

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

**AGENDA ITEM
E-4
JULY 26, 2017**

DATE: JULY 20, 2017

CONSIDER MODIFYING BOARD MEETING SCHEDULE

ITEM

Consider modifying the current approved 2017 Board Meeting schedule. [RECOMMEND MODIFY BOARD MEETING SCHEDULE]

BACKGROUND

On December 14, 2016 your Board approved the 2017 Regular Board Meeting schedule ("2017 Schedule"). As has been your Board's past practice, included in your 2017 Schedule are three planned Board Meeting recesses, a summer recess in August, and a holiday recess in the months of November and December.

After setting your 2017 Schedule, the California Special District Association ("CSDA") sent notice of their annual conference. Your Board has participated in this conference for several years, taking advantage of the extensive educational opportunities this event provides to Directors of special districts state wide.

The 2017 Schedule and the CSDA Annual Conference are in conflict this year. The conference is being held the same week as your Board's second meeting in September. With the planned summer recess in August and the loss of a second meeting in September due to the CSDA Annual Conference your Board will be limited to one meeting for each of these two months.

Your Board could modify the 2017 Schedule by conducting the second meeting in August and moving the summer recess to the second meeting in September. By doing so, your Board would maintain the planned number of Board Meetings for 2017.

FISCAL IMPACT

If your Board moves the summer recess from the second meeting in August to the second meeting in September, there is no impact to the budget. If your Board choosing to cancel the second meeting in September to accommodate the CSDA Annual Conference, there would be a savings of approximate \$1,000.

STRATEGIC PLAN

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

RECOMMENDATION

It is recommended that your Board modify the 2017 Schedule by scheduling a Regular Board Meeting for August 23, 2017 and cancelling the September 27, 2017 meeting.

ATTACHMENT

A. 2017 Board Meeting Schedule

July 26, 2017

ITEM E-4

ATTACHMENT A

TO: BOARD OF DIRECTORS
FROM: MARIO E. IGLESIAS
GENERAL MANAGER
DATE: DECEMBER 8, 2016

**AGENDA ITEM
E-1
DECEMBER 14, 2016**

APPROVE 2017 BOARD MEETING SCHEDULE

ITEM

Review and approve 2017 schedule of Regular Board Meetings. [RECOMMEND APPROVE SCHEDULE]

BACKGROUND

Section 2.1 of the Board By-Laws states:

Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 9:00 a.m. on the second and fourth Wednesday of each calendar month in the Board Room at the District Office located at 148 South Wilson, Nipomo, CA. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director Meetings due to scheduling conflicts and holidays.

Proposed Regular Board Meeting Schedule for 2017

1st Meeting of Month	2nd Meeting of Month
January 11	January 25
February 8	February 22
March 8	March 22
April 12	April 26
May 10	May 24
June 14	June 28
July 12	July 26
August 9	Cancelled – Summer Recess
September 13	September 27
October 11	October 25
November 8	Cancelled – Holiday Season
December 13	Cancelled – Holiday Season

Special Meetings will be called subject to Section 2.2 of the Board By-Laws as follows:

Special meetings may be called by the President or three (3) Directors with a minimum of twenty-four (24) hours public notice.

All meetings will be noticed pursuant to the Brown Act.

RECOMMENDATION

Staff recommends that your Board by motion and roll call vote approve the 2017 Board Meeting Schedule as presented above.

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER

DATE: JULY 17, 2017

AGENDA ITEM

E-5

JULY 26, 2017

**CONSIDER ENDORSING AN ADVANCED METERING
INFRASTRUCTURE (AMI) SOLUTION FOR LEAK DETECTION
AND METER READING**

ITEM

Consider endorsing an Advanced Metering Infrastructure (AMI) leak detection system that includes monitoring the water main distribution system for leaks and provides customer side water meter leak alerts. [RECOMMEND BOARD DISCUSSION ON IMPLEMENTATION OF AMI, TAKE PUBLIC COMMENT AND DIRECT STAFF.]

BACKGROUND

The Nipomo Community Services District ("District") is leading an effort to install Advanced Metering Infrastructure ("AMI") on the Nipomo Mesa. Working with Golden State Water Company ("GSWC"), Woodlands Mutual Water Company ("WMWC") and the County of San Luis Obispo ("County"), the District is partnering with these organizations to combine our collective efforts and resources to reduce water loss on the Nipomo Mesa.

Reducing the percentage of water lost through leaks will save water and money. All water systems are prone to water loss through leaking pipes. The American Water Association ("AWWA") and the International Water Association ("IWA") are industry standards development organizations recognized around the world as the water industry leaders. According to extensive research from these organizations, water distribution systems average 7 to 15 percent of non-revenue water and much of that is due to water loss through leaking distribution water mains and customer service lines.

BENEFITS OF AMI

AMI Saves Water

Failures in the water distribution and delivery systems result in lost water. The water distribution system is made up of water mains, valves, and service lines. The water delivery system consists of water meters and customer service lines. Water loss through leaks in these underground water pipelines can go undetected for significant periods of time. Detecting leaks when they happen will save water that can be put to beneficial use.

AMI Saves Money

AMI systems are capable of monitoring District distribution systems and customer delivery systems. Water lost through the District distribution system increases the amount of purchased water imported onto the Nipomo Mesa and increases energy costs for pumping additional ground water. AMI saves customer's money by reducing the percentage of non-revenue water lost to leaks.

AMI reduces meter reading costs and customer service response hours by remotely reading water meters. The District spends \$40,000 per year on contract services to read water meters and hundreds of hours of staff time reading water meters due to high-bill investigations, closing bills, and reading verifications. AMI eliminates the need for contract meter reading and allows staff to interrogate meters remotely saving the costs of site visits.

Enhanced Customer Service

The District reads water meters every other month. This provides a limited view of water use and is intended only to determine the user's consumption level for billing purposes. Should the customer's system develop a water leak shortly after its bimonthly read, it could be 60 days before the leak is detected. With an AMI solution, customers receive a proactive monitoring system that allows for ongoing leak detection at the meter. The District will be able to provide consumers with a leak alert and an hour-by-hour usage history. This tool can alert customers of unintended usage such as irrigation systems that are left on during winter months, leaking underground water lines, or unauthorized water use on their property.

An AMI system gives value to and enhances the customer's service experience by providing information and service that educate and empower customers. Included in the AMI implementation strategy is an online web-based portal that provides customers with tools to monitor their own water usage. Customers will have the ability to set alarms notifying them of water use even while away from their property.

PHASED IN APPROACH

The District is looking to institute AMI in multiple phases. The first phase includes setting up the communications network and installing a limited number of monitoring nodes – distribution leak detection devices and AMI capable water meters. With completion of this first phase, an ongoing meter aging program will migrate non-AMI water meters out of the District's meter inventory and replaced with new AMI capable water meters over 10 years. Staff will evaluate energy and resource grant program opportunities that would accelerate full deployment of the AMI system and will bring these opportunities to your Board for consideration when available.

COOPERATIVE EFFORT

The District is working with GSWC and WMWC to develop systems that can save water and money for customers. The funds made available by the County must be applied to water conservation efforts within the Nipomo Mesa Water Conservation Area as defined in Figure 7-1 of the County's Department of Planning and Building, Title 19. Building a system that can be shared by the three water purveyors on the Nipomo Mesa provides a water conservation program for a majority of users and is consistent with the intent of the County's purpose for establishing Ordinance 3160 ("Ordinance") [Attachment A] and collecting fees.

SOLE-SOURCE OPTION

A sole-source option is being proposed for several reasons. The AMI project described above is the first phase of a multiphase program that establishes a communication platform for leak detection on the Purveyors distribution mains and the customer's meter and service lines. AMI exceeds the limits of simply reading water meters – it is a comprehensive water distribution leak detection solution. AMI combines monitoring hardware, controlling software, and a wireless communication network that provides water purveyors and customers with a package of sophisticated analytical tools presented in a user friendly web-based environment. AMI is a

customer service tool that proactively reduces the cost of service by reducing man-hours for meter reading and service calls.

AMI is comprised of two distinct elements, a wireless network for communication and field devices or nodes that monitor pipelines and meters. Examples of nodes are water meters, pressure sensors, and leak detection devices. AMI wireless networks are based on licensed or non-licensed frequencies.

Staff seeks conceptual approval from your Honorable Board to advance the AMI framework with the Purveyors. As expressed above, staff would ask your Board to purchase and install a licensed fixed base radio network ("Fixed Base") manufactured by Sensus in a separate staff report should your Board approve the AMI concept as proposed. Staff will be recommending a sole-source purchase agreement for a licensed Sensus Fixed Base system as it provides unique and essential features advantageous to the proposed shared network – features that are not available from other manufacturers. Specifically, those features are:

Licensed Frequency

Sensus is the only Fixed Base AMI manufacturer that has a licensed frequency based communication network. Other manufacturers use unlicensed frequencies that are shared by a host of technologies from garage door openers, local wireless networks to cordless telephones. The interference from these devices can hamper the data through-put speed and quality compromising the capability of AMI.

Licensed frequencies are permitted to transmit at a higher power output. With higher power outputs, a licensed frequency system is more reliable and reaches field nodes shadowed by trees and structures. Licensed frequencies are protected by the Federal Communications Commission.

Limited Collectors

The Sensus Fixed Base system requires two radio transmit/receive stations ("Collectors") to cover the District's service area. Non-licensed systems will require more than a dozen Collectors to cover the same area. Non-licensed systems must be within a line of sight from one another and in the absence of District owned street light stances or other antenna, it would be challenging to install a non-licensed systems. The District would need to enter into long term agreements with private property owners and/or the County for right-of-ways to install a host of antennas in the District's service area.

Shared Infrastructure

The proposed Sensus Fixed Base system is capable of multi-tenant occupancy in a single collector. The Purveyors will be able to share the Sensus system thereby reducing the cost to each Purveyor by limiting the number of Collectors and increasing the overall reliability of the system.

Sensus has completed a radio propagation study on the Nipomo Mesa, evaluating the service areas of the Purveyors. While two Collectors proved sufficient to provide full coverage of the District's area, to provide coverage for the GSWC's Cypress Ridge District a third Collector is required. In addition, for greater redundancy and to provide WMWC with security over their own system, a forth Collector installed on a WMWC facility is being proposed.

Compatibility

There are Fixed Base compatibility advantages between in Sensus products. The District's water meter inventory has developed over twenty years to include water meters from various meter manufacturers with no one manufacturer's product specified by the District. The District has several hundred Sensus meters adaptable to Sensus AMI and WMWC installed all Sensus meters on services for existing homes and plans to continue with Sensus meter installations. GSWC does not plan on using the metering leak detection feature at this time, but could choose to in the future. Installing a Sensus AMI Fixed Base system allows Purveyors to work with one point of contact to remedy integration issues between nodes, communication system and software.

Proven Reliability

The City of Santa Maria has been utilizing Sensus AMI for over seven years. The Utility Department Manager is satisfied with the product from the licensed frequency designed into the Collectors, to the meters. There are hundreds of Sensus AMI deployments that have proven reliability. No other AMI manufacturer has more active systems than Sensus.

NEXT STEPS

The proposed AMI solution staff would be bringing to your Board should you choose to continue to advance would include three deployment models: (1) cooperative effort between the District and both Purveyors, (2) cooperative effort between the District and a limited number of Purveyors, (3) the District stand-alone solution. The District AMI design is flexible when utilizing the Sensus Fixed Base products. The County has been notified of the District's intent [Attachment B] to put funds collected under the Ordinance towards its intended purpose, developing a water conservation program.

It is anticipated that a formal agreement would outline an understanding between the District and Purveyor's on the use and ownership of the proposed AMI Fixed Base system and the field nodes. This agreement would be brought before your Board. Regardless of a signed agreement, the staff recommends your Board consider advancing the concept of AMI and direct staff to provide your Board with an item for consideration to purchase and installation the proposed AMI system. Letters of support and interest for the proposed AMI system from the Purveyors are attached [Attachment C].

FISCAL IMPACT

The District would utilize funds designated for water conservation and collected through County Ordinance. The Ordinance has be superseded and there are no additional funds being added to the approximately \$525,000 fund balance in this account. These funds would be applied in full to the developing the Fixed Base element of the AMI system with any residual funds directed to purchasing and installing a limited number of leak detection nodes for the District and Purveyors.

A second source of funding for AMI may be available to WMWC and the District through a Memorandum of Understanding ("MOU") between the two water agencies [Attachment D]. There is approximately \$109,000 for developing a resource preservation program that benefits the groundwater basin underlying the Nipomo Mesa. Funds collected under the MOU could be applied to the purchasing power of the District and WMWC to cover the cost of additional nodes – water meters and leak detection devices – to be installed in the first phase of implementation.

District staff would propose a spending plan limited to the funds available in the Ordinance and possibly available in the MOU [Attachment E] for the first phase of AMI implementation. The first order of spending would be on developing the Fixed Base network, followed by software integration and node deployment.

The fiscal impact to the District's 2017-18 fiscal year budget is limited to staff time. Equipment and consultant services being recommended in the first phase of AMI implementation is not funded by any District Water Enterprise Funds – it would strictly funded from the two aforementioned sources.

There would be District executive team administration time needed to development and execute agreements, operational staff time to oversee the installation process, and office administration time needed to develop a new workflow with the automated systems. A new Customer Service position is included in the 2017-18 fiscal year budget and if approved will provide significant time and effort to AMI implementation. If the Customer Service position is not approved, staff will prioritize duties and include time to implement the AMI systems.

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.

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.

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

4.3 Monitor opportunities for grant funding.

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

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

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

6.2 Utilize technology to maximize productivity and communications.

6.3 Provide excellent customer service.

RECOMMENDATION

Recommend your Honorable Board discuss the proposed conceptual implementation of AMI, take public comment, and direct staff.

ATTACHMENTS

- A. San Luis Obispo Ordinance 3160
- B. Letter of Intent: District notification to County of San Luis Obispo to expend funds
- C. Letters of Support: Purveyor letters acknowledging District's intent to install AMI
- D. Memorandum of Understanding between WMWC and District
- E. District/Purveyor AMI Spending Plan

July 26, 2017

ITEM E-5

ATTACHMENT A

Adopted 21 OCT 2008

EXHIBIT LRP: 2007-0006:A

ORDINANCE NO. 3160

AN ORDINANCE AMENDING TITLE 19 OF THE SAN LUIS OBISPO COUNTY CODE, THE BUILDING AND CONSTRUCTION ORDINANCE, BY AMENDING SECTION 19.07.042 RELATING TO WATER CONSERVATION IN THE NIPOMO MESA WATER CONSERVATION AREA AND ADOPTING FINDINGS OF FACTS TO SUPPORT THE IMPOSITION OF REQUIREMENTS GREATER THAN ESTABLISHED BY OR PURSUANT TO THE CALIFORNIA BUILDING STANDARDS CODE

WHEREAS, California Health and Safety Code, Sections 18941.5 and 17958.5 authorizes the Board of Supervisors to make modifications or changes to the California Building Standards Code, including adopting more restrictive building standards, as it determines are reasonably necessary because of local climatic, geological, or topographical conditions;

WHEREAS, California Health and Safety Code Section 17958.7 requires the Board of Supervisors to make an express finding that such modifications or changes are reasonably necessary because of local climatic, geological, or topographical conditions;

WHEREAS, the Board of Supervisors finds that each of the changes or modifications to measures referred to herein are reasonably necessary because of local climatic, geological, or topographical conditions in the area encompassed by the boundaries of the County of San Luis Obispo, and the Board of Supervisors further finds that the following findings support the local necessity for the changes or modifications:

FINDING 1

Climatic: Climatic conditions in this jurisdiction have led to groundwater basin overdraft conditions that must be addressed through installation of lower water using fixtures such as toilets. Uneven rainfall patterns and dry summers contribute to lowering groundwater levels.

WHEREAS, the Board of Supervisors determines that the provisions of the State Building Standards Code are hereby modified, changed and amended, as provided for in this ordinance, and as previously provided in ordinance number 3139 (Chapters 19.01, 19.04, 19.40, and 19.80 and Sections 19.20.002 through 19.20.090, 19.20.150 through 19.20.380, 19.20.126 and 19.90.010 of the San Luis Obispo County Code are hereby repealed and replaced by new Chapters 19.01, 19.02, 19.03, 19.04, 19.05, 19.06, 19.07, 19.40, 19.80, and 19.85 and new Sections 19.20.126 and 19.90.010) based upon the foregoing findings and that said Board takes said action because of the public interest in protecting life and preserving public safety and property.

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1: Section 19.07.042 of the Construction Ordinance, Title 19 of the San Luis Obispo County Code, is hereby amended by revising subsection b as follows:

19.07.042 - Water Conservation Provisions. The requirements in this section shall apply to all new installations and, where specifically required, to existing structures.

- a. **Water fixtures.** Water fixtures shall comply with current requirements of the California Energy Commission and Department of Water Resources.
- b. **Existing Structures.** In existing buildings, replacement water fixtures shall conform to the above requirements. In addition, all fixtures in an existing building shall be brought into conformance with these requirements when an alteration of that building meets either of the following criteria, except in the Nipomo Mesa Water Conservation Area and the Los Osos Groundwater Basin as described in Subsections d and e.
 - (1) A bathroom is added;
 - (2) The floor areas is increased by twenty per cent (20%) or more
- c. **Other requirements:**
 - (1) Spas, hot tubs, fountains and other decorative bodies of water shall be equipped with recirculating systems and shall be designed to operate without a continuous supply of water.
 - (2) Vehicle wash facilities shall have approved water reclamation systems which provide for reuse of a minimum of 50 percent of the wash water. Hoses, pipes, and faucets for manual application of water to vehicles at such facilities shall be equipped with positive shut-off valves designed to interrupt the flow of water in the absence of operator applied pressure.
 - (3) Water supply piping shall be installed so that each dwelling unit may be served by a separate water meter.

SECTION 2. Section 19.07.042 of the Construction Ordinance, Title 19 of the San Luis Obispo County Code, is hereby amended by amending subsection d as follows:

- d. **Nipomo Mesa Water Conservation Area:** In addition to the requirements in sections a, b and c above, the requirements in paragraphs (1) through (6) below shall apply to all new development that uses water from the Nipomo Mesa Water Conservation Area shown in Figure 20-2.

(1) The developer of any new structure that uses water from the Nipomo Mesa Water Conservation Area shall install plumbing fixtures that meet the following requirements:

- i. Toilets rated at no more than 1.28 gallons per flush (HET);
- ii. Showerheads rated at no more than 2.5 gallons per minute;
- iii. Bathroom sink aerators with a volume of no more than 2.0 gallons per minute;
- iv. Hot water circulation systems for master bathrooms and kitchens if the furthest plumbing fixture unit in these rooms is greater than twenty (20) pipe - feet from the hot water heater;
- v. Commercial structures shall use waterless urinals;
- vi. New residences shall be plumbed for grey-water systems pursuant to Chapter 16 of the Uniform Plumbing Code (Greywater Systems).

(2) Any remodel of an existing structure or addition to an existing structure that uses water from the Nipomo Mesa Water Conservation Area, that requires a construction permit pursuant to this Title, that is valued at \$20,000 or more as determined by the Building Division of the Department of Planning and Building, and that is not solely for roof replacement or electrical work to bring the structure into compliance with this Title, shall require the replacement of plumbing fixtures in the entire structure with the following types of plumbing fixtures:

- i. Toilets rated at no more than 1.28 gallons per flush (HET);
- ii. Showerheads rated at no more than 2.5 gallons per minute;
- iii. Bathroom sink aerators with a volume of no more than 2.0 gallons per minute;
- iv. All urinals in commercial structures shall be replaced with waterless urinals.

Toilets rated at no more than 1.6 gallons per flush are exempt from this requirement and do not have to be replaced.

(3) Prior to issuance of a construction permit for a new structure with plumbing fixtures that use water from the Nipomo Mesa Water Conservation Area, the developer of such new structure shall provide evidence to the Department of Planning and Building that the plumbing fixtures in five (5) existing structures within the Nipomo Mesa Water Conservation Area with toilets rated at 3.5 or

more gallons per flush have been retrofitted by replacing all toilets, showerheads and faucet aerators as follows:

- i. Toilets rated at no more than 1.28 gallons per flush (HET);
- ii. Showerheads rated at no more than 2.5 gallons per minute;
- iii. Bathroom sink aerators with a volume of no more than 2.0 gallons per minute;
- iv. All urinals in commercial structures shall be replaced with waterless urinals.
- v. Owners of existing structures that are retrofitted under this program shall agree to allow their water purveyors to release water use data to the Department of Planning and Building in order to gauge the effectiveness of the program to the extent allowed by California law.

Upon retrofitting of the required number of plumbing fixtures, the developer shall submit evidence of the completed retrofits to the Department of Planning and Building. This evidence shall consist of a Retrofit Verification Declaration completed and executed by a licensed plumber and/or contractor.

Upon submittal to the Department of Planning and Building of a completed and executed Retrofit Verification Declaration accompanied by the required fee, the developer shall be issued a Water Conservation Certificate from the Department of Planning and Building. Once the Water Conservation Certificate is issued, a construction permit may be issued.

- (4) In lieu of retrofitting plumbing fixtures in existing structures as specified in subsection d(3), a developer of a new structure may instead pay to the Nipomo Community Services District (hereinafter referred to as the "District") the amount of \$750.00 per toilet to be installed in the new structure. Prior to issuance of a building permit for the new structure specified in subsection d(3), a receipt for the payment to the District shall be submitted to the Department of Planning and Building.
- (5) The District shall use the in lieu fees specified in subsection d(4) for programs that result in measurable water conservation in the Nipomo Mesa Water Conservation Area, including but not limited to the following:
 - i. Subsidize toilet/showerhead retrofits.
 - ii. Subsidize interior water audits.
 - iii. Subsidize exterior water audits.
 - iv. Subsidize irrigation system changes that will save water pursuant to the results of a District-sponsored water audit.

- v. Subsidize removal of high water-using turf and landscape materials and replacement with low water-using landscape material.
- vi. Provide repairs to irrigation systems at a cost not to exceed \$100.00 per parcel.

Fees collected from new development located within the District boundaries shall only be used for water conservation projects within the District. Fees collected from new development that is located outside of the District boundaries shall be used for water conservation projects outside of the District boundaries.

- (6) As an alternative to subsection d(4), a developer or developers may chose to fund a water conservation program for public parks, school grounds or other public facilities in the Nipomo Mesa Water Conservation Area. The program to be funded will have been prepared by a California-licensed landscape architect for either the County Parks Department, the Lucia Mar School District or another public entity, as applicable. The program shall be reviewed and approved by the Planning Director and the owner of the public facility, and shall identify water savings and associated costs of conservation measures such as irrigation system replacement and/or repairs, installation of "smart controllers," removal of turf, replacement of high water using landscape material and amendments to soils. The water conservation program shall clearly identify the expected water savings from implementation of the program. Each contribution of \$1,500 to the applicable public entity for the water conservation program will satisfy the requirement to retrofit plumbing fixtures in **five (5)** existing structures prior to issuance of a construction permit for each new structure, in accordance with subsection d(3).

SECTION 3. The project qualifies for a Categorical Exemption (Class 7) pursuant to CEQA Guidelines Section 15307 because the actions proposed will assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

SECTION 4. If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION 5. This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Before the expiration of 15 days after the adoption of this ordinance, it shall be published once in a newspaper of general circulation published in the County of San Luis Obispo, State of California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

INTRODUCED at a regular meeting of the Board of Supervisors held on the 23 day of Sept., 2008, and PASSED AND ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the 21st day of October, 2008, by the following roll call vote, to wit:

AYES: Supervisors K.H. 'Katcho' Achadjian, Harry L. Ovitt, Jerry Lenthall,
Chairperson James R. Patterson

NOES: Supervisor Bruce S. Gibson.

ABSENT: None

ABSTAINING: None



Chairman of the Board of Supervisors,

County of San Luis Obispo,
State of California

ATTEST:

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk
of the Board of Supervisors
County of San Luis Obispo, State of California
BY: Christensen Deputy Clerk
[SEAL]

ORDINANCE CODE PROVISIONS APPROVED
AS TO FORM AND CODIFICATION:

WARREN R. JENSEN
County Counsel

By:  _____
Deputy County Counsel

Dated: 10.6.08

EXHIBIT 2007-0006:B: FINDINGS

Environmental Determination

- A. The Environmental Coordinator has approved a Categorical Exemption for this proposal (Section 15307, Class 7). The proposed Building and Construction Ordinance amendment constitutes an action to assure the maintenance, restoration or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment.

Amendment

- B. The proposed amendment to the Building and Construction Ordinance will limit the extraction of groundwater and expand the application of low water-use requirements.
- C. The proposed amendment to the Building and Construction Ordinance will require new development in the Nipomo Mesa Water Conservation Area (NMWCA) to retrofit existing development or pay an in-lieu fee to fund water conservation programs in the NMWCA.
- D. The proposed amendment is consistent with the Land Use Element and Local Coastal Program and other adopted elements of the general plan because the proposed requirements are consistent with the general goals of the Land Use Element to avoid the use of public resources, services and facilities beyond their renewable capacities, and to monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels.
- E. The proposed amendment will protect the public health, safety and welfare of the area residents by reducing water extractions from the groundwater basin by requiring new development to offset their new use of water by retrofitting existing homes and businesses with low water consumption plumbing fixtures, by requiring new development, remodels and additions to use low water consumption plumbing fixtures and to allow for an in-lieu fee to be used to fund water conservation in the NMWCA.

July 26, 2017

ITEM E-5

ATTACHMENT B

NIPOMO COMMUNITY

BOARD MEMBERS

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



SERVICES DISTRICT

STAFF

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

Serving the Community since 1965

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

April 27, 2017

Marvin Rose,
Interim Director
Planning and Building Dept.
San Luis Obispo County
976 Osos St., Rm 200
San Luis Obispo, CA 93408

Dear Mr. Rose:

**SUBJECT: NIPOMO COMMUNITY SERVICES DISTRICT
WATER CONSERVATION PROGRAM**

The Nipomo Community Services District ("District") is planning to advance its water conservation program using funds collected under San Luis Obispo County ("County") Ordinance 3160.

On October 28, 2008, the County Board of Supervisors adopted Ordinance 3160 ("3160"). 3160 amended Title 19 of the County Code, Building and Construction Ordinance, by amending section 19.07.042 in part relating to water conservation in the Nipomo Mesa Water Conservation Area ("NMWCA"). Within the amended provisions of Section 19.07.042, subsection d(4), the District was assigned the task of collecting in lieu of fees from developers who chose an alternative method of meeting County plumbing retrofit requirements on existing structures.

On October 27, 2015, the County Board of Supervisors adopted Ordinance 3307 ("3307"), amended Title 19 of the County Code, Building and Construction Ordinance, by amending section 19.07.042 in part relating to water conservation in the NMWCA. 3307 repealed in lieu of fees specified in Ordinance 3160 and the District stopped collecting these fees. The District is now in possession of approximately \$520,000 collected as in lieu of fees under Ordinance 3160 that must be dedicated to water conservation programs.

The District is planning to dedicate the funds collected under 3160 toward building a water conservation project in cooperation with the two other water purveyors on the Nipomo Mesa, Golden State Water Company and Woodlands Mutual Water Company ("Purveyors"). The District and Purveyors intend to integrate a mutually beneficial Advanced Metering Infrastructure ("AMI") system into our operations using funds collected by the Purveyors under 3160. AMI technology provides distribution system leak detection for the District, Purveyors, and customers. Leaks in the distribution system and on customers' property combined can account

for up to 10% of a water system's water loss. By utilizing AMI, the District and Purveyors will increase their water conservation effectiveness by reducing water loss through the early detection of water leaks.

The District must direct fees collected as a result of actions taken under 3160 towards "a program that results in measurable water conservation in the Nipomo Mesa Water Conservation Area" as stated in subsection (d)5 of said ordinance. The District and Purveyors are committed to meeting the intent of 3160 through implementation of AMI in the three respective water systems in the NMWCA.

The purpose of this letter is to make the County aware of the District and Purveyors' intention. The District is in possession of the funds collected under 3160 and is not seeking additional funds from the County for the water conservation program as described above.

If you have any questions or need additional information regarding this matter please contact me.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT



Mario Iglesias
General Manager

Enclosures: County Ordinance 3160
County Ordinance 3307

c: P. Sevcik, NCSD Director of Engineering and Operations
M. Zimmer, General Manager Golden State Water Company
R. Miller, Woodlands Mutual Water Company
W. McDonald, NCSD General Counsel
NCSD Board of Directors

July 26, 2017

ITEM E-5

ATTACHMENT C

WOODLANDS MUTUAL WATER COMPANY

PO BOX 19
ARROYO GRANDE, CA 93421

TELEPHONE 805-540-5208
FAX 805-544-4294

July 17, 2017

Mario Iglesias
General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444-0326

Subject: Advanced Metering Infrastructure on the Nipomo Mesa

Dear Mr. Iglesias:

Woodlands Mutual Water Company (WMWC) understands the Nipomo Community Services District (NCSD) is considering implementing an Advanced Metering Infrastructure (AMI) system on the Nipomo Mesa. Conceptually, NCSD is looking to build an AMI communication network that would accommodate usage by the three water purveyors on the Nipomo Mesa.

It has been expressed to our representative by NCSD's representative that the AMI system provides for leak detection at the meter and in the distribution system for a total leak detection solution. Also explained was NCSD proposal to utilize funds collected by the County of San Luis Obispo ("County") for water conservation.

Without any obligation to participate, WMWC believes the project concepts brought forward by NCSD do bring value to the Nipomo Mesa communities and we encourage NCSD to pursue this technology in earnest.

Sincerely,



Rob Miller, PE
General Manager

July 26, 2017

ITEM E-5

ATTACHMENT D

**MEMORANDUM OF UNDERSTANDING
FOR RESOURCE PRESERVATION AND MANAGEMENT**

This Memorandum of Understanding for Resource Preservation and Management ("MOU") is made and entered into this 16th day of December, 2002, by and between the **Nipomo Community Services District** ("District") and **Woodlands Ventures, LLC**, a Delaware Limited Liability Company ("Woodlands").

RECITALS

A. Woodlands is the owner of that certain real property located in the unincorporated area of the County of San Luis Obispo ("County") consisting of 957 acres on the Nipomo Mesa west of the community of Nipomo on the east side of Highway One ("Property"). The Property is proposed to be developed in four phases ("Phase") as a mixed-use project pursuant to the adopted Woodlands Specific Plan ("WSP"), hereinafter referred to as the "Project";

B. Woodlands is currently processing with the County applications for a vesting tentative map and two development plans, including a request for a water supply verification pursuant to Government Code §66473.7 ("Applications");

C. The District has opposed the Applications pending before the County and the District and the Woodlands are in litigation with each other in the case entitled Santa Maria Valley Water Conservation District v. City of Santa Maria, Civil Action No.770214 ("Santa Maria Litigation"); and

D. Woodlands and the District are desirous of cooperating and working together to resolve the differences between them and to create a program for the preservation and management of water resources that will benefit ratepayers of both the NCSO and the Woodlands over the long term.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises hereinafter set forth, the parties hereto agree as follows:

1. **Term.** This MOU shall become effective on the date first above written and shall remain in effect until terminated by the mutual consent of the parties or as

otherwise provided in this MOU. Notwithstanding anything to the contrary herein, in the event the District fails to approve, sign and return this MOU to the Woodlands on or before 11:00 p.m. on December 16, 2002, or the Woodlands fails to approve and sign this MOU by 9:00 a.m. on December 17, 2002, then this MOU shall be deemed withdrawn by the Woodlands and of no further force and effect between the Woodlands and District; in such event, neither party shall be bound by any of the terms herein in any way whatsoever.

2. Ratepayer Parity. In the event that the District or the Woodlands is required as a result of any settlement or judgment in the Santa Maria Litigation to pay any fee (other than their own attorney's fees) or take any action, including without limitation payment for the restoration and maintenance of the Twitchell Reservoir or importation of supplemental water, or either party in good faith reasonably believes that for the preservation of water resources necessary to serve the NCS D and Woodland's ratepayers certain action needs to be taken ("Resource Preservation"), the cost of such Resource Preservation shall be shared equally among the NCS D and Woodlands ratepayers. For example, if the cost of Resource Preservation as covered hereunder is \$ 150,000 per quarter and there are 2,000 NCS D ratepayers and 1,000 Woodlands ratepayers, then the Woodland's would be responsible for 1/3 of the Resource Preservation cost and the NCS D would be responsible for 2/3 thereof. Each water service connection or party metered for water by the NCS D or the Woodlands shall constitute a ratepayer for purposes of this MOU.

2.1 The NCS D shall calculate and provide the billing to the Woodlands and the NCS D for their respective share of the Resource Preservation as provided hereunder, subject to review and approval of the Woodlands, said approval not to be unreasonably withheld or delayed. Each party, on a quarterly basis, shall provide the other party with the number of ratepayers that it has at that time. The NCS D, in calculating each party's share, shall use the new ratepayer numbers in their next billing statement. Billing shall be no more often than once every two months (bi-monthly). Upon written request, each party hereto shall be entitled to review any documentation relating to the billing calculation, including but not limited to bills from third parties for the Resource Preservation. The parties agree to exercise good faith in implementing the billing system as provided hereunder. The NCS D shall be required to provide a bill to the Woodlands only, and not to the Woodland's ratepayers. Any bill provided

to the Woodland's hereunder shall be due and payable within 30 days from the date of the bill.

2.2 It is the intent of this section that the ratepayers of both the District and Woodlands should bear equally the burden of Resource Preservation. Not less than 120 days prior to either party taking action for Resource Preservation as allowed hereunder, the party proposing such action ("Obtaining Party") shall notify the other party ("Noticed Party") of its intent thereof, the terms thereof, and the reasonable and good faith basis therefor. The Obtaining Party shall exercise its best efforts to find the most cost effective method for taking such proposed action. In the event the Noticed Party does not agree that the proposed Resource Preservation action is needed (except in the case where a court of law mandates the Obtaining Party to take such action, in which case it shall be deemed an adequate basis for Resource Preservation), the cost of such action is excessive, or the billing is inappropriate, then the parties agree to handle the dispute through dispute resolution as set forth in Section 8 hereof.

3. Termination of MOU. Upon the occurrence of any of the following events, then this MOU shall be automatically terminated and of no further force or effect:

3.1 Failure of both parties to execute this MOU by 9:00 am (PST) on December 17, 2002; or

3.2 The date that any action or proceeding is filed by the NCS D to attack, review or set aside the County's decision to approve the Applications made on December 17, 2002, or the NCS D breaches Section 6 hereof.

4. Santa Maria Water Basin Litigation. The parties understand and agree that this MOU is not intended by either party hereto to constitute the intentional relinquishment of any rights or waiver of any rights to or in connection with the Santa Maria Litigation. Notwithstanding the foregoing sentence, the parties hereto agree that this MOU shall bind the parties hereto no matter what the outcome or decision of the court in said litigation. The parties further agree that to the extent allowed by law (or the Court interpreting such law), each party shall receive credit for its respective contribution hereunder towards any settlement or judgment in

the Santa Maria Litigation. The parties also agree to act in good faith to resolve any disputes between them under the above-referenced litigation.

5. Joint Well Management Program: The parties agree to have a professional water consultant or engineer (jointly chosen by the parties) commence preparation of a written report setting forth recommendations for the best use of each party's wells within 90 days of approval by the Board of Supervisors of the Applications. The written study will look at the well locations, and the best practical means of obtaining the required water from the wells with the least impact to the NCS D and Woodland's wells or to the groundwater. Every two years thereafter, the consultant (or another jointly chosen by the Woodlands and NCS D) shall update in writing the report. The parties shall, to the extent practicably feasible, consider the written report and recommendations therein in good faith, including pumping recommendations that will reduce impacts on the other party's wells. The parties shall not be obligated to implement any recommendation that would require the NCS D to move any of its wells, or would impede, slow down, or materially affect the development of the Woodland's Project, require CEQA approval by either party, or is cost prohibitive to either party. The Woodlands shall, prior to the commencement of the first study hereunder, contribute \$ 100,000 to a Nipomo Mesa Water Management Fund, which shall be comprised of a representative of the NCS D and the Woodlands. The parties shall use the \$ 100,000 for the initial and subsequent written studies until the funds are depleted, after which the parties shall share the costs equally for the updated studies (each 2 years or as otherwise agreed by the parties). Notwithstanding anything stated hereinbefore in this Section 5, each party retains all of its rights and remedies pertaining to the protection of its water production facilities against interference caused by the operation of any other water production facility or facilities.

6. Application Processing. Provided that Woodlands is not in default of this MOU, the District agrees to not oppose, directly or indirectly, the approval of the Applications by the County, or any other Woodlands entitlements in the future; except in the event the Woodland's seeks an increase in the Project's density (number of residential units or commercial square footage) beyond that provided in the existing Woodlands Specific Plan and entitlements and such changes will materially increase the use of water by the Project, the NCS D

TRUST
BPT
NW

REASONABLE

and Woodlands shall attempt in ~~good faith~~ to agree on a resolution thereof and if they cannot the NCSD may oppose said changes. The District shall also use its best efforts to get the other water purveyors in the area of the Project to also not oppose the Project now or in the future.

7. Attorneys Fees. In the event of any action or proceeding, including arbitration, to enforce a term or condition of this MOU, any alleged disputes, breaches, or defaults in connection with any provision of this MOU or any action or proceeding in any way arising from this MOU, the prevailing party in such action shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys fees. The "prevailing party" shall be deemed to mean that party who obtains substantially the result sought whether by settlement, dismissal or judgment. Should either party bring suit in Superior Court arising out of this MOU, such suit shall be filed, maintained, and prosecuted in the San Luis Obispo County Superior Court.

8. Dispute Resolution. In the event of a dispute between the parties under this Agreement or an alleged breach hereunder, including but not limited to disagreement as referenced in Section 2.2 hereof, the parties agree to submit the dispute to the American Arbitration Association under the rules of Commercial Arbitration for binding arbitration. Any decision of the arbitrator shall be final and binding on both parties.

9. No Third Party Beneficiaries. Nothing in this MOU, express or implied, is intended to confer any rights or remedies under or by reason of this MOU on any person or entity other than the parties hereto.

10. Waiver. Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this MOU, shall not be deemed to be a waiver with respect to any other breach, default or matter.

11. Entire Agreement. This MOU is freely and voluntarily entered into by the parties after having the opportunity to consult with their respective attorneys. Any prior agreements, promises, negotiations, or representations not expressly set forth in this MOU are of no force and effect. The parties, in entering into this MOU, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those

inducements, promises, and representations contained in this MOU. Any amendment to this MOU shall be of no force and effect unless it is in writing and signed by HBP and the District.

12. Notices. All notices, statements, reports, approvals, requests, bills or other communications that are required either expressly or by implication to be given by either party to the other under this MOU shall be in writing and signed by each party by such officers as each may, from time to time, be authorized in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in a United States Post Office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown below:

District

Attn: General Manager
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

With a copy to:

Jon S. Seitz, Esq.
Shipsey & Seitz, Inc.
1066 Palm Street
San Luis Obispo, CA 93454

Woodlands

Bryan Troxler
Woodlands Ventures, LLC
20750 Ventura Blvd., # 205
Woodland Hills, CA 91364

With a copy to:

Mr. John Scardino
JHS, LLC
31200 Via Colinas
Suite 200
Westlake Village, CA 91362

13. **Headings.** The paragraph headings used in this MOU are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this MOU.

14. **Cooperation.** Each party to this MOU agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this MOU.

15. **Interpretation of this MOU.** The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this MOU and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this MOU or any document executed and delivered by any party in connection with the transactions contemplated by this MOU.

16. **Recitals.** The recitals in this MOU are incorporated herein by this reference and made a part hereof.

17. **Counterparts.** This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. **Amendments.** This MOU may be modified by subsequent agreement of the parties hereto only by an instrument in writing signed by both of them.

19. **Binding on Successors:** This Agreement shall be binding on the successors to the parties. In the case of the Woodlands, at such time as the Woodlands no longer has an interest in the Property, the successor shall be the Woodlands mutual water company or such other entity operating and providing water to the Woodlands.

20. **Warranty of Authority:** Each party hereby warrants that the party executing this MOU below has been properly authorized and has the full legal right to do so and to bind the entity for which it is signing.

IN WITNESS WHEREOF, District and Woodlands have executed this MOU effective the day and year first above written.

"Woodlands"

Woodlands Ventures, LLC
a Delaware Limited Liability
Company

By: Troxler Residential
Ventures II, LLC
Its Managing Member

By: Troxler Ventures Partners,
Inc., a California
corporation
Its Operating Member

By: B.P. Troxler
Bryan P. Troxler
President

"District":

Nipomo Community Services
District

By Michael Winn
_____, President

Attest:

Donna K. Johnson
Donna K. Johnson
Secretary to the Board

Approved as to Form:

Jon S. Seitz
Jon S. Seitz
District Legal Counsel

July 26, 2017

ITEM E-5

ATTACHMENT E

ESTIMATED AMI COSTS
PHASE 1

COMMUNICATION NETWORK COSTS

NODE COSTS

Organization	Description	One-time	Reoccurring	Price/Unit	Quantity	Total
Golden State	Setup and Configuration	\$ 46,350				
	Annual Hosting RNI		\$ 8,240			
	Sensus Analytics Enhanced		\$ 7,725			
	Aqua-Metric Annual Service		\$ 7,725			
	Permalog +AMR LD Loggers 520M Smartpoint			\$ 681	40	\$ 27,240
	Subtotal	\$ 46,350	\$ 23,690	\$ 160	40	\$ 6,400
					Total Cost	\$ 33,640
Woodlands	Setup and Configuration	\$ 46,350				
	Annual Hosting RNI		\$ 8,240			
	Sensus Analytics Enhanced		\$ 7,725			
	Aqua-Metric Annual Service		\$ 7,725			
	Permalog +AMR LD Loggers 520M Smartpoint			\$ 681	40	\$ 27,240
	Subtotal	\$ 46,350	\$ 23,690	\$ 160	40	\$ 6,400
					Total Cost	\$ 33,640
Nipomo CSD	Base Stations	\$ 46,350				
	Installation of Base Stations	\$ 45,000				
	Communication Backhaul	\$ 3,000				
	Setup and Configuration	\$ 68,650				
	Annual Hosting RNI		\$ 8,240			
Sensus Analytics Enhanced		\$ 7,725				
Aqua-Metric Annual Service		\$ 7,725				
Permalog +AMR LD Loggers 520M Smartpoint (Permalogs)				\$ 681	40	\$ 27,240
	Subtotal	\$ 163,000	\$ 23,690	\$ 160	40	\$ 6,400
					Total Cost	\$ 33,640
1st Year Shared Costs		Total \$	255,700 \$	71,070 \$		\$ 100,920
	On-time Shared Costs	\$ 255,700				
	1st Year On-going Costs	\$ 71,070				
	2nd Year On-going Costs	\$ 71,070				
	Total 2-year Cost	\$ 397,840.0				
	Node Costs	\$ 100,920				
	Grand Total	\$ 498,760.0				