

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER



DATE: APRIL 6, 2018

**AGENDA ITEM**

**C**

**APRIL 11, 2018**

## **PRESENTATIONS AND REPORTS**

The following presentations and reports are scheduled:

C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Receive Announcements and Reports from Directors

C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE AND FILE PRESENTATIONS AND REPORTS.

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: APRIL 6, 2018



## CONSENT AGENDA

The following items are considered routine and non-controversial by staff and may be approved by one motion if no member of the Board wishes an item removed. If discussion is desired, the item may be removed from the Consent Agenda by a Board member and will be considered separately at the conclusion of the Administrative Items. Individual items on the Consent Agenda are approved by the same vote that approves the Consent Agenda, unless an item is pulled for separate consideration. The recommendations for each item are noted in bracket. Members of the public may comment on the Consent Agenda items.

**Questions or clarification may be made by the Board members  
without removal from the Consent Agenda.**

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE MARCH 28, 2018, REGULAR BOARD MEETING MINUTES  
[RECOMMEND APPROVAL]
- D-3) INITIATE PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS FOR  
STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1 [RECOMMEND ADOPT  
RESOLUTION]
- D-4) AUTHORIZE STAFF TO BID SOUTHLAND WASTEWATER TREATMENT FACILITY  
STORAGE BUILDING PROJECT [RECOMMEND AUTHORIZE STAFF TO  
ADVERTISE PROJECT FOR BIDS]
- D-5) AUTHORIZE STAFF TO PURCHASE TWO TRUCKS IN ACCORDANCE WITH  
APPROVED FY 17-18 BUDGET [RECOMMEND AUTHORIZE STAFF TO PURCHASE  
TWO TRUCKS FROM PERRY FORD AT A COST OF \$62,132]
- D-6) CONSIDER A RESOLUTION OF SUPPORT FOR THE SANTA MARIA RIVER  
VALLEY GROUNDWATER BASIN BOUNDARY MODIFICATION REQUEST BY THE  
SANTA MARIA BASIN FRINGE AREAS - COUNTY OF SAN LUIS OBISPO  
GROUNDWATER SUSTAINABILITY

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER

FROM: LISA BOGNUDA  
FINANCE DIRECTOR

DATE: APRIL 6, 2018

**AGENDA ITEM**

**D-1**

**APRIL 11, 2018**

WARRANTS WILL BE DISTRIBUTED ON TUESDAY, APRIL 10, 2018

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: APRIL 6, 2018



**AGENDA ITEM**  
**D-2**  
**APRIL 11, 2018**

**APPROVE MARCH 28, 2018  
REGULAR BOARD MEETING MINUTES**

**ITEM**

Approve action minutes from previous Board meetings. [RECOMMEND APPROVE MINUTES]

**BACKGROUND**

The draft minutes are a written record of the previous Board Meeting action.

**RECOMMENDATION**

Approve Minutes

**ATTACHMENT**

- A. March 28, 2018 draft Regular Board Meeting Minutes

APRIL 11, 2018

ITEM D-2

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

*Serving the Community Since 1965*

## DRAFT REGULAR MINUTES

**MARCH 28, 2018 AT 9:00 A.M.**

JON S. SEITZ BOARD ROOM 148 SOUTH WILSON STREET, NIPOMO, CA

### BOARD of DIRECTORS

ED EBY, **PRESIDENT**  
DAN ALLEN GADDIS, **VICE PRESIDENT**  
BOB BLAIR, **DIRECTOR**  
CRAIG ARMSTRONG, **DIRECTOR**  
DAN WOODSON, **DIRECTOR**

### PRINCIPAL STAFF

MARIO IGLESIAS, **GENERAL MANAGER**  
LISA BOGNUDA, **FINANCE DIRECTOR**  
WHITNEY MCDONALD, **GENERAL COUNSEL**  
PETER SEVCIK, **DIRECTOR OF ENG. & OPS.**

Mission Statement: The Nipomo Community Services District's mission is to provide its customers with reliable, quality, and cost-effective services now and in the future.

00:00  
A. CALL TO ORDER AND FLAG SALUTE

*President Eby called the Regular Meeting of March 28, 2018 to order at 9:00 a.m. and led the flag salute.*

B. ROLL CALL AND PUBLIC COMMENT FOR ITEMS NOT ON AGENDA

*At Roll Call, Director Woodson, Armstrong, Blair and Eby were present. Director Gaddis had a planned absence.*

*There was no public comment.*

C. PRESENTATIONS AND REPORTS

C-1) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Receive Announcements and Reports from Directors

Director Woodson

- *March 26, attended SCAC meeting and gave an update.*

Director Blair

- *Attended the Nipomo Chamber of Commerce meeting.*

Director Eby

- *March 15, attended the LAFCO meeting.*
- *March 16, attended Nipomo Mesa Management Area (NMMA) Technical Group meeting.*
- *March 19, attended the District Board Officer's meeting.*
- *March 27, met with Staff to discuss Engie presentation.*

C-2) RECEIVE PUBLIC COMMENT ON PRESENTATIONS AND REPORTS PRESENTED UNDER ITEM C AND BY MOTION RECEIVE and FILE PRESENTATIONS AND REPORTS

*There were no public comments.*

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES

Upon the motion of Director Armstrong and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.  
Vote 4-0.

02:24:00

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Blair, Woodson, and Eby	None	Gaddis

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE MARCH 14, 2018, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVAL]
- D-3) RECEIVE AND FILE REVISED NIPOMO COMMUNITY SERVICES MUNICIPAL SERVICE REVIEW COMPLETED BY SAN LUIS OBISPO COUNTY LOCAL AGENCY FORMATION COMMISSION [RECOMMEND RECEIVE AND FILE]
- D-4) APPROVE AMENDMENTS TO ASSISTANT ENGINEER AND WASTEWATER SUPERVISOR JOB DESCRIPTIONS [CONSIDER ADMINISTRATION COMMITTEE RECOMMENDATION AND APPROVE AMENDED JOB DESCRIPTIONS FOR ASSISTANT ENGINEER AND WASTEWATER SUPERVISOR]

There were no public comments.

Upon the motion of Director Armstrong and seconded, the Board unanimously approved the Consent Items.  
Vote 4-0.

YES VOTES	NO VOTES	ABSENT
Directors Armstrong, Woodson, Blair and Eby	None	Gaddis

03:00:00

E. ADMINISTRATIVE ITEMS

- E-1) REVIEW ENGIE ENERGY SERVICES COMPANY (PREVIOUSLY OPTERRA) DEVELOPMENT PROGRAM REPORT FOR SOLAR POWER SOLUTION AND AUTOMATED METERING INFRASTRUCTURE [RECOMMEND REVIEW AND DISCUSS DEVELOPMENT PROGRAM REPORT AND DIRECT STAFF]

Ashu Jain, P.E. of Engie presented the development program report via Power Point. Mr. Jain answered question from the Board.

There were no public comments.

President Eby directed the Finance and Audit Committee and the Facilities Committee to meet and review the development program report in depth and report back to the Board of Directors at the next meeting (April 11).

1:20:00

Director Eby requested a 10 minute break and announced that Item I, Closed Session, would be taken out of order and begin at 10:30 a.m.

I. CLOSED SESSION ANNOUNCEMENTS

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9

a) SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).

b) CONFERENCE WITH LEGAL COUNSEL –LIABILITY CLAIM PURSUANT TO GOVERNMENT CODE §54954.5(d) AGENCY CLAIMED AGAINST: NIPOMO COMMUNITY SERVICES DISTRICT  
CLAIMANTS: KIMI SMART, NICHOLAS DANA

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

*There were no public comments.*

K. ADJOURN TO CLOSED SESSION

*President Eby adjourned to Closed Session at 10:32 a.m.*

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

*The Board came back into Open Session at 11:15 a.m.*

*Whitney McDonald, District Legal Counsel, announced that the Board discussed Item I.1(a) and I.1(b). The Board took no reportable action on Item I.1(a). On Item I.1(b), the Board of Directors directed Staff to deny the claim and notify the claimant.*

There were no public comments.

F. MANAGER'S REPORT

*Mario Iglesias, General Manager, presented the report as presented in the Board packet.*

*There were no public comments.*

G. COMMITTEE REPORTS

*Director Blair reported the Administration Committee met to review the job descriptions.*

H. DIRECTORS' REQUEST TO STAFF AND SUPPLEMENTAL REPORTS

*Director Armstrong requested for Staff to confirm with bond adviser what impact the proposed Engie lease would have on the District's credit ratings and borrowing capacity.*

ADJOURN

*President Eby adjourned the meeting at 11:25 a.m.*

SUBJECT TO BOARD APPROVAL



Nipomo Community Services District  
DRAFT REGULAR MEETING  
MINUTES

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 45 minutes
Closed Session	0 hour 40 minutes
TOTAL HOURS	2 hour 25 minutes

Respectfully submitted,

\_\_\_\_\_  
Mario Iglesias, General Manager and Secretary to the Board

\_\_\_\_\_  
Date

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: APRIL 6, 2018



**AGENDA ITEM**  
**D-3**  
**APRIL 11, 2018**

**INITIATE PROCEEDINGS FOR ANNUAL LEVY OF ASSESSMENTS  
FOR STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1**

**ITEM**

Resolution initiating proceedings for annual levy of Street Landscape Maintenance District No. 1  
[RECOMMEND ADOPT RESOLUTION]

**BACKGROUND**

In 2003, the Board of Directors formed Street Landscape Maintenance District No. 1 to provide the street landscape maintenance for Tract 2409 (Sculpture Homes located on Vista Verde and Ida Street). The Street Landscape Maintenance District formed under Government Code Section 61601.20 and the Landscaping and Lighting Act of 1972.

Annually, the District follows the procedures outlined in the Government Code and Prop. 218 to levy the assessment on each of the 28 property owners served by the Landscape Maintenance District. In order to proceed, the attached Resolution should be adopted to initiate the proceedings and appoint Director of Engineering and Operations, Peter Sevcik as the Assessment Engineer.

**RECOMMENDATION**

Staff recommends adoption of Resolution 2018-XXXX LMD initiation

**ATTACHMENT**

- A. Resolution 2018-XXXX LMD Initiation

APRIL 11, 2018

ITEM D-3

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS FOR ANNUAL  
LEVY OF ASSESSMENTS FOR THE STREET LANDSCAPE MAINTENANCE DISTRICT NO. 1  
FOR FISCAL YEAR 2018-2019 PURSUANT TO THE PROVISIONS OF PART 2 OF  
DIVISION 15 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE**

**WHEREAS**, the Nipomo Community Services District Board of Directors ("NCSD") has, by previous Petition and Resolution, formed the Nipomo Community Services District Street Landscape Maintenance District No. 1 (hereinafter referred to as "Street Landscape Maintenance District No. 1") pursuant to the provisions of Government Code §61122 (prior §61601.20) and the Landscaping and Lighting Act of 1972 (hereinafter referred to as the "Act") that provides for the levy and collection of assessments by the County of San Luis Obispo for the Nipomo Community Services District to pay for the installation, planting and maintenance of landscaping within public streets, right of ways or easements within the Nipomo Community Services District; and

**WHEREAS**, Street Landscape Maintenance District No. 1 and the associated assessments are in compliance with the provisions of California Constitution Article XIID; and

**WHEREAS**, the NCSD has appointed Peter Sevcik, a registered professional engineer, as assessment engineer for the purpose of assisting with the Annual Levy of the Street Landscape Maintenance District No. 1 and to prepare and file a report in accordance with the Act.

**NOW, THEREFORE BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors of the Nipomo Community Services District for the Nipomo Street Landscape Maintenance District No. 1, as follows:

SECTION 1: The NCSD hereby initiates proceedings for annual levy of assessments for Street Landscape Maintenance District No. 1 for Fiscal Year 2018-2019 pursuant to the provisions of the Act.

SECTION 2: The improvements within Street Landscape Maintenance District No. 1 include: trees, shrubs, grass, other ornamental vegetation, and appurtenant facilities, including irrigation system within the Street Landscape Maintenance District No. 1. The Board of Directors does not anticipate new improvements or substantial changes in existing improvements.

SECTION 3: Engineer's Annual Levy Report: The NCSD Board of Directors hereby orders that Peter Sevcik, District Director of Engineering and Operations and a registered professional engineer in CA, prepare the Engineer's Annual Levy Report concerning the levy of assessments for Street Landscape Maintenance District No. 1 in accordance with *Chapter 3, Section 22622* of the Act.

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

**AYES:**

**NOES:**

**ABSENT:**

**CONFLICTS:**

the foregoing resolution is hereby adopted this 11<sup>th</sup> day of April 2018.

\_\_\_\_\_  
**ED EBY**  
President of the Board

ATTEST:

APPROVED AS TO FORM  
AND LEGAL EFFECT:

\_\_\_\_\_  
**MARIO IGLESIAS**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**WHITNEY G. MCDONALD**  
District Legal Counsel

TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: APRIL 6, 2018

**AGENDA ITEM**  
**D-4**  
**APRIL 11, 2018**

## **AUTHORIZE STAFF TO BID SOUTHLAND WASTEWATER TREATMENT FACILITY STORAGE BUILDING PROJECT**

### **ITEM**

Authorize staff to advertise Southland Wastewater Treatment Facility Storage Building Project for bid [RECOMMEND AUTHORIZE STAFF TO ADVERTISE PROJECT FOR BIDS].

### **BACKGROUND**

The Southland Wastewater Treatment Facility Storage Building Project involves the construction of a 1440 square foot metal building that will be used to store spare parts for the treatment facility and an integral 960 square foot lean-to that will provide a covered storage area for equipment utilized at the treatment facility. The project will be constructed within the footprint of the existing wastewater treatment facility. The plans and specifications for the project are being finalized. In accordance with the District's Purchasing Policy, staff needs Board approval to solicit bids for the project. Staff expects to return to your Board with a recommendation for contract award in June 2018.

Regarding compliance with the California Environmental Quality Act (CEQA), the project involves the construction of a small accessory structure and is categorically exempt in accordance with CEQA Guidelines Section 15303. Staff will file a CEQA Notice of Exemption for the project.

### **FISCAL IMPACT**

The estimated construction cost is \$135,000. Funding for the project is available in the FY 2017-2018 budget.

### **RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, authorize staff to solicit bids for the Southland Wastewater Treatment Plant Storage Building Project.

### **ATTACHMENTS**

None.

TO: BOARD OF DIRECTORS  
REVIEWED: MARIO IGLESIAS  
GENERAL MANAGER  
FROM: PETER V. SEVCIK, P.E.  
DIRECTOR OF  
ENGINEERING & OPERATIONS  
DATE: APRIL 4, 2018



**AUTHORIZE STAFF TO PURCHASE TWO TRUCKS  
IN ACCORDANCE WITH APPROVED FY 17-18 BUDGET**

**ITEM**

Authorize staff to purchase two trucks in accordance with approved FY 17-18 Budget [RECOMMEND AUTHORIZE STAFF TO PURCHASE TWO TRUCKS FROM PERRY FORD AT A COST OF \$62,132].

**BACKGROUND**

The District's FY 2017-2018 budget allocated funding for the purchase of two pickup trucks. One truck will replace a 2008 Ford pickup truck with 91,300 miles and the second truck is an addition to the District's fleet.

District staff solicited bids for similarly equipped, readily available trucks from several local dealers including Perry Ford, Mullahey Ford, Jim Vreeland Ford, and Santa Maria Ford, and received bids as follows:

Dealer	Total Cost Each	Number available
Perry Ford	\$31,065	2 (1 subject to prior sale)
Jim Vreeland Ford	\$37,128	1
Santa Maria Ford	\$37,455	1

The vehicles quoted by the vendors meet the District's minimum specifications but only Perry Ford had two trucks potentially available for the quoted price.

**FISCAL IMPACT**

Funding in the amount of \$60,000 was allocated in the FY 2017-2018 District budget for the purchase of 2 pickup trucks.

**RECOMMENDATION**

Staff recommends that the Board, by motion and roll call vote, authorize staff to purchase two pickup trucks from Perry Ford in the amount of \$62,132.

**ATTACHMENTS**

None.

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: April 6, 2018

**AGENDA ITEM  
D-6**

**APRIL 11, 2018**

**CONSIDER A RESOLUTION OF SUPPORT FOR THE SANTA MARIA RIVER VALLEY GROUNDWATER BASIN BOUNDARY MODIFICATION REQUEST BY THE SANTA MARIA BASIN FRINGE AREAS - COUNTY OF SAN LUIS OBISPO GROUNDWATER SUSTAINABILITY AGENCY TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

**ITEM**

Consider a resolution of support for the Santa Maria River Valley Groundwater Basin Boundary Modification Request by the Santa Maria Basin Fringe Areas – County of San Luis Obispo Groundwater Sustainability Agency to the California Department of Water Resources [RECOMMEND ADOPT RESOLUTION OF SUPPORT]

**BACKGROUND**

In 2014, the California Department of Water Resources (“DWR”) published its Final California Statewide Groundwater Elevation Monitoring Basing Prioritization results, designating five groundwater basins located within the County of San Luis Obispo, including the Santa Maria groundwater basin (“Basin”), as high or medium priority basins. As a result, these basins are the first to be addressed by the Sustainable Groundwater Management Act (“SGMA”) and Groundwater Sustainability Agencies (“GSA”) responsible for managing these basins must be formed.

That portion of the Basin included in the 1997 Court adjudication process (that portion of the Santa Maria Basin at issue in *Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.*) is excluded from SGMA. However, there are fringe areas not included in the adjudicated boundaries that are subject to SGMA and within Nipomo Community Services District (“District”) boundaries. As an included entity, the District had the opportunity to have a voice in overseeing the management of this area or could choose to have the County take on this responsibility.

On January 13, 2015, the Board of Supervisors adopted a SGMA strategy and directed their staff to implement the policy—focusing resources on implementation in high and medium priority basins first. Among SGMA’s first statutory deadlines – and therefore a focus of County staff – was the deadline for the DWR update of Bulletin 118 Report and the provision to modify basin boundaries as needed to reflect DWR-approved scientific and jurisdictional information.

On October 21, 2015, DWR adopted emergency regulations regarding the information that must be submitted by a local agency in order to request that DWR modify the current Bulletin 118 boundaries.

At your Board's March 22, 2017, Board Meeting, staff presented for your Board's consideration a resolution recommending the County of San Luis Obispo ("County") act as the GSA for the fringe areas of the Basin within the District boundaries. Within that staff report [Attachment A], background information was provided regarding SGMA and the requirement to form a GSA was explained.

On March 6, 2018, the County submitted an initial notification of intent to explore a boundary modification for the Basin and asked users within the basin to develop a boundary modification request in accordance with the DWR Boundary Regulations. County staff communicated with the District and other affected agencies within the basin to provide notice of the potential basin boundary modification request and to provide an opportunity for the District and other affected entities to support or oppose a proposed boundary modification.

Pursuant to Section 344.8(b) of the DWR Boundary Regulations, an affected local agency that elects to support or oppose a proposed boundary modification shall provide the requesting agency with either a resolution formally adopted by the decision-making body of the affected agency or a letter from an official with requisite authority.

DWR has the responsibility to review the proposed boundary modification request and has discretion to determine whether an external boundary modification is appropriate. The County's application for basin boundary modification should be supported by the District as the fringe area has been determined by the County to not meet the threshold of a groundwater basin and therefore does not need to be managed any further by a GSA.

### **FISCAL IMPACT**

There is no direct fiscal impact to NCSO other than the financial burden it may carry to support the costs of a GSA overseeing the fringe area. The District's three parcels within the fringe area would be subject to any assessment deemed necessary by the County to cover the costs associated with maintaining the GSA.

### **STRATEGIC PLAN**

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

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

### **RECOMMENDATION**

Staff recommends your Board adopt a resolution of support for the County's basin boundary modification request.

### **ATTACHMENTS**

- A. March 22, 2017 Staff Report: Consider alternatives for complying with SGMA...
- B. Resolution of Support, 2018-XXXX



APRIL 11, 2018

ITEM D-6

ATTACHMENT A

TO: BOARD OF DIRECTORS  
FROM: MARIO IGLESIAS  
GENERAL MANAGER  
DATE: MARCH 17, 2017

**AGENDA ITEM  
E-1**

**MARCH 22, 2017**

**CONSIDER ALTERNATIVES FOR COMPLYING WITH THE  
SUSTAINABLE GROUNDWATER ACT OF 2014 AND CONSIDER  
AUTHORIZING THE COUNTY OF SAN LUIS OBISPO TO ACT AS  
GROUNDWATER SUSTAINABILITY AGENCY FOR THE FRINGE  
AREAS OF THE SANTA MARIA GROUNDWATER BASIN**

**ITEM**

Review and consider alternatives for complying with the Sustainable Groundwater Act of 2014 and select an alternative that benefits the residents served by the Nipomo Community Services District ("NCS D"), including authorization of the County of San Luis Obispo to act as the Groundwater Sustainability Agency for the fringe area of the Santa Maria Groundwater Basin [RECOMMEND APPROVE RESOLUTION AUTHORIZING THE COUNTY OF SAN LUIS OBISPO TO SERVE AS THE EXCLUSIVE GROUNDWATER SUSTAINABILITY AGENCY WITHIN THE FRINGE AREAS OF THE SANTA MARIA GROUNDWATER BASIN WITHIN THE NIPOMO COMMUNITY SERVICES DISTRICT BOUNDARIES]

**BACKGROUND**

The Sustainable Groundwater Management Act of 2014 ("SGMA") was signed by the Governor in September 2014, became law on January 2015, and amended by SB13 effective January 2016. The law requires that identified medium and high priority groundwater basins within the State of California be managed by a Groundwater Sustainable Agency ("GSA") on or before June 30, 2017. The Santa Maria Groundwater Basin ("Basin") is one of six groundwater basins in San Luis Obispo County ("County") that is considered medium or high priority by the California Department of Water Resources ("DWR").

SGMA established a new structure for managing California's groundwater resources at a local level by local agencies. A GSA is responsible for developing and implementing a Groundwater Sustainability Plan ("GSP") to meet the sustainability goal of the basin to ensure that it is operated within its sustainable yield, without causing undesirable results. Each GSA will need to develop a GSP by January 31, 2022. Groundwater basins may have single or multiple GSA's and single or multiple GSP's. Basins are subject to regulation by DWR in the event a GSA is not formed by local, eligible agencies.

The County's Public Works Department has been actively engaging cities, community services districts, water purveyors, agricultural interests and other stakeholders in an outreach effort to communicate the requirements of SGMA. Based on the findings and recommendations of this outreach effort, the County is moving forward with the formation of a GSA for the non-adjudicated portion of the Santa Maria Basin ("Basin") defined by DWR's Bulletin 118. While a majority of the Basin is exempt from SGMA as a result of the Basin Litigation and Judgment, there are "fringe areas" geographically contiguous to the Basin that are not included in the

adjudication [Attachment A]. NCSD boundaries extend over the fringe areas on the east side of Highway 101 as depicted in the attached map.

NCSD is a "local agency" as that term is defined by SGMA, and as such is authorized to form a GSA to manage groundwater resources in the fringe area and within its jurisdictional boundaries in accordance with SGMA and other applicable laws and authorities.

The decision by a local agency to form an independent GSA or to allow the County to assume that responsibility over its jurisdictional boundary is influenced by the unique circumstance of each agency. There are at least two factors to evaluate when deciding whether or not an agency chooses to form or participate in a GSA: maintaining land use authority over the GSA defined area and exercising control over groundwater extraction in the defined area. NCSD has no land use authority built into its governance, and does not utilize the fringe areas for water production or have plans for future groundwater extractions from the fringe areas of the Basin.

A review of the potential operation and administrative impacts of SGMA on NCSD and the extensive requirements of the GSA to manage the basin were undertaken by staff. Concerns over relinquishing to the County the opportunity to form or participate in a GSA and the authority over the fringe area for groundwater extraction are further expressed below. The GSA:

1. Could potentially place limitations on groundwater extractions should groundwater management protection measures dictate such an action. As stated above, NCSD does not plan on utilizing this section of the basin because it does not provide sufficient water productivity to make the fringe areas economically viable as a source of supply. There are two district wells in the fringe area. Both of these wells are out of service and have not been used in over 10 years.
2. Will have the authority to impose fees on groundwater extractions. GSAs will also have the ability to levy and collect taxes, assessments and charges as already provided by law. NCSD would be subject to extraction fees if it were to begin pumping water from the area. It could also be subject to fees assessed by the GSA but these fees are anticipated to be limited to fees paid by all parcels in the fringe area. The District holds three parcels in fee in the fringe area and these parcels could be subject to a GSA assessment should one be established.

NCSD or any other affected governmental agency must inform the County of their intent to allow the County to manage areas of the GSA within their jurisdiction or form an independent GSA that would work cooperatively with the County's GSA.

Staff has reviewed SGMA and considered the advantages and disadvantages to the community served by NCSD and concluded the potential cost and ongoing effort to form a GSA and manage the fringe areas of the Basin exceed the benefit. As a result, it is recommended that NCSD not exercise its option to form a GSA, but instead authorize and recognize the County as the exclusive GSA within the fringe areas of the Basin within NCSD boundaries. The attached resolution is provided for your Board's consideration [Attachment B].

### **FISCAL IMPACT**

The financial impacts on NCSD for complying with SGMA are largely unknown. The County Public Works Department put together a summary of cost estimates for the six medium and high priority basins within the County [Attachment C]. For the Santa Maria Basin, the cost for the first five years is estimated at \$463,523 per year and \$250,000 from 2022 and beyond. If NCSD does not form a GSA, it will be subject to the County's discretion to exercise those means described and allowed in SGMA for collection of fees necessary to execute the GSP and administrate the program.

At its March 7, 2017 meeting, the San Luis Obispo County Board of Supervisors committed to paying for the first five years of the program for unincorporated areas in the County under certain conditions. There is some uncertainty tied to the County Board of Supervisors commitment. It is anticipated at some point in the future NCSD would be subject to fees to support the GSA. It is further anticipated that these fees would be equal to but no greater than fees paid by similar parcel owners within the GSA. NCSD holds three parcels in fee within the fringe areas: the quad tank site on Dana Foothill Road, the administration office site on Wilson Street, and the Savage Well site on West Dana Street.

### **STRATEGIC PLAN**

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

- 1.6 Continue to monitor and participate in water supply issues and programs with other local and regional organizations

### **RECOMMENDATION**

Staff recommends that your Board receive the report and consider approving a resolution authorizing the County of San Luis Obispo to serve as the exclusive groundwater sustainability agency within the fringe areas of the Santa Maria Basin within the Nipomo Community Services District boundaries.

### **ATTACHMENTS**

- A. County of San Luis Obispo Map: DWR Bulletin 118 – Santa Maria Groundwater Basin – Conceptual GSA Model
- B. Resolution 2017-XXXX Authorizing the County of San Luis Obispo to Serve as the Exclusive Groundwater Sustainability Agency Within the Fringe Areas of the Santa Maria Groundwater Basin Within the Nipomo Community Services District Boundaries
- C. County of San Luis Obispo: Table 2A, Summary of Costs Across All Unincorporated Areas

APRIL 11, 2018

ITEM D-6

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-XXXX**

**SUPPORT FOR THE SANTA MARIA RIVER VALLEY GROUNDWATER BASIN  
BOUNDARY MODIFICATION REQUEST BY THE SANTA MARIA BASIN FRINGE  
AREAS - COUNTY OF SAN LUIS OBISPO GROUNDWATER SUSTAINABILITY  
AGENCY TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES**

**WHEREAS**, the Board of Directors of Nipomo Community Services District (District) is committed to providing excellence in legislative leadership; and

**WHEREAS**, in 2014, the California Department of Water Resources (DWR) published its Final California Statewide Groundwater Elevation Monitoring Basin Prioritization results, designating five groundwater basins located in whole or in part within the County of San Luis Obispo as high or medium priority basin or subbasin: Paso Robles, Atascadero, Santa Maria, Los Osos, San Luis Obispo Valley, and Cuyama Valley; and

**WHEREAS**, the Santa Maria River Valley Groundwater Basin (DWR Bulletin 118 Basin No. 3-12, "Santa Maria Basin") is designated as a high priority basin; and

**WHEREAS**, California Senate Bills 1168 and 1319 (2014), and Assembly Bill 1739 (2014), signed by the Governor in September 2014 and effective as of January 1, 2015, together comprise the Sustainable Groundwater Management Act (SGMA); and

**WHEREAS**, SGMA requires local agencies to manage groundwater in high and medium priority basins "in a manner that can be maintained during the planning and implementation horizon without causing undesirable results" (Water Code § 10721(v)); and

**WHEREAS**, SGMA does not apply to the adjudicated areas of the Santa Maria Basin (that portion of the Santa Maria Basin at issue in *Santa Maria Valley Water Conservation District v. City of Santa Maria*, et al.) ("adjudicated area"), provided that certain requirements are met (Water Code § 10720.81); and

**WHEREAS**, on January 13, 2015, the Board of Supervisors, on behalf of both the County of San Luis Obispo and the San Luis Obispo County Flood Control and Water Conservation District, adopted a SGMA strategy and directed staff to implement the policy—focusing resources on implementation in high and medium priority basins first; and

**WHEREAS**, among SGMA's first statutory deadlines is the deadline for DWR to update Bulletin 118 Report and modify basin boundaries as needed to reflect DWR-approved scientific and jurisdictional information; and

**WHEREAS**, on October 21, 2015, in accordance with Water Code §§ 10722.2 and 12924, DWR adopted emergency regulations regarding the information that must be submitted by a local agency in order to request that DWR modify the current Bulletin 118 boundaries (23 CCR §§ 340 et seq.) (DWR Boundary Regulations); and

**WHEREAS**, pursuant to Section 343.9(a) of the DWR Boundary Regulations, on March 6, 2018, the County Board of Supervisors directed staff to submit an initial

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-XXXX

SUPPORT FOR THE SANTA MARIA RIVER VALLEY GROUNDWATER BASIN BOUNDARY MODIFICATION REQUEST  
BY THE SANTA MARIA BASIN FRINGE AREAS - COUNTY OF SAN LUIS OBISPO GROUNDWATER  
SUSTAINABILITY AGENCY TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

notification of intent to explore a boundary modification for the Santa Maria River Valley Groundwater Basin and to coordinate with basin users to develop a boundary modification request in accordance with the DWR Boundary Regulations; and

**WHEREAS**, County staff contracted with GSI Water Solutions, Inc. to develop a technical memorandum with the necessary scientific justification, as required by the regulations, to support a potential scientific boundary modification request; and

**WHEREAS**, pursuant to Sections 344.4 and 344.8(a) of the DWR Boundary Regulations, County staff communicated with affected agencies and affected systems within the basin to provide notice of the potential boundary modification request, and to provide an opportunity for such entities to support or oppose the proposed boundary modification, which is depicted in Exhibit A attached hereto and incorporated herein by reference; and

**WHEREAS**, pursuant to Section 344.8(b) of the DWR Boundary Regulations, an affected local agency that elects to support or oppose a proposed boundary modification shall provide the requesting agency with either a resolution formally adopted by the decision-making body of the affected agency or a letter from an official with requisite authority; and

**WHEREAS**, the County has acknowledged that DWR has the responsibility to review the proposed boundary modification request and has discretion to determine whether an external boundary modification or formation of a separate subbasin is appropriate.

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

1. The Nipomo Community Services District supports the request by the Santa Maria Basin Fringe Areas – County of San Luis Obispo Groundwater Sustainability Agency (GSA) for a basin boundary modification to the Santa Maria River Valley Groundwater Basin (DWR Bulletin 118 Basin No. 3-12), as depicted in Exhibit A hereto and incorporated herein by reference.
2. The District's General Manager is hereby authorized and directed to provide a signed copy of this Resolution to the County.

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

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

the foregoing resolution is hereby passed and adopted this \_\_\_\_\_ day of April 2018.

NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-XXXX

SUPPORT FOR THE SANTA MARIA RIVER VALLEY GROUNDWATER BASIN BOUNDARY MODIFICATION REQUEST  
BY THE SANTA MARIA BASIN FRINGE AREAS - COUNTY OF SAN LUIS OBISPO GROUNDWATER  
SUSTAINABILITY AGENCY TO THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

\_\_\_\_\_  
ED EBY, Board President  
Nipomo Community Services District

ATTEST:

APPROVED as to legal form and  
effect:

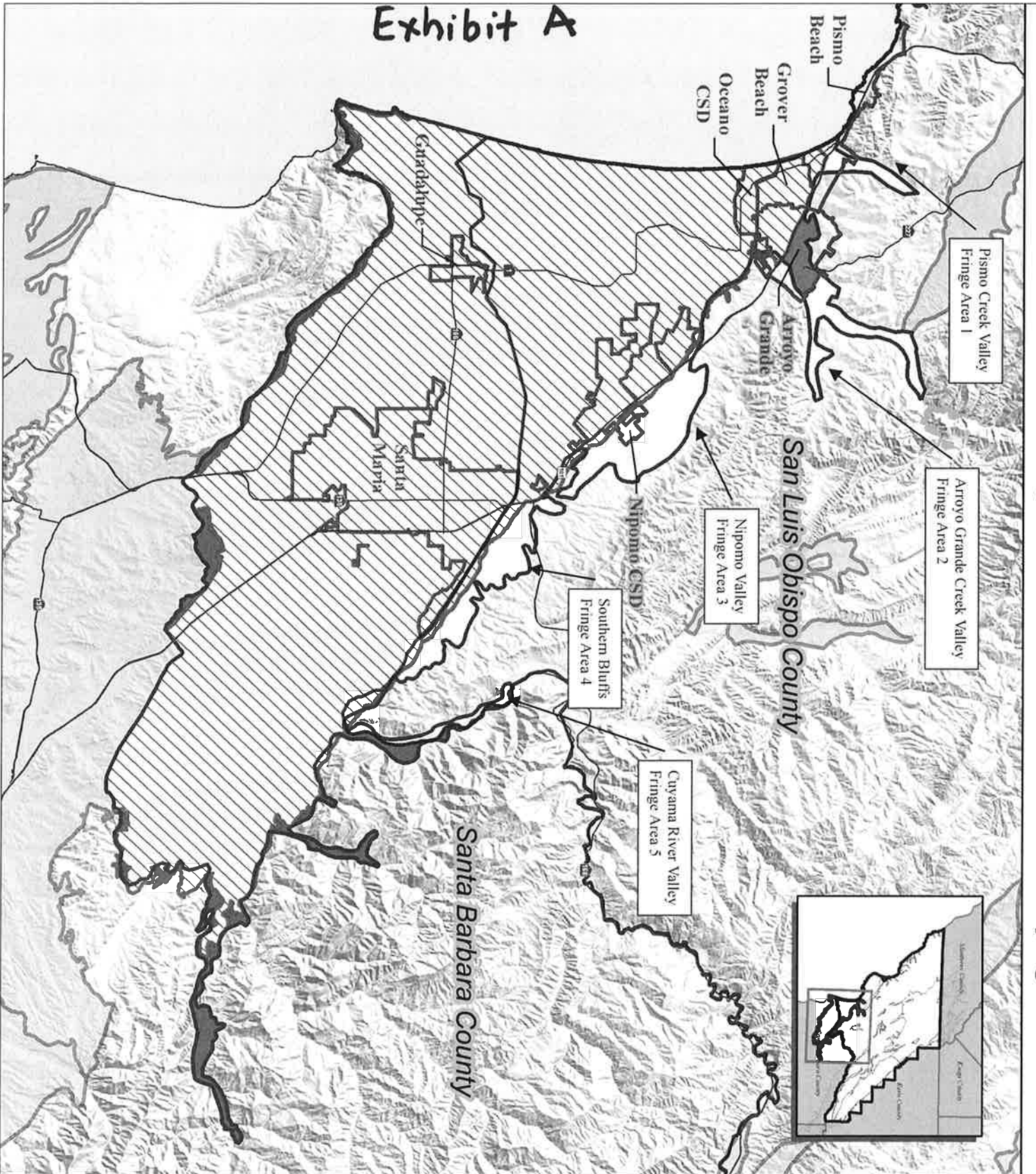
\_\_\_\_\_  
MARIO IGLESIAS  
General Manager and Secretary to the Board

\_\_\_\_\_  
WHITNEY G. MCDONALD  
District Legal Counsel



# Santa Maria Basin Fringe Areas Groundwater Sustainability Agencies Boundaries

## Exhibit A



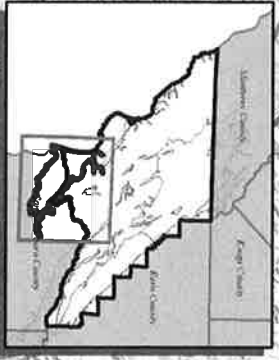
Pismo Creek Valley  
Fringe Area 1

Arroyo Grande Creek Valley  
Fringe Area 2

Nipomo Valley  
Fringe Area 3

Southern Bluffs  
Fringe Area 4

Cuyama River Valley  
Fringe Area 5



- DWR - Bulletin 118 Santa Maria River Valley Groundwater Basin Boundary
- Department of Water Resources (DWR) - Other Bulletin 118 Groundwater Basins
- County of San Luis Obispo Service Area
- Santa Maria Groundwater Basin Adjudicated Management Areas
- GSAs**
  - City of Arroyo Grande GSA Coverage Area
  - County of Santa Barbara Fringe Areas GSA Coverage Areas
  - Santa Maria Basin Fringe Areas - County of San Luis Obispo GSA Coverage Areas



TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS  
GENERAL MANAGER

DATE: APRIL 6, 2018

**AGENDA ITEM**

**E-1**

**APRIL 11, 2018**

## **ADOPT 2018 STRATEGIC PLAN**

### **ITEM**

Receive a presentation of the updated strategic planning by staff and adopt 2018 Strategic Plan by resolution [RECOMMEND RECEIVE PRESENTATION AND ADOPT A RESOLUTION]

### **BACKGROUND**

The Nipomo Community Services District ("District") has been involved in formal long-range planning through the Strategic Planning initiative process for over a decade starting in 2006. Through the years and several updates, the District has managed its vision, priorities, and high-level workflow using this document.

The last update to the District's Strategic Plan was adopted on March 14, 2014. Prior to that, your Board adopted the 2010-2014 Strategic Plan on July 22, 2009. There is not a formal scheduled adopted by your Board for reviewing and updating this document. Instead, your Board depends on staff to keep your Board apprised of the Strategic Plan's relevance through time.

Staff brought to your Board's attention at your February 24, 2016 Board Meeting the need to update the 2014 Strategic Plan. Many of the objectives in the Strategic Plan have been reached and while staff has not completed all items, a reprioritization of the remaining tasks as well as aligning new objectives is in order. On August 14, 2017 a public workshop to evaluate, take public comment, and chart a course for the next several years was held at the District's Board Room. Facilitated by Martin Rauch, the workshop identified the need to reset major objectives in the 2014 Strategic Plan.

### **FISCAL IMPACT**

Strategic planning helps focus limited staff resources and improve efficiency. Implementation of the updated Strategic Plan will be dependent on subsequent adoption of budgets and approval of specific projects. Budgeted staff time was used to prepare this report.

### **STRATEGIC PLAN**

Strategic Plan Goal 6. – Governance and Administration. Periodically review, update and reaffirm District policies and procedures.

### **RECOMMENDATION**

It is recommended that the Board of Directors consider the presentation and by motion and roll call vote, approve Resolution 2018-XXXX adopting the 2018 Strategic Plan.

### **ATTACHMENTS**

- A. Draft Resolution 2018-XXXX including Exhibit A, Draft 2018 Strategic Plan

APRIL 11, 2018

ITEM E-1

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING THE 2018 STRATEGIC PLAN**

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

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

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

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

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

1. 2018 Strategic Plan, attached as Exhibit A, is adopted; and
2. Staff is directed to integrate the 2018 Strategic Plan into District operations.

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

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

The foregoing resolution is hereby adopted this \_\_\_\_\_ day of April 2018.

\_\_\_\_\_  
**ED EBY**  
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MARIO IGLESIAS**  
General Manager and Secretary to the Board

\_\_\_\_\_  
**WHITNEY G. MCDONALD**  
District Legal Counsel

# EXHIBIT A

# Nipomo Community Services District 2018 Strategic Plan

Prepared by Rauch Communication Consultants, Inc.

## BOARD OF DIRECTORS

Ed Eby, President,  
Dan A. Gaddis Vice-President  
Craig Armstrong, Director  
Dan Woodson, Director  
Bob Blair, Director

## STAFF

Mario Iglesias: General Manager  
Lisa S. Bognuda: Finance Director/Assistant General Manager  
Peter V. Sevcik: Director of Engineering & Operations

148 South Wilson Street  
Nipomo, CA 93444  
805-929-1133  
[ncsd.ca.gov](http://ncsd.ca.gov)

## **BOARD OF DIRECTORS**

Ed Eby, President

Dan A. Gaddis, Vice-President

Bob Blair, Director

Craig Armstrong, Director

Dan Woodson, Director

## **MANAGEMENT**

Mario Iglesias: General Manager

Lisa S. Bognuda: Finance Director/Assistant General Manager

Peter V. Sevcik: Director of Engineering & Operations

## **CONSULTANT**

Martin Rauch, Managing Consultant

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## DEVELOPING THE STRATEGIC PLAN

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

### **About Strategic Planning**

The Strategic Plan Nipomo Community Service District's highest level planning document, and represents the Board's direction for the future. It is developed through a step-by-step process that includes understanding the District's situation and operating environment, while identifying the highest priority issues, strengths and weaknesses, as well as its opportunities and threats.

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

The Strategic Plan is also a practical working tool that provides clear direction to the staff about the Board's goals and objectives. The District staff will develop and implement a practical work plan or implementation plan to guide them in carrying out the Board policy-level goals and objectives.

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

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

## How the Strategic Plan was Developed

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

### FOLLOW UP TO 2014 PLAN

Nipomo Community Services District completed a full strategic planning process in 2014. This is an update to that plan.

### INITIAL RESEARCH

**Research.** The consultant began by holding discussions with the General Manager, and by reviewing background documents, including agendas and minutes, documents and reports, the budget, and other pertinent information.

**Confidential Interviews.** The research phase was followed by a series of confidential interviews carried out by the consultant. The goal was for the interviewees to candidly express their interests and perspectives on the District. Interviewees included the Board of Directors, General Manager, Finance Director/Assistant General Manager, Director of Engineering & Operations.

### PLANNING WORKSHOPS

The Board of Directors, senior management staff and general counsel participated in one strategic planning workshop facilitated by Rauch Communication Consultants.

**Workshop.** During the workshop, the participants reviewed the results of the interviews, undertook exercises to examine the current state of the District, and identified critical issues and opportunities expected to confront the District in the future. They also identified priorities.

#### Additional Information from the Planning Process

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

They provide useful additional information and ideas.

Expectations of the Participants.

Summary of the Interviews.

Current questions, challenges and open issues needing direction.

What is Coming Down the Road: Challenges and Opportunities.

## Highest Priority Issues

Below are the initial priority issues for the coming years, identified during the workshop of the strategic planning process as areas that merit additional attention. Note that these priorities don't mean they are more important than other issues – for example, Safety is a top priority, but it is already being well attended to. The numbers in parenthesis at the end of each item represent “votes” by workshop participants with 1 being a highest-level priority, 2 a next-level priority, etc.

### FIRST-LEVEL PRIORITIES

**Seek to Maintain and Enhance Community Sustainability.** This refers both to ensure quality service and to maintaining the affordability and sustainability of the service for customers. (1, 1, 1, 3)

**Financial Stability.** The District will ensure that it maintains strong and reliable finances over time. (1, 1, 2, 3)

**Infrastructure Stability.** Ensure the District's infrastructure is built and maintained for long-term cost effectiveness, and reliability. (2, 2, 2, 3, 3)

### SECOND-LEVEL PRIORITIES

**Operational Optimization.** The District seeks to maximize cost-effectiveness, reliability. (1, 4, 4, 4))

**Customer Satisfaction.** The sole reason for the District's existence is to serve customer needs, this has been a focus for a long-time and is a top priority. It is only a second-level priority in terms of new initiatives. (3, 3, 4)

### THIRD-LEVEL PRIORITIES

**Operational Resiliency.** Is the District prepared for emergencies such as if Creeks back up and leaving generators underwater and causing backups? (4, 4)

**Employee Leadership and Development.** Ensure the District is prepared for succession of staff, that staff are well trained, enjoy their positions, etc. (3).

## MISSION, VISION, AND VALUES

### Mission

A mission statement describes the reason an organization or program exists, services it exists to supply, who it serves, and how it measures excellence. The District's, existing mission statement is reproduced below.

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

### Vision

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

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

### Values

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

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

## GOALS, OBJECTIVES AND IMPLEMENTATION APPROACH

### About Goals and Objectives

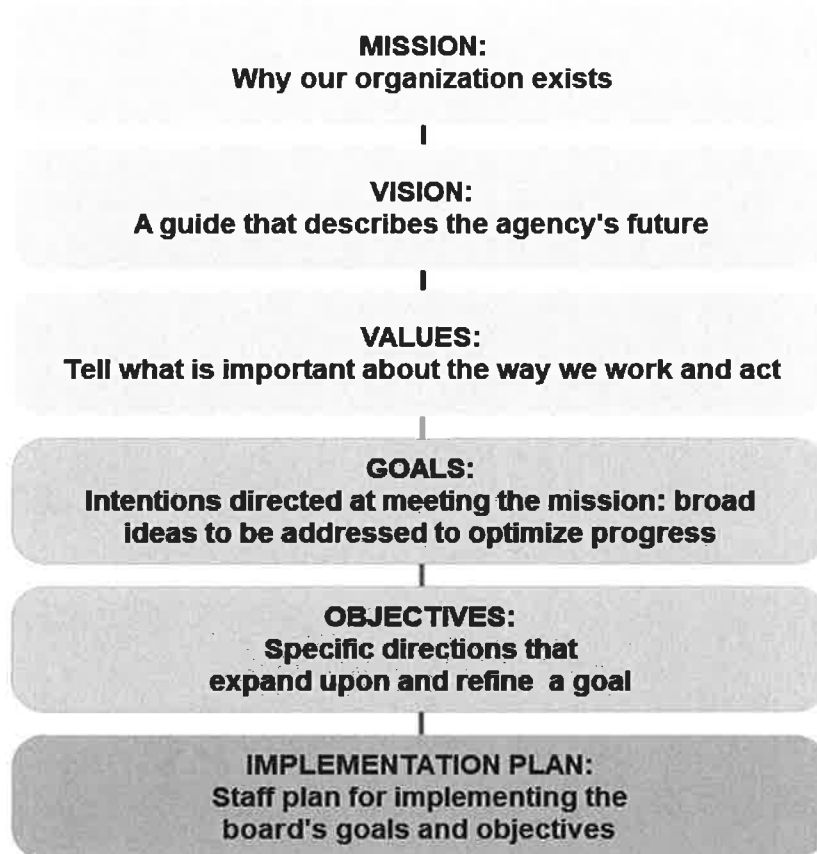
The goals and objectives are presented on the following pages. They, along with the mission, vision and values represent the core strategic direction provided in this plan.

**Goals** are intentions that are directed at meeting the mission of the District. They describe broad, primary areas of management, operations, and planning that need to be addressed to ensure optimum progress. Goals are not connected to timelines.

**Objectives** are more specific directions that expand upon and refine the goals. They are set by the Board. There may be multiple objectives for each goal. They are SMART: Specific, Measurable, Attainable, Related to Goals, and Time Certain.

**Implementation.** A summary of Staff's approach to implementing the plan is shown under each objective.

**Timing.** Staff will implement the goals and objectives as appropriate and report on all of them annually early in each budget season.



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

**1.A. ACTIVITIES FOR COMPLETION**

- A.1 Obtain the necessary permits to utilize the full capacity of the Supplemental Water Project pipeline. [2020]**
- A.2 The District shall provide new service connections to customers when the NCSD Board lifts Severe Criteria condition groundwater pumping restrictions. [July 2018]**
- A.4 NCSD will make available imported water to other purveyors once the NSWP pipeline is permitted to be used at full capacity. [2020]**
- A.5 Expedite funding and implementation of final phases of the Supplemental Water Supply Projects (up to 3,000 acre-feet). [2023]**
- A.6 Update the Water Master Plan to ensure: long-term quality; reliability; cost-effectiveness; and ability to meet customer needs and regulatory requirements. [2018]**
- A.7 The District will seek to sell temporary water to other purveyors to utilize take or pay water and offset costs. [2018]**

**1.B. ONGOING ACTIVITIES**

- B.1 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.**
- B.2 Engage with other local and regional organizations to develop solutions to long-term water supply challenges such as providing emergency backup supplies, and ensuring long-term water supply reliability, etc.**
- B.3 Seek opportunities for mutually beneficial shared use of the Supplemental Water Project pipeline once it is permitted to transmit its full capacity.**
- B.4 Maintain the Water Shortage Response and Management Plan to respond to drought and other supply emergencies.**

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

**2.A. ACTIVITIES FOR COMPLETION**

- A.1 Complete the Supplemental Water Project (NSWP). (2024)**
  
- A.2 Develop a pathway to complete needed upgrades and replacements for the Blacklake wastewater treatment plant. [2018]**
  
- A.3 Carry out treatment plant expansion on the scheduled trigger of 700,000 gallons per day of capacity. District is currently at 650,000 gallons per day (3-5 years).**

**2.B. ONGOING ACTIVITIES**

- B.1 NCS D shall maintain long-range infrastructure management, upgrade and replacement planning.**
  
- B.2 Manage both collection systems with the objective of zero spills and zero permit violations.**
  
- B.3 Manage both treatment facilities with the objective of zero permit violations and long-term preservation of assets.**

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

**3.A. ACTIVITIES FOR COMPLETION**

**A.1 Raise the Bar on Operational Effectiveness.** [Ongoing with Annual Report]

IMPLEMENTATION: Staff defined and follows operating rules and agreements with purveyors, coordinates with the city of Santa Maria on a daily basis on operating the SWP, is implementing a new disinfectant, and is managing the transmission system at a more sophisticated level.

**A.2 Plan for staff succession.**

Develop a 3 to 5 year staff succession plan by January 2019

**3.B. ONGOING ACTIVITIES**

**B.1 Ensure the District is adequately staffed with high quality, long-term employees and supported by appropriate contractors and partnerships.**

**B.2 Maintain a strong commitment to a safe work place.**

**B.3 Maintain effective disaster response capability.** This includes operational resiliency in the face of floods, earthquakes and other emergencies.



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

**4.A. ACTIVITIES FOR COMPLETION**

- A.1 Develop a financial plan to fund the infrastructure buildout, including the fair share from participants in the water supply pipeline. [Prioritize after the current rate study is complete] (2018)**
- A.2 Ensure billing processes are efficient, cost-effective and fair. Evaluate the potential costs and benefits of monthly compared to bi-monthly billing. [2018]**
- A.3 Develop a Near-, Mid-, and Long-Term Plan to Pay for Take-or-Pay Water. Evaluate potential and options for ramping rates over time compared to making rate jumps as the water becomes available. [2019]**

**4.B. ONGOING ACTIVITIES**

- B.1 Evaluate, plan for and maintain finances that are adequate for all needs, stable, and reliable over the long-term.**
- B.2 Ensure that purveyors and others pay their fair share of financing water supply, supplemental water, conservation, and sustainability of the regional water supply. Purveyors should pay their share up front before getting water in order to help finance next phases of supplemental water program.**
- B.3 Monitor liabilities for post-employment benefits. Continue to track State progress to reform post-employment benefit programs.**
- B.4 Monitor opportunities for grant funding.**  

IMPLEMENTATION: Staff is pursuing Proposition 1 grant funding and looking for other ways to pay for infrastructure improvements.
- B.5 Maintain adequate rates to fund future capital replacements.**
- B.6 Maintain sound investment policy and investments.**

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

**5.A. ACTIVITIES FOR COMPLETION**

**A.1** Ensure efficiency and effectiveness in operations, including evaluating Automated Meter Reading. [2019]

**A.2** Utilize metrics for measuring operational effectiveness to ensure improvements in reliability, and cost-effectiveness of operations and maintenance. [2020]

**5.B. ONGOING ACTIVITIES**

**B.1** Continue to improve maintenance management programs for both water and wastewater systems to ensure quality and reliability of services, to maintain warranties, and protect investment in new facilities (maintenance management).

**B.2** Meet all regulations.

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

**6.A. ACTIVITIES FOR COMPLETION**

**A.1 Board carry out an annual self-evaluation** seeking to provide better policy guidance, by-laws, and increase efficiency and effectiveness. [Annually]

**A.2 Periodically review, update and reaffirm District policies and procedures.** [2020]

**A.2 Conduct annual customer satisfaction survey.** [2018]

**6.B. ONGOING ACTIVITIES**

**B.1 Utilize technology to maximize productivity and communications.** [date]

**B.2 Provide excellent customer service.**

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

**7.A. ACTIVITIES FOR COMPLETION**

**A.1 Develop and implement a complete outreach plan and timeline with specific goals and budget each year. [2018]**

IMPLEMENTATION: Will continue to maintain the staffed position that utilizes current communication strategies including multiple online platforms, monthly news articles for the local paper, monthly and quarterly newsletters, advertisements in other traditional media platforms and other outreach efforts.

**7.B. ONGOING ACTIVITIES**

**B.1 Maintain productive communication and relationships** with key stakeholders, such as city, County, State and Federal legislators, service clubs, etc. As appropriate, plan and assign for this role.

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

**8.A. ACTIVITIES FOR COMPLETION**

A.1 SOLID WASTE. Seek to maximize solid waste services for community and build understanding of services like hazardous waste, recycling, etc. and District's role. [2020]

**8.B. ONGOING ACTIVITIES**

B.1 PARK. Remain engaged in community planning at the Board level.

B.2 STREET LIGHTING. Monitor maintenance of facilities and respond to observed problems.

B.3 DRAINAGE. Monitor maintenance of facilities and respond to observed problems.

B.4 STREET LANDSCAPING. Monitor landscape maintenance and respond to observed problems.

B.5 PARK. Communicate district's commitment to follow through pending acquisition and/or availability of funding source.

## MONITORING AND ENSURING RESULTS

### Overseeing the Plan

To ensure that the Strategic Plan continues to be implemented and results achieved, the District plans to take the steps outlined below:

- Publish the Mission, Vision, Values Goals and Objectives in the, newsletter and on the district website
- Incorporate the Mission, Vision, Values, Goals and Objectives into the employee handbook, as well as orientation and training materials for new employees.
- Present the Strategic Plan to the entire staff so they are familiar with it and can better undertake their individual roles in fulfilling it.
- GM performance will be evaluated in part based on their implementation of the Strategic Plan Goals and Objectives.
- Staff will reference Strategic Plan items on Board meeting agendas as appropriate.
- The Board, with staff support, will review and update the Strategic Plan periodically and roll it forward.

# Appendix

## Expectations for the Strategic Planning Process

The first question asked in the first workshop was for each of the participants to share their initial expectations for the workshop by considering their own goals for the workshop, and what they hoped the outcome would be. The expectations are organized into topic headings below.

**Note: the numbers in parenthesis indicate how many comments were made on that topic. E.G. BUILD CONSENSUS ON IMPORTANT ISSUES was commented on 7 times.**

### **BUILD CONSENSUS ON IMPORTANT ISSUES (7)**

Gain consensus on important issues coming up in the next several years.

Identify our priorities and reality check them.

Identify goals and objectives to stay on track.

Foster a good discussion and hear from each other.

Team building and hear from others.

### **RELATIONSHIPS WITH STAFF (3)**

#### **WHERE DO WE GO NEXT? (2)**

Completed many projects, now what?

### **FUTURE INSTITUTIONAL RELATIONSHIPS (2)**

Consider institutional relationships in light of upcoming LAFCO MSR

Determine how to deal with SOCWA moving forward (JPA Agreements, Representation, Cost Allocation and Management)

Identify how can we engage with neighbors more and more effectively?

### **BOARD AND STAFF ROLES AND RELATIONSHIPS**

#### **ROADMAP TO THE FUTURE**

Develop a roadmap to pave the way for new direction in a way that would be useful in the near term and to future directors and staff.

Think ahead and consider what actions may affect us - supply, technology, regulations, etc. -- so we can be prepared.

Conduct what-if exercises and scenarios, and provide clarity of direction.

#### **LOCAL WATER SUPPLY**

Consider more options.

Identify what is next with recycled water?

#### **SUCCESSION**



BACK COVER  
Prepared By:  
RCC LOGO  
[www.rauchcc.com](http://www.rauchcc.com)

TO: BOARD OF DIRECTORS  
 FROM: MARIO IGLESIAS  
 GENERAL MANAGER  
 DATE: April 6, 2018

*MS*

**AGENDA ITEM  
 F  
 APRIL 11, 2018**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is March 25, 2018 through April 7, 2018.*

**DISTRICT BUSINESS**

**Administrative**

The District encourages residents to provide reports of any observed water waste. The District keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks. The March data below is current.

**Office Activities**

	Mar-18	Jul-Mar 2018
Reports of water waste followed up on	0	1
Leak Adjustments	3	20
Leak Adjustment Amount	\$702	\$6,659

**Water Resources**

**Table 1. Total Production (AF)**

	Mar-18	Jul - Mar 18
Groundwater Production	33.7	731.1
Supplemental Water Imported	77.8	745.9
Total Production	111.5	1,477.0

In March 2018, NCSD imported 77.8 AF of water over the 31 day period averaging 567 gallons per minute for a daily total of 817,781 gallons per day. For fiscal year 2017-18 [July-2017 through June-2018] the District must import 800 AF of supplemental water. During summer months, it is possible that additional import water up to the distribution systems capacity of 85 AF per month may be reached if needed.

**Table 2. FY 2018 Total Demand To-date Compared to 2013**

	Mar-18	Jul-Mar 2018
Total Production (AF) for FY 2017-18	111.6	1,477.0
Total Production (AF) for 2013	185.5	1,883.9
Reduction	73.9	406.9
Percentage Reduction	39.8%	21.6%

Table 2 compares the District’s total demand for the month of March and the Fiscal Year’s year-to-date total. The community’s water conservation effort reached 40% compared to February 2013. The District’s Year-to-Date conservation effort for the first 8 months of the fiscal year is 21.6%. March was more in line with normal temperatures and rainfall and could explain the water demand reductions.

**3) NCSW GW Reduction**

The District’s purveyor customers, GSWC and WMWC, each claim 16.66% (cumulatively 33.33%) of the imported water NCSW brings onto the basin through the NSWP. Of the 800 AF minimum imported water from the CSM, 266.6 AF will be credited to these two purveyor customers. The credited amount must be added to the District’s groundwater pumping total every month to reflect the groundwater pumped by these customers in-lieu of taking imported water from the District. Table 3 below demonstrates the calculus for determining the District’s groundwater reduction.

**Table 3. NCSW GW Reduction (NCSW GW Well Production plus Purveyor Credit)**

	Mar-18	Jul-Mar 18
NCSW GW Well Production	33.7	731.1
Purveyor Customer Credit (33.3% of Import Water)	<u>25.9</u>	<u>248.6</u>
NCSW Total Calculated GW Production	59.6	979.7
Average GW Production for 2009-2013	<u>160.4</u>	<u>1,916.2</u>
NCSW Percentage of GW Reduction	63%	49%

Taking into consideration the above referenced purveyor customer credit the District can claim a groundwater pumping reduction of 63% for the month of March compared to the 5-year average from 2009 to 2013. For the first 9 months of the fiscal year, the cumulative groundwater pumping reduction reached 49%. At the current Stage IV level of NMMA’s Water Shortage Condition and Response Plan, the District has targeted groundwater reduction level of 50% for the year.

Table 4 below is a forecasting tool used to track the District projection as it targets a 50% reduction in groundwater pumping. NCSW Total Calculated GW Production is calculated by projecting an estimate of 85 AF per month of supplemental water for each month from and subtracting this amount from last year’s corresponding total monthly demand. Using these figures the District will need to reduce its groundwater pumping by 64.79 AF over the next 3 months to reach a 50% pumping reduction. This projection includes 987 AF of imported water.

**Table 4. Year-end Projection: NCSW Groundwater Pumping**

	Mar-18	Apr-18	May-18	Jun-18	Jul-Jun 2018	Target	Over/Under
NCSW GW Well Production	33.7	60.8	99.9	105.7	997.5		
Purveyor Customer Credit (33.3% of Import Water)	<u>25.9</u>	<u>28.3</u>	<u>28.3</u>	<u>28.3</u>	<u>329.1</u>		
NCSW Total Calculated GW Production	59.7	89.1	128.2	134.0	1,330.8	1,266.0	-64.79
Average GW Production for 2009-2013	160.4	199.0	261.6	263.5	2,533.3	2,533.3	
NCSW Percentage of GW Reduction	<u>63%</u>	<u>55%</u>	51%	49%	47%	50.0%	

The District continues to strive for the NMMA-TG objective of reducing groundwater pumping by 50%. Last month’s projections resulted in a “Target Over/Under” of -75.79 acft – meaning the District needed to reduce its pumping by 75.79 acft over the remaining four month period to reach the stated objective. Pumping was reduced in April below the projected amount by 11

acft. If that trend continues (reducing 11 acft/month groundwater pumping/month) projections would shift to 49% reduction in groundwater pumping by the end of the fiscal year.

**Rainfall Gauge**

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
March 2018 Total	6.22	5.08
July-2017 through March-2018 (Seasonal Total)	9.18	8.35
Average Annual Year Rainfall	18	16

**Safety Program**

- No incidents

**Other Items and News of Interest**

- None listed.

**Supplemental Water Capacity Accounting**

The District is not currently accepting applications for new water service.

<b>Supplemental Water Available for Allocation</b>	500	AFY
<b>Supplemental Water Reserved (Will Serve Letters Issued)</b>	-23.2	AFY
<b>Subtotal Net Supplemental Water Available for Allocation</b>	476.8	AFY
<b>Supplemental Water Assigned (Intent-to-Serve Issued)</b>	-79.1	AFY
<b>Total Remaining Supplemental Water Available for Allocation</b>	397.1	AFY

This information is accurate up to March 23, 2017.

**Connection Report**

The Connection Report is current through March 2018.

Nipomo Community Services District Water and Sewer Connections	END OF MONTH REPORT		
	18-Jan	18-Feb	18-Mar
Water Connections (Total)	4405	4405	4405
Sewer Connections (Total)	3174	3174	3174
New Water Connections	3	0	0
New Sewer Connection	3	0	0
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	473	473	473

**Meetings (March 25 through April 7)**

*Meetings Attended (telephonically or in person):*

- *Mar 26, General Counsel/Management Team*
- *Mar 27, Blacklake Planning Meeting*
- *Mar 28, Rotary*
- *Mar 28, Regular Board Meeting*
- *Mar 28, Sedaru – Planning Meeting*
- *Mar 29, Kiwanis Presentation – SWP Update*
- *April 2, Ad Hoc BL RFP Planning Meeting*
- *April 2, Board Officer Meeting*
- *April 3, Management Team*
- *April 4, RWMG*
- *April 4, WRAC Special Presentation*
- *April 5, County Meeting - Prop 1 Funding*
- *April 6, NMMA-TG*

**Meetings Scheduled (April 8 through April 14):**

- *April 9, Finance & Audit Committee*
- *April 9, Facilities & Water Resources Committee*
- *April 9, Budget Review*
- *April 10, GSWC/NCSD Interties Meeting*
- *April 10, Engineering/Administration Meeting*
- *April 11, Rotary*
- *April 11, Regular Board Meeting*
- *April 11, General Counsel/Management Team*
- *April 12, SLO County – Basin Boundary Modification*
- *April 13, BL Sewer Ad Hoc Committee*

**Upcoming Water Resource and Other Meetings**

- *NMMA-TG: TBD @ AM, NCSD Board Room*
- *RWMG: May 2<sup>nd</sup> @ 10:00 AM, SLO Library*
- *WRAC: May 2<sup>nd</sup> @ 1:30 PM, SLO Library*
- *NMMA Purveyor Meeting: April 18<sup>th</sup> @ 10:00 AM, NCSD Admin Office*
- *NCMA/NMMA Managers Meeting: TBD*
- *Nipomo Chamber of Commerce: April Meeting TBD*

**RECOMMENDATION**

Staff seeks direction and input from your Honorable Board

**ATTACHMENTS**

No Attachments