

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER



DATE: July 20, 2016

**AGENDA ITEM
E-1
JULY 27, 2016**

**CONDUCT A HEARING TO ADOPT AN ORDINANCE REPEALING
CHAPTER 3.05 SUBSECTION .070.B.1 AND RENUMBER
SUBSECTIONS .070.B.2 AND 070.B.3 OF DISTRICT CODE**

ITEM

Conduct a hearing to adopt an ordinance repealing subsection .070.B.1 of Chapter 3.05 of District Code related to water service applications for Intent-to-Serve Letters, Will-Serve Letters and terminations. [RECOMMEND BY MOTION AND ROLL CALL VOTE TO ADOPT PROPOSED ORDINANCE BY TITLE ONLY]

BACKGROUND

At your July 13, 2016, Board Meeting your Board heard the first reading of a proposed Ordinance to repeal Chapter 3.05.070.B.1 and renumber the subsequent provisions accordingly. Below is a red-line markup of the District Code Chapter potentially affected by proposed Ordinance.

3.05.070 - Application for intent-to-serve letters, will-serve letters and termination.

The following procedures, are in addition to other district rules and regulations relating to intent-to-serve letters and will-serve letters, and shall apply to all applications for intent- to-serve letters and will-serve letters approved by the district:

- A. Applications:** Application for intent-to-serve letters shall be made on the district's form. In order to be considered for an intent-to-serve letter the application shall contain a verification that applicant has submitted the proposed project for initial review to the county planning and building department.
- B. Termination:** Intent-to-serve letters shall automatically terminate as follows:
- ~~1. Failure of the applicant to provide district with written verification, within two hundred forty calendar days from the date the intent-to-serve letter is issued, that the county has deemed the project application to be complete.~~
 - ~~2.~~ 1. The failure of the applicant to receive both the acceptance of the project improvements and a final will-serve letter within three years from the date the intent-to-serve letter is issued.
 - ~~3.~~ 2. An applicant shall be entitled to a one-year extension of the three year limitation upon the following conditions:
 - (a) Applicant makes written application for the extension prior to the expiration of the intent-to-serve letter.
 - (b) Proof of reasonable due diligence in processing the project.
 - (c) Applicant agrees to revisions of the conditions contained in the intent-to-serve letter consistent with then existing district policies.
- C. Extensions:** All intent-to-serve letters that have not expired on or before the second reading of the ordinance adopting this section shall be extended for an additional twelve months."

On June 13, 2007, the District Board of Directors passed by roll call vote, Ordinance Number 2007-106 amending the rules and regulations for allocation of Intent-to-Serve Letters, Chapter 3.05 of the District Code. Your Board took further action in Ordinance 2009-114 on October 14, 2009, amending language in Chapter 3.05 to extend time for projects moving through the development process. There are four findings stated in the Ordinance:

- A. That the purpose and intent in further amending Chapter 3.05 is consistent with the purposes found in Section 3.05.010 of Chapter 3.05, the Judgment and Stipulation in the Ground Water Litigation imposing a physical solution to assure long-term sustainability of the groundwater basin and the San Luis Obispo County's certification of a Level III of the Severity for the waters underlying the Nipomo Mesa Management Area;
- B. Allocating Intent-to-Serve Letters for water service will provide greater assurance that there will be adequate groundwater to meet present and future needs of District residents consistent with the resource protection goals of the San Luis Obispo County South County Area Plan;
- C. That adopting the amendments to Chapter 3.05 will further conserve the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection.
- D. The District's authority to adopt the Amendments referenced herein include, but are not limited to, Government Code Sections 61040(a), 61045 and 61060(a, b, and n).

The findings of the Ordinance as stated above will not be adversely affected by repealing subsection.070.B.1. of Chapter 3.05.

Your Board is aware of and recognizes potential conflicts between the County of San Luis Obispo's application policies and the Districts requirements with regard to sustaining an Intent-to-Serve Letter. These potential conflicts can make the application process impractical for an applicant with a complex project as they work to advance the project plans through the permitting process.

San Luis Obispo County ("County") provides written verification to applicants when they deem a project application complete. Applicants can expect the County's review and acceptance process to exceed two hundred forty calendar days. There are provisions within the District's Code that provide applicants up to four years to perfect an Intent-to-Serve Letter to a Will-Serve Letter. These provisions provide sufficient time to allow all applicants seeking utility services from the District due process as they advance through the County's and the District's permitting processes, policies and regulations.

FISCAL IMPACT

Minor staff time administrating Ordinance and preparing board 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.

6.4 Periodically review, update and reaffirm District policies and procedures.

RECOMMENDATION

By motion and roll call vote, adopt proposed Ordinance repealing subsection .070.B.1 in Chapter 3.05 of District Code.

ATTACHMENTS

A. Ordinance 2016-XXX Repealing subsection .070.B.1 of Chapter 3.05

July 27, 2016

ITEM E-1

ATTACHMENT A

ORDINANCE NO. 2016-XXX

**AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTION 3.05.070.B.1. AND RENUMBERING SECTIONS
3.05.070.B.2. TO 3.05.070.B.1. AND 3.05.070.B.3. TO 3.05.070.B.2. OF THE
DISTRICT CODE**

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, and

WHEREAS, Chapter 3.05, Application for Intent-to-Serve Letters, Will-Serve and Termination, of the District Code provides District constituents access to District water service; and

WHEREAS, the District constituents seeking to develop a parcel within District service boundaries are subject to the County of San Luis Obispo Planning Department ("County"), their policies and ordinances; and

WHEREAS, County review and acceptance of an applicant's project application can exceed 365 days, limiting an applicant's ability to secure written verification that the County has deemed the project application to be complete until such time the County ordains it so; and

WHEREAS, Subsection .070.B.1 of Chapter 3.05 of District Code requires project applicant to provided District with written verification within 240 days that the County has deemed the project application to be complete; and

WHEREAS, District Code and County policies are inconsistent with providing access to District constituents seeking District water service; and

WHEREAS, based on the Staff Report, staff presentation, and public comment, the District Board of Directors finds:

A. Subsection .070.B.1 of Chapter 3.05 is untenable and is repealed.

"Failure of the applicant to provide[d] district with written verification, within two hundred forty calendar days of the date the intent-to-serve letter is issued, that the county has deemed the county's project application to be complete: or"

B. Subsections .070.B.2 of Chapter 3.05 is renumbered .070.B.1

C. Subsections .070.B.3 of Chapter 3.05 is renumbered .070.B.2

NOW, THEREFORE BE IT ORDAINED, by the Board of Directors of the District as follows:

Section 1. Chapter 3.05 of the District Code

AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTION 3.05.070.B.1. AND RENUMBERING SECTION 3.05.070.B.2. TO 3.05.070.B.1.
AND 3.05.070.B.3. TO 3.05.070.B.2. OF THE DISTRICT CODE

Subsection .070.B.1 of Chapter 3.05 of the District Code is hereby repealed in its entirety.

With the repeal of Subsection .070.B.1 of Chapter 3.24, the following are hereby renumbered:

Subsections .070.B.2 of Chapter 3.05 is renumbered .070.B.1

Subsections .070.B.3 of Chapter 3.05 is renumbered .070.B.2

Section 2. Incorporation of Recitals

The recitals to this Ordinance are true and correct and are incorporated herein by this reference.

Section 3. Severability

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Ordinance. The Governing Board of the District hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentence, clause or phrase be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Section 4. Effect of headings in Ordinance

Title, division, part, chapter, article, and section headings contained herein do not in any manner affect the scope, meaning, or intent of the provisions of this Ordinance.

Section 5. Inconsistency

To the extent that the terms of provision of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior District Ordinance(s), Motions, Resolutions, Rules, or Regulations adopted by the District, governing the same subject matter thereof, then such inconsistent and conflicting provisions of prior Ordinances, Motions, Resolutions, Rules, and Regulations are hereby repealed.

Section 6 — CEQA

The Board of Directors of the District finds that the policies and procedures adopted by this Ordinance are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the rules and regulations established by this Ordinance is not a project as defined in CEQA Guideline Section 15378, because it can be seen

ORDINANCE NO. 2016-XXX

AN ORDINANCE OF THE NIPOMO COMMUNITY SERVICES DISTRICT
REPEALING SECTION 3.05.070.B.1. AND RENUMBERING SECTION 3.05.070.B.2. TO 3.05.070.B.1.
AND 3.05.070.B.3. TO 3.05.070.B.2. OF THE DISTRICT CODE

that the action will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District General Manager is directed to prepare and file an appropriate notice of exemption.

Section 7 — California Department of Fish and Wildlife Certificate of Fee Exemption

Pursuant to § 711.4 (c)(2)A of the Fish and Game Code, the District Board of Directors finds that rules and regulations adopted by this Ordinance will have no effect on fish and wildlife. The General Manager is authorized to file a California Department of Fish and Game Certificate of Fee Exemption.

Section 8. Effective Date

This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage. The Ordinance shall be published once with the names of the members of the Board of Directors voting for and against the Ordinance in a paper of general circulation.

Introduced on the ____ day of ____, 2016 and adopted by the Board of Directors of the Nipomo Community Services District _____, 2016, by the following roll call vote, to wit:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAINING:**

CRAIG ARMSTRONG
President of the Board

ATTEST:

APPROVED AS TO FORM:

MARIO E. IGLESIAS
General Manager and Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

TO: BOARD OF DIRECTORS

FROM: MARIO E. IGLESIAS
GENERAL MANAGER



DATE: JULY 20, 2016

AGENDA ITEM

E-2

JULY 27, 2016

**ADOPT A RESOLUTION DECLARING STAGE IV OF
DISTRICT'S WATER SHORTAGE RESPONSE AND MANAGEMENT
PLAN PURSUENT TO NIPOMO MESA MANAGEMENT AREA
TECHNICAL GROUP'S JUNE 23, 2016 DECLARATION OF
A STAGE IV WATER SHORTAGE CONDITION**

ITEM

Adopt Resolution declaring the existence of a Stage IV water shortage condition in accordance with the District's Water Shortage Response and Management Plan and consistent with the Nipomo Mesa Management Area Technical Group's Declaration of Stage IV Water Shortage Conditions [RECOMMEND ADOPT RESOLUTION DECLARING STAGE IV CONDITIONS].

BACKGROUND

On April 9, 2014 your Board adopted Resolution 2014-1335 approving its Water Shortage Response and Management Plan ("WSRMP"). A summary of the WSRMP's key features is provided as Attachment A. The WSRMP is derived from the Nipomo Mesa Management Area Technical Group's ("NMMA") Water Shortage Condition and Response Plan ("WSCR") [Attachment B].

The court-appointed NMMA monitors and evaluates groundwater basin health in the Nipomo area. On May 19, 2015, NMMA announced the Spring 2015 Key Wells Index had entered Severe Water Shortage condition. On May 21, 2015, your Board declared Stage III of its WSRMP in response to NMMA's Stage III announcement.

The District's WSRMP and the NMMA's WSCR identify the five stages of groundwater supply conditions in the basin. Each stage of these two plans is triggered on and off based on the health of the groundwater basin as measured by the Key Well Index and Coastal Criterion – both measurements are defined in NMMA's Annual Report. The responses for each stage are listed in both plans and define various degrees of groundwater conservation as an objective. The actions taken by entities that draw on the groundwater basin under the purview of NMMA's WSCR and deemed necessary to reach the defined conservation objective stated therein, are discretionary.

On June 23, 2016, NMMA confirmed the Spring 2016 Key Wells Index measurement and publicly announced the groundwater basin, while improved, was in Severe Water Shortage Condition pursuant to NMMA's WSCR [Attachment C]. As this condition has lasted more than 1 year from the initial declaration of Stage III, NMMA was compelled to declare a Stage IV water shortage condition as of June 23, 2016. By so doing, the District will be in compliance with the NMMA's WSCR with a goal of reaching a fifty percent (50%) reduction in ground water pumping.

At your Board's July 13, 2016, Board Meeting, your Board acknowledged NMMA's declaration of Stage IV, received a staff report and took public comment in an effort to determine the appropriate action in response to NMMA's declaration. Staff informed your Board that from July 2015 to June 2016, at a minimum, 46% less groundwater was pumped from the basin. During this time the community was under Stage III of NMMA's WSCR and required to reduce groundwater pumping by 30%. The higher percentage of reduced groundwater pumping was attributed to the community's conservation efforts and imported water brought onto the Nipomo Mesa through the Nipomo Supplemental Water Project ("NSWP"). A year-end water demand report is provided for your review [Attachment D].

At your Board's July 13, 2016, Board Meeting, your Board directed staff to prepare a resolution declaring Stage IV of the District's WSRMP. In constructing the resolution, staff was directed to include possible actions deemed necessary by your Board to achieve the 50% groundwater pumping reduction. Additionally, the resolution will acknowledge the need for your Board to assess, evaluate, and possibly increase a response as your Board deems necessary to reach the stated conservation objective. The resolution will identify the first Regular Board Meeting in January 2017 as the date set for your Board to convene and address the matter.

FISCAL IMPACT

In accordance with NMMA's WSMRP, the District must reduce groundwater production by 50%. To do so, we must reduce customer demand and increase our reliance on imported water through the District's Supplemental Water Project. This in turn will increase import water costs and, as customers continue their conservation practices, reduce income to the Water Fund. Staff will continue to track budgeted versus actual income and report regularly to your Board. The District has a funded rate stabilization fund to mitigate impacts of mandated conservation.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- 1.3 Develop water shortage response and management plan to respond to drought and other supply emergencies.
- 1.4 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.
- 1.6 Continue to be a leader in management of area water resources.

RECOMMENDATION

By motion and roll call vote, adopt Resolution declaring the existence of a Stage IV Water Shortage condition in accordance with the District's WSRMP and direct staff to carry out required actions identified in the Resolution.

ATTACHMENT

- A. District's Water Shortage Response and Management Plan Summary
- B. Nipomo Mesa Management Area Water Shortage Condition and Response Stages
- C. NMMA Technical Group Key Wells Index Statement
- D. Year-end Water Demand Report
- E. Resolution 2016-XXXX Water Shortage Response Stage IV

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ATTACHMENT A

SUMMARY

NCSD WATER SHORTAGE RESPONSE AND MANAGEMENT PLAN

Key Features of the Plan

	Stage I	Stage II	Stage III	Stage IV
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
TRIGGER OFF	Normal usage	Potentially 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
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IF TARGET REDUCTIONS NOT MET

(POSSIBLE ACTIONS TO REACH CONSERVATION OBJECTIVE)

	Four Tier escalating	Four Tier escalating	Stage III Drought rates	Stage IV 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.
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
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.
NEW SERVICE CONNECTIONS	New service connections are made	New service connections are made	New service connections are made	New connections Only to completed commitments

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ATTACHMENT B

NMMA WATER SHORTAGE RESPONSE STAGES

Endorsed by NMMA Technical Group April 14, 2014

STAGE	GROUNDWATER SUPPLY CONDITION	RESPONSE - GENERAL DESCRIPTION*	DURATION of RESTRICTION
I	Always in place.	Voluntary measures and outreach to encourage best water management practices and conservation.	Always in place.
II	Potentially Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	Goal: voluntary 20% reduction in groundwater production – supported with aggressive public outreach and customer communications.	Until Potentially Severe Water Shortage Condition does not exist.
III	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	Goal: 30% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.**
IV	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 1 year from the initial declaration; or Severe Water Shortage declaration pursuant to NMMA declaration triggered by both the Key Well Index and the Coastal Area Criterion.	Goal: 50% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.
V	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan, lasting more than 2 years from the initial declaration, based on both the Key Well Index and Coastal Area Criterion.	Goal: 60% reduction in groundwater production – supported with mandatory conservation restrictions.	Until Severe Water Shortage Conditions no longer exist pursuant to NMMA criteria.

* This is a general descriptor. Detailed response to meeting the applicable goal is the responsibility of each NMMA purveyor. The NMMA parties acknowledge that Golden State Water Company and Rural Water Company must obtain CPUC approval and hold public hearings before implementing any aspect of this water shortage response.

** The Technical Group may determine Severe Water Shortage Conditions no longer exists when groundwater quality criteria threshold are no longer exceeded in a single measurement.

General Notes

1. Potentially Severe and Severe Water Shortage Conditions, Key Well Index and Coastal Area Criteria are defined in the NMMA Water Shortage Conditions Response Plan, April 13, 2009.
2. Reductions goals are to be based on average usage, prior to the delivery of supplemental water, as follows:
 - a. For Woodlands Mutual Water Company – based on average same month production for a single year prior to declaration of Stage III.
 - b. For Nipomo CSD, Golden State Water Company and Rural Water Company – based on average same month production for the five years prior to declaration of Stage III. Individual purveyors may use other baselines in their respective responses if dictated by their respective regulatory bodies.
3. Each NMMA purveyor will implement programs to meet the reduction levels.
4. When drought Stage III or higher is in effect, Managers will meet monthly to report previous months production and coordinate efforts.
5. The Technical Group may revisit and revise this response plan should conditions change and after the full implementation of the Nipomo Supplemental Water deliveries.

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ATTACHMENT C

Nipomo Mesa Management Area 2016 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.

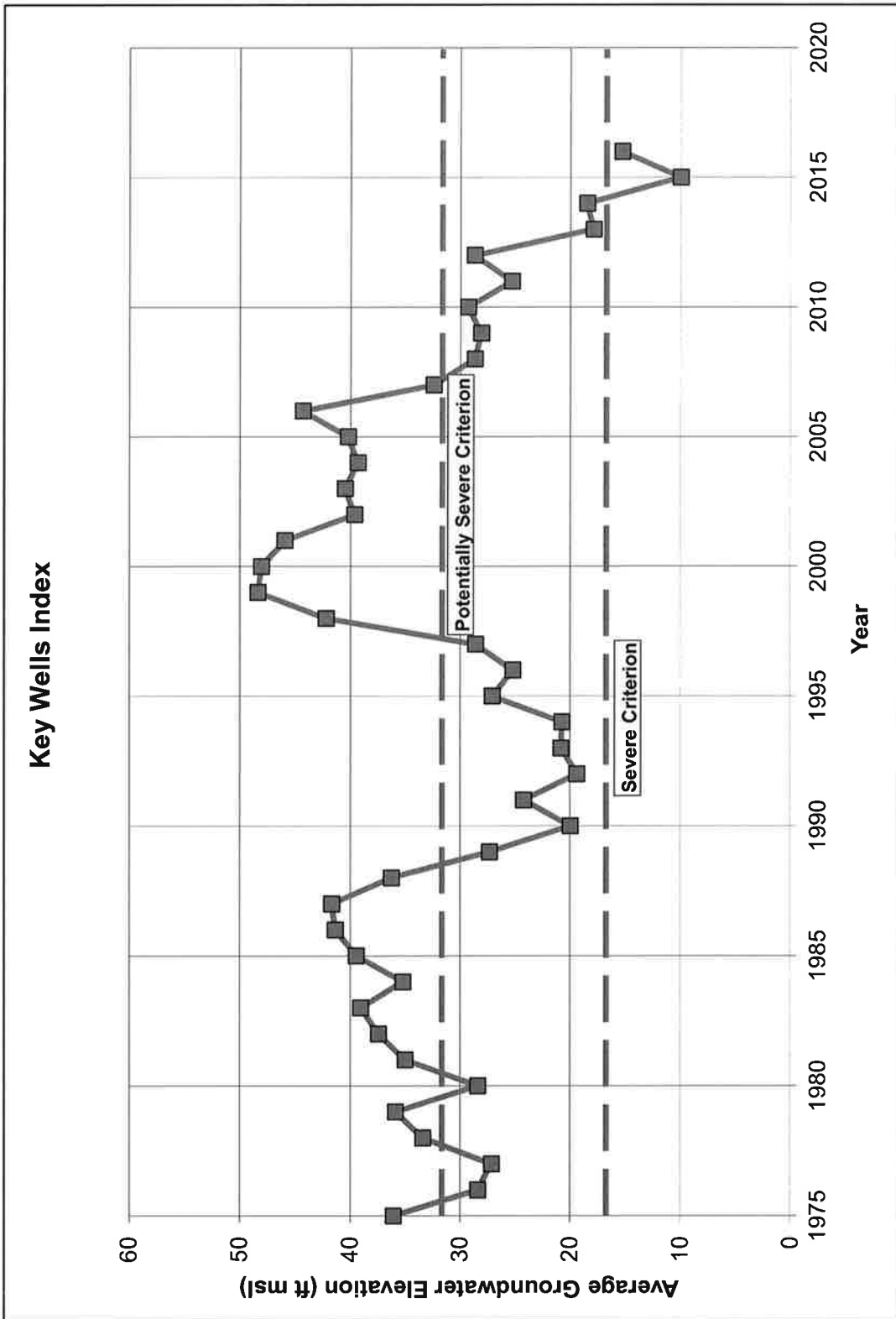
The TG uses the KWI to help identify trends in basin groundwater levels and has compiled KWI data for the period from 1975 to the present. Groundwater levels have changed in the NMMA over time, and in the last two years are at levels that are lower than at any other time from 1975 (Figure 1).

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 2016 KWI value (15.3 ft msl) has increased from the previous year (10.0 ft msl) but remains within the Severe Water Shortage Condition (16.5 ft msl). This is the second consecutive year the KWI value is in Severe Water Shortage Condition and therefore signifies a Stage IV NMMA Water Shortage Response.

Details of the KWI, as well as the agreed upon responses to Potentially Severe Water Shortage Condition and Severe Water Shortage Condition, 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 2015, including these attachments, is available as a digital document at http://www.scefiling.org/filingdocs/19763/97302/240182e_8thxAnnualxReportxxxCalendarxYearx2015.pdf

Nipomo Mesa Management Area 2016 Key Wells Index

Severe Water Shortage Conditions



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ATTACHMENT D

Year-end Water Report Fiscal Year 2016

Total Water Demand (Import Water plus GW Production (AF))

	Jul-15	Aug-15	Setp-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Year-end
Groundwater Production (GW)	127.5	125.9	137.2	116.9	78.9	55.7	31.1	62.2	58.5	99.3	128.6	140.5	1,162.0
Supplemental Water (SW)	50.1	55.0	52.8	54.7	52.9	55.9	56.4	52.7	56.2	54.6	56.5	55.1	652.7
Total Production	177.6	180.9	189.9	171.5	131.8	111.6	87.5	114.9	114.6	154	185.1	195.6	1,814.7

NCSGD GW Reduction versus NIMMA 30% GW Reduction Target

	Jul-15	Aug-15	Setp-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Year-end
Total GW Production for FY 2015-16	127.5	125.9	137.2	116.9	78.9	55.7	31.1	62.2	58.5	99.3	128.6	140.5	1,162.0
Average GW Production for 2009-2013 Reduction	291.2	284.7	264.7	223.6	179.1	141.4	142.1	122.0	160.4	199.0	261.6	263.6	2,533.4
	(163.7)	(158.8)	(127.6)	(106.7)	(100.2)	(85.7)	(111.0)	(59.8)	(101.9)	(99.7)	(133.0)	(123.1)	(1,371)
GW Reduction Percentage	56.2%	55.8%	48.2%	47.7%	56.0%	60.6%	78.1%	49.0%	63.5%	50.1%	50.8%	46.7%	54.1%

NCSGD GW Reduction (NCSGD GW Well Production plus 33% Purveyoy Credit)

	Jul-15	Aug-15	Setp-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Year-end
NCSGD GW Well Production	127.5	125.9	137.2	116.9	78.9	55.7	31.1	62.2	58.5	99.3	128.6	140.5	1,162.0
Purveyoy Customer Credit (adds 33.3% of SW to GW)	16.7	18.3	17.6	18.2	17.6	18.6	18.8	17.6	18.7	18.2	18.8	18.3	217.4
NCSGD Calculated GW Production	144.2	144.3	154.7	135.1	96.5	74.3	49.9	79.8	77.2	117.4	147.4	158.8	1,379.5
Average GW Production for 2009-2013	291.2	284.7	264.7	223.6	179.1	141.4	142.1	122.0	160.4	199.0	261.6	263.6	2,533.4
NCSGD Percentage of GW Reduction	50%	49%	42%	40%	46%	47%	65%	35%	52%	41%	44%	40%	46%

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ATTACHMENT E

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2016-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT DECLARING
STAGE IV WATER SHORTAGE CONDITIONS**

WHEREAS, the Nipomo Community Services District ("District") is formed under the Community Services District Law (Govt. Code §61100 et seq.); and

WHEREAS, one of the powers of the District is to provide water service within the District's water service area pursuant to Govt. Code §61100(a) of the Community Services District Law; and

WHEREAS, at the April 9, 2014, meeting of the District, the Board adopted a Water Shortage Response and Management Plan pursuant to Water Code § 375; and

WHEREAS, on April 23, 2014, the Board adopted environmental findings related to the adoption of the Water Shortage Response and Management Plan; and

WHEREAS, the District is a party to groundwater adjudication, *Santa Maria's Valley Water Conservation District v. City of Santa Maria, et al., Case No. CV770219* ("Groundwater Litigation"); and

WHEREAS, on May 20, 2015, pursuant to § VI D(1) of the 2005 Stipulation as incorporated into the January 25, 2008 Final Judgment in the Groundwater Litigation, the Nipomo Mesa Management Area Technical Group declared that Severe Water Shortage conditions exist for a second consecutive year within the Nipomo Mesa Management Area; and (note: 5-20-15 was initially entered as a severe condition for a first year rather than a second consecutive year.)

WHEREAS, the NMMA publicly announced on June 23, 2016, the groundwater basin, while improved, was still in a Severe Water Shortage Condition; and

WHEREAS, a Severe Water Shortage condition for a second consecutive year triggers Stage IV under the District's Water Shortage Response and Management Plan; and

WHEREAS, by declaring Stage IV under the District's Water Shortage Response and Management Plan, the District will be in compliance with the NMMA Plan in making it a target to reach a fifty percent (50%) reduction in groundwater pumping by the District.

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

1. The above recitation of facts and findings is true and correct and incorporated herein.
2. The Board finds that the condition of the groundwater basin based upon the last report of the Nipomo Mesa Management Area Technical Group is in Stage IV Water Shortage under the District Water Shortage Response and Management Plan.
3. The General Manager is directed to implement Stage IV response actions as directed by the Board in accordance with the Water Shortage Response and Management Plan.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2015-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT DECLARING
STAGE III WATER SHORTAGE CONDITIONS**

4. The General Manager is directed to bring the review of Stage IV and the District's compliance with the fifty percent (50%) reduction in groundwater pumping in the first meeting in January, 2017.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

the foregoing resolution is hereby passed and adopted this ____ day of _____, 2016.

CRAIG ARMSTRONG
President of the Board

ATTEST:

APPROVED:

MARIO E. IGLESIAS
Secretary to the Board

MICHAEL W. SEITZ
District Legal Counsel

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION 2016-XXXX
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