

TO: BOARD OF DIRECTORS
REVIEWED: RAY DIENZO, P.E. *R.D.*
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: June 20, 2024

AGENDA ITEM
D-5
JUNE 26, 2024

**ACCEPT DEED RESTRICTION FOR APN 090-092-023,
328 NORTH MALLAGH STREET, NIPOMO**

ITEM

Accept offer of deed restriction for APN 090-092-023, a residential development located at 328 North Mallagh Street in Nipomo [RECOMMEND ADOPT RESOLUTION ACCEPTING OFFER OF DEED RESTRICTION].

BACKGROUND

The District issued an Intent-to-Serve ("ITS") letter on September 2, 2022 for a residential development project located at 328 North Mallagh Street (APN 090-092-023). The applicants, Ruben Salvador Velazquez and Freida Ossi Salvador, requested water, sewer, and solid waste service for a residential development project.

The ITS letter requires the applicant to record a deed restriction on the property prohibiting the use of well(s) to provide water service to the project and prohibiting use of self-regenerating water softeners.

FISCAL IMPACT

The developer paid the District's cost to develop the agreement through the project's Plan Check and Inspection Agreement.

RECOMMENDATION

Recommend your Board, by motion and roll call vote, adopt Resolution 2024-XXXX Accept 328 North Mallagh Street Deed Restriction.

ATTACHMENTS

- A. Resolution 2024-XXXX Accept 328 North Mallagh Street Deed Restriction
- B. Deed Restriction – Resolution Exhibit A

JUNE 26, 2024

ITEM D-5

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2024-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES
DISTRICT ACCEPTING 328 NORTH MALLAGH STREET DEED RESTRICTION
APN 090-092-023**

WHEREAS, Ruben Salvador Velazquez and Freida Ossi Salvador (herein "Owners") are the owners of certain real property identified as 328 N. Mallagh Street, APN 090-092-023 (herein the "Project") situated within the Nipomo Community Services District (the "District"); and

WHEREAS, the District issued an Intent-to-Serve (ITS) letter on September 2, 2022 for the residential Project; and

WHEREAS, The ITS letter requires the applicant to record a deed restriction on the property prohibiting the use of well(s) to provide water service to the project and prohibiting use of self-regenerating water softeners; and

WHEREAS, Owner has offered to the District the required deed restriction and agreement ("Deed Restriction") (Exhibit A); and

WHEREAS, the District wishes to accept the deed restriction attached hereto without obligation, except as otherwise required by law.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. The above recitals and findings are true and correct and incorporated herein by reference.
2. That the deed restriction and agreement for 328 Mallagh Street, APN 090-092-023, attached hereto as Exhibit A is hereby accepted.
3. Staff is ordered to execute and record in the Official Records of the Clerk-Recorder of San Luis Obispo County the deed restriction and agreement attached hereto as Exhibit A.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

The foregoing resolution is hereby adopted this 26th day of June 2024.

ED EBY
President, Board of Directors

ATTEST:

APPROVED AS TO FORM AND
LEGAL EFFECT:

RAY DIENZO
General Manager and Secretary to the Board

CRAIG A. STEELE
District Legal Counsel

JUNE 26, 2024

ITEM D-5

ATTACHMENT B

RECORDING REQUESTED BY:
NIPOMO COMMUNITY SERVICES DISTRICT

WHEN RECORDED RETURN TO:
Nipomo Community Services District
P.O. Box 326
Nipomo, CA 93444

NO FEE PER GOVERNMENT CODE 6103

APN #: 090-092-023

DEED RESTRICTION AND AGREEMENT AFFECTING REAL PROPERTY

Exhibits Incorporated by Reference:

Exhibit "A" – Real Property Legal Description

THIS DEED RESTRICTION AND AGREEMENT AFFECTING REAL PROPERTY (herein "Agreement") is entered into May 10, 2024, 20____, by and between Freida and Ruben Salvach (herein "Grantor") and the Nipomo Community Services District, a political subdivision of the State of California, (herein "Grantee" or "District") with reference to the following Recitals:

A. Grantor owns certain real property (herein "Real Property") located within the Nipomo Community Services District, County of San Luis Obispo, more particularly described in Exhibit "A".

B. Grantors are improving said Real Property and desire the District to provide water and sewer service for the property.

NOW, THEREFORE, for valuable consideration, receipt of which is hereby acknowledged the parties hereto agree as follows:

1. DEED RESTRICTIONS

A. Grantor agrees and acknowledges that the use of self-regenerating water softeners on Real Property or any portion thereof is prohibited.

B. Grantor agrees and acknowledges that the use of wells to provide domestic water service to Real Property or any portion thereof is prohibited.

2. MISCELLANEOUS

A. This Agreement contains the entire agreement between the parties. Any oral representations or modifications concerning this Agreement shall be of no force and effect excepting a subsequent modification in writing, signed by the party to be charged.

B. In the event of any controversy, claim, or dispute relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

C. The obligations of Grantor shall be considered for all purposes to be both covenants and conditions that shall run with the land and be binding on the successors and assigns of the Grantor and shall inure to the benefit of District and its successors and assigns.

D. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

E. This Deed Restriction and Agreement Affecting Real Property shall be recorded in the Official Records in the County Recorder's Office, San Luis Obispo County.

F. Recitals A and B are incorporated herein by reference as though set forth at length.

G. The Agreement shall be governed by the laws of the State of California. Any litigation regarding the Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

3. AUTHORITY TO EXECUTE.

All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Grantor(s) hereby warrants that Grantor(s) shall not have breached the terms or conditions of any other contract or Agreement to which Grantor(s) is obligated, which breach would have a material effect hereon.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective the date the District executes the Certificate of Acceptance.

GRANTOR(S):

Freida O. Salvador
[Signature must be Notarized]

Freida O. Salvador
[Type or print name]

Ruben Salvador
[Signature must be Notarized]

Ruben Salvador
[Type or print name]

Date: May 10, 2024

**CERTIFICATE OF ACCEPTANCE
GOVERNMENT CODE §2781**

This is to certify that the Nipomo Community Services District, Grantee, herein, by Board action on _____, 20____, accepts the foregoing Deed Restriction and Agreement, dated _____, 20____, from Grantors, and consents to the recordation thereof.

Nipomo Community Services District

By: _____
Name: Ed Eby
Title: President

ATTEST:

Raymond Dienzo, General Manager and Secretary
Nipomo Community Services District

CONSENT AND SUBORDINATION OF TRUST DEED BENEFICIARY

NOTICE: THIS CONSENT AND SUBORDINATION OF TRUST DEED BENEFICIARY RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO THE TERMS, COVENANTS, CONDITIONS, AND RESTRICTIONS OF THE FOREGOING INSTRUMENT.

The undersigned, beneficiary under that certain deed of trust recorded _____, 20____, as Document No. _____, in Book _____ Page _____, Official Records of the County of San Luis Obispo, does hereby join in, and consent to, each and all of the terms and provisions of the within instrument, and does hereby subordinate its interests to the entire effect of this instrument. In this regard, the undersigned does hereby agree upon request of any insuring title company to direct the trustee under said deed of trust to execute and deliver to County in recordable form acceptable to such insuring title company partial reconveyances as to any rights granted and to be granted to County pursuant to this instrument.

Dated: _____

TRUST DEED BENEFICIARIES
AND/OR MORTGAGES

Exhibit A

Legal Description

LOT 9 IN BLOCK 8 OF BROOKSIDE TRACT, NIPOMO, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO MAP FILED AUGUST 1, 1887 IN BOOK A, PAGE 28 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED SEPTEMBER 4, 2002 AS INSTRUMENT NO. 02-72471 AND SEPTEMBER 4, 2002 AS INSTRUMENT NO. 02-72472, BOTH OF OFFICIAL RECORDS.

APN: 090-092-023

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of San Luis Obispo }
On May 10 2024 before me, Grace Nicole Millhorn
Date Here Insert Name and Title of the Officer
personally appeared Ruben Salvador Velazquez and
Freida Ossi Salvador
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within Instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Grace Millhorn
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

TO: BOARD OF DIRECTORS
REVIEWED: RAY DIENZO, P.E. R.D.
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: JUNE 20, 2024

AGENDA ITEM
E-1
JUNE 26, 2024

**ADOPT A RESOLUTION REPEALING STAGE IV WATER SHORTAGE
CONDITION AND DECLARING STAGE II OF
DISTRICT'S WATER SHORTAGE CONTINGENCY PLAN PURSUANT
TO NIPOMO MESA MANAGEMENT AREA TECHNICAL GROUP'S
MAY 2024 DECLARATION**

ITEM

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

BACKGROUND

The District is a party to a groundwater adjudication, *Santa Maria's Valley Water Conservation District v. City of Santa Maria, et al., Case No. CV770219* ("Groundwater Litigation"). The court-appointed Nipomo Mesa Management Area Technical Group ("NMMA TG") monitors and evaluates groundwater basin health in the Nipomo area pursuant to the 2005 Stipulation as incorporated into the January 25, 2008 Final Judgment in the Groundwater Litigation.

On July 27, 2016, the District adopted Resolution 2016-1421 declaring Stage IV Water Shortage Conditions under the District's 2014 Water Shortage Response and Management Plan, in compliance with the NMMA TG Plan. The target groundwater pumping reduction was a fifty percent (50%) reduction in groundwater pumping by the District. Those conditions have persisted until recently.

In June 2024, the NMMA TG announced the Spring 2024 Key Wells Index had improved and the groundwater basin was now in a Potentially Severe Water Shortage Condition. Based on this finding, the District can move to a Stage II Water Shortage Condition under the District's current Water Shortage Contingency Plan. Under the improved conditions of a Stage II Water Shortage Condition, the target groundwater pumping reduction is 20%, consistent with the NMMA TG Plan. Given the improved conditions, the broader restrictions applicable under Stage IV are no longer necessary but the District will maintain those restrictions on its own groundwater pumping as a voluntary practice. For District customers, the water conservation restrictions under Stages III and IV as set forth in Section 3.08.010 of the NCS D Code are significantly relaxed under Stage II, but the District continues to encourage customers to engage in voluntary conservation measures.

FISCAL IMPACT

While the target groundwater pumping reduction target will decrease from 50% to 20%, the District is currently able to continue to pump less than 50% groundwater since the District's total demand is approximately 1900 acre feet per year ("AFY") and the District needs to purchase at least 1000 AFY from the City of Santa Maria.

STRATEGIC PLAN

Goal 1 – WATER SUPPLY – 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 2. FACILITIES THAT ARE RELIABLE, ENVIRONMENTALLY SENSIBLE AND EFFICIENT. Plan, provide for and maintain District facilities and other physical assets to achieve reliable, environmentally sensible, and efficient District operations.

RECOMMENDATION

Staff recommends that your Board, by motion and roll call vote, adopt a Resolution repealing Resolution No. 2016-1421 and declaring the existence of a Stage 2 Water Shortage Condition in accordance with the District's Water Shortage Contingency Plan.

ATTACHMENTS








- A. District's Water Shortage Contingency Plan Summary
- B. Nipomo Mesa Management Area Water Shortage Condition and Response Stages
- C. June 2024 NMMA Technical Group Key Wells Index Statement
- D. Resolution 2024-XXXX Water Shortage Response Stage II

JUNE 26, 2024

ITEM E-1

ATTACHMENT A

Figure 2-2: Comparison for the District’s 2015 Shortage Levels and the 2020 WSCP Mandated Shortage Levels

Stages from 2015 UWMP			Crosswalk	2020 WSCP Mandated Shortage Levels			
Stage	Percent Supply Reduction	Water Supply Condition		Stage	Percent Supply Reduction	Water Supply Condition	Mandatory compliance with water savings measures
1	0%	Always in place		1	0% to 10%	Normal	Voluntary, always in place
2	20%	Potentially Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	 	2	10% to 20%	Slightly Restricted	Mandatory compliance
3	30%	Severe Water Shortage Condition declaration pursuant to NMMA Water Shortage Condition and Response Plan.	 	3	20% to 30%	Moderately Restricted	Mandatory compliance
4	50%	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		4	30% to 40%	Restricted	Mandatory compliance
5	60%	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.		5	40% to 50%	Severely Restricted	Mandatory compliance
				6	50% and above	Extremely Restricted	Mandatory compliance

JUNE 26, 2024

ITEM E-1

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.

JUNE 26, 2024

ITEM E-1

ATTACHMENT C

Nipomo Mesa Management Area 2024 Key Wells Index

Potentially Severe Water Shortage Conditions

The Nipomo Mesa Management Area Technical Group ("NMMA 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 made in these NMMA groundwater wells are used to compute the KWI during the spring of each year.

The NMMA 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. The 2024 KWI value of 26.9 ft msl designates a Potentially Severe Water Condition (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 2024 KWI value of 26.9 ft msl is a significant increase from the previous year (17.3 ft msl) and now meets the criterion of 10 ft above the Severe Water Shortage Condition threshold (16.5 ft msl) to designate Potentially Severe Water Shortage Conditions set forth in the NMMA Water Shortage Conditions and Response Plan (April 13, 2009). Correspondingly, the NMMA Water Shortage Response Stage is reduced to Stage II.

Details of the KWI, as well as the established responses to Water Shortage Conditions, are explained in the NMMA TG's annual report of groundwater conditions. The report's appendices include a Water Shortage Conditions and Response Plan (Appendix B), and the NMMA Well Management Plan and the NMMA Water Shortage Response Stages (Appendix C). The NMMA annual report for calendar year 2023, including appendices, is available as a digital document at <http://ncsd.ca.gov/resources/reports-by-subject/#nmma>.

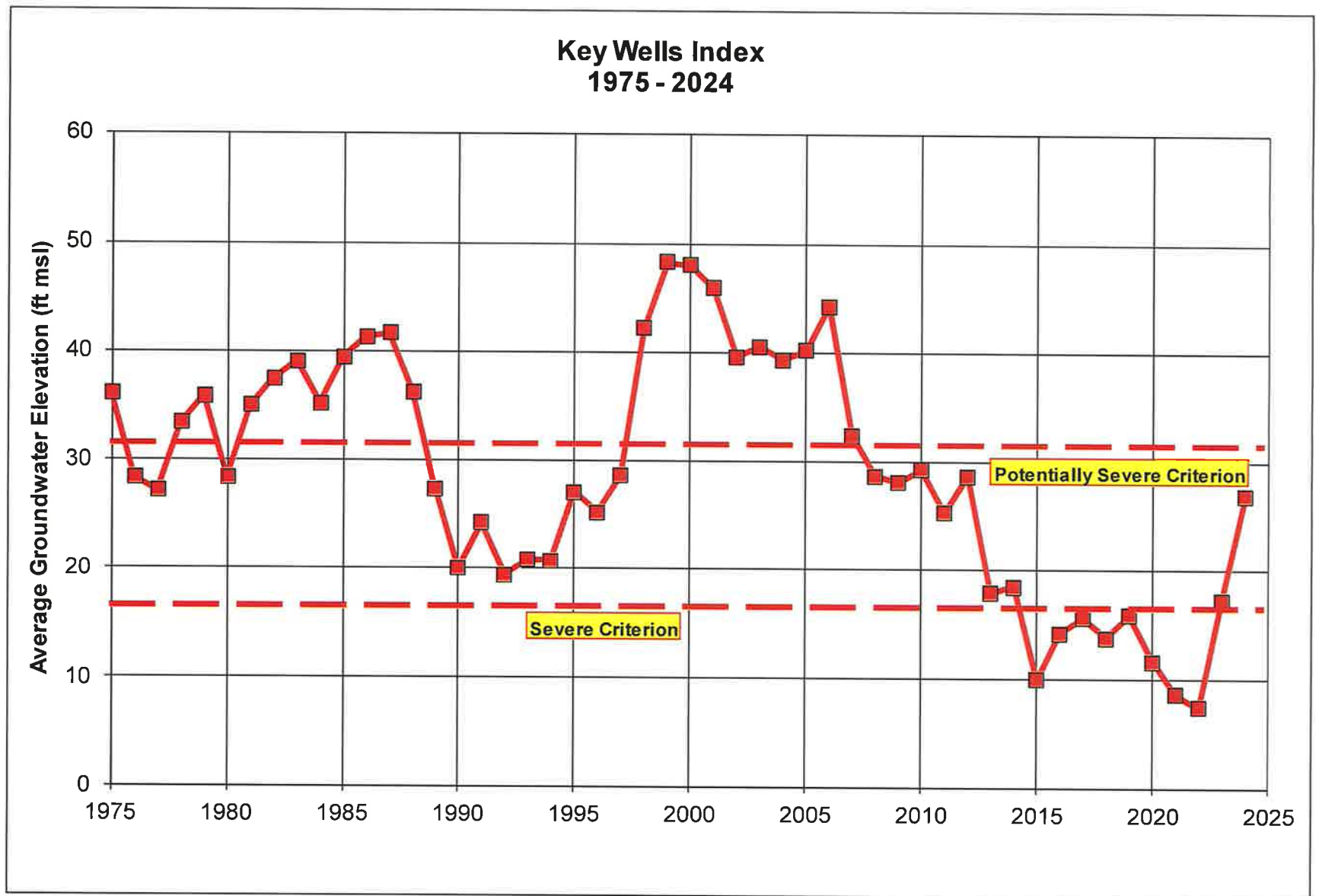


Figure 1

JUNE 26, 2024

ITEM E-1

ATTACHMENT D

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2024-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
NIPOMO COMMUNITY SERVICES DISTRICT REPEALING STAGE IV WATER SHORTAGE
CONDITIONS AND DECLARING
STAGE II 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, in December 2021, the District Board adopted the Water Shortage Contingency Plan pursuant to Water Code § 375; 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, 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 determines the level of Water Shortage conditions existed within the Nipomo Mesa Management Area;

WHEREAS, the Nipomo Mesa Management Area Technical Group publicly announced on June 23, 2016, that the groundwater basin was in a Severe Water Shortage Condition; and

WHEREAS, on July 27, 2016, the District adopted Resolution 2016-1421 declaring Stage IV Water Shortage Conditions under the District's 2014 Water Shortage Response and Management Plan, in compliance with the Nipomo Mesa Management Area Technical Group Plan in making it a target to reach a fifty percent (50%) reduction in groundwater pumping by the District; and

WHEREAS, the Nipomo Mesa Management Area Technical Group publicly announced in May 2024 that the groundwater levels have risen and the basin has improved to a Potentially Severe Water Shortage Condition; and

WHEREAS, by declaring Stage II under the District's Water Shortage Contingency, the District will be consistent with the Nipomo Mesa Management Area Technical Group Plan in making it a target to reach a twenty percent (20%) 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. Resolution 2016-1421 is hereby repealed.
3. The Board finds that the condition of the groundwater basin based upon the June 2024 report of the Nipomo Mesa Management Area Technical Group is in Stage II Water Shortage Condition under the District's Water Shortage Contingency Plan.

**NIPOMO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2024-XXXX**

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

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 26th day of June 2024.

ED EBY

President of the Board

ATTEST:

APPROVED:

RAY DIENZO

General Manager and Secretary to the Board

CRAIG STEELE

District Legal Counsel

TO: BOARD OF DIRECTORS
 FROM: RAY DIENZO, P.E. R.D.
 GENERAL MANAGER
 DATE: JUNE 20, 2024

**AGENDA ITEM
 F
 JUNE 26, 2024**

GENERAL MANAGER’S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is 5/5/2024 to 6/22/2024.*

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 May 2024 data, which is the most recent monthly data available. No leak adjustments were applied in May.

OFFICE ACTIVITIES			
		May 24	Jan 24- May 24
Reports of Water Waste		0	0
Leak Adjustments		0	6
Leak Adjustment Amount		0	\$1320.29
Late Fee Waivers		7	9
Late Fee Waiver Adjustment Amount		\$407.23	\$429.14

Water Resources

For the eleven 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 171.8 AF; the previous month registered 120.1 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.

Table 1. Total Production Acre Feet (AF)		
	May 24	Jul 23 - May 24
Groundwater Production	74.2	602.1
Supplemental Water Imported	<u>97.6</u>	<u>1032.3</u>
Total Production	171.8	1634.4

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 NSW. 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.

	May-24	Jul 23 – May 24
NCSD GW Well Production	74.2	602.1
Purveyor Customer Credit (33.3% of Import Water)	33.0	343.3
NCSD Total Calculated GW Production	107.2	945.4
Average GW Production for 2009-2013	261.6	2269.7
NCSD Percentage of GW Reduction	59%	58.3%

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 eleven months of fiscal year 2023-24 actual – July through May – shows a groundwater pumping reduction of 59% while projected year end groundwater reduction estimates a 58.8% level of reduction.

Table 3. Projected Groundwater Pumping

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-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	29.5	40.6	74.2	666.2		
Purveyor Customer Credit (33.3% of Import Water)	36.7	34.2	35.4	36.6	32.9	28.7	28.0	23.4	26.7	27.8	33.0	376.7		
NCSD Total Calculated GW Production	119.2	124.5	107.8	108.4	85.2	74.3	52.3	41.9	56.2	68.4	107.2	1,042.9	1,266.7	224
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	2,533.4		
NCSD Percentage of GW Reduction	59%	56%	59%	51.5%	52%	47%	63%	66%	65.0%	66%	59%	58.8%	50.0%	

As demonstrated in Table 3, the District anticipates it will achieve its 50% groundwater pumping reduction target by 224 AcFt under the conditions stated in the previous paragraph.

Rainfall Gauge

Below is the most recent available rain data¹ for the Fiscal Year 2023-24. Both gauges show an above average rainfall this season.

(Reported in inches)	Nipomo East (Dana Hills Reservoirs)	Nipomo South (Southland Plant)
May 2024 Total	0.27	0.00
July-2023 through May-2024 (Season Total)	24.24	18.40
County Reported Avg. Ann. Year Rainfall ¹	18.00	14.00
2006 - 2020 Avg. Ann. Year Rainfall ¹	15.39	13.30
2006 - 2020 Median Ann. Rainfall ¹	12.64	11.30

Note:

1. Data from County website

Other Items

Dana Reserve Project

The next steps in the process include but are not limited to:

- Negotiation with the County of SLO on the property tax revenue sharing per Board annexation policy resolution 2023-1658 (Attachment A)
 - The County Board will consider this item on their July 9th Board Meeting
- Formalizing the Annexation Agreement with the Project Developer
- Developing the Plan for Service for LAFCO approval

See Attachment A for the updated Dana Reserve Review Schedule

Safety Program

No Safety Issues

Upcoming Water Resource and Other Meetings

6/23-6/25	- General Manager Leadership Summit		Anaheim
6/24/2024	- SCAC Meeting	6:30 PM	District Board Room
6/27/2024	- County Staff - Discuss Property Tax Share	11:00 AM	County office
6/27/2024	- NMMA - TG Meeting	10:00 AM	remote
7/10/2024	- County Water Action Team (CWAT)	2:30 PM	SLO Library Room
7/16/2024	- Blacklake Sub-Committee	1:00 PM	District Board Room

RECOMMENDATION

Staff seeks direction and input from your Board.

ATTACHMENTS

A - Dana Reserve Review Schedule

JUNE 26, 2024

ITEM F

ATTACHMENT A

DANA RESERVE REVIEW SCHEDULE

Status Update: updated 3/21/2024

Date	Description	Comment
April 24, 2022	NCSD 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 ¹	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 ¹	60 Day Letter
Jan. 9, 2023	Ad-hoc Com. – Response to Notice of Petition	Prepare for Jan. 11 th Board Mtg.
July 24, 2023	SCAC – Town Hall Meeting, Nipomo H.S.	Community Meeting
August 30, 2023	County Planning Commission ² (Postponed)	Two days (8/30 & 8/31)
September 28	Planning Commission Study Session ³	
October 2023 ⁵	Tax Sharing Agreement (NCSD/SLO County)	Start Negotiations with the County
October 23 & 24	Planning Commission Hearing ⁴	Two days of testimony
November 2023	Review of revised EIR impact	
March 13, 2024	Review of updated Water Supply Assessment	Submit to County prior to April 23, 2024 County Board Meeting. Submitted to County 3/15/2024
April 23, 2024	1 st 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 nd Meeting: County Board of Supervisors	
May-June 2024	NCSD Board Negotiations with Developer [Infrastructure Improvements/Costs] Property Tax Negotiations with County	<ul style="list-style-type: none"> • Discuss Annexation Agreement Between Developer and NCSD • Complete property tax negotiations with the County • Plan for Services
July 2024	Board adopt – Annexation Agreement and Property Tax share and Plan for Services	Target 2 nd meeting in July
July-Aug 2024	LAFCO Study Session	Public meeting to discuss project as approved by the County BOS, and detail other pertinent items related to annexation and the District that were

		not previously discussed at the July 2022 study session
July/Nov 2024	LAFCO Review & Approval Process	<ul style="list-style-type: none"> • Certificate of Filing – late summer 2024 • LAFCO Hearing – Oct 2024 • 30-Day Reconsideration Period – Nov 2024 • Certificate of Completion – Dec 2024 • LAFCO Filing with State Board of Equalization – Dec 2024

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. NCSD Staff will provide a staff report at the January 11th 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 28th, 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.

The developer shifted to an annexation process that focuses first on the 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.

The developer mailed a letter on September 20, 2022, to residents in Nipomo directing their attention to the District website and the three reports addressing utilities – focusing on explaining the 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 [COMPLETED]– Defines the fee schedule for the development. This Plan will inform the annexation agreement.

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

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

² Previously September 2023 (Changed on 10/25/2023 Report) – staff awaiting final Planning Commission recommendations which got pushed to Oct 23&24, 2023. District Board received presentation on 2/14/2024

³ Previously September 2023 (Changed on 10/25/2023 Report). This report was finalized March 5, 2024.