

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: JULY 20, 2018

AGENDA ITEM

C

JULY 25, 2018

PRESENTATIONS AND REPORTS

The following presentations and reports are scheduled:

- C-1) 2018 SECOND QUARTER ENGINEER'S REPORT – DIRECTOR OF ENGINEERING AND OPERATIONS REPORT ON DISTRICT PROJECTS SYTEM-WIDE [RECOMMEND RECEIVE AND FILE]
- C-2) DIRECTORS' ANNOUNCEMENTS OF DISTRICT AND COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES AND SEMINARS.
Receive Announcements and Reports from Directors
- C-3) 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 E. IGLESIAS
GENERAL MANAGER



DATE: July 20, 2018

AGENDA ITEM
C-1
JULY 25, 2018

**2018 SECOND QUARTER
DIRECTOR OF ENGINEERING AND OPERATIONS REPORT ON
DISTRICT PROJECTS SYSTEM-WIDE**

ITEM

Engineering and Operations update for April to June 2018 [RECOMMEND RECEIVE AND FILE].

BACKGROUND

Director of Engineering and Operations, Peter Sevcik will overview his update (attached) and discuss District projects for the April to June 2018 period.

RECOMMENDATION

Staff recommends that your Honorable Board receive and file the update.

ATTACHMENTS

- A. Engineering and Operations Update for April to June 2018

JULY 25, 2018

ITEM C-1

ATTACHMENT A



Engineering and Operations Update

– April to June 2018

Peter V. Sevcik, P.E.
Director of Engineering and Operations
Nipomo Community Services District
July 25, 2018





Projects in Planning

Supplemental Water Project Interconnects

- Concept Design Reports for three interconnects completed
 - Golden State Water Company Nipomo
 - Golden State Water Company Cypress Ridge
 - Woodlands Mutual Water Company
- CEQA review pending
- Anticipated authorization to proceed with final design – September 12, 2018 Board Meeting
- FY 18/19 Budgeted Project Cost \$630,000



Projects in Design

Supplemental Water Project Joshua Road Pump Station Pump 4

- Design authorized by Board on May 9, 2018
- Design in Progress – Control and Instrumentation Requirements Completed
- Tentative Bid Date – November 2018
- FY 18/19 Budgeted Project Cost \$300,000



Projects in Design

Nipomo Palms Lift Station Replacement

- 90% design plans – Submitted to District for review in July
- Tentative Bid Date: To be determined upon completion of design
- FY 18/19 Budgeted Project Cost \$800,000

Woodgreen Lift Station Replacement

- Design in progress
- 50% design plans pending
- Coordinating design with Blacklake Fairways HOA and BLMA
- Tentative Bid Date: To be determined upon completion of design
- FY 18/19 Budgeted Project Cost \$610,000



Projects in Design

Eureka Well Replacement

- Well drilling design in progress
- Easement acquisition in progress
 - Need to secure temporary construction easements for development water disposal
- Tentative Bid Date - On hold until easements secured
- FY 18/19 Budgeted Project Cost \$1,000,000



Projects in Design

Southland WWTFF Storage Building

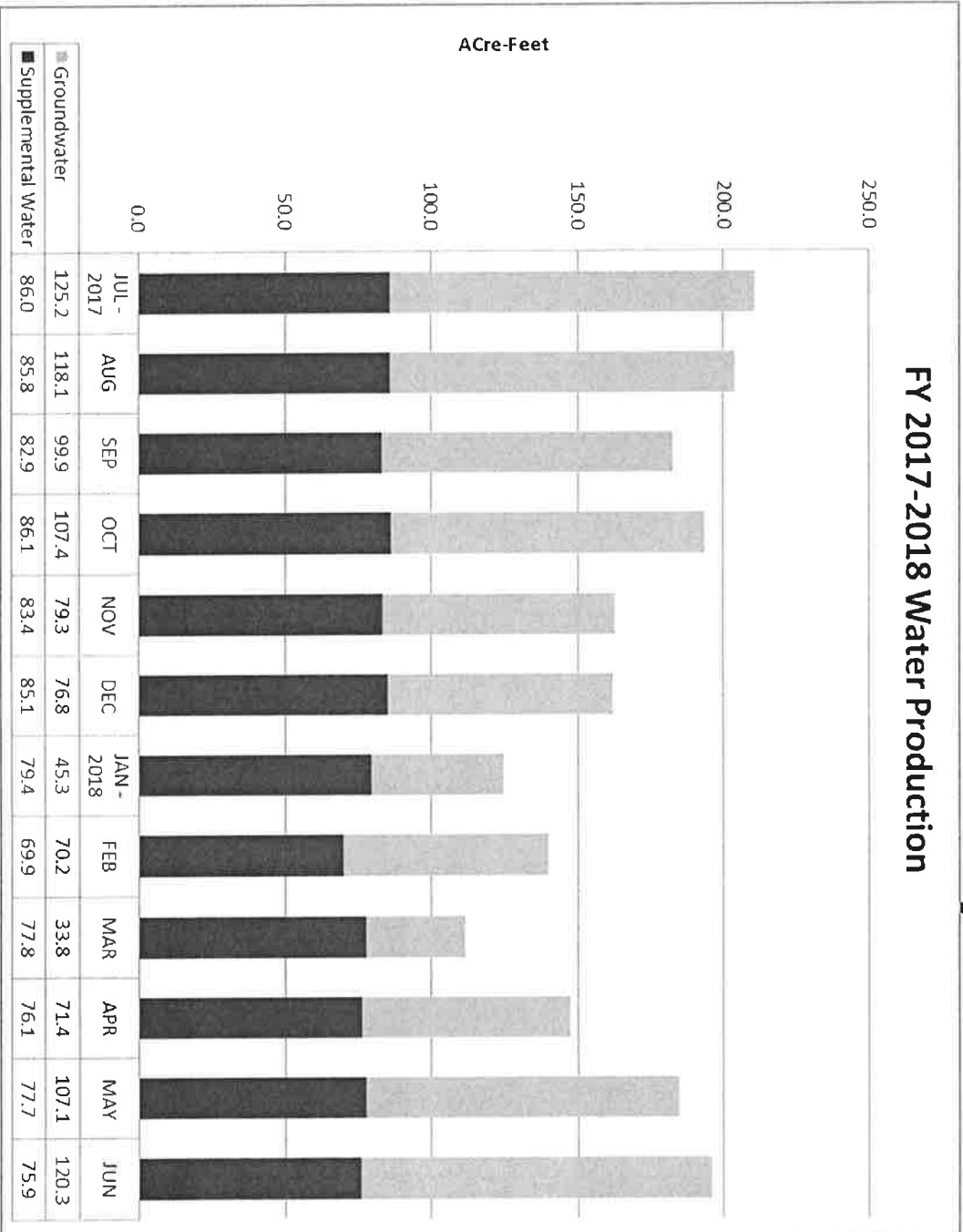
- Bid documents being finalized
- Anticipated Bid Date – on hold
- FY 2018-2019 Budgeted Project Cost \$150,000

Branch Street Waterline Replacement Project

- 90% design plans completed – on hold
- Property owner right of entry acquisition – on hold
- Budgeted Project Cost \$650,000

Operations – Water System

FY 2017-2018 Water Production

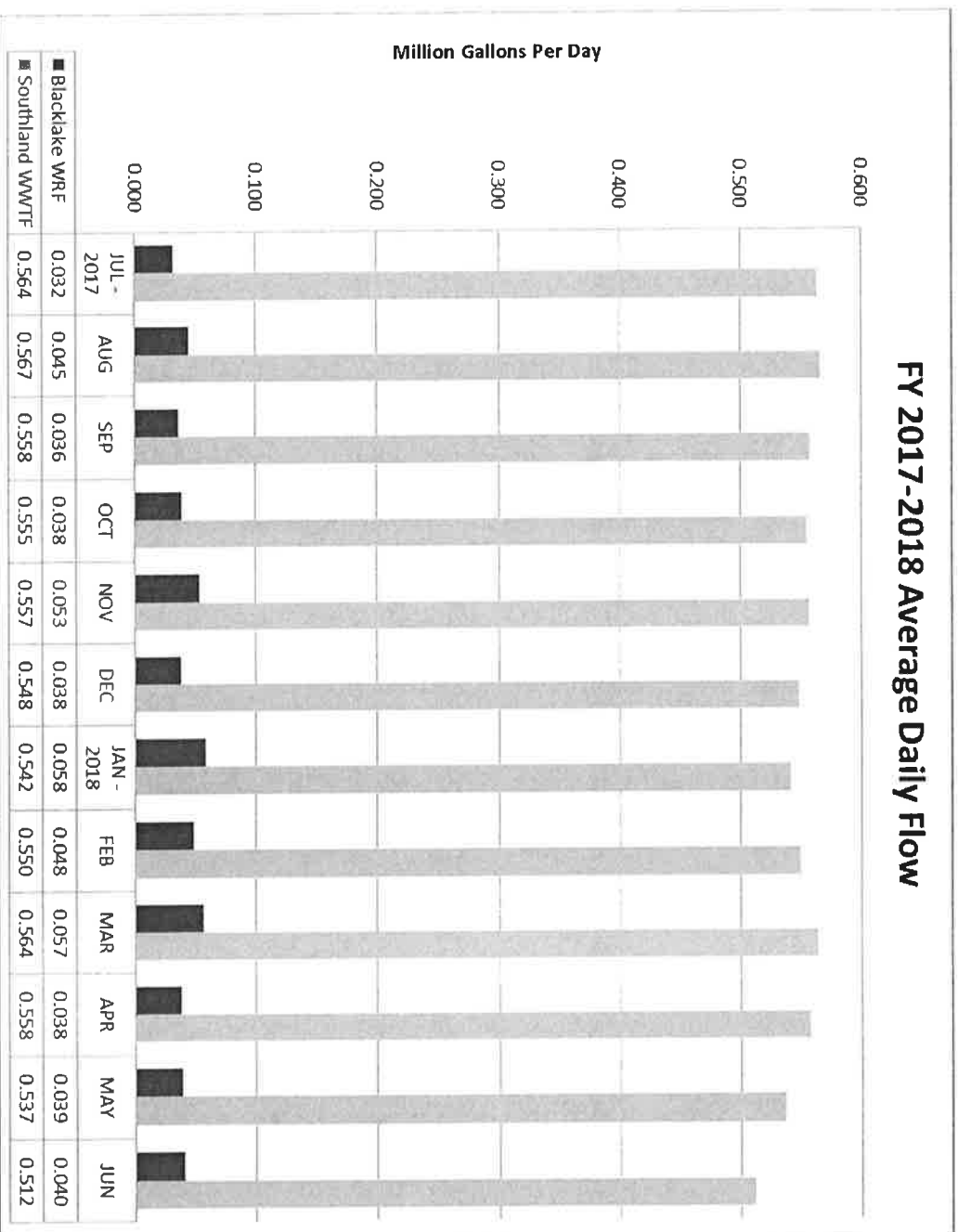




Operations – Water System

- **State Water Resources Control Board Division of Drinking Water**
 - Routine monthly reports Submitted
 - Annual Report Submitted
 - Annual Consumer Confidence Report (CCR) Completed
 - Compiled inventory of known lead service lines – none in system

Operations – Wastewater





Operations – Wastewater System

- **San Luis Obispo Air Pollution Control District Notice of Violation**
 - Mutual settlement approved by the Board
 - Continuing to remove biosolids as soon as practical
 - Planning to install cover over 1 drying bed in August
 - Design for Screw Press Authorized at July 11, 2018 Board Meeting
- **Other Operations Issues**
 - Laboratory Proficiency Testing successfully completed
 - ELAP Certification renewed
 - Annual Lift Station electrical panel inspection and repair completed

Other Engineering and Operations

Tasks

- **District**
 - SCADA Server Replacement
 - Sedaru Software Implementation
 - New trucks purchase and outfitted
- **New Development**
 - 164 Mallagh – Multifamily
 - Tract 2923 – Grande – Single Family Residential
 - Tract 2558 – Magenta – Single Family Residential
 - Tract 2650 – Via Concha – Single Family Residential
 - Dana Elementary School Sewer Connection



Other Engineering and Operations Tasks

- **Personnel**
 - Water Operator 1 Recruitment – In Progress
 - Assistant Engineer Recruitment – Need to restart
 - Wastewater Supervisor Recruitment – Not Started
 - Wastewater Operator 1 Recruitment – In progress

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER

DATE: JULY 20, 2018

AGENDA ITEM

D

JULY 25, 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 JULY 11, 2018 REGULAR BOARD MEETING MINUTES
[RECOMMEND APPROVE MINUTES]
- D-3) REVIEW INVESTMENT POLICY – SECOND QUARTER REPORT
[RECOMMEND RECEIVE AND FILE REPORT]

TO: BOARD OF DIRECTORS

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER



FROM: LISA BOGNUDA
FINANCE DIRECTOR



DATE: JULY 20, 2018

AGENDA ITEM
D-1
JULY 25, 2018

WARRANTS

HANDWRITTEN CHECKS
None

TOTAL COMPUTER CHECKS
\$134,783.66

VOIDS – 3964

COMPUTER GENERATED CHECKS – SEE ATTACHED



Nipomo Community Services District

Item D-1 Warrants JULY 25, 2018

By Payment Number

Payment Dates 07/25/2018 - 07/25/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 3938				
American Water Works Associ	AWWA Membership-Sevcik	7001569787	07/25/2018	269.00
Payment 3938 Total:				269.00
Payment: 3939				
AmeriPride	Uniforms	1502185477	07/25/2018	451.60
Payment 3939 Total:				451.60
Payment: 3940				
AT&T	Telephone	11601223	07/25/2018	172.84
Payment 3940 Total:				172.84
Payment: 3941				
Bennett, Harry Jr.	Washer rebate	JUN2018	07/25/2018	75.00
Payment 3941 Total:				75.00
Payment: 3942				
Bognuda, Lisa	Travel reimbursement	INV0005857	07/25/2018	32.70
Payment 3942 Total:				32.70
Payment: 3943				
Brenntag Pacific, Inc.	Sodium Hypochlorite	852477	07/25/2018	817.34
Brenntag Pacific, Inc.	Sodium Hypochlorite	852480	07/25/2018	362.66
Brenntag Pacific, Inc.	Sodium Hypochlorite	852478	07/25/2018	669.39
Brenntag Pacific, Inc.	Sodium Hypochlorite	852476	07/25/2018	690.71
Brenntag Pacific, Inc.	Sodium Hypochlorite	852481	07/25/2018	445.66
Brenntag Pacific, Inc.	Sodium Hypochlorite	852479	07/25/2018	216.52
Payment 3943 Total:				3,202.28
Payment: 3944				
Burdine Printing	Postage for bills	36742	07/25/2018	104.34
Burdine Printing	Postage for bills	36775	07/25/2018	1,272.78
Burdine Printing	Mail bills	36775A	07/25/2018	308.16
Burdine Printing	Mail bills	36742A	07/25/2018	75.96
Payment 3944 Total:				1,761.24
Payment: 3945				
Cannon Corporation	Woodgreen LS rehab	66449	07/25/2018	7,454.00
Cannon Corporation	Nipomo Palms LS rehab	66450	07/25/2018	686.00
Payment 3945 Total:				8,140.00
Payment: 3946				
City of Santa Maria	Landfill billing	76510	07/25/2018	798.67
Payment 3946 Total:				798.67
Payment: 3947				
Clever Ducks	Computer expense	25425	07/25/2018	270.00
Clever Ducks	Computer expense	25469	07/25/2018	2,535.00
Payment 3947 Total:				2,805.00
Payment: 3948				
Corix Water Products (US) Inc.	Concrete mix	17813014493	07/25/2018	220.90
Corix Water Products (US) Inc.	Gate valve key and supplies	17813020374	07/25/2018	546.26
Payment 3948 Total:				767.16
Payment: 3949				
Crystal Springs	Distilled water	JUN2018	07/25/2018	31.22
Payment 3949 Total:				31.22
Payment: 3950				
Davis, Lonnie & Abigail	Washer rebate	JUN2018	07/25/2018	75.00
Payment 3950 Total:				75.00

Item D-1 Warrants JULY 25, 2018

Payment Dates: 07/25/2018 - 07/25/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 3951				
Detection Instruments Corpor	Digitalk adapter and cable	2536-39915	07/25/2018	135.49
Payment 3951 Total:				135.49
Payment: 3952				
Electricraft, Inc.	Lift station repair	12216	07/25/2018	135.00
Electricraft, Inc.	Repair computer jack/cable	12210	07/25/2018	529.50
Payment 3952 Total:				664.50
Payment: 3953				
Engel & Gray, Inc.	Biosolids collection	86X00013	07/25/2018	3,805.46
Payment 3953 Total:				3,805.46
Payment: 3954				
Excel Personnel Services, Inc.	Employment agency	2556880	07/25/2018	412.30
Excel Personnel Services, Inc.	Employment agency	2562176	07/25/2018	434.00
Excel Personnel Services, Inc.	Employment agency	2567200	07/25/2018	347.20
Payment 3954 Total:				1,193.50
Payment: 3955				
Farm Supply Company	Hydrated lime, cat litter, Sch 8	55144	07/25/2018	200.50
Payment 3955 Total:				200.50
Payment: 3956				
FP Mailing Solutions	Postage Machine annual rent	R1103725166	07/25/2018	334.62
Payment 3956 Total:				334.62
Payment: 3957				
Integrated Industrial Supply, I	Solenoid repair kits	54323	07/25/2018	452.17
Integrated Industrial Supply, I	Solenoid Valves	54351	07/25/2018	517.64
Payment 3957 Total:				969.81
Payment: 3958				
Jan-Pro Central Coast	Janitorial services	78446	07/25/2018	727.14
Payment 3958 Total:				727.14
Payment: 3959				
More Office Solutions	B&W/Color copies	2132614	07/25/2018	68.44
More Office Solutions	B&W/Color copies	2131519	07/25/2018	137.09
More Office Solutions	Copier maintenance	2125437	07/25/2018	668.25
Payment 3959 Total:				873.78
Payment: 3960				
NexTraq	GPS subscription	033908	07/25/2018	38.35
NexTraq	GPS subscription	01379208	07/25/2018	479.40
Payment 3960 Total:				517.75
Payment: 3961				
Nipomo Community Services	SWWTP	JUN2018	07/25/2018	77.34
Nipomo Community Services	LMD	JUN2018D	07/25/2018	385.44
Payment 3961 Total:				462.78
Payment: 3962				
Nunley & Associates, Inc.	PCIA - 545 Grande	4540	07/25/2018	1,869.60
Nunley & Associates, Inc.	Interconnect Concept Design -	4594	07/25/2018	3,883.50
Nunley & Associates, Inc.	PCIA - Dana Elementary	4541	07/25/2018	3,268.97
Nunley & Associates, Inc.	Interconnect Concept Design -	4593	07/25/2018	3,463.00
Nunley & Associates, Inc.	JRPS #4	4552	07/25/2018	2,218.75
Nunley & Associates, Inc.	Interconnect Concept Design -	4595	07/25/2018	2,845.25
Payment 3962 Total:				17,549.07
Payment: 3963				
Office Depot	Office supplies	158356927001	07/25/2018	87.92
Payment 3963 Total:				87.92
Payment: 3965				
Richards, Watson & Gershon	Legal services through 06-30-	217767	07/25/2018	11,137.44
Payment 3965 Total:				11,137.44

Item D-1 Warrants JULY 25, 2018

Payment Dates: 07/25/2018 - 07/25/2018

Vendor Name	Description (Payable)	Payable Number	Payment Date	Amount
Payment: 3966				
Richards, Watson & Gershon	Water rights adjudication	217768	07/25/2018	4,522.50
Payment 3966 Total:				4,522.50
Payment: 3967				
Rockin CJ Transport, Inc	Rolloff for Cleanup Day	35305	07/25/2018	1,102.50
Payment 3967 Total:				1,102.50
Payment: 3968				
Santa Maria Sun, LLC	Conservation ads	282906	07/25/2018	396.00
Santa Maria Sun, LLC	Conservation ads	283192	07/25/2018	396.00
Payment 3968 Total:				792.00
Payment: 3969				
SoCalGas	Heat - shop/office	INV0005858	07/25/2018	16.71
Payment 3969 Total:				16.71
Payment: 3970				
Special District Risk Managem	Property/Liability Package ad	64910	07/25/2018	500.48
Payment 3970 Total:				500.48
Payment: 3971				
State Water Resources Contro	WW Treatment Operator Cer	Calleja	07/25/2018	110.00
Payment 3971 Total:				110.00
Payment: 3972				
SWCA, Inc.	NCSD Intertie EIR Addendum	80307	07/25/2018	1,922.73
Payment 3972 Total:				1,922.73
Payment: 3973				
USA Bluebook	Auto-flushing hydrants with d	611599	07/25/2018	10,466.32
USA Bluebook	Credit for CHEMKEYS, reagent	609746	07/25/2018	-1,562.37
Payment 3973 Total:				8,903.95
Payment: 3974				
Wallace Group	FOG Program	46371	07/25/2018	197.75
Payment 3974 Total:				197.75
Payment: 3975				
PG&E	Electricity	jULY 2018	07/25/2018	59,473.57
Payment 3975 Total:				59,473.57

TO: BOARD OF DIRECTORS
FROM: MARIO IGLESIAS
GENERAL MANAGER
DATE: JULY 20, 2018



**APPROVE JULY 11, 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. July 11, 2018 draft Regular Board Meeting Minutes

JULY 25, 2018

ITEM D-2

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Serving the Community Since 1965

DRAFT REGULAR MINUTES

JULY 11, 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.

00:00:00

A. CALL TO ORDER AND FLAG SALUTE

President Eby called the Regular Meeting of July 11, 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, all Directors were present.

There was no public comment.

00:1:09

C. PRESENTATIONS AND REPORTS

C-1) INTRODUCE NEW EMPLOYEE, SANDRO AYALA, FILLING THE POSITION OF WATER UTILITY OPERATOR 1 [RECOMMEND RECEIVE AND FILE]

Mario Iglesias, General Manager, introduced the District's newest new employee, Sandro Ayala, Water Operator I. to the Board of Directors.

There was no public comment.

C-2) RECEIVE AMERICAN SOCIETY OF CIVIL ENGINEERS SAN LUIS OBISPO BRANCH AWARD RECOGNIZING THE DISTRICT'S JOSHUA ROAD PUMP STATION RESERVOIR AS THE 2018 WATER PROJECT OF THE YEAR [RECOMMEND RECEIVE AND FILE]

Peter Sevcik, Director of Engineering and Operators, presented the award to the Board of Directors.

There was no public comment.

C-3) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.

Director Gaddis

- July 7, attended Board Officer's meeting.

Director Eby

- July 4, attended the 4th of July parade.
- July 7, attended Board Officer's meeting.

SUBJECT TO BOARD APPROVAL

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

There was no public comment.

- C-4) 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.

*Upon the motion of Director Gaddis and seconded, the Board unanimously approved to receive and file the presentations and reports as submitted.
Vote 5-0.*

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

0:08:50

D. CONSENT AGENDA

- D-1) WARRANTS [RECOMMEND APPROVAL]
- D-2) APPROVE JUNE 27, 2018, REGULAR BOARD MEETING MINUTES [RECOMMEND APPROVE MINUTES]
- D-3) DECLARE 2008 FORD PICKUP TRUCK SURPLUS AND AUTHORIZE SALE [RECOMMEND DECLARE 2008 FORD PICKUP SURPLUS AND AUTHORIZE STAFF TO DISPOSE OF BY SALE]

There were no public comments.

*Upon the motion of Director Armstrong and seconded, the Board unanimously approved the Consent Agenda.
Vote 5-0.*

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

0:13:00

E. ADMINISTRATIVE ITEMS

- E-1) REVIEW AND DISCUSS SPRING 2018 KEY WELLS INDEX FROM THE NIPOMO MESA MANAGEMENT AREA TECHNICAL GROUP [RECOMMEND REVIEW AND DISCUSS SPRING 2018 KEY WELLS INDEX AND DIRECT STAFF IF APPROPRIATE]

Mario Iglesias, General Manager, presented the item. Dr. Brad Newton, the District's consulting Hydrogeologist, participated in the item via teleconference.

Pattea Torrence, a resident within the District boundaries, stated her well is failing and requests emergency water service.

After discussion, the Board unanimously agreed to direct Staff to:

1. Consider asking NMMA to identify alternate wells to substitute when Key Wells are unavailable or at a minimum, to identify an alternate well to replace the well reading at 25F03.

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

2. Have Staff or Committee review and evaluate whether revisions are appropriate to the District's Water Shortage Response and Management Plan (WSRMP) now that the Nipomo Supplemental Water Project is importing water. It appears that the Key Well Index is not responding to the importation of supplemental water and WSRP is tied to Key Well Index. Review should include technical and legal ramifications and evaluate a road map or milestones to get the District back to providing the full suite of services to its constituency.

0:54:00

E-2) CONSIDER AUTHORIZING TASK ORDER FOR SOUTHLAND WASTEWATER TREATMENT FACILITY SCREW PRESS ENGINEERING SERVICES [RECOMMEND BY MOTION AND ROLL CALL VOTE AUTHORIZE TASK ORDER WITH MKN & ASSOCIATES IN THE AMOUNT OF \$73,395

Peter Sevcik, Director of Engineering and Operations, presented the item. The screw press is included in the FY 18-19 Budget. The installation of screw press was included in the settlement agreement with the Air Pollution Control Board Notice of Violation.

There were no public comments.

Upon the motion of Director Gaddis and seconded, the Board unanimously approved the Task Order with MKN & Associates in the amount of \$73,396.
Vote 5-0.

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

The Board took a ten-minute break at 10:10 a.m.

01:09:41

E-3 REVIEW AND DISCUSS SOLID WASTE FUND #300 PROGRAM SPENDING AND FUNDED RESERVE LEVEL [RECOMMEND REVIEW SOLID WASTE FUND #300 AND DIRECT STAFF]

Mario Iglesias, General Manager, presented the item.

After discussion, the Board of Directors unanimously agreed to direct Staff to:

1. Send this item to the Finance and Audit Committee to review the reserve goals established by the Cash Reserve Policy.
2. Determine if there are excess reserved in Fund #300, and if so, should excess funds be spent, should excess funds be disbursed, or is the reserve adequate and should remain at its present level.

There were no public comments.

01:21:00

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

Nipomo Community Services District
DRAFT REGULAR MEETING
MINUTES

There were no committee reports.

H. DIRECTORS' REQUEST TO STAFF AND SUPPLEMENTAL REPORTS

There were no public comments.

01:34.00

I. CLOSED SESSION

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

SMVWCD V. NCSD (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND A LITIGATION PURSUANT TO GC §54956.9 ALL CONSOLIDATED CASES)

2. ANTICIPATED LITIGATION (Gov. Code §54956.9): INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION (D) OF SECTION 54956.9 – 1 POTENTIAL CASE

3. CONDUCT STEP 1 OF 2 - ANNUAL PERFORMANCE REVIEW OF DISTRICT GENERAL MANAGER PURSUANT TO GOVERNMENT CODE SECTION 54957

J. PUBLIC COMMENT ON CLOSED SESSION ITEMS

There were no public comments.

K. ADJOURN TO CLOSED SESSION

President Eby adjourned to Closed Session at 10:46 a.m.

L. OPEN SESSION

ANNOUNCEMENT OF ACTIONS, IF ANY, TAKEN IN CLOSED SESSION

Whitney McDonald, District Legal Counsel, announced that the Board discussed Items 1, 2 and 3. The Board took no reportable action.

There were no public comments.

ADJOURN

President Eby adjourned the meeting at 11:05

MEETING SUMMARY	HOURS & MINUTES
Regular Meeting	1 hour 46 minutes
Closed Session	0 hour 19 minutes
TOTAL HOURS	2 hour 05 minutes

Respectfully submitted,

Mario Iglesias, General Manager and Secretary to the Board

Date

TO: BOARD OF DIRECTOR

REVIEWED: MARIO IGLESIAS
GENERAL MANAGER

FROM: LISA BOGNUDA
FINANCE DIRECTOR

DATE: JULY 20, 2018

**AGENDA ITEM
D-3
JULY 25, 2018**

REVIEW INVESTMENT POLICY SECOND QUARTER REPORT

ITEM

Review Investment Policy Second Quarter Report [RECOMMEND ACCEPT AND FILE REPORT]

BACKGROUND

The District's Investment Policy requires the Finance Officer to file a quarterly report that identifies the District's investments and their compliance with the policy. The quarterly report is considered by the Board of Directors and is filed with the District's auditor.

As District Finance Officer and Treasurer, I am pleased to inform the Board of Directors that the District is in compliance with the Investment Policy and that the objectives of safety, liquidity, and yield have been met. The District has the ability to meet cash flow requirements for the next six months.

INVESTMENT POLICY-SECOND QUARTER REPORT 6/30/18

Investment	Institution	Amount of Deposit 6/30/18	Rate of Interest at 6/30/18	Quarterly Interest Earned or Accrued 6/30/18	Amount of Deposit 6/30/17	Rate of Interest at 6/30/17	Quarterly Interest Earned or Accrued 6/30/17
Public Checking	Rabobank	\$175,797.90	0.00%(1)	\$0.00	\$255,404.74	0.00%(1)	\$0.00
Savings-Improvement Bonds	Rabobank	\$29,263.14	0.20%	\$5.83	\$48,385.83	0.20%	\$17.91
Savings-Performance Bonds	Rabobank	\$202,296.50	0.20%	\$100.83	\$201,893.45	0.20%	\$100.64
Savings-NMWCA Fees (2)	Rabobank	\$0.00	0.00%	\$0.00	\$519,964.22	0.20%	\$259.19
Savings-NSWP Funded Replacement	Rabobank	\$570,456.91	0.20%	\$265.38	\$362,660.20	0.20%	\$167.75
Pooled Money Investment	Local Agency Investment Fund (LAIF)	\$16,574,476.83	1.90%	\$78,370.27	\$14,917,846.01	0.92%	\$35,442.90

- (1) Account on account analysis
- (2) Account closed Sept 2017

STRATEGIC PLAN

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

4.B.6. Maintain sound investment policy and investments.

RECOMMENDATION

After Board consideration and public comment, it is recommended that your Honorable Board accept the quarterly report by motion and roll call vote and direct staff to file the Report with District Auditor.

ATTACHMENTS

None

TO: BOARD OF DIRECTORS

FROM: MARIO IGLESIAS
GENERAL MANAGER



DATE: July 19, 2018

AGENDA ITEM

E-1

JULY 25, 2018

**ANNUAL REVIEW OF THE NIPOMO COMMUNITY
SERVICES DISTRICT'S WATER SHORTAGE
RESPONSE AND MANAGEMENT PLAN**

ITEM

Annual review of the Nipomo Community Services District's Water Shortage Response and Management Plan (WSRMP) [RECOMMEND REVIEW AND DISCUSS WSRMP AND DIRECT STAFF]

BACKGROUND

The Board annually reviews its WSRMP after receiving and making public the Key Wells Index results. At your July 11, 2018 Board Meeting, your Board publicly reviewed the Nipomo Mesa Management Technical Group's ("NMMA-TG") report on the Key Well Index ("KWI"). The results of the KWI report indicates groundwater elevations remain in Severe Criterion for the fourth consecutive year.

Below is an overview of activities centered on the KWI and WSRMP.

- 2008 – KWI falls into Potentially Severe Criterion
- 2014 – Board adopts WSRMP
- 2015 – KWI falls into Severe Criterion; WSRMP Stage III Declared
- 2015 – July 2, NSWP begins to import water
- 2016 – Second Year Severe Criterion; WSRMP Stage IV Declared
- 2017 – Severe Criterion remains; WSRMP Stage IV continues
- 2018 – Review WSRMP; July 25, 2018 Board Meeting

Your Board adopted the WSRMP in April 2014. At that time the KWI was only 2 feet above the 16.5-ft line of demarcation separating Potentially Severe Criterion from Severe Criterion. The KWI had been in Potentially Severe Criterion since 2008, with few periods of positive adjustments and no periods of full recovery. The Nipomo Supplemental Water Project ("NSWP") was not constructed and Governor Brown declared the entire State of California to be in a Drought State of Emergency. With these conditions pressing, your Board was compelled to act in response to the severity of the threat to the groundwater basin.

The purpose of the WSRMP was not explicitly stated in Resolution 2014-1336 ("Resolution"), however, your Board made findings in part, that the WSRMP would "provide greater assurances that there will be adequate groundwater to meet the present needs of the District residents consistent with District Code...." Without a clearly stated purpose, measuring the effectiveness of the WSRMP focused on reviewing the KWI. The Resolution makes clear that "the District does not intend to limit other means of managing, protection and conserving the groundwater basin" and to work cooperatively with other agencies "to implement regional solutions such as groundwater management and the importation of Supplemental Water"

In 2015, one year after implementing the WSRMP, the groundwater basin declined – as measured by the KWI – from Potentially Severe Criterion to Severe Criterion and remains at this criterion to date. This, in spite of the District's reduction in groundwater pumping by nearly 50%, importation of over 950 acre-feet of water in 2017-18, and a restriction on new service connections. With just over 1,000 acre-feet of groundwater pumping, the District's overall impact on the groundwater basin could be considered insignificant.

Many variables contribute to the KWI level, most outside the influence of the District's pumping. Variables such as weather and pumping from agriculture and other users all contribute to the water level in the basin. Evidence provided by the KWI suggest that, while levels have increased since their lowest levels in 2015, the WSRMP has not caused the groundwater basin to recover above the severe criterion. With imported water through the NSWP as an added variable, evaluating the current strategy focused on restrictions implemented under the WSRMP may need to be reconsidered.

Bringing more imported water onto the Nipomo Mesa through the NSWP could be an added strategy. With over half the District's customers on the District's sewer system, additional imported water has a double benefit. Imported water reduces groundwater pumping and the waste stream collected from our customers is treated at the wastewater plant and put into ponds, recharging the basin.

The District cannot and should not shoulder the full responsibility of the health of the basin. Other than our purveyor partners, Golden State Water Company and Woodlands Mutual Water Company, there is no evidence that other water users within the Nipomo Mesa Conservation Area are making an effort to address the groundwater threat.

With the groundwater basin not recovering despite the District's efforts, your Honorable Board may want to consider a new strategy for the District's contribution in protecting the groundwater basin. Developing options with clearly stated and measurable goals, working with our purveyor partners and the NMMA-TG could be a good approach in achieving better outcomes. Rewriting the WSRMP in favor of an approach that includes the positive impacts of imported water from the NSWP may serve the Board in its efforts to help protect the groundwater basin and meet the needs of its constituents.

FISCAL IMPACT

Minor budgeted staff time to prepare these materials.

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.

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

A.1 Periodically review, update and reaffirm District policies and procedures.

RECOMMENDATION

Staff recommends your Board, review and discuss the WSRMP and direct staff.

ATTACHMENTS

- A. NMMA 2018 Key Well Index Water Shortage Condition, Public Statement
- B. NCSD Resolution 2014-1335, Adopting a WSRMP
- C. NCSD Water Shortage Response and Management Plan, Key Features

JULY 25, 2018

ITEM E-1

ATTACHMENT A

Nipomo Mesa Management Area 2018 Key Wells Index

Severe Water Shortage Conditions

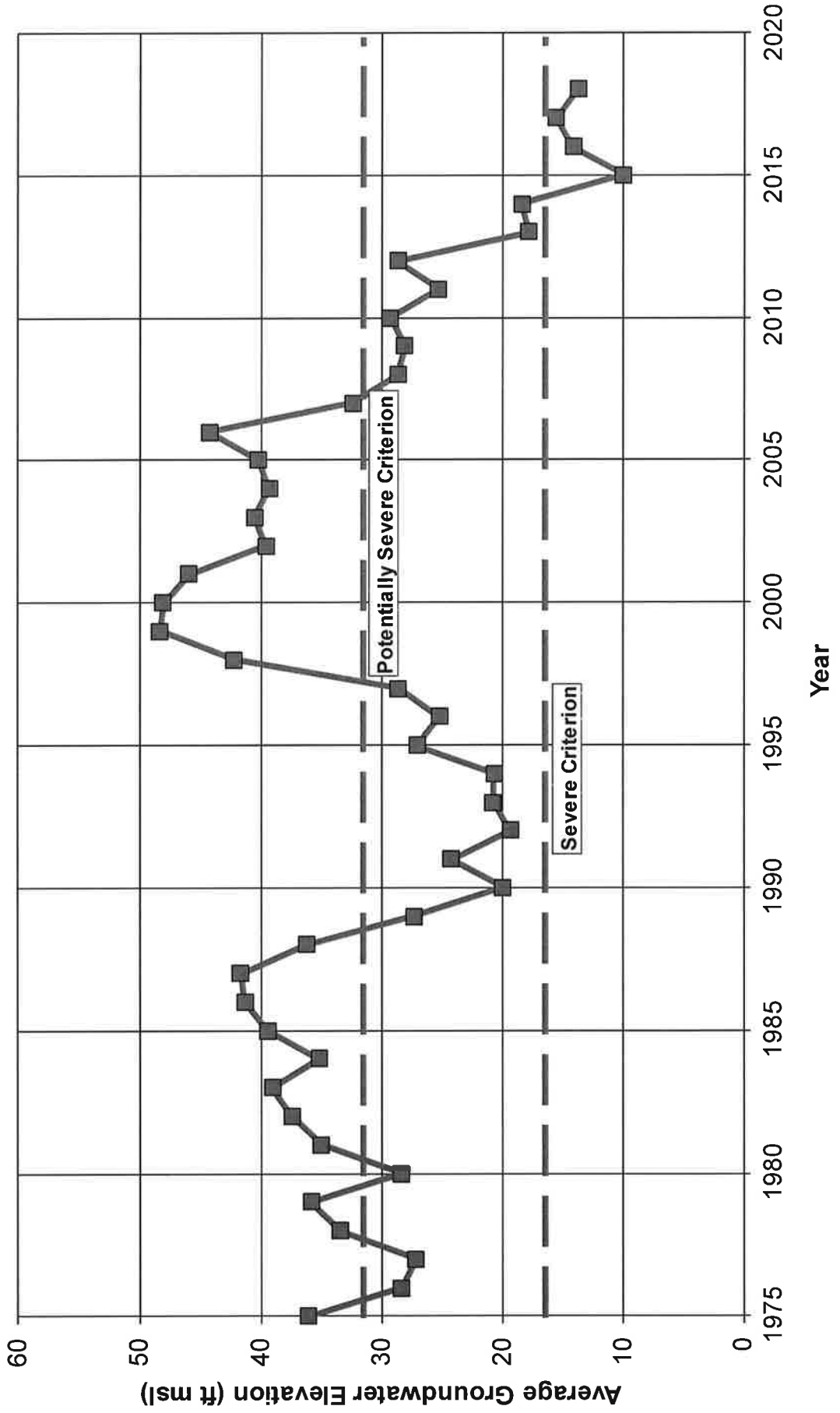
The Nipomo Mesa Management Area (“NMMA”) Technical Group (“TG”) established groundwater level and groundwater quality criteria to track overall basin conditions within the NMMA. The criteria include the Key Wells Index (“KWI”), which combines groundwater level data from eight selected wells distributed throughout the inland portion of the Management Area. Water level measurements are made in NMMA groundwater wells representing the basin as a whole and are used to compute the KWI during the spring of each year.

The TG uses the KWI to help identify trends in basin groundwater levels and has compiled KWI data for the period from 1975 to the present. Groundwater levels have changed in the NMMA over time, and in the last six years are at levels that are lower than at any other time from 1975 (Figure 1).

One of the NMMA TG's court-required duties is to determine when conditions of "Potentially Severe Water Shortage Conditions" or "Severe Water Shortage Conditions" have been reached. The 2018 KWI value (13.8 feet mean sea level [ft msl]) has slightly decreased from the previous year (15.6 ft msl) but remains within the Severe Water Shortage Conditions (16.5 ft msl). This is the fourth consecutive year the KWI value is in Severe Water Shortage Conditions, which signifies a Stage IV NMMA Water Shortage Response.

Details of the KWI, as well as the agreed upon responses to Potentially Severe Water Shortage Conditions and Severe Water Shortage Conditions, are explained in further detail in the NMMA TG's annual report of groundwater conditions. The report's attachments include a response plan to groundwater shortage and an associated well management plan, including the NMMA Water Shortage Response Stages. The NMMA annual report for calendar year 2017, including these attachments, is available as a digital document at <http://ncsd.ca.gov/resources/reports-by-subject/#nmma>.

Key Wells Index



JULY 25, 2018

ITEM E-1

ATTACHMENT B

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO
WATER CODE § 375**

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

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

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

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

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

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

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

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

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

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

**NIPOMO COMMUNITY SERVICES DISTRICT
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**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
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CODE § 375**

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

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

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

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

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

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

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

WHEREAS, District Code §3.28.020 provides:

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

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

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

**NIPOMO COMMUNITY SERVICES DISTRICT
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CODE § 375**

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

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

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

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

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

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

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

NIPOMO COMMUNITY SERVICES DISTRICT
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CODE § 375

WHEREAS, by adopting this Resolution, the District does not intend to limit other means of managing, protecting and conserving the groundwater basin by the District. Further, the District intends to work cooperatively with the NMMA Technical Group and other agencies, such as the County of San Luis Obispo, to implement regional solutions such as groundwater management and the importation of Supplemental Water to the NMMA\NMWCA; and

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

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

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

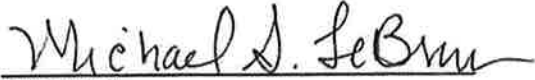
Upon motion by Director Harrison, seconded by Director Gaddis, on the following roll call vote, to wit:

AYES: Directors Harrison, Gaddis, Blair, Vierhellig and Armstrong
NOES: None
ABSENT: None
ABSTAIN: None

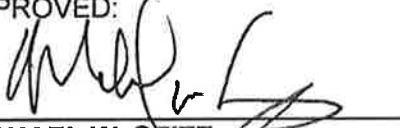
the foregoing resolution is hereby passed and adopted this 9th day of April, 2014.


CRAIG ARMSTRONG,
President of the Board of Directors

ATTEST:


MICHAEL S. LEBRUN
General Manager and Secretary to the Board

APPROVED:


MICHAEL W. SEITZ
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT
REAPPROVING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN
PURSUANT TO WATER CODE § 375**

EXHIBIT "A"

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
I	All times	<ul style="list-style-type: none"> • Active outreach and education programs regarding water conservation best management practices. • Four Tier escalating water rates. • Recommended Customer Measures: <ul style="list-style-type: none"> ○ Fix all plumbing and irrigation leaks immediately. ○ Irrigate after 8PM and before 9AM. ○ Minimum to no irrigation in winter months. ○ Check all irrigation systems monthly. ○ Do not allow excessive run off. ○ Recirculate water in ornamental water features (fountains) • New applications for water service are accepted and processed. • Supplemental water is allocated to all new projects • New water service connections are made. 	Not Applicable.
II	Potentially Severe Water Shortage Conditions exists	<ul style="list-style-type: none"> • More aggressive conservation outreach and education efforts. • Four-Tier escalating water rates. • Encourage customers to implement the following practices: <ul style="list-style-type: none"> ○ All Stage I Measures ○ Cover Swimming Pools and spas. ○ Do not use water to wash down exterior surfaces (e.g. driveway, deck, home) • New applications for water service are accepted and processed. • Supplemental water is allocated to new projects. • New water service connections are made. 	Potentially Severe Water Shortage no longer exist.

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ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO WATER
CODE § 375**

STAGE	GROUNDWATER CONDITION	RESPONSE ACTIONS	RELIEF OF RESTRICTIONS
III	Severe Water Shortage conditions exists	<ul style="list-style-type: none"> • District targets a 30% reduction in production (Equating to a 752 acre foot or 245 million gallons of reduction in production on an annual basis). • Implement Stage III Drought Rates to encourage reduction in customer water demand. • Encourage customers to implement the following practices. <ul style="list-style-type: none"> ○ All Stage I and II measures. ○ Turn off all automated irrigation systems. ○ Provide minimum necessary irrigation to preserve trees and high-value landscape. ○ Do not drain or fill swimming pools or spas. ○ Do not use water for dust control or construction. ○ Do not use hoses to wash cars or equipment. ○ Turn off and drain ornamental fountains and water features • Suspend accepting applications for new water service. • Existing applications for new water service continue to be processed with allocations of supplemental water. • New water service connections are made. 	Severe Water Shortage no longer exist.**
IV	Severe Water Shortage conditions exists for >1YEAR or is triggered by both the Key Wells Index and the Coastal Criterion.	<ul style="list-style-type: none"> • District targets a 50% reduction in production (Equating to a 1,254 acre foot reduction in production on an annual basis). • Implement Stage IV Drought Rates to encourage reduction in customer water demand. • Encourage customers to implement the following practices: 	Severe Water Shortage conditions no longer exist.

**NIPOMO COMMUNITY SERVICES DISTRICT
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CODE § 375**

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

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2014-1335**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
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ADOPTING A WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN PURSUANT TO WATER
CODE § 375**

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

General Notes

1. The implementation of all rate increases and changes in the acceptance and processing of new services applications are subject to approval by the Board of Directors at the time each stage is triggered.
2. Potentially Severe and Severe Water Shortage conditions, Key Wells Index, and Coastal Criterion are as defined in the NMMA Technical Group, Water Shortage Conditions Response Plan, dated April 2009. Key criterion are as follows:

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

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

JULY 25, 2018

ITEM E-1

ATTACHMENT C

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2016-1421
Exhibit A**

NCS D WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Key Features of the Plan

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

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER



DATE: JULY 20, 2018



**Nipomo Community Services District
PUBLIC FACILITIES CORPORATION**

ITEM

Annual Meeting of the Nipomo Community Services District Public Facilities Corporation

BACKGROUND

The Nipomo Community Services District Public Facilities Corporation is required to meet annually in the month of July to review corporate activities, take action as needed, and review and approve the previous meeting's Board minutes. The only action needed at this time is to approve the meeting minutes of the July 26, 2017, meeting of the Nipomo Community Services District Public Facilities Corporation. These Board minutes were included in the regular NCSD meeting minutes but were not separately approved by the corporation. The minutes are being presented today for approval.

RECOMMENDATION

Staff recommends that your Honorable Board approve the Minutes of the Nipomo Community Services District Public Facilities Corporation meeting held on July 26, 2017.

ATTACHMENT

- A. Minutes of July 26, 2017

NCS D PUBLIC FACILITIES CORPORATION

JULY 25, 2018

ITEM A

ATTACHMENT A

Director Eby commented that he supported the concept, but would like assurance in the reliability of the system.

Mr. Iglesias commented that the program fits into the new Senate Bill regarding water loss detection and prevention.

Director Armstrong asked about the District's water losses and requested staff provide the water audit at a future Board meeting.

Director Armstrong suggested the money could be used to complete the Supplemental Water Project which will reduce groundwater pumping and conserve water. Whitney McDonald, District Legal Counsel, reviewed County Ordinance 3160 and how water conservation money can be used.

Director Blair commented in support of the program and its benefit to the District long-term.

Director Woodson commented on PGE and the Gas Company's efforts with this type of system and saving money.

The Board directed staff to bring a cost/benefit analysis and further legal analysis to the Finance & Audit Committee for review. The Board also directed staff to bring the system schematics to the Facilities/Water Resources Committee for review.

There were no public comments.

02:33:40 **NCSD PUBLIC FACILITIES CORPORATION ANNUAL MEETING**

President Gaddis adjourned to the NCSD Public Facilities Corporation Annual Meeting.

ROLL

At roll call, all Board members were present.

A. APPROVE MINUTES OF THE JULY 27, 2016 MEETING

There were no public comments.

Upon the motion of Director Craig Armstrong and seconded, the Board unanimously approved the minutes of July 27, 2016.

Vote 5-0.

YES VOTES	NO VOTES	ABSENT
<i>Directors Armstrong, Eby, Blair, Woodson, and Gaddis</i>	<i>None</i>	<i>None</i>

President Gaddis adjourned to NCSD Regular Board Meeting.

02:35:34 **F. MANAGER'S REPORT**

Mario Iglesias, General Manager, reviewed the report as presented in the Board packet. Mr. Iglesias also reported the following:

TO: BOARD OF DIRECTORS
 FROM: MARIO IGLESIAS
 GENERAL MANAGER
 DATE: JULY 20, 2018



**AGENDA ITEM
 F
 JULY 25, 2018**

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is July 8, 2018 through July 21, 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 July data will be provided the first meeting in August.

Office Activities

	Jun-18	Jul-Jun 2018
Reports of water waste followed up on	1	3
Leak Adjustments	1	24
Leak Adjustment Amount	\$115	\$7,037

Water Resources

Table 1. Total Production (AF)

	June-18	Jul - Jun 18
Groundwater Production	120.3	1,054.7
Supplemental Water Imported	<u>75.9</u>	<u>966.1</u>
Total Production	<u>196.2</u>	<u>2,020.8</u>

NCSD imported 75.9 AF of water over the 30 day period in June averaging 573 gallons per minute for a daily total of 824,403 gallons per day. For fiscal year 2017-18 [July-2017 through June-2018] the District must import 800 AF of supplemental water. The District's production meters, including groundwater wells and Joshua Road Pump Station combined, registered 2,020.8 acre feet of water for the fiscal year.

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

	Jun-18	Jul - Jun 2018
Total Production (AF) for FY 2017-18	196.2	2,020.8
Total Production (AF) for 2013	<u>272.1</u>	<u>2,645.4</u>
Reduction	<u>75.9</u>	<u>624.6</u>
Percentage Reduction	27.9%	23.6%

On the previous page, Table 2 compares the District's total water production for the month of June and the fiscal year (July 2017 through June 2018) year-end total against those same periods for 2013 (pre-drought production). 2013 is the year the Department of Water Resources ("DWR") designated as the pre-drought production year. The pre-drought production data is included in the monthly water production report and compared to current usage, all of which is submitted by water purveyors statewide to DWR's office. For June 2018, the community's water conservation effort reached approximately 28% compared to June 2013. The District's year-end conservation effort for the fiscal year 2018 is approximately 24%.

NCSD GW Reduction

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each claim 16.66% (cumulatively 33.33%) of the imported water NCSD 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. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)

	Jun-18	Jul - Jun 18
NCSD GW Well Production	120.3	1,054.7
Purveyor Customer Credit (33.3% of Import Water)	<u>25.3</u>	<u>322.0</u>
NCSD Total Calculated GW Production	145.6	1,376.7
Average GW Production for 2009-2013	<u>263.6</u>	<u>2,533.4</u>
NCSD Percentage of GW Reduction	45%	46%

Taking into consideration the above referenced purveyor customer credit, the District can claim a groundwater pumping reduction of 45% for the month of June compared to the 5-year average from 2009 to 2013. For Fiscal Year 2018, the cumulative groundwater pumping reduction reached 46% by the District. At the current Stage IV level of NMMA's Water Shortage Condition and Response Plan, the District has targeted groundwater pumping reduction level of 50% for the year.

Table 4. 2018 Fiscal Year Groundwater Pumping

	Jun-18	Jul-Jun 2018	Target	Over/Under
NCSD GW Well Production	120.3	1,054.7		
Purveyor Customer Credit (33.3% of Import Water)	<u>25.3</u>	<u>322.0</u>		
NCSD Total Calculated GW Production	145.6	1,376.7	1,279.0	-97.72 AcFt
Average GW Production for 2009-2013	<u>263.6</u>	<u>2,533.4</u>	<u>2,533.4</u>	
NCSD Percentage of GW Reduction	45%	46%	50%	

Table 4 shows the results of the District's groundwater pumping reduction efforts for Fiscal Year 2018 and compares this value with the targeted groundwater pumping reduction. The District was approximately 98 acre feet over the groundwater reduction target. The target of 50% reduction in groundwater pumping was endorsed by the NMMA Technical Group and is common

between the three major water providers on the Nipomo Mesa: Golden State Water Company, Woodlands Mutual Water Company, and the Nipomo Community Services District.

Rainfall Gauge

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
June 2018 Total	0	0
July-2017 through June-2018 (Seasonal Total)	9.62	8.78
Average Annual Year Rainfall	18	16

Safety Program

No safety issues.

Other Items and News of Interest

None

Supplemental Water Capacity Accounting

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

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

This information is accurate through May 2018.

Connection Report

The Connection Report is current through May 2018 – June data presented at the 2nd Board Meeting in July.

Nipomo Community Services District Water and
 Sewer Connections

END OF MONTH REPORT

	18-Jan	18-Feb	18-Mar	18-Apr	18-May	18-Jun
Water Connections (Total)	4405	4405	4405	4405	4405	4405
Sewer Connections (Total)	3174	3174	3174	3174	3174	3175
New Water Connections	3	0	0	0	0	0
New Sewer Connection	3	0	0	0	0	1
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County	473	473	473	473	474	476

Meetings (July 8 through July 21)

Meetings Attended (telephonically or in person):

- July 9, Engineering/Administration Meeting
- July 9, IRWM Application Prep (SLO PW)
- July 10, Rotary
- July 10, Regular Board Meeting
- July 10, After Board Exec Team
- July 17, Management Team
- July 17, Board Officer Meeting
- July 18, Rotary
- July 18, Eureka Well Easement - Witmer
- July 19, NMMA Purveyor Manager's
- July 19, Finance and Audit Committee
- July 20, NMMA-TG Meeting
- July 20, Standard and Poor's Rating Agency

Meetings Scheduled (July 22 through July 28):

Upcoming Meetings (telephonically or in person):

- July 23, Customer Demo – Irrig. Improvements
- July 23, BL Rate Study Kickoff
- July 24, Office – GLM Landscape
- July 24, Eng/Admin Meeting
- July 24, Rossi BL Update
- July 25, Rotary
- July 25, Regular Board Meeting
- July 25, Exec. Team After-Board Meeting

Upcoming Water Resource and Other Meetings

- NMMA-TG: TBD July 20 @ 10:00 AM, NCSD Board Room
- RWMG: August 1st @ 10:00 AM, SLO Library
- WRAC: August 1st @ 1:30 PM, SLO Library
- NMMA Purveyor Meeting: August 23rd @ 10:00 PM, NCSD Admin Office
- NCMA/NMMA Managers Meeting: TBD
- Chamber of Commerce: TBD

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

None