

TO: BOARD OF DIRECTORS  
 FROM: RAY DIENZO, P.E. *R.D.*  
 GENERAL MANAGER  
 DATE: MARCH 7, 2024

**AGENDA ITEM  
 F  
 MARCH 13, 2024**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is 2/25/2024-3/9/2024.*

**DISTRICT BUSINESS**

**Administrative**

The District encourages residents to provide reports of any observed water waste. The District also keeps an accounting of leak adjustments as a measure of non-revenue water lost to leaks and tracks late fee waivers. The table below provides February 2024 data, which is the most recent monthly data available. No leak adjustments or late fee waivers were applied in February.

OFFICE ACTIVITIES			
		Feb 24	Jan 24- Jan 25
Reports of Water Waste		0	0
Leak Adjustments		0	3
Leak Adjustment Amount		0	\$865.65
Late Fee Waivers		0	3
Late Fee Waiver Adjustment Amount		0	\$54.14

**Water Resources**

For the seven months of the 2023-24 Fiscal Year, the District's total combined production, including groundwater production wells and supplemental water imported through the Joshua Road Pump Station, registered 95.4 AF; the previous month registered 106.6 AF. The District imported more water through the Joshua Road Pump Station than it produced from groundwater sources. This trend will continue through the year as the District strives to maintain the 50% groundwater reduction goal while also reaching the District's contract import water take amount of 1,000 AFY minimum.

<u>Table 1. Total Production Acre Feet (AF)</u>		
	Feb 24	Jul 23 - Jun 24
Groundwater Production	18.5	457.8
Supplemental Water Imported	<u>77.0</u>	<u>772.9</u>
Total Production	95.4	1230.7

**NCSD GW Reduction**

The District's purveyor customers, Golden State Water Company and Woodlands Mutual Water Company, each are responsible for 16.66% (cumulatively 33.33%) of the imported water NCSD brings onto the basin through the NSWP. Of the 1,000 AF minimum imported water from the City

of Santa Maria, 333 AF or 33.33% of the total imported water – whichever is greater – 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 2, below, captures this data.

**Table 2. NCSD GW Production (NCSD GW Well Production plus Purveyor Credit)**

	Feb-24	Jul 23 - June 24
NCSD GW Well Production	18.5	439.4
Purveyor Customer Credit (33.3% of Import Water)	23.4	255.8
NCSD Total Calculated GW Production	41.9	713.7
Average GW Production for 2009-2013	122.0	1648.7
NCSD Percentage of GW Reduction	66%	57%

**2023-24 Fiscal Year Groundwater Pumping Forecast**

Below, Table 3 projects the District’s groundwater pumping reduction for the 2023-24 Fiscal Year. Under the current Stage 4 NMMA Water Shortage Response Stages, the District’s targeted groundwater pumping reduction goal is to pump no more than 1,266 AFY (50% of 2009-2013 average District GW Pumping). The first eight months of fiscal year 2023-24 actual – July through February – shows a groundwater pumping reduction of 66% while projected year end groundwater reduction estimates a 57% level of reduction.

**Table 3. Projected Groundwater Pumping**

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Year-to-Date Jul-Jun 2024	Target	Over/(Under)
NCSD GW Well Production	82.6	90.3	72.4	71.8	52.3	45.7	24.4	18.5	647.0		
Purveyor Customer Credit (33.3% of Import Water)	36.7	34.2	35.4	36.6	32.9	28.7	28.0	23.4	376.7		
NCSD Total Calculated GW Production	119.2	124.5	107.8	108.4	85.2	74.3	52.3	41.9	1,023.7	1,266.7	243
Average GW Production for 2009-2013	291.2	284.7	264.7	223.6	179.1	141.4	142.1	122.0	2,533.4	2,533.4	
NCSD Percentage of GW Reduction	59%	56%	59%	51.5%	52%	47%	63%	66%	59.6%	50.0%	

As demonstrated in Table 3, the District anticipates it will achieve its 50% groundwater pumping reduction target by 243 AcFt under the conditions stated in the previous paragraph.

On the following page, the Table 4 data provides operations personnel with insight into year-end water production values and assists in their efforts to balance import and groundwater production with the purpose of reducing groundwater pumping to meet the self-imposed 50% pumping groundwater reduction – the current stage IV objective.

Table 4 compares groundwater pumping for the same periods in 2023 and 2022.

**Table 4. FY 2023 vs. FY 2022 Groundwater Pumping**

	Feb-24	Jul 23 - Jun 24	Feb-23	Jul 22 - Jun 23
NCSD GW Well Production	18.5	457.8	20.4	600.7
Purveyor Customer Credit (33.3% of Import Water)	25.7	255.8	23.4	104.2
NCSD Total Calculated GW Production	44.1	713.7	43.8	704.9
Average GW Production for 2009-2013	142.1	1,648.7	142.1	1,648.7
NCSD Percentage of GW Reduction	69.0%	56.7%	69.2%	57.2%

\*Projected

**Rainfall Gauge**

Below is the most recent available rain data<sup>1</sup> for the Fiscal Year 2023-24.

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
Feb 2024 Total	7.02	5.24
July-2023 through June-2024 (Season Total)	18.35	14.02

County Reported Avg. Ann. Year Rainfall <sup>1</sup>	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall <sup>1</sup>	15.39	13.30
2006 - 2020 Median Ann. Rainfall <sup>1</sup>	12.64	11.30

Note:

1. Data from County website

**Connection Report**

WATER	1/31/24	2/29/24	3/31/24	4/30/24	5/31/24	6/30/24	7/31/24	8/31/24	9/30/24	10/31/24	11/30/24	12/31/24
Water Connections - Total	4513	4513										
New Water Connections	0	0										
<b>SEWER CONNECTIONS</b>												
Sewer Town connections	2738	2738										
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484	0									
Subtotal	3222	3222	0	0	0	0	0	0	0	0	0	0
BLACKLAKE	559	559										
Sewer Connections - Total	3781	3781	0	0	0	0	0	0	0	0	0	0
New Sewer Connections Town and Blacklake	0	0	0	0	0	0	0	0	0	0	0	0
New Sewer Connections Galaxy	0	0	0	0	0	0	0	0	0	0	0	0
<b>SEWER DWELLING UNIT EQUIVALENTS</b>												
Sewer Town dwelling unit equivalents	3227	3227										
Galaxy and PSSH at Orchard and Division Sewer connections billed to the County	484	484										
Subtotal	3711	3711	0	0	0	0	0	0	0	0	0	0
BLACKLAKE	559	559										
Sewer Dwelling Unit Equivalents - Total	4270	4270	0	0	0	0	0	0	0	0	0	0
New Sewer Dwelling Unit Equivalents-Town	1	0	0	0	0	0	0	0	0	0	0	0
New Sewer Dwelling Unit Equivalents-Galaxy	0	0	0	0	0	0	0	0	0	0	0	0

The Connection Report as of 3/7/2024

**Other Items**

Meter Reading - Although our meter reader contractor has caught up on their readings, staff will not issue late fees until we establish a consistent cycle of timely readings. We anticipate resuming application of late fees in the April.

**Safety Program**

No Safety Issues

**Supplemental Water Capacity Accounting**

This table will be revised next month

**Meetings Attended (remote or in person) Feb 25-Mar 9**

- 2/26/2024 - NMMA Manager's Meeting
- 2/27/2024 - Columbia Capital - Discuss Updated Refunding Analysis
- 2/27/2024 - Engineering-Ops and Admin Coordination
- 2/28/2024 - Board Meeting
- 3/1/2024 - Weekly Customer Service Specialist Update
- 3/4/2024 - Management Team Meeting
- 3/5/2024 - NCSD Board Officers
- 3/6/2024 - Discuss USFW with Carbajal's office
- 3/6/2024 - General Manager's Meeting
- 3/8/2024 - Board Packet Deliveries
- 3/9/2024 - Blacklake Management Association Annual Meeting

**Upcoming Water Resource and Other Meetings**

- |           |                               |          |                        |
|-----------|-------------------------------|----------|------------------------|
| 3/12/2024 | - Finance and Audit Committee | 2:00 PM  | at District Board Room |
| 3/13/2024 | - Board Meeting               | 9:00 AM  | at District Board Room |
| 3/22/2024 | - NCSD Staff Safety Meeting   | 11:00 AM | at District Board Room |
| 3/28/2024 | - NMMA - TG Meeting           | 10:00 AM | remote                 |

**RECOMMENDATION**

Staff seeks direction and input from your Board.

**ATTACHMENTS**

- A. Dana Reserve Schedule – updated
- B. Desal Meeting Schedule – no changes

**MARCH 13, 2024**

**ITEM F**

**ATTACHMENT A**

DANA RESERVE REVIEW SCHEDULE

Status Update: updated 3/7/2024

Date	Description	Comment
April 24, 2022	NCS D Review "Utility" Section of EIR	
June 16, 2022	Release of EIR	Extended from May 16, 2022
July 14, 2022	SLO County Planning Comm. Study Session	Zoom Meeting
July 21, 2022	LAFCO Study Session	County Lead Agency (9:00 am)
Aug. 1, 2022 <sup>1</sup>	Close Public Comment - DEIR	Was June 20, 2022 (Mario on Vaca)
Sept. 2022	Consider Ad-hoc Comm. (Annexation Agr.)	Establish January 2023
Nov. 17, 2022	NOTICE OF PETITION OF APPLICATION FOR ANNEXATION #30 DANA RESERVE <sup>1</sup>	60 Day Letter
Jan. 9, 2023	Ad-hoc Com. – Response to Notice of Petition	Prepare for Jan. 11 <sup>th</sup> Board Mtg.
July 24, 2023	SCAC – Town Hall Meeting, Nipomo H.S.	Community Meeting
August 30, 2023	County Planning Commission <sup>2</sup> (Postponed)	Two days (8/30 & 8/31)
September 28	Planning Commission Study Session <sup>3</sup>	
October 2023 <sup>5</sup>	Tax Sharing Agreement (NCS D/SLO County)	Start Negotiations with the County
October 23 & 24	Planning Commission Hearing <sup>4</sup>	Two days of testimony
November 2023	Review of revised EIR impact	
March 13, 2024	Review of updated Water Supply Assessment	If approved, submit to County prior to April 23, 2024 County Board Meeting
April 23, 2024	1 <sup>st</sup> Meeting: County Board of Supervisors	Consider recommendation of PC to Certify EIR, General Plan Amendment, Approve Subdivision Map, Issue Conditional Use Permits
April 24, 2024	2 <sup>nd</sup> Meeting: County Board of Supervisors	
May 2024	NCS D Board Negotiations with Developer [Infrastructure Improvements/Costs]	Adopt Annexation Agreement Between Developer and NCS D
June/July 2024	LAFCO Review & Approval	

The above schedule is suggested and drawn from conversations with staff from the County, LAFCO, and the Developer. This schedule is a rough outline and is subject to change over time.

Notes:

1. NCS D Staff will provide a staff report at the January 11<sup>th</sup> Board Meeting that provided the Board of Directors with more information and possible actions.
2. The Commission action was to continue the project hearing until the October 23 & 24 Special Planning Commission Meeting.
3. September 28<sup>th</sup>, Study Session with Planning Commission & Public – held at County Sups Chamber
4. Will consider a recommendation to provide the Board of Supervisors to: Certify the Final EIR, Adopt the CEQA findings, Approve the Specific Plan, Approve the Vesting Tentative Tract Map,

Approve related General Plan and Ordinance amendments, Approve a related Conditional Use Permit.

5. Previously September 2023. This will take place after the Planning Commission meetings are concluded.
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Developer shifted to an annexation process that focuses first on LAFCO application and second the District's application process. Under this format, LAFCO will be the agency that coordinates communication between the Developer and NCSD.

Developer mailed letter September 20, 2022 to residents in Nipomo directing their attention to District website and the three reports addressing utilities – focus on explaining water situation.

RWG submitted comments on the Dana Reserve Specific Plan DEIR, August 1, 2022, to the County of San Luis Obispo supervision planner, Jennifer Guetschow.

**Phasing Plan Schedule** – Defines the fee schedule for the development.

Administrative Draft Final Report	Dec 2023
District Comments on Admin Draft Final Report	Jan 2024
Draft Final Report	Jan/Feb 2024 <sup>1</sup>
District Board Presentation	Feb 2023 <sup>2</sup>
Final Report	Mar 2024 <sup>3</sup>

<sup>1</sup> Previously July 2023 (Changed on the 7/26/2023 Report)

<sup>2</sup> Previously September 2023 (Changed on 10/25/2023 Report) – staff awaiting final Planning Commission recommendations which got pushed to Oct 23&24, 2023

<sup>3</sup> Previously September 2023 (Changed on 10/25/2023 Report)

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**ITEM F**

**ATTACHMENT B**



Update: No changes since January 4, 2024

Ray Dienzo

## County Water Action Team (CWAT)

### County DESAL Meetings

Date	Speaker	Item/Issue/discipline	Company
1/10/2023	Dmitry Semenov	Financing Projects	Ridgeline Municipal Strategies, LLC
1/12/2023	Eric Miller	Fisheries Biologist	Miller Marin Science Consultants
1/17/2023	Did Not Attend		
1/19/2023	Tim Hogan	Biologist	TWB Environmental Research Consulting
2/6/2023	Rob Morrow	Engineering/Planning Team	WSC Inc. (Local Group)
2/7/2023	Did Not Attend		
2/7/2023	Lydia	Planning and Feasibility	Carollo Engineering
2/9/2023	Larry Kraemer	Engineering Firm	Cannon Eng.
2/9/2023	Daniel Heimel	Program Management/Engineering Services	Confluence Engineering Solutions
4/4/2023	Floyd Wicks	Sea-Well Buoy – Another solution	Seawell LLC
4/5/2023	Michael Wasgatt	Wind powered DESAL – Ocean Mounted	Offshore Wind Power Systems of Texas, Inc.
4/6/2023	Mr. Yamada		
4/24/2023	Neal Aronson	Oceanus Power and Water	is an infrastructure development company
4/25/2023	Antoine Vuillermet	Waterise (subsea tech)	subsea tech combined w/ membrane desal
6/2/2023	County CWAT Committee	Next Steps	(Conflicting Meeting – Didn't attend)
6/14/2023	Jennifer Jacobus	Everything but physically building a Plant	RINCON

1. **DESAL Plan participation:** The following agencies have adopted resolutions or submitted letters agreeing to participate: the Cities of San Luis Obispo, Arroyo Grande, Morro Bay, Paso Robles, the Community Services Districts of Avila Beach, Cambria, Los Osos, Nipomo, San Miguel, Templeton, Oceano and other water purveyors, such as Atascadero Mutual, Golden State, San Miguelito and Santa Barbara County
  - a. Grover is targeting next week for consideration
2. **DESAL Plan scope / grant:** We submitted an application (attached) to USBR and anticipate hearing about awards no later than June. To fit the timing required for USBR's grant (project must be completed w/in 24 months), Phase 2 was broken into Phase 2a and Phase 2b (snippet of 5 phases below)
  - a. **Phase 2a (proposed grant scope)**
    - i. Will be completed within 24 months and, if awarded grant, will cost District \$550K and USBR \$550K for total \$1.2M project
    - ii. Will include public engagement, identifying/vetting/analyzing project concept alternatives
    - iii. Outcome will be "short-list" of potential projects to further pursue and scope/schedule/budget to do so in Phase 2b

Update: No changes since January 4, 2024

Ray Dienzo

**b. Phase 2b (not proposed in grant scope)**

- i. Will include more detailed analysis/studies of projects on “short-list”
- ii. Outcome will be selection of single preferred project to move forward to Phase 3

**3. Desal planning meetings:**

- a. CWAT meetings (TBD) – we’ll be reaching out for your availability soon to schedule the next CWAT meeting and round of working group / consultant meetings
  - the request for your availability may come from Jenny Williamson in our office – please respond at your earliest convenience so we can continue coordination with the consultants’ availabilities, etc.
- b. Board of Supervisors (April) – The grant application requires the District to adopt a resolution within 60 days of submitting the grant application. We plan to go to our Board on April 18 with the required resolution, along with an update on the scope and request for direction to return with a consultant contract
- c. CWAT meeting 12/19/2023 – Finalizing USBR grant agreement. Consultant RFPs to follow

**4. Misc. desal info just fyi**

- a. Glenn Farrel (CalDesal Executive Director) sent over the CalDesal Regulatory Committee Meeting Agenda Packet; it includes a brief write-up on Innovations in Desalination and newly-introduced legislation relevant to desal projects
- b. Paul Herman (GHD contact) sent over the International Weekly Desal Report; it includes a brief write-up on the CalDesal conference (key note: the SWRCB representative said the State’s desal siting guidelines anticipated this summer will be out for public comment in April!)