for approval and signing in August, which would result in the rate setting process beginning in September.

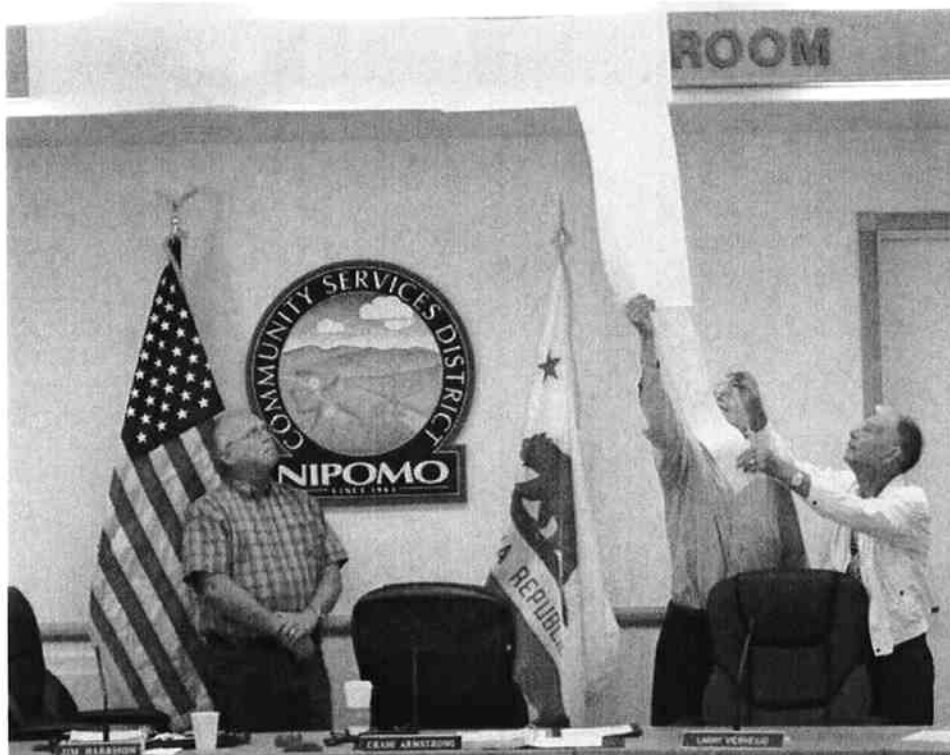
LeBrun noted the district has extensive tips on water conservation on its website, and the staff can provide answers to specific questions about conservation issues.

For more information, visit the website at www.ncsd.ca.gov or call the NCSD office at 929-1133.



The **Adobe** Press.com

NCSD board room dedicated to Jon S. Seitz



Nipomo Community Services District Board President Craig Armstrong and Director Larry Vierheilg, right, pull down a paper ribbon to unveil a sign designating the Jon S. Seitz Board Room as Director Jim Harrison watches at left. The full sign is shown below.

Contributed

Related Stories

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The **Adobe** Press.com

NCSD poster contest winners recognized



Winners in the NCSD conservation poster contest posing with their awards and teachers are, from left, Chloe Wells, third-grade teacher Ann Elliott, Kate Barnett, Kylie Zamora and Gavin Brown from Dorothea Lange Elementary and Yuliana Vazquez, Jazmine Galvan and fifth-grade teacher Scott Meenzhuber from Nipomo Elementary. Not pictured are Mia Renteria from Lange Elementary and Claire Wellenkamp from Nipomo Elementary. Standing behind the group are NCSD Director Jim Harrison, President Craig Armstrong and Director Bob Blair.

Contributed

Related Stories

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New Times / News

The following articles were printed from New Times [newtimeslo.com] - Volume 28, Issue 49
Share:

Drought, no doubt: South County's water-saving plans are kicking into high gear

BY RHYS HEYDEN

Seeing as the emergency in the Paso Robles Groundwater Basin and the dire water situations in coastal Cambria and Morro Bay have drawn a lot of attention, some locals may be surprised to learn that Southern San Luis Obispo County has water issues of its own.

While California's historically awful statewide drought is hardly breaking news, many South County municipalities have taken bold steps in recent weeks to buck the nagging perception that they're somehow immune from water-related problems.

"There really is a drought down here, too," said Greg Ray, Grover Beach's public works director and city engineer. "Several of our water supplies are in danger, and so I think you're seeing South County cities being extremely proactive."

On June 10, the Arroyo Grande City Council elected to spend thousands of dollars to beef up the city's water use surveys, irrigation audits, and various water-saving rebate programs.

On June 16, the Grover Beach City Council declared a Stage III Water Shortage, which turned a number of voluntary water conservation measures into mandatory measures, including a mandatory 10 percent reduction by all customers.

On July 1, the Pismo Beach City Council declared a citywide Severely Restricted Water Supply Condition, bumping the drought condition up from the "moderately restricted" level it had declared a mere five months earlier.

Even in South County's major unincorporated communities—Nipomo and Oceano—water conservation requests are being actively sent out and strongly considered, respectively.

"We are in the middle of the worst drought in California's recorded history, so our message is 'conserve, conserve, conserve,'" said Ben Fine, Pismo Beach's public works director and city engineer. "We have water resources now, but we want to keep them for the future, too."

Seeking a snapshot of the water situation and drought response in each of South County's major municipalities, *New Times* reached out to a water expert in each area.

In Pismo Beach, Fine said that his city's well-diversified water sources (state water, Lopez Lake, and groundwater) are reasonably secure in a cumulative sense, but added that the city is still being extremely cautious with its water management.

"Although we haven't been able to use our surplus thus far, Lopez is stable for our regular allocation," Fine said. "Deliveries for state water are lower than we'd like, obviously, and—though the groundwater wells are viable—the basin levels are low, so we are pumping as minimally as possible."

Pismo's July 1 declaration of a "severely restricted" water supply condition comes with conditions limiting outdoor water use in addition to banning automatic drinking water at restaurants and emptying/refilling swimming pools.

According to Fine, the city is actively considering initiating several water-saving rebate programs and also strongly encourages its ratepayers to cut their water consumption as much as possible.

In Arroyo Grande, which relies on Lopez water and groundwater, the recent council action has boosted funding for programs that support drought-friendly yards, high-efficiency washing machines, low-flow toilets, aerators, and other such water saving ideas.

According to A.G. Public Works Director Geoff English, the city is aiming for a 20 percent reduction from 2000 water-use levels by the year 2020. English said the city is on track to meet that goal, and is using a variety of strategies in the effort.

"We are in a heightened stage of planning and preparation right now," English told *New Times*. "We are looking at long-range solutions, especially if these drought conditions are going to be the new normal."

In neighboring Grover Beach, which also relies on Lopez water and groundwater, the recently enacted Stage III Water Shortage declaration is widely considered to be the most severe response to drought conditions in South County.

Among the stipulations mandated by the declaration are the overall 10 percent reduction, the ban for many outdoor uses of potable water, and similar swimming pool restrictions to those in Pismo Beach.

"We are pushing conservation early, and catching some of these trends before they become a problem," Ray said. "Our goal is to conserve, not to punish, and we will work with users to achieve these necessary reductions."

Ray added that plummeting groundwater levels (caused by lack of rainfall) in the city's wells were what automatically triggered the Stage III declaration. As a result, the city will be relying on its Lopez supply and conservation measures, moving away from groundwater as much as possible.

Nipomo is in the unique, unenviable position of being solely reliant on groundwater. As a result, Nipomo Community Services District (NCSD) General Manager Michael LeBrun said that his district is "in a tenuous situation, at best."

"We are officially in a 'potentially severe' water condition in Nipomo," LeBrun said. "That means we're sending out strongly-worded, but voluntary, conservation reminders to our customers, and conserving like mad from our end."

LeBrun said he's aiming for a 30 percent reduction in the NCSD area, and added that the drought has given his community the opportunity to "get everything in order" with their water laws and management.

"This is real, and we'd better all come together and fix this thing," LeBrun said. "Conservation pays you back, and it's just the right thing to do."

Oceano, which is able to draw from groundwater, state water, and Lopez, has, in all likelihood, the strongest water supply in South County, according to Oceano CSD President Matt Guerrero.

"The water situation in South County is serious, but Oceano is relatively well situated," Guerrero told *New Times*. "That said, our supply is still threatened for various reasons: lack of rainfall, possible saltwater intrusion, and low state water deliveries."

Guerrero said that the OCSD Board of Directors is considering sending out conservation mailers or putting up banners around town to encourage saving water, but has yet to officially decide.

"It's dry, and we must plan for the possibility of continued drought," Nipomo's LeBrun said. "We can all do better, and, quite frankly, we all have to."

Contact Staff Writer Rhys Heyden at rheyden@newtimeslo.com.

Share:

JULY 9, 2014

ITEM F

ATTACHMENT C

AGENDA

Dan Buckshi
County Administrator



BOARD OF SUPERVISORS

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

Tuesday, July 08, 2014

CONSENT AGENDA

9:00 AM

REVIEW AND APPROVAL

PRESENTATIONS

PUBLIC COMMENT PERIOD

BOARD BUSINESS

HEARINGS

RECESS

AFTERNOON SESSION

1:30 PM

BOARD BUSINESS

ADJOURNMENT

5:00 PM

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

9:00 FLAG SALUTE

CONSENT AGENDA – REVIEW AND APPROVAL

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

Items Set for Hearing:

1. Setting of a public hearing to consider a resolution declaring intention to levy annual assessments for Tract 1747 Streetlight Assessment District. Hearing date set for July 22, 2014. District 4.

Bid Opening:

2. Submittal of bid opening report for 2013-14 Asphalt Overlay, South Bay Boulevard from Los Osos Valley Road to Santa Ysabel Avenue in Los Osos, to award the subject contract to Souza Construction, Inc., the lowest responsible bidder, in the amount of \$497,884.00. District 2.

Consent Agenda - Administrative Office Items:

3. Request to authorize a budget adjustment in the amount of \$1,560 from unanticipated revenues to Fund Center 106 – Contributions to Other Agencies' professional services account. District 2.
4. Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 31 to the City of City of Arroyo Grande (Heights at Vista Del Mar). District 4.
5. Submittal of a resolution approving participation in the 2014-15 State-Local Partnership Program and designating the San Luis Obispo County Arts Council as the Local Arts Planning Agency. All Districts.
6. Request by the San Luis Obispo County Tourism Business Improvement District (CBID), to re-appoint Prativ (Paul) Panchal and Michael R. Hanchett to the San Simeon Local Area Advisory Board. District 2.
7. Request to approve Amendment No. 1 to the agreement for services with Positive Futures to continue to provide stewardship tourism development and implementation services for the San Luis Obispo County Tourism Business Improvement District (CBID) in FY 2014-15 in the amount of \$25,000. All Districts.
8. Request to approve Amendment No. 1 to the agreement for services with TJA Advertising and Public Relations (TJA) to continue to provide marketing services to the Avila Beach Local Area of the San Luis Obispo County Tourism Business Improvement District (CBID) in FY 2014-15 in the amount not to exceed \$130,200. District 3.

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

9. Request to approve an interim year rate adjustment for the garbage hauling services provided by South County Sanitary Service (2.05%) and San Luis Garbage Company (2.93%). Districts 2, 3, 4 and 5. +
10. Submittal of the Workforce Investment Act Annual Fiscal and Procurement Review report for program year 2013-2014. All Districts.
11. Request by the Board of Directors of Squire Canyon Community Services District to replace the annual audit with a biennial audit covering a two-year period. All Districts.

Consent Agenda - Board of Supervisors Items:

12. Request to appoint Julia Jones as a District 3 representative to the Commission on the Status Women. District 3.
13. Request to approve an agreement with the Nipomo Chamber of Commerce allocating \$2,000 from District Four Community Project Funds – Fund Center #106 to be used for expenses associated with holding the annual October Festival on October 11th and 12th, 2014. District 4. +
14. Submittal of Supervisor's expense report on meetings attended pursuant to Government Code section 53232.3(d). Districts 1, 2 and 5.

Consent Agenda - Clerk-Recorder Items:

15. Request to declare the results of the June 3, 2014 Direct Primary Election. All Districts.

Consent Agenda - District Attorney Items:

16. Request to authorize the District Attorney to sign a renewal grant agreement (Clerk's Filed), on the Board's behalf, with the California Office of Emergency Services (Cal OES) to receive \$193,424 for the continuing administration of a Victim/Witness Assistance Program for FY 2014-2015. All Districts.

Consent Agenda - General Services Agency Items:

17. Submittal of a resolution to proclaim July 2014 as "Park and Recreation Month" in San Luis Obispo County. All Districts.

18. Request to approve a professional services contract for architectural and engineering consultant services in the amount of \$73,700 for the design of the capital project for Meridian Fire Station Apparatus Bay Expansion, located at 4050 Branch Road, Paso Robles. District 1.

Consent Agenda - Health Agency Items:

19. Submittal of a resolution recognizing Diedre (Dee) Villarreal upon her retirement after almost 15 years of service to the County of San Luis Obispo. All Districts.
20. Request to approve a FY 2014-15 renewal contract (Clerk's File) with Silvia Ortiz, Ph.D. in an amount not to exceed \$120,000 to continue to provide bilingual, bicultural mental health services. All Districts.
21. Request to approve the FY 2014-17 renewal agreements (Clerk's File) with Twin Cities Community Hospital, Inc., Sierra Vista Regional Medical Center and French Hospital Medical Center to continue to serve as base station hospitals. Districts 1, 2, 3 and 5.
22. Request to approve amendments to the contracts (Clerk's File) with Joshua Deane, M.D.; Rose Drago, M.D., David K. Fennell, M.D.; Gayle Gaines, M.D.; Enn Mannard, M.D.; and Victor Perez Preciado, M.D. for calendar year 2014 to increase hourly rate of pay from \$100 to \$110 for providing psychiatric services to Mental Health patients. All Districts.
23. Request to approve four re-appointments and one new appointment to the Emergency Medical Care Committee. All Districts.
24. Request to approve a FY 2014-15 renewal contract (Clerk's File) with San Luis Obispo County Special Education Local Planning Area in an amount not to exceed \$773,212 whereby County will continue to provide educationally related mental health services for eligible children who have an Individual Education Plan. All Districts.
25. Request to approve four re-appointments and three new appointments to the San Luis Obispo County Health Commission. All Districts.

26. Request to approve a new calendar year 2014 contract with Hani Boutros, M.D., and three new FY 2014-15 contracts with Tom Comar, N.P., Gary Raymond, N.P., and Nancy Walden, N.P. at a flat rate of \$106.50 (M.D.) or \$80.00 (N.P.) per history and physical, a flat rate of \$71.00 (M.D.) or \$55.00 (N.P.) per sick call, and \$71.00 (M.D.) or \$43.77 (N.P.) per hour for medical services provided to Mental Health patients in the Psychiatric Health Facility. All Districts.
27. Request to approve four (4) FY 2014-15 renewal contracts (Clerk's File) four Institute for Mental Disease (IMD) facilities in the cumulative amount not to exceed \$780,735 to provide residential and intensive mental health services in locked facilities to adults who cannot care for themselves due to their mental illness. All Districts.
28. Request to approve a FY 2014-16 renewal contract (Clerk's File) with Nisha Abdul Cader M.D. for \$275 per initial medical exam and, thereafter, an hourly rate of \$87 to provide medical services for Martha's Place-Children's Assessment Center, the Suspected Abuse Response Team (SART), and Juvenile Hall. All Districts.
29. Request to approve a FY 2014-15 grant agreement (Clerk's File) with the California Health Facilities Financing Authority in an amount not to exceed \$67,377 to provide expanded mobile crisis support. All Districts.
30. Request to re-appoint Tyler Brown, Pam Crabaugh, Karl Hansen, Ian Parkinson, and David Riester to the Behavioral Health Board with a term that expires on June 30, 2017. All Districts.
31. Request to approve five (5) FY 2014-15 renewal contracts (Clerk's File) with five board and care facilities in the cumulative amount not to exceed \$2,419,770 to provide residential board and care, social support, and outpatient mental health services to adults with serious mental illness. All Districts.

Consent Agenda - Human Resources Items:

32. Request to approve a 12-month service agreement with GovernmentJobs.com, Inc. in the amount of \$115,910 for the first year, for NEOGOV an integrated applicant tracking, onboarding, and performance appraisal system. All Districts.

Consent Agenda - Planning & Building Items:

33. Submittal of a resolution to approve an Avigation Easement from Prado Park LLC, a California Limited Liability Company, for the San Luis Obispo County Regional Airport. District 3.

Consent Agenda - Public Works Items:

34. The following map has been received and has satisfied all the conditions of approval that were established in the public hearing on the tentative map Tract 2638, a proposed subdivision resulting in 7 residential lots and 1 open space lot by Keech Revocable Family Trust, Mary Alice McDonald Trust, Craig M. McDonald Revocable Trust, John Peter Devincenzo III, Andra DeVincenzo, Mary Alice McDonald, Katherine Anne Kelly, and John Peter DeVincenzo III, executors of the estate of John P. DeVincenzo, Jr.; act on the attached resolution to approve and execute the Open Space Agreement, See Canyon Road, northeast of Avila Beach. District 3.

35. Submittal of right of way documents accepting conveyance from Brothers Investment Company; Robert Hayashi Family Trust; and Valley Investment Company for the Branch Mill Road Bridge Replacement Project, Arroyo Grande. District 4.

Consent Agenda - Social Services Items:

36. Request to approve the renewal service contract (Clerk's File) for the Family Ties Relative Caregiver Program between the County of San Luis Obispo Department of Social Services and Seneca Family of Services (Seneca), in the amount of \$240,838 for Fiscal Year 2014-15. All Districts.

37. Request to approve a renewal service contract (Clerk's File) for Housing Assistance Services with the Housing Authority of the City of San Luis Obispo (HASLO) for Fiscal Year 2014-15 in the amount of \$100,000. All Districts.

38. Request to approve a renewal service contract (Clerk's File) for Direct Family Services and Parent Education with Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO), for Fiscal Year 2014-15 in the amount of \$407,098. All Districts.

39. Request to approve a renewal service contract (Clerk's File) for Cal-Learn Case Management Services with Community Action Partnership of San Luis Obispo County, Inc. (CAPSLO), for Fiscal Year 2014-15 in the amount of \$67,500. All Districts.

40. Request to approve the re-appointment of three (3) business representatives, four (4) One-Stop partners, one (1) community based organization representative, and one (1) labor organization representative to the San Luis Obispo County Workforce Investment Board (WIB). All Districts.

Presentations:

41. Presentation by members of the Building Design & Construction (BD&C) Cluster of award from California Association for Local Economic Development (CALED) to Frank Honeycutt of the Public Works Department and Victor Montgomery of RRM Design Group for their contributions toward public-private collaboration in infrastructure finance planning. All Districts.
42. Submittal of two resolutions recognizing Family Care Network, Inc. Circle of Serving award recipients Joan Gellert-Sargen and Neil Tardiff for their exemplary service to the children and families of San Luis Obispo County. All Districts.
43. Submittal of a resolution commending Ingrid Warren upon her retirement after 33 years of public service. All Districts.

Public Comment Period:

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

Board Business:

45. Submittal of status report on implementation of Ordinance No. 3246 adopted August 26, 2013 that limits new or expanded irrigated crop production, conversion of dry farm or grazing land to new or expanded irrigated crop production and new development dependent upon a well in the Paso Robles Groundwater Basin unless such uses offset their total projected water use and submittal of a resolution correcting resolution 2014-56 relative to outdoor water use for the New Development Water Conservation Program. Districts 1 and 5.

Hearings:

46. Hearing to consider a resolution authorizing the collection of service charges within County Service Areas 1 (Old Galaxy Park and Tract 1690 – Nipomo), 1-A (Galaxy Park and Tract 1898 – Nipomo), 1-F (New Galaxy – Nipomo), 7-A (Oak Shores), 18 (San Luis Country Club Estates), and 21 (Cambria, Road Improvements). Districts 1, 2, 3 and 4.

47. Hearing to consider an appeal of the Templeton Area A Road Improvement Fee by Barbara Condon. District 1.

RECESS

Board Business:

48. Submittal of a resolution authorizing: 1) the surplus and sale of County-owned real property at 790 Cornwall Street in Cambria by public auction; and 2) a budget adjustment to increase the Library's Facilities Planning Reserve, Fund 1205000000, by the amount of the net proceeds of sale. District 2.

ND. WEEKLY REPORT OF ENVIRONMENTAL DOCUMENTS AVAILABLE FOR REVIEW

The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by the County, so that environmental considerations become a part of the decision making process. The following is a summary of the most recent determinations made by the County's Environmental Coordinator. The purpose of this listing is to notify the public of pending actions, which may affect the environment of San Luis Obispo County.

You are invited to participate in this process by reviewing and providing comments on the recommendations of the Environmental Coordinator. Your comments should be in writing and should be delivered to: Ellen Carroll, Environmental Coordinator, Department of Planning and Building, 976 Osos Street, Room 300, San Luis Obispo, Ca 93408-2040. For more information about the environmental review process, please write to the address above, call the Environmental Division of the Department of Planning and Building at (805) 781-5600, or review the environmental determination and other information on our website located at www.sloplanning.org.

Proposed Negative Declarations

A Negative Declaration is issued for projects that would not result in significant effects on the environment. In many cases, the project applicant has added mitigation measures to the project to reduce environmental impacts in order to qualify for a Negative Declaration. If you disagree with the issuance of a proposed Negative Declaration, you may provide comments or file a Request for Review (appeal) of the Negative Declaration. Requests for Review must be filed within two weeks of the date that the proposed Negative Declaration is posted and must address only environmental issues. There is a fee for the request. If you would like more information about this process, please contact the Environmental Coordinator.

For Week of June 19, 2014

San Luis Obispo Area

Biddle Ranch Vineyards, LLC Minor Use Permit. Request by Biddle Ranch Vineyards, LLC to allow for the construction of a new 4,750 square-foot winery facility and tasting room in two phases: 1) construction of a new 1,350 square-foot winery and tasting room, with a 1,400 square-foot outdoor processing area, and a 400 square-foot detached restroom building; and 2) construction of a new 3,000 square foot, two-story barrel storage building and offices, which would replace an existing barn. Wine production is

estimated at 10,000 cases annually with a maximum case production limit of up to 15,000 cases annually. The applicant is also requesting a limited special event program for six annual events with no more than 80 attendees each, in addition to events that are exempt from permit requirements. The events will occur inside the winery structure and adjacent to the winery. The proposed project (both phases) will result in the disturbance of approximately 30,000 square feet on a 21-acre parcel. The Land Use Ordinance requires a 200' setback from all property lines for structures that house a public tasting room. The applicant is requesting to reduce this setback to 161' in order to minimize the removal of vines. The proposed project is located at 2060 Biddle Ranch Road, on the northeast portion of the intersection of Biddle Ranch Road and Highway 227, approximately two miles south of the southerly San Luis Obispo city-limit. The site is in the rural San Luis Obispo planning area. ED13-164 (DRC2013-00068)

San Luis Obispo Area

SLO County Conditional Use Permit. Request by the County of San Luis Obispo to allow for the installation of nine panel antennas on new 61 foot monopine, 12"x16" equipment shelter and 210 gallon generator. The project is located at 901 Airport Drive, on the west side of Broad Street, approximately 1800 feet (South) of Tank Farm Road, approximately 300 feet south of the City of San Luis Obispo in the San Luis Obispo planning area. ED13-182 (DRC2013-00070)

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For Week of July 3, 2014

Nipomo Area

Nipomo Grande Phase Vesting Tentative Tract Map. Request by Nipomo Grande, LLC for a Phased Vesting Tentative Tract Map (Tract 2923) and a concurrent phased Minor Use Permit to allow for the subdivision and multi-family residential development of an existing 1.14 acre parcel (APN 092-142-034) into seventeen (17) residential parcels, ranging in size from 1,325 SF to 1,638 SF; and one (1) common interest parcel (25, 841 SF in size). The common interest parcel will include the project's common and shared areas, such as the access driveways, drainage facilities, open space, and visitor parking. The multi-family development consists of five (5) two-story buildings, with three (3) to four (4) units per building. The construction of the multi-family development would occur in three (3) phases. The project includes off-site road improvements to Avenida de Amigos and Grande Avenue. The project will result in the disturbance of the entire 1.14 acre parcel. The proposed project is within the Residential Multi-Family land use category. The project is located at 545 Grande Avenue, at the southeast corner of Avenida de Amigos and Grande Avenue, approximately 200 feet west of South Frontage Road, in the community of Nipomo. The site is in the South County sub area of the South County (Inland) planning area. ED13-202 (SUB2006-00205)

Cayucos Area

County Service Area 10A Water Tank Project Development Plan. A request by the County Public Works Department for a Development Plan / Coastal Development Permit to implement improvements to the existing water system for County Service Area (CSA) 10A, including construction of: 1) a new approximately 210,000 gallon water storage tank (36' in diameter, 32' in height); 2) a 12' wide red-rock gravel access road to the new tank site that would have a maximum allowable slope of 20%; and 3) a 12' wide flat, red-rock gravel access area around the entire tank for tank maintainance. The project also includes hydroseeding with native plants, and installation and maintenance of several Monterey cypress trees to reduce visual impacts of the new tank. The new tank would be located in the same pressure zone as the existing tank, with a base elevation of 225 feet above sea level. The maximum steepness of cut and fill slopes would be of 2:1. The new tank would be placed entirely on cut material and located in a geologically stable location. The project would result in the disturbance of approximately 0.7 acre. The proposed project is within the Rural Lands land use category in the Estero Planning Area. The project is located approximately 350 feet east of Hacienda Drive and approximately 430 feet south of the intersection of Hacienda Drive and Gilbert Avenue, adjacent to the community of Cayucos, in coastal San Luis Obispo County. ED07-205 (DRC2013-00046)

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

Who: County of San Luis Obispo

What: A Mitigated Negative Declaration has been prepared and issued for the Nacimiento Water Project and California Men's Colony – County Operations Center Intertie Project. The San Luis Obispo County Department of Public Works proposes to

construct infrastructure capable of providing emergency water to the California Men's Colony (CMC), County jail, County Emergency Operations Center, County Operations Center, Camp San Luis Obispo, and Cuesta College. This would be accomplished by constructing an intertie between the existing Nacimiento pipeline and the existing Salinas pipeline and by installing approximately 1.6 miles of new pipeline from the junction of the existing Salinas pipeline and the branch pipeline, (which goes to the City of San Luis Obispo Water Treatment Plant) to the CMC Water Treatment Plant. Implementation of the project would afford the various entities of the Chorro Valley physical access to multiple water supply sources that can be used to supplement or provide drinking water to the region in the event of an emergency. Development of this infrastructure would provide system redundancy, satisfy standards within Title 22 of the California Code of Regulations, and would enable the Chorro Valley communities to obtain a safe and reliable water supply during drought conditions and other emergencies. A large portion of the project will be confined to previously disturbed areas such as dirt roadways and other existing staging areas to minimize potential environmental impacts. Implementation of the project will result in the disturbance of approximately 7 acres. The project site begins at the west side of the Chorro Reservoir and extends east/northeast. It is located north of California State Route 1, west of U.S. Route 101, and generally north of the San Luis Obispo City Limits. The project site occurs within the San Luis Obispo and North County Planning Areas and Supervisorial Districts 2 and 5. A portion of the project is on land owned by the State of California and operated as Camp San Luis Obispo under the California Military Department. Camp San Luis Obispo appears on the 'Cortese List,' which is a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5).

Where: Copies of the proposed Initial Study, Mitigated Negative Declaration and all of the associated documents referenced in this document available for review at the San Luis Obispo County Department of Public Works, 976 Osos Street, County Government Center Room 206, San Luis Obispo, CA 93408.

Comments: The 30-day review and comment period for the proposed Initial Study, Mitigated Negative Declaration begins on Friday, June 27, 2014 and ends on Monday, July 28, 2014. Written comments must be received by 5:00 p.m. on the last day of the review period and addressed to: Eric Wier, Environmental Resource Specialist, County Government Center, Room 206, San Luis Obispo, CA 93408.

Public Hearing: The San Luis Obispo County Board of Supervisors will hold a Public Hearing at a date yet to be determined to consider the adoption of the Negative Declaration. Interested persons can access the Board of Supervisor's agenda at <http://www.slocounty.ca.gov/bos/BOSagenda.htm>.

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

Who: County of San Luis Obispo

What: An Initial Study, Mitigated Negative Declaration has been prepared and issued for the Avila Beach Drive at Ontario Road Drainage Project. The San Luis Obispo County Department of Public Works is proposing to remove accumulated sediment from approximately 140 linear feet of roadside drainage channel to reduce perpetual flooding at the adjacent Avila Beach Drive and Ontario Road intersection and roadways, in

southwestern San Luis Obispo County. Portions of the drainage channel and the immediate surrounding riparian area are densely vegetated with arroyo willow (*Salix lasiolepis*). Trimming of the vegetation would be required to provide access to the drainage channel prior to sediment removal, which would be accomplished by a 'scoop and lift' approach. Project staging will occur within the existing County right-of-way. Implementation of the project will result in the total temporary disturbance of approximately 0.15 acre of riparian habitat, which includes the temporary disturbance of approximately 0.02 acre of the roadside drainage channel. No permanent impacts are anticipated. The project site is located at the northwestern corner of the intersection of Avila Beach Drive and Ontario Road, approximately 935 feet west of the U.S. Route 101 Freeway, and due north of the Pismo Beach City Limits. The project site is located within the San Luis Bay Coastal Planning Area and Supervisorial District 3. The project site is not on any of the lists enumerated under Section 65962.5 of the Government Code, including but not limited to lists of hazardous waste facilities, lands designated as hazardous waste properties, or identified hazardous waste disposal sites.

Where: Copies of the proposed Initial Study, Mitigated Negative Declaration and all of the associated documents referenced in the Initial Study, Mitigated Negative Declaration are available for review at the San Luis Obispo County Department of Public Works, 976 Osos Street, County Government Center Room 206, San Luis Obispo, CA 93408.

Comments: The 30-day review and comment period for the proposed Initial Study, Mitigated Negative Declaration begins on Thursday July 3, 2014 and ends on Friday July 1, 2014. Written comments must be received by 5:00 p.m. on the last day of the review period and addressed to: Kristie Haydu, Environmental Resource Specialist, County Government Center, Room 206, San Luis Obispo, CA 93408.

Public Hearing: The San Luis Obispo County Board of Supervisors will hold a Public Hearing at a date yet to be determined to consider the adoption of the Initial Study, Mitigated Negative Declaration. Interested persons can access the Board of Supervisor's agenda at <http://www.slocounty.ca.gov/bos/BOSagenda.htm>.

JULY 9, 2014

ITEM F

ATTACHMENT D

LAFCO CHARGES TO SPECIAL DISTRICTS FOR THE 2014-2015 FISCAL YEAR
SPECIAL DISTRICTS SHARE OF BUDGETED COSTS \$165,279.00

SPECIAL DISTRICT	REVENUE AMOUNT*	ALLOCATION FACTOR	AMOUNT DUE BY 9/19/2014
ARROYO GRANDE CEMETERY	\$391,080	0.83%	\$1,364.67
ATASCADERO CEMETERY	348,221	0.74%	1,215.12
AVILA BEACH CSD	1,172,707	2.48%	4,092.16
CALIFORNIA VALLEY CSD	407,317	0.86%	1,421.33
CAMBRIA CEMETERY	160,610	0.34%	560.45
CAMBRIA HEALTHCARE DISTRICT	1,829,512	3.86%	6,384.08
CAMBRIA CSD	7,693,340	16.24%	26,845.92
CAYUCOS FIRE	293,560	0.62%	1,024.38
CAYUCOS SANITARY	2,448,099	5.17%	8,542.64
CAYUCOS-MORRO CEMETERY	387,758	0.82%	1,353.08
COASTAL SAN LUIS RES RCD	1,778	0.00%	6.20
CRESTON HILLS RANCH CSD	10,801	0.02%	37.69
GARDEN FARMS WATER	129,092	0.27%	450.47
GROUND SQUIRREL HOLLOW CSD	149,666	0.32%	522.26
HERITAGE RANCH CSD	1,791,179	3.78%	6,250.32
INDEPENDENCE RANCH CSD	62,552	0.13%	218.28
LINNE CSD	57,431	0.12%	200.41
LOS OSOS CSD	5,424,199	11.45%	18,927.75
NIPOMO CSD	6,483,656	13.89%	22,624.73
OCEANO CSD	4,079,503	8.61%	14,235.43
PASO ROBLES CEMETERY	695,174	1.47%	2,425.81
PORT SAN LUIS HARBOR	4,176,280	8.82%	14,573.14
SAN MIGUEL CEMETERY	69,609	0.15%	242.90
SAN MIGUEL CSD	1,130,819	2.39%	3,945.99
SAN SIMEON ACRES CSD	710,331	1.50%	2,478.70
SANTA MARGARITA CEMETERY	34,612	0.07%	120.78
SANTA MARGARITA FIRE	81,638	0.17%	284.88
SHANDON CEMETERY	15,620	0.03%	54.51
SO SLO COUNTY SANITATION	3,121,379	6.59%	10,892.06
SQUIRE CANYON CSD	29,604	0.06%	103.30
TEMPLETON CEMETERY	127,194	0.27%	443.84
TEMPLETON CSD	3,850,296	8.13%	13,435.61
UPPER SALINAS/LAS TABLAS RCD	29	0.00%	0.10
Total	\$47,364,646	100.00%	\$165,279.00

JULY 9, 2014

ITEM F

ATTACHMENT E



**Monthly Drought Update
Tuesday June 3, 2014
San Luis Obispo County**

Note: Information provided in this update varies by date.

CURRENT CONDITIONS

U.S. Drought Monitor Status:

The latest U.S. Drought Monitor report released May 22, 2014 indicates San Luis Obispo County remains at the **D4 – Exceptional Drought intensity rating**.

Recent Precipitation:

As of May 20, 2014, total rainfall amounts to date are approximately 34% of average annual rainfall totals.

San Luis Obispo County Precipitation Totals (in inches):

Community	Rainfall Total Received From Last 30-Day Update (4/21/2014 to 5/20/14)	Rainfall To Date (7/1/13 to 5/20/14)	Avg. Rainfall
Nipomo South (730)	0.20	4.65	16.0
Lopez Dam (737)	0.23	8.62	21.0
SLO Reservoir (749)	0.31	8.50	25.0
Los Osos Landfill (727)	0.20	6.81	20.0
Cambria (717)	0.32	7.01	22.0
Rocky Butte (703)	0.31	11.85	39.0
Santa Margarita (723)	0.27	8.62	26.0
Salinas Dam (719)	0.16	7.44	23.0
Atascadero (711)	0.04	5.67	18.0
Templeton (762)	0.04	6.22	14.7
Paso Robles (city)	0.02	6.13	14.3
Hog Canyon (709)	0.04	3.98	16.0

Source: www.slocountywater.org County of San Luis Obispo-City of Paso Robles Website

Near-term Outlook for Precipitation:

It remains highly unlikely that precipitation totals will increase significantly over the coming months.

Reservoir Levels (% of capacity):

Note: Historical averages calculated using data from the following time frame:

Nacimiento: 1959 – 2013; Lopez: 1994-2013; Salinas: 1987-2013; and Whale Rock: 1985-2013.

Reservoir	% of Capacity	Avg. % Capacity for Date	Updated
Nacimiento	21%	63%	5/19/2014
Lopez	54%	78%	5/19/2014
Salinas	35%	77%	5/19/2014
Whale Rock	53%	80%	5/14/2014

Source: www.slocountywater.org County of San Luis Obispo

STATE WATER

Status: The Department of Water Resources (DWR) has made no new announcements regarding State Water. State Water "Carryover" water is available to agencies this year to provide for 2014 requested agency deliveries and allocation for South of Delta Service Contractors from remains at 5%. The District has maximized State Water deliveries to Zone 3 agencies.

Actions: The Public Works Department continues to coordinate with DWR regarding State Water Deliveries including correspondence with Mark Cowin, DWR Director.

VULNERABLE WATER SYSTEMS

There have been no new updates regarding vulnerable water systems throughout the county since the May 6, 2014 report.

County Service Areas (CSA's):

Santa Margarita (CSA 23)

- Drought response level remains at ALERT status.
- Primary pumping is from shallow well No. 4. Deep well No. 3 is available for use if needed to supplement well No. 4.
- An emergency water supply project connecting Santa Margarita to Atascadero Mutual Water Company is being pursued through the Integrated Regional Water Management (IRWM) drought expedited implementation grant process.

Shandon (CSA 16)

- Two wells currently provide all water to the Shandon community.
- A State water turnout design is nearly completed. Subsequent approval of final construction documents and agreements is anticipated to be completed this summer, with construction to follow.

Cayucos (CSA 10A) and Avila Valley (CSA 12)

- Adequate supply is available.

Chorro Valley Institutions (CMC, Animal Services, Sheriff, County Operations, Camp San Luis, Cuesta College, County Office of Education):

- 2014 State water carryover water is available and being provided.
- An interconnection between the existing Nacimiento Water Project pipeline and the existing Salinas pipeline is being pursued through the State's drought emergency funds.
- The existing distribution system is being evaluated to assure water losses are minimized.

Non-County Operated:

- **City of Morro Bay**
Status: Emergency inter-tie with Chorro Valley and desal permit.
- **Cambria Community Services District**
Status: Emergency San Simeon Creek Brackish Water Supply Project
- **San Simeon Community Services District**
Status: Proposed brackish desal & inter-tie with Cambria CSD & recycled water project
- **Heritage Ranch Community Services District**
Status: The Nacimiento River is the only available water source for the community of Heritage Ranch. Emergency inter-tie agreement between Flood Control District and CSD near complete and will be submitted to governing boards for approval soon.
- **Rural Paso Robles residents**
Status: Continue to identify water trucking options and outreach efforts.

IMPACTS

Agricultural Impacts:

University of California Cooperative Extension (UCCE) Agricultural Producer Survey

The UCCE agricultural producer survey continues to seek input about the effects of the drought on the local agricultural industry. The monthly survey is sent to producers, local agricultural organizations and

Attachment 1

UCCE Farm Advisors representing a wide variety of crops and livestock. Participation from producers remained strong, providing a good picture of on-the-ground conditions and impacts from the drought.

The latest survey results indicate agricultural conditions continue to deteriorate due to lack of moisture. Livestock producers continue to sell animals, haul in water, and buy feed to maintain reduced herds. It is estimated that 75% of livestock have been sold or moved out of the county. The yearly UCCE forage production studies indicate available forage is at 5% of the 13-year average. Producers are buying feed and hauling in water.

Avocado growers continue to "stump" or cut trees back and implement deficit irrigation techniques to manage available water supplies. Some operations are using additional irrigation to leach damaging salts from the rootzone. Strawberry and Nursery producers indicate no changes from the April report. Vegetable representatives indicate ground is being idled, and some growers are limiting planted acreage due to lack of water. Grape growers are also evaluating irrigation systems for efficiency.

Small Mammal Surveys

Dr. Bill Tietje, UCCE, recently completed small mammal surveys on study plots in San Luis Obispo County oak woodland. These are "keystone" animals on which many plants and other animals in the woodland ecosystem largely depend for dispersal of their seeds and for food (prey). During the past years of drought, the small mammals have not reproduced. However, during these harsh times, survival increases apparently due to calorie restriction imposed by the drought – theoretically a strategy that allows the animals to survive harsh environmental conditions and then reproduce when conditions improve. The February and March rains triggered reproduction.

Tree Conditions

UCCE Advisors and Master Gardeners continue to field calls and examine samples of stressed, dying, or dead oak trees, particularly from the eastern areas of the county. Trees on south exposures with shallow, poor soil are most vulnerable. For a particularly valued tree, and where feasible, deep watering is recommended. To reduce the risk of fungal root diseases (e.g., Armillaria root rot) the soil should dry for 6 weeks before repeating the deep watering.

Fire Danger:

Fire Danger

To date, 1,501 fires have been reported across the State since January 1, more than double the year-to-date average of 805. This past week, wildfire activity spiked in Southern California amidst drought conditions, dry vegetation and unseasonably early Santa Ana winds. Nine major fires consumed more than 18,000 acres, destroyed dozens of homes and caused thousands of evacuations. On May 14, Governor Brown declared a State of Emergency in San Diego County due to fire danger and the damage caused by these fires. The 600-acre fire in Lompoc demonstrated the volatility of the brush on the Central Coast particularly when dry winds are occurring. Over 150 firefighters from the County were deployed during this series of fires.

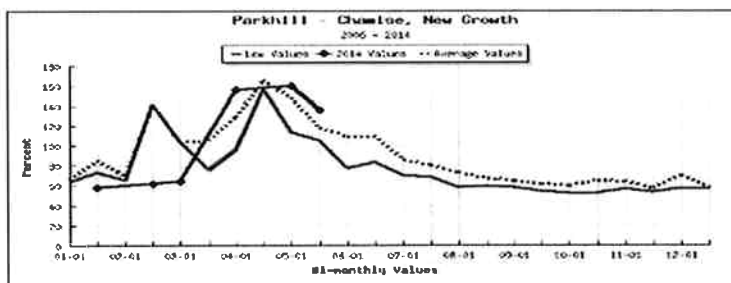
Staffing

CAL FIRE has staffed up much earlier in the season than normal. Southern California fire stations are already at peak staffing and the rest of the State should reach peak staffing by mid-June. The Governor has funded surge firefighters so that CAL FIRE has 300 additional seasonal firefighters including 12 in San Luis Obispo County.

Live Fuel Moisture (LFM)

(LFM is the moisture content of live vegetation expressed as a percentage of the oven-dry weight.)

Due to spring rains, vegetation is currently near or slightly above historical averages. The downward summer trend is underway and this is expected to occur more rapidly over the next 2 to 3 months than normal. Although new growth vegetation is still above 100, which is generally considered the level



Source: http://www.wfas.net/nfmd/public/states_map.php?state=CA

Attachment 1

when shrub fuels become "available" for burning, recent fires in the County show that shrubs will burn actively when in alignment with wind and/or topography. Spring rains were also adequate to produce a crop of grass fuels, which may increase fire activity through the year due to an increase in fuel continuity compared to last year. This does not take into account the ratio of live fuel to dead fuel. There appears to be considerably more dead fuels than normal in our fuel beds.

Dead Fuel Moisture

(The moisture content of dead organic fuels is another important component of the relative fire danger. As with LFM above, dead fuel moisture levels are a good indicator of how likely fuels are to ignite and how intensely they will burn. 100-hr fuel refers to vegetation between 1 and 3 inches in diameter and 1000-hr fuel is 3-6 inches. When the fuel moisture content is low, fires start easily and will spread rapidly.)

Currently, both 100-hr and 1000-hr fuel moisture content levels remain well below average. There appears to be more dead fuel than usual, which is not measurable. This will result in potentially more volatile fires.

Temperatures/Relative Humidity (RH)

Above average temperatures coupled with correspondingly low RH levels has elevated fire danger. Warmer conditions cause continuous drying of both live and dead fuels and will likely lead to unprecedented dry fuel conditions for the remainder of the year or until there is significant rainfall. April/May high temperatures have been above normal in most areas of the County.

Energy Release Component (ERC)

(ERC is an index related to how hot a fire could burn. It is directly related to the 24-hour, potential worst case, total available energy (BTUs) at the head of a fire. The ERC can serve as a good characterization of fire season as it tracks seasonal fire danger trends well. ERC has low variability, and is the best fire danger component for indicating the effects of intermediate to long-term drying on fire behavior.)

Currently, ERC values are above historical maximum values.

Other Fire Danger Indicators

(Another important factor increasing the fire danger (due to increased dead fuels) as well as an indicator of drought severity and the resulting effects on forest/range health is the widespread increase in the occurrence of tree mortality throughout the County.)

In many inland areas, trees already under severe drought stress experienced significant frost/freeze damage. Due to their diminished natural defense mechanisms, stressed trees are particularly vulnerable to secondary pests such as bark beetles and defoliating insects such as oak moths.

Economic:

Negative economic impacts continue to mount across California. According to preliminary results of a study released on May 19 by the University of California Davis Center for Watershed Sciences, the Central Valley could lose \$1.7 billion and 14,500 jobs because of the severe drought. No information is available yet regarding impact on labor due to drought in San Luis Obispo County.

Cal OES continues to gather drought-related costs from state agencies and local governments, which is reported weekly to the Governor's Drought Taskforce. As of May 12, Cal OES is reporting that that key state agencies have spent \$21 million on drought related costs.

STATE & FEDERAL KEY ACTION ITEMS FROM LAST MONTH

Federal:

There have been no new federal actions related to the drought that affect San Luis Obispo County. Staff continues to monitor federal drought mitigation and relief efforts.

State:

State Water conservation Campaign

The state's water conservation campaign, Save Our Water, has billboards and radio ads in place throughout the state to publicize the importance of reducing water use. This Californian's Don't Waste

Attachment 1

campaign has picked up considerable media and social media interest.

Governor's Drought Task Force

The Taskforce continues to meet daily to take actions that conserve water and coordinate state response to the drought.

Local Coordination

The Governor's Office of Emergency Services (Cal OES) continues to coordinate with state agencies and local governments to take actions that conserve water and coordinate state responses to the drought. San Luis Obispo County OES continues to provide weekly reports to the State's online reporting system and through ongoing weekly conference calls. As of May 16, Cal OES is reporting that 18 counties have proclaimed a local emergency due to the drought, including San Luis Obispo County. A total of 43 local emergency proclamations have been received to date from city, county, and tribal governments, as well as special districts.

As part of the continuing coordination, per an inquiry by Cambria Community Services District, County OES has discussed requests to Cal OES and California Department of Public Health related to potential grant availability and permitting inquiries for their emergency water project.

An item of note is that the California Department of General Services signed multiple contracts for large quantities of water needed in an emergency. A guide for local agencies to obtain this resource is currently being developed. The bulk water contracts would include water delivery, as well as a storage component as part of the service. These would be resources available, at a cost, in case of immediate need.

COUNTY DROUGHT TASK FORCE KEY ACTION ITEMS FROM LAST MONTH

County Water Resources:

Flood Control and Water Conservation District Zone 3

The following Zone 3 issues are currently under consideration:

- Surplus water determination pursuant to water delivery contracts
- Low Reservoir Release Plan – Addressing downstream agricultural and environmental interests
- Status of groundwater basin
- Use of State Water "carry-over" water in storage
- Financial considerations

Integrated Regional Water Management (IRWM) Grant Update

Senate Bill 104 appropriated \$200M of existing Proposition 84 IRWM grants to be awarded by the Department of Water Resources (DWR) in an expedited drought relief funding round. Of the total \$1 billion authorized under Proposition 84, Legislature appropriated \$52 million to the "Central Coast Funding Area" (CCFA1) IRWM efforts. San Luis Obispo County IRWM (SLOCo) Region will compete against five IRWM regions for the remaining \$19.7 million CCFA1 allocation, to be awarded via this drought funding round and a final funding round in 2015. There is currently no indication of how much of the \$19.7 million could be awarded in this round.

The District hired Carollo Engineers to conduct a local drought project solicitation and review, and to develop necessary grant application documents for selected projects. A total of 18 projects and programs were submitted, which are posted on the IRWM website (<http://www.slocountywater.org/>).

The following five projects were recommended by the Regional Water Management Group for inclusion in the IRWM grant application, which was subsequently endorsed by the Water Resources Advisory Committee (WRAC):

- CSA 23/Atascadero/Garden Farms Emergency Intertie
- Heritage Ranch CSD Emergency Turnout
- San Simeon CSD Small Scale Recycled Water
- Cambria CSD Emergency Water Supply
- Salinas/Nacimiento Emergency Intertie & Pipeline Extension for Chorro Valley

The application will be before the Board of Supervisors as a future agenda item for formal recommendation and a discussion on the next steps for the County sponsored projects.

County Facilities Usage & Conservation Actions:

General Services Agency has taken the following actions since the last update:

- A Water audit site visit is in progress for County Airport, Government Center Building, County Jail, Honor Farm, Juvenile Services Center, San Luis Obispo County Library, Health Campus, Public Health Laboratory, Department of Social Services building in San Luis Obispo, County Golf Courses, and County Parks. The water audit will identify areas for potential water conservation and efficiency opportunities.
- The request for proposal (RFP) for Energy and Water Manager professional services contract was advertised on County e-procurement website. Proposals are due from bidders on June 20, 2014.

Drought Contingency Planning:

County Health, the Public Works Department, and CAL FIRE/County Fire are in the process of developing contingency plans to ensure there is adequate supply of water for firefighting and domestic water use in the event that a community does not have enough water. The objectives to be completed within the next 30 days include:

- Create an inventory of all water purveyors, identify locations of water sources, identify which water sources are at risk, and what alternative sources are available.
- Identify helicopter dip sights that will be viable during the summer months.
- Provide conservation methods to CAL FIRE/County Fire facilities and contingencies if domestic supplies at those facilities are threatened or interrupted.

County Public Outreach Actions:

In an effort to raise awareness about water supply issues and communicate the call for a 20% voluntary reduction in water usage, the County continues to examine multiple channels of communication for water conservation outreach efforts. As previously reported, the task force is currently utilizing the following tools to communicate the importance of water conservation.

- Tool #1: Local Collaboration
- Tool #2: Website Marketing & Social Media
- Tool #3: Water Purveyor Outreach (use water bill as the first-line educational tool)
- Tool #4: Public Service Announcements (PSAs)
- Tool #5: News Media
- Tool #6: Advertising

DROUGHT RELATED WEBSITES FOR MORE INFORMATION

State's Water Conservation Campaign; Save our Water (www.saveourh2o.org)

California's Drought Information Clearinghouse; Drought.CA.Gov (ca.gov/drought/)

California Department of Food and Agriculture; Drought information (www.cdfa.ca.gov/drought/)

California Department of Water Resources; Current Water Conditions (www.water.ca.gov/waterconditions/drought/)

California State Water Resources Control Board; Water Rights, Drought Info and Actions (www.swrcb.ca.gov/waterrights/water_issues/programs/drought/index.shtml)

California Department of Public Health; Drinking Water CDPH Drinking Water Program (www.cdph.ca.gov/programs/pages/dwp.aspx)

USDA Disaster and Drought Assistance Information; USDA Programs (usda.gov/wps/portal/usda/usdahome?navid=DISASTER_ASSISTANCE)

UC Cooperative Extension Drought Information Resources; Drought Information Resources; cesanluisobispo.ucanr.edu/Drought_Information/

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ITEM F

ATTACHMENT F

The Economy Hub

With Michael Hiltzik

Water war bubbling up between California and Arizona



Michael Hiltzik

LOS ANGELES TIMES

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Low water levels are plainly visible on Lake Mead, which is fed by the Colorado River. (Michael Robinson Chavez / Los Angeles Times)

JUNE 20, 2014, 7:56 PM

Once upon a time, California and Arizona went to war over water.

The year was 1934, and Arizona was convinced that the construction of Parker Dam on the lower Colorado River was merely a plot to enable California to steal its water rights. Its governor, Benjamin Moeur, dispatched a squad of National Guardsmen up the river to secure the eastern bank from the decks of the ferryboat Julia B. — derisively dubbed "Arizona's navy" by a Times war correspondent assigned to cover the skirmish. After the federal government imposed a truce, the guardsmen returned home as "conquering heroes."

The next water war between California and Arizona won't be such an amusing little affair. And it's coming soon.

The issue still is the Colorado River. Overconsumption and climate change have placed the river in long-term decline. It's never provided the bounty that was expected in 1922, when the initial allocations among the seven states of the Colorado River basin were penciled out as part of the landmark Colorado River Compact, which enabled Hoover Dam to be built, and the shortfall is growing.

The signs of decline are impossible to miss. One is the wide white bathtub ring around Lake Mead, the reservoir behind Hoover Dam, showing the difference between its maximum level and today's. Lake Mead is currently at 40% of capacity, according to the latest figures from the U.S. Bureau of Reclamation, which operates the dam. At 1084.63 feet on Wednesday, it's a couple of feet above its lowest water level since it began filling in 1935.

But the rules governing appropriations from the river are unforgiving and don't provide for much shared sacrifice among the states, or among farmers and city dwellers.

The developing crisis can't be caricatured as farmers versus fish, as it is by Central Valley growers irked at environmental diversions of water into the region's streams. It can't be addressed by building more dams, because reservoirs can't be filled with water that doesn't come. And it can't be addressed by technological solutions such as desalination, which can provide only marginal supplies of fresh water, and then only at enormous expense.

Nor can a few wet years alleviate the need for long-term solutions. "We had a solid year this year, which takes a bit of the panic out," says Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, which serves 19 million residents and gets about half of its water supply from the Colorado. But because "demand outstrips supply, we

expect a long-term decline. And possibly because the crisis has been developing slowly, we're nowhere near a solution."

What will be necessary is a fundamental reconsideration of 100 years of water-appropriation practices and patterns. Farmers, whose claims on Colorado river water are senior to all others, may have to give up, or sell off, some of their rights. Strict legal provisions that would turn whole swaths of the inhabited Southwest back into desert to slake the thirst of California cities will have to be reconsidered.

"Nineteenth century water law is meeting 20th century infrastructure and 21st century climate change," says Bradley Udall, a senior fellow at the University of Colorado Law School, "and it leads to a nonsensical outcome."

If the Western drought continues, Arizona would have to bear almost the entire brunt of water shortages before California gives up a drop of its appropriation from the river. Few observers of Western water affairs believe that's politically practical, but few have offered practical alternatives.

A quick history lesson: The Colorado Compact, reached by six of the seven basin states in 1922 under then-Commerce Secretary Herbert Hoover, aimed to replace the tangle of state water allocation laws with a single legal regime in order to get the dam built. (Arizona finally signed the deal in 1944.) But the compact was based on a fraud — an estimate of river flows that Hoover and the states' negotiators almost certainly knew was wildly optimistic.

Many times, the compact has been revised and supplemented to meet changing conditions. In 1968, Congress authorized construction of the Central Arizona Project, a massive aqueduct serving Phoenix and Tucson, by passing the Colorado River Basin Project Act. Arizona agreed to be last in line for water from the Colorado if a serious drought struck.

The bill's drafters probably never thought supplies would become so tight. But the bill from nearly a century of overuse is on the verge of coming due. During the last 50 years, according to figures from the Reclamation Bureau, the population served by the river has grown from 12 million to 30 million. Over that period, the average flow on the river has fallen from 15.5 million acre-feet to as low as 12 million. (An acre-foot serves two households a year.)

The river's apparent abundance has encouraged exceptionally wasteful usage. For example, thirsty forage crops such as alfalfa and pasture land account for as much as half the irrigated acreage in California, according to a report last year by the Pacific Institute. And as my colleague David Pierson reported recently, much of the harvest is shipped to China.

The Pacific Institute finds that stingier but still effective irrigation practices could save nearly 1 million acre-feet a year throughout the Colorado basin, and replacing alfalfa with cotton and wheat would save 250,000 acre-feet. But plainly, a trade pattern that effectively exports the West's scarce water to China isn't sustainable.

Other old assumptions will also have to be discarded. One crucial need is to keep Lake Mead's water level well above 1,000 feet, the point at which it is unable to deliver water to Las Vegas and its ability to generate hydroelectricity is compromised. That task would be considerably eased by draining Lake Powell, the reservoir behind Glen Canyon Dam, upstream of the Grand Canyon.

That proposal has been pushed by the Glen Canyon Institute, a Salt Lake City-based environmental group, but faces hurdles in Utah, Wyoming, Colorado and New Mexico, where residents fear that draining Lake Powell will only allow California, Arizona and Nevada to deprive them of their legal right to the river's flow.

The political resistance to shutting down Lake Powell is intense, though in time it may be trumped by the sheer scale of the water crisis. "We've gone from seeming to be the lunatic fringe to being taken seriously," says M. Lea Rudee, a board member of the Glen Canyon Institute.

Another assumption being challenged is the primacy of agriculture's claim on water. The solution is to buy farmers out, trading cash for their water rights to keep supplies flowing to urban areas. The MWD is working to develop a plan to pay growers to fallow their land to raise the water level of Lake Mead. "But we really don't know what the response will be to a cash offer to take land out of production," Kightlinger says.

What is certain is that the solutions will be complicated and contentious. The last major effort to settle legal rights on the Colorado River involved a sheaf of interstate and interagency pacts known collectively as the Quantification Settlement Agreement. The QSA was reached in 2003 and then litigated for the next 11 years. Last month a federal appeals court upheld the QSA against an environmental challenge, but that may not be the last word — a petition for rehearing is in the works, and a challenge in California state court is still alive.

But these efforts still don't provide a framework for the future. "The arrangements in place right now are politically untenable," Udall says. But what can be done when the solutions are, too?

Michael Hiltzik's column appears Sundays and Wednesdays. Read his blog, the Economy Hub, at latimes.com/business/hiltzik, reach him at mhiltzik@latimes.com, check out [facebook.com/hiltzik](https://www.facebook.com/hiltzik) and follow [@hiltzikm](https://twitter.com/hiltzikm) on Twitter.

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JULY 9, 2014

ITEM F

ATTACHMENT G

Posted: 11:36 a.m. Tuesday, July 1, 2014

In dry California, water fetching record prices

KTVU and AP Wires

SAN FRANCISCO —

Throughout California's desperately dry Central Valley, those with water to spare are cashing in.

As a third parched summer forces farmers to fallow fields and lay off workers, two water districts and a pair of landowners in the heart of the state's farmland are making millions of dollars by auctioning off their private caches.

Nearly 40 others also are seeking to sell their surplus water this year, according to state and federal records.

Economists say it's been decades since the water market has been this hot. In the last five years alone, the price has grown tenfold to as much as \$2,200 an acre-foot — enough to cover a football field with a foot of water.

Unlike the previous drought in 2009, the state has been hands-off, letting the market set the price even though severe shortages prompted a statewide drought emergency declaration this year. The price spike comes after repeated calls from scientists that global warming will worsen droughts and increase the cost of maintaining California's strained water supply systems.

Some water economists have called for more regulations to keep aquifers from being depleted and ensure the market is not subject to manipulation such as that seen in the energy crisis of summer 2001, when the state was besieged by rolling blackouts.

"If you have a really scarce natural resource that the state's economy depends on, it would be nice to have it run efficiently and transparently," said Richard Howitt, professor emeritus at the University of California, Davis.

Private water sales are becoming more common in states that have been hit by drought, including Texas and Colorado. In California, the sellers include those who hold claims on water that date back a century, private firms who are extracting groundwater and landowners who stored water when it was plentiful in underground caverns known as water banks.

"This year the market is unbelievable," said Thomas Grecie, the general manager of the Madera Irrigation District, which recently made nearly \$7 million from selling about 3,200 acre-feet. "And this is a way to pay our bills."

All of the district's water went to farms; the city of Santa Barbara, which has its own water shortages, was outbid. The prices are so high in some rural pockets that water auctions have become a spectacle.

One agricultural water district amid the almond orchards and derrick fields northwest of Bakersfield recently announced it would sell off extra water it acquired through a more than century-old right to use flows from the Kern River.

Local TV crews and journalists flocked to the district's office in February to watch as manager Maurice Etchechury unveiled bids enclosed in about 50 sealed envelopes before the cameras.

"Now everyone's mad at me saying I increased the price of water. I didn't do it, the weather did it," said Etchechury, who manages the Buena Vista Water Storage District, which netted about \$13.5 million from the auction of 12,000 acre-feet of water.

Competition for water in California is heightened by the state's geography: The north has the water resources but the biggest water consumers are to the south, including most of the country's produce crops. The amount shipped south through a network of pumps, pipes and aqueducts is limited by the drought and legal restrictions on pumping to save a threatened fish.

During the last drought, the state Department of Water Resources ran a drought water bank, which helped broker deals between those who were short of water and those who had plenty. But several environmental groups sued, alleging the state failed to comply with the California Environmental Quality Act in approving the sales, and won.

This year, the state is standing aside, saying buyers and sellers have not asked for the state's help. "We think that buyers and sellers can negotiate their own deals better than the state," said Nancy Quan, a supervising engineer with the department.

Quan's department, the U.S. Bureau of Reclamation and the State Water Resources Control Board have tracked at least 38 separate sales this year, but the agencies are not aware of all sales, nor do they keep track of the price of water sold, officials said.

The maximum volume that could change hands through the 38 transactions is 730,323 acre-feet, which is about 25 percent of what the State Water Project has delivered to farms and cities in an average year in the last decade. That figure still doesn't include the many private water sales that do not require any use of government-run pipes or canals, including the three chronicled by the AP. It's not clear however how much of this water will be sold via auctions.

Some of those in the best position to sell water this year have been able to store their excess supplies in underground banks, a tool widely embraced in the West for making water supplies reliable and marketable. The area surrounding Bakersfield is home to some of the country's largest water banks.

The drought is so severe that aggressive pumping of the banked supplies may cause some wells to run dry by year's end, said Eric Averett, general manager the Rosedale Rio Bravo District, located next to several of the state's largest underground caches.

Farther north in the long, flat Central Valley, others are drilling new wells to sell off groundwater. A water district board in Stanislaus County approved a pilot project this month to buy up to 26,000 acre-feet of groundwater pumped over two years from 14 wells on two landowners' parcels in neighboring Merced County.

Since the district is getting no water from the federal government this year, the extra water will let farmers keep their trees alive, said Anthea Hansen, general manager of the arid Del Puerto Water District.

Hansen estimated growers would ultimately pay \$775 to \$980 an acre-foot — a total of roughly \$20 million to \$25.5 million.

"We have to try to keep them alive," Hansen said. "It's too much loss in the investment and the local economy to not try."

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ITEM F

ATTACHMENT H

HOAs Prohibited from Fining Homeowners for Failure to Water

July 1, 2014

In its third consecutive year of severe drought, California faces a historic water shortage and wildfire danger. According to [Mashable.com](#) and [US Drought Monitor](#), “The entire state is in some stage of drought, with 77% of the state suffering from ‘extreme’ to ‘exceptional’ drought conditions.” Matters are expected to worsen, as California continues to experience its hottest year on record. In response to these conditions, Governor Brown signed an [Emergency Drought Proclamation](#) in January 2014 declaring a state of emergency and calling upon all Californians to voluntarily reduce their water usage by 20 percent. As residents of homeowners associations (“HOAs”) began responding to the Governor’s plea by reducing their irrigation, HOAs fined their members for failure to maintain their yards in accordance with the governing documents. This led to swift action by both the Governor and the California Legislature. In April, Governor Brown signed an [Executive Order](#) which effectively prohibits HOAs from fining, or threatening to fine, homeowners “who comply with water conservation measures.” The Order further provides that “any provision of the governing document, architectural or landscaping guidelines, or policies of a common interest development will be void and unenforceable to the extent it has the effect of prohibiting compliance with the water-saving measures contained in this directive.” One of these water-saving measures is to limit outdoor watering to no more than twice per week. The California Legislature is also considering three bills related to drought relief, which would impact HOAs. [AB 2100 \(Campos\)](#) and [SB 992 \(Nielsen\)](#) would prohibit HOAs from imposing a fine or assessment against a member for reducing or eliminating watering of vegetation or lawns during a Governor-declared state of emergency, or a local government-declared emergency, due to drought. If passed, these bills would take effect immediately as urgency statutes. [AB 2104 \(Gonzalez\)](#) would provide that a provision of the governing documents, including the architectural or landscape guidelines, is void and unenforceable if it would have the effect of prohibiting low water-using plants as a group, or as a replacement of existing turf, or if it has the effect of restricting compliance with water conservation measures. The [California Legislative Action Committee](#) (“CAI-CLAC”) continues to seek amendments to these bills as they work their way through the legislature. It is important to note that both the Proclamation and the pending legislation are limited to periods of a Governor-declared drought. HOAs are still permitted to enforce other landscape maintenance issues, such as weeds, brush, tree trimming, etc. In addition, HOAs may continue to enforce irrigation provisions, provided they are within the parameters outlined in the Order or as set forth by the local water agency. HOAs considering changes to their architectural or landscape guidelines should seek the advice of their legal counsel. *Ramona Acosta, CMCA, AMS, PCAM, is the Director of Business Development of Tinnelly Law Group, PC, and is a Delegate to CAI’s California Legislative Action Committee (CAI-CLAC). Tinnelly Law Group has been devoted exclusively to providing legal representation to California community associations for 25 years. For more information, visit our website at tinnellylaw.com.*

Ramona Acosta, CMCA, AMS, PCAM

TO: BOARD OF DIRECTORS

FROM: MICHAEL S. LEBRUN
GENERAL MANAGER

DATE: JULY 3, 2014

AGENDA ITEM

G

JULY 9, 2014

COMMITTEE REPORTS

ITEM

Review and discuss Committee meeting minutes.

BACKGROUND

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

- June 26, 2014 Finance and Audit Committee Meeting

RECOMMENDATION

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

ATTACHMENTS

- A. Finance and Audit Committee Meeting Minutes

JULY 9, 2014

ITEM G

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

THURSDAY, JUNE 26, 2014

10:00 A.M.

SPECIAL MEETING MINUTES

FINANCE AND AUDIT COMMITTEE

1. CALL TO ORDER, FLAG SALUTE AND ROLL CALL

Chairman Armstrong called the meeting to order at 10:00 a.m. Chairman Armstrong and Director Vierheilig were in attendance along with Staff members Michael LeBrun and Lisa Bognuda. No public was in attendance.

1. RECEIVE PRESENTATION ON SUPPLEMENTAL WATER RATE SETTING

Clayton Tuckfield of Tuckfield & Associates presented the proposed supplemental water commodity pass-through adjustment approach. The Committee and Staff discussed the approach including its advantages and disadvantages.

The Committee directed Staff to present an approach that includes stronger justification for the fixed and variable components of the proposed rates. The Committee directed that the reserve component be included in the variable rate not the fixed rate and should be the minimum necessary, rational and understandable. The Committee also directed Staff to coordinate with the outreach consultant on getting community feedback and understanding of the proposed rates.

2. NEXT STEPS IN RATE SETTING PROCESS

The Finance and Audit Committee will conduct another Special Meeting to review Staff's work based on direction given in above item.

3. SET NEXT COMMITTEE MEETING

The next Committee meeting date was not set.

4. ADJOURN –The meeting was adjourned at 12:14 p.m.