



Nipomo Community Services District District News

Issue No. 2, 2009

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NCS D Mission Statement

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

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Waterline Intertie Project Update

Currently, the District relies on groundwater as our sole source of supply. Groundwater is pumped from the Nipomo Mesa Management Area (NMMA) of the Santa Maria Basin, an aquifer that has been the subject of ongoing litigation since 1997. The California State Superior Court of Santa Clara County approved a Settlement Stipulation on August 3, 2005, containing a requirement that the District import 2,500 acre-feet of supplemental water to the NMMA each year in order to reduce groundwater pumping by Mesa purveyors, and make up for excessive water pumped over the last 22 years.

In April 2009, the Court appointed NMMA Technical Group – comprised of hydrologic experts – concluded in the 2008 NMMA Annual Report that current consumptive water use exceeds the average annual recharge, so the basin is in a potentially severe groundwater shortage situation. Some groundwater levels are currently as low as the worst historic readings, and another year of drought could depress the groundwater to dangerously low levels – allowing the possibility of sea water intrusion. It is impossible to know if 2010 will be wet or dry, but it is clear from the meteorological record that dry years often follow an initial dry year, such as in the late 1980s and the three most recent years. Additionally, consumers use more water in dry years to make up for lack of rainfall, worsening the draw on available water supply. Given the long term trend of overuse, each subsequent dry cycle without supplemental water is more dangerous than the last since groundwater levels are likely to be lower.

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The Waterline Intertie Project will reduce current pumping so that the average annual recharge will exceed the annual consumptive use. Over time, groundwater levels should rise and the threat of sea water intrusion should decrease. Although future droughts are likely, the infusion of supplemental water aims to provide a storage buffer against dangerously low groundwater levels – not to facilitate new subdivisions.

In 2008, the NCS D Board hired AECOM Engineering Corporation to design the project. AECOM completed the Concept Design in April 2009, including eleven technical memorandums. The Board approved this Concept Design at its May 13, 2009 meeting. AECOM has also delivered the 60% Submittal of Construction Plans and is expected to produce the 90% Submittal of Construction Plans and Specifications by the end of November 2009. Competitive bids from qualified contractors are expected in Winter 2010 with construction starting in Spring 2010 and finishing by the end of 2011.

The proposed project involves construction of about five miles of new pipeline starting at the corner of Blosser and Taylor in Santa Maria, where NCS D would connect to the City of Santa Maria water distribution system. From this point, an 18" main would be constructed in Blosser north to the levy and a 24" main would be constructed under the levy and the Santa Maria River using a technique call Horizontal Directional Drilling. At the top of the bluff on the north side of the Santa Maria River, a pump sta-

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Waterline Intertie Project Update *(continued)*

tion and a 500,000 gallon storage reservoir would be built. The new water would then be connected with NCS D's existing water system at the corner of Orchard Road and Joshua. In addition, the District would construct a new 12" water main in Southland Street from Orchard Road to South Frontage and construct a new 12" main in South Frontage from Southland to Grande, then under US101 to South Oakglen and along South Oakglen to West Tefft Street.

This project was evaluated in a Draft and then a Final Environmental Impact Report by Douglas Wood and Associates (DWA). The Final EIR determined that the project had both beneficial and adverse environmental impacts and proposed a mitigation and monitoring program to minimize the adverse impacts. The NCS D Board of Directors certified the Final EIR at its April 22, 2009 meeting. The legal window for challenging the Final EIR is now closed.

In regards to funding, AECOM estimates that the capital cost of construction at about \$23 million. The NCS D Board has proposed to borrow these funds in the form of a municipal bond and repay the resulting debt service (annual principle and interest) with assessments. The Board is working with an assessment engineer to prepare a preliminary assessment roll for mailing this fall to each property owner within the District and for property owners within the Golden State Water Company, Rural Water Company and the Woodlands, who will share the cost. Property owners will then have

an opportunity to request corrections to the assessment roll before ballots are mailed out in early 2010. The preliminary evaluation indicates that the average single-family residence would pay an assessment of approximately \$229 per year over the thirty-year life of the bond.

Separate from the capital cost, NCS D must also pay for the water and the ongoing costs of operating the project. NCS D has hired a rate consultant to develop proposed new water rates. The consultant will evaluate the size of the rate increase necessary and provide the Board with options regarding who will pay what share of the new charges at the Board's September 9, 2009 meeting. The NCS D Board will then select a proposed rate and mail out protest ballots to all property owners and customers. It appears that the annual cost of operations will be approximately \$217 per year for an average single-family residence.

Readers interested in more details can access the "Waterline Intertie Project - Narrative Report" off of NCS D's website - NCS D.CA.GOV or contact the NCS D Office at 929-1133. The District's Supplemental Water Project Committee generally meets once per month to consider project issues and public input is welcome and encouraged. The Board meets on the second and fourth Wednesday of each month at 9am at the NCS D Office.



Willow Road Waterline Extension

In our Spring *DISTRICT NEWS*, we described the partnership between NCS D and SLO County in regards to using the County's road contractor to construct NCS D's new waterline from Pomeroy Road to Hetrick Road in the Willow Road Extension right-of-way. As this edition goes to press, the County is preparing the advertisements for construction bids. Assuming that the resulting bids are competitive, NCS D expects that the Board of Supervisors will award the work and the selected contractor will commence construction this fall. By this time in 2010, the water pressures and fire flows in the north-west portion of the District should improve. Funding for this work will come out of the reserved capacity fees paid by development.

NCS D and SLO County are also negotiating for a similar joint effort for the second phase of the Willow Road project from Hetrick Road to US101. The County has indicated its intent to fund the construction of a freeway exchange at Willow Road and US101, but it is not clear that that overpass will link with either Thompson Avenue to the east or North Frontage Road to the south at this time. NCS D's Water Master Plan does call for the looping of the District's water main all the way to the intersection of North Frontage Road and Sandydale Street.

Southland WWTF Upgrade Project

As previously reported, the District has hired AECOM Engineering to design about \$12 million worth of changes to the Southland Wastewater Treatment Facility necessary to upgrade the quality of the discharge, to provide for increased hydraulic (flow) capacity. AECOM is advancing the design and is expected to publish a concept design report this fall. The Board will hold hearings on the Concept Design Report in winter 2010.

Progress is also being made in regards to Environmental Review. In May, the Board reviewed a draft Initial Study prepared by Douglas Wood and Associates (DWA). The Initial Study confirmed that there were significant adverse environmental impacts that must be evaluated in an Environmental Impact Report (EIR). DWA then circulated a Notice of Preparation and requested feedback from interested parties on the contents of the EIR. Eight parties submitted comments and requests on the project. DWA is scheduled to publish a Draft EIR this fall. There will be an opportunity for interested parties to comment on the Draft EIR in winter 2010 before it is finalized.

Assuming that permits can be secured, this work should start in 2010 and be completed in 2011. NCS D will need to borrow the \$12 million to do this work; but fortunately, the sewer rates adopted by the Board in 2008 will be adequate to pay for the work.

How to dispose of the treated wastewater remains unresolved. Unfortunately, the existing percolation ponds to the south of the facility are not working as designed and NCS D needs to find a substitute disposal site. Although the treated wastewater does percolate into the soil at the existing site, the Santa Maria Valley fault that runs down Orchard Road acts as a bar-

Miller Park Progress

In the last edition of *DISTRICT NEWS*, we described the proposal to create a neighborhood park out of 1.4 acres of land and railroad right-of-way on the north side of West Tefft Street, east of 101 and adjacent to the Adobe Plaza. Over the summer, progress has been made in regards to funding, environmental review and activation of NCS D's latent parks power.

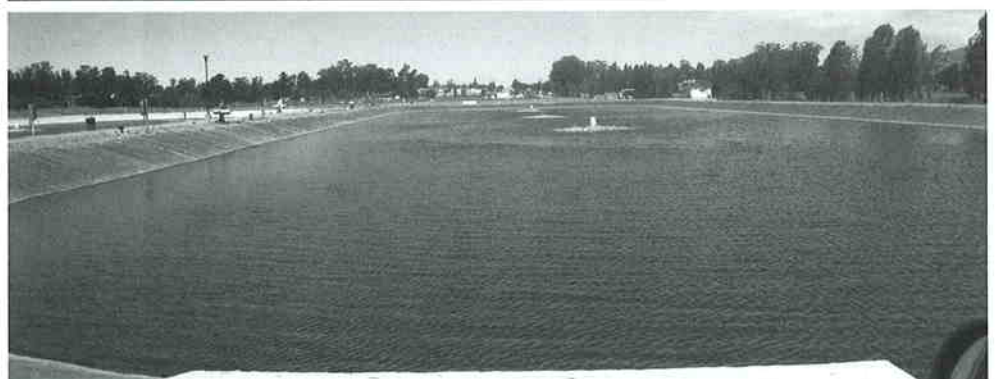
In May, the Board confirmed its decision to use property tax reserves to pay for the planning cost and a portion of the construction with the balance to come through grants, donations and facility construction by groups and service clubs. The Board has also agreed to pay up to 40% of the annual operations cost with current property tax proceeds. The remaining 60% of annual operations cost is proposed to be paid by property owners in two zones of benefit adjacent to the Park in future assessments. The 127 parcels in the Primary Zone-of-Benefit would pay \$35.03 per year per equivalent single-family residence. The 290 parcels in the Secondary Zone-of-Benefit would pay \$12.60 per equivalent



single-family residence. The Board then set a protest hearing regarding formation of the Zone-of-Benefit for July 8, 2009, and mailed out protest notices to each of the 417 property owners. Following a forum on June 25, 2009 to provide information on the proposal, the Board held the protest hearing. Out of the 417 owners, only five submitted protests. Given this result, the Board formally adopted the Zone-of-Benefit, which enables a future property owner vote on the actual assessment.

In July, the Board reviewed an Initial Study (environmental checklist), determined that there were no Significant Adverse Environmental Impacts and proposed to adopt a "Mitigated Negative Declaration" instead of preparing an Environmental Impact Report. The

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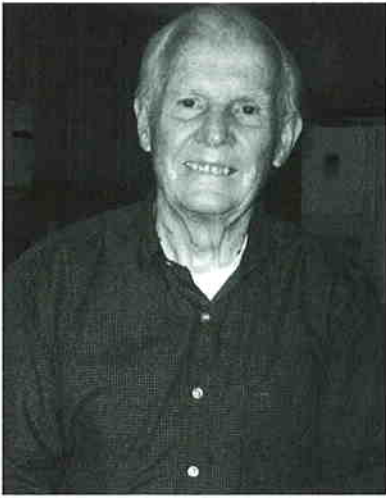


rier to the migration of groundwater to the west and as a result a mound of groundwater is building underneath the site with nowhere to go. The Board will continue to evaluate options to resolve this problem and the alterna-

tives will be equally evaluated in the upgrade Environmental Impact Report. It is likely that a solution to NCS D's Southland wastewater discharge problem will be implemented at a later date.

Bill Nelson Appointed

In April, long time Board Member Cliff Trotter submitted his resignation as a result of poor health. The Board regretfully received Cliff Trotter's resignation and noticed the opening for residents



to apply for appointment. Three residents did apply and the Board held interviews on June 3, 2009. On June 10, 2009, the Board unanimously selected Bill Nelson to fill the vacant seat.

Over the past two years, Bill Nelson has been a regular at NCS D's Board Meetings and served as a liaison between the Blacklake Community and the District. He is a retired US Army officer, who had a second career in the corporate America as a project manager. He also has significant experience in serving on utility related committees. He is, by nature, a thoughtful and constructive individual. NCS D is fortunate that Bill Nelson is willing and able to fill Cliff Trotter's seat on the Board. The Board was also grateful for the interest in the opening and the applications of the other two candidates.

NMMA Technical Group Announces Presentation

The Nipomo Mesa Management Area (NMMA) Technical Group has announced that it will describe the health of the Nipomo Mesa ground water basin at 7pm on Monday September 14, 2009 at the Forum at Nipomo High School. The NMMA Technical Group is the body approved by the State Court to track ground water levels and water quality on the Nipomo Mesa and is comprised of technical experts representing NCS D, Golden State Water Company, Woodlands Mutual Water Company, ConocoPhillips and Mesa agricultural interests. The state court recently approved the Nipomo Mesa Management Area 2008 Annual Report submitted by the Technical Group. Rob Miller, Chair of the Technical Group, will make the presentation with an introduction by the agricultural representative, Jacqueline Frederick. The public and anyone interested in water supply for the Nipomo Mesa is encouraged to attend.

Miller Park Progress *(continued)*

Board ordered staff to mail out a Notice of Intent to Adopt a Mitigated Negative Declaration to agencies and a Notice of Availability to the 417 parcels in the Zone-of-Benefit to get feedback on the environmental determination. At its August 26, 2009 meeting, the Board formally adopted the Mitigated Negative Declaration and ordered staff to file the Notice of Determination.

NCS D had previously applied to SLO County LAFCO (Local Agency Formation Commission) for approval to provide parks services

in general and specifically, for development and operation of Miller Park. The Commission approved NCS D's request at their August 20, 2009 Meeting.

In regards to design of the Park, the District has developed a concept site plan and we are looking for community input. The District will host a community workshop to critique the concept site plan and to discuss priorities for park facilities on September 29, 2009 at 6:30 pm at the District office. The public is welcome and urged to attend.

Board Meeting Agendas and packets can be downloaded from the NCS D website (ncsd.ca.gov) 72 hours before each meeting.

Wednesday 11/18/09

NOVEMBER

Wednesday 10/28/09

Wednesday 10/14/09

OCTOBER

Wednesday 9/30/09

Wednesday 9/9/09

SEPTEMBER

Following is a schedule of the regular NCS D Board Meetings held at 9 AM in the Board Room at the NCS D Office; 148 South Wilson Street, Nipomo.

Up-Coming Meetings



ncsd.ca.gov 148 South Wilson Street, Nipomo, CA 93444

Nipomo
Community Services District

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