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NIPOMO COMMUNITY SERVICES DISTRICT

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May 2014



Important Information from Nipomo Community Services District • Issue 6

You Are Invited to a Public Workshop

Monday, May 5th
3:00 PM

Blacklake Club House
1490 Golf Course Lane
Nipomo

6:30 PM

Nipomo Community Services District Board Room
148 South Wilson Street,
Nipomo

Learn more and provide input on Nipomo's water shortage and how the District is responding:

- Bringing in a New Supply of Supplemental Water
- Implementing a Water Shortage Response Plan

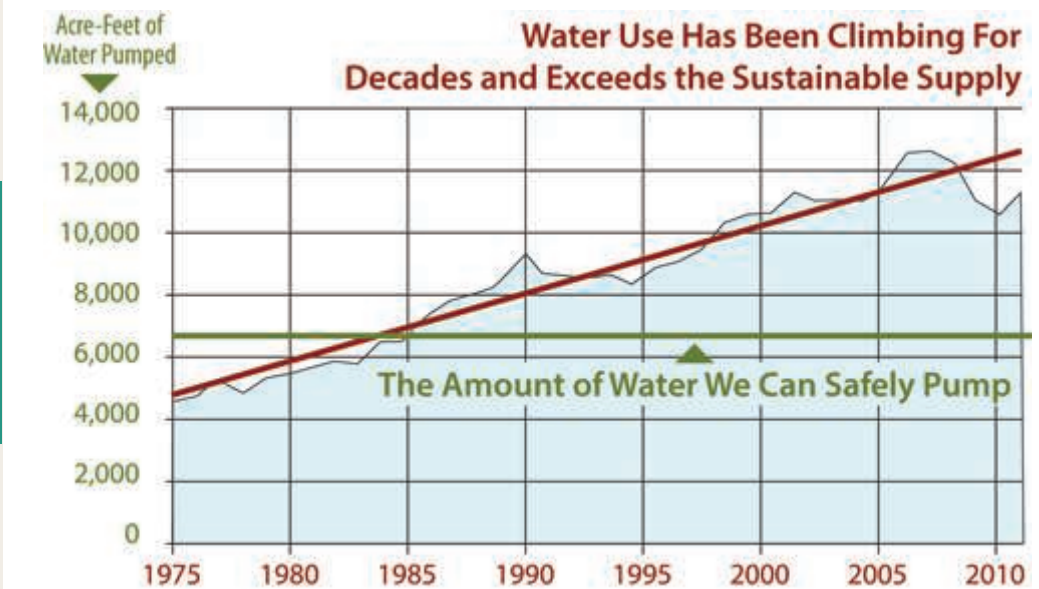
AND

- Evaluating Drought Rates to Reduce Water Demand

Water Shortage Worsens—District's Plan to Deal With it

Our Stressed Water Supply

Nipomo's sole source of water—the groundwater basin—has declined below sustainable levels. The current unprecedented drought is one important cause, but continued growth and increased water demand are additional long-term causes. Declining groundwater levels threaten to begin allowing ocean saltwater to infiltrate and contaminate our freshwater supply.



Water Use Has Been Climbing Steadily Since the 1970s

Continued increases in water use is unsustainable and a threat to our water supply. See the inside pages for our plan to protect the basin and ensure long-term water supplies for our community.

New Customer-Friendly Website

Nipomo CSD just launched its new and improved website

- It is more user-friendly
- Includes Online Bill Pay
- Provides easy access to board packets, reports, news, forms and more

Check it out at www.ncsd.ca.gov

- If you have ideas or feedback, email us at info@ncsd.ca.gov



The District Offers These Convenient Options for Bill Payment

Online: Click on the "Pay My Bill" option on the District's website.

Mail: Payments can be mailed to P.O. Box 326, Nipomo, CA 93444.

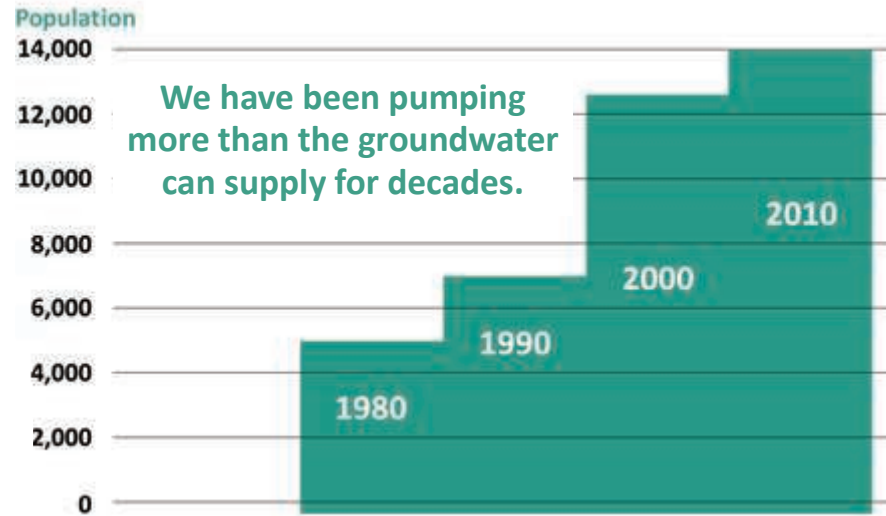
Drop Box: Checks or money orders can be placed in our drop box in the District's parking lot. The box is emptied daily Mon - Fri.

Office: Customers can pay in the office Mon - Fri 8:00am - 4:30pm except holidays.

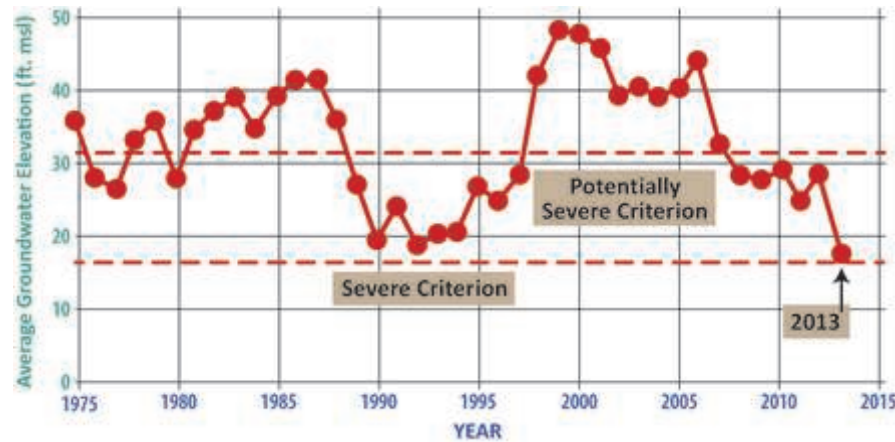
YOUR DISTRICT'S PLAN TO ADDRESS NIPOMO'S WATER SHORTAGE

Our Groundwater Supply Is In Trouble

Nipomo Mesa Population is Growing and Groundwater Supplies are Shrinking

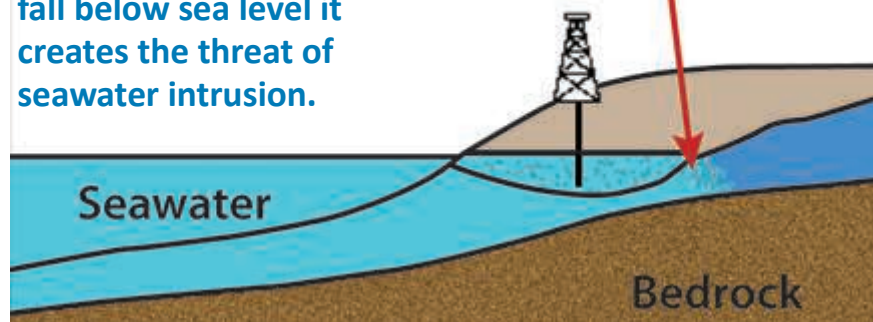


Last Year Groundwater Levels Nearly Fell to "Severe Level". This Year May be Worse.



Fresh/Seawater Interface

As groundwater levels fall below sea level it creates the threat of seawater intrusion.



We Are Bringing New Water to Nipomo

A Long-Term Solution That Will Help to Balance Our Water Supply and Protect the Basin

The District has completed an agreement to buy water from Santa Maria. This is a new, supplemental supply that was previously unavailable.

Construction is Underway for Delivery of Water in 2015

The District is currently building the needed facilities, and the project is on-schedule to be completed by summer 2015 when the first 650 acre-feet per year of water will start arriving.

Phase I Underway With More Water to Come

The pipeline to bring in the supplemental water is sized to bring in the 2,500 acre-feet of water needed to balance the basin. Neighboring water agencies are sharing in the cost of the project and purchase of water.

Supplemental Water Rates Starting Next Year

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

We are currently evaluating alternatives for apportioning supplemental water costs to our customers once that water becomes available in 2015. Based upon preliminary estimates, the amount needed to pay for Phase I supplemental water will be approximately \$20 per month for the average water user.



Water Shortage Response Plan & Proposed Drought Rates

This Plan Will Help Manage Water Supplies During Drought by Reducing Water Use to Match Water Availability

The District recently approved a Water Shortage Response Plan with the following features:

1. Five Escalating Drought Stages

This Plan is based on five escalating stages of drought. These stages are based on the court-mandated water use limits that are designed to protect the groundwater basin.

2. Targeted Water Use Reduction by Voluntary Conservation

As the drought stages escalate, the plan calls for increasing levels of voluntary conservation by customers. In higher stages, there are targeted reductions in overall water use designed to protect long-term groundwater supplies. At stages 3, 4 and 5 the targeted reductions are 30%, 50% and 60% respectively. The later stages represent extreme drought that has not occurred to-date.

3. Processing Permits for New Water Would Decrease—Then Stop

In stage 4, new water connections would only be made to existing commitments. In Stage 5, no new water service connections would be made.

4. Proposed Drought Rates May Be Implemented

To motivate customers to conserve water, the District is considering drought rates designed to signal customers to reduce water use should advance stages of drought be experienced. These rates would be based on the same five stages in the Drought Response Plan. In stages 3 through 5, the drought rates would be designed to motivate people to conserve increasing amounts of water, and also make up for the financial loss from reduced water sales.

Timeline for Implementing the Water Shortage Response Plan

March - May	Public outreach on drought, supplemental water and the Drought Response Plan.
May	Learn Basin Status. The Court-appointed groundwater management group is expected to announce the groundwater condition. Since last year almost reached "Severe" drought condition, and this year conditions worsened, we expect "Severe Water Shortage" conditions and Stage 3 drought to be declared. This would call for a targeted 30% cutback in water use.
June	Likely 30% Conservation Cutbacks. Presumed 30% cutback in water supplies due to Stage 3 drought. District will seek to achieve cutback through voluntary conservation by customers.
May - October	Coordinate with Neighbors for Shared Conservation and Supplemental Water Responsibilities. Work with neighboring water suppliers to finalize agreements for them to purchase their share of supplemental water and institute similar conservation programs and rates. Work with the County to implement water resource management policies to protect the basin and fund purchase of new water supplies for any new development.