

TO: BOARD OF DIRECTORS  
FROM: MICHAEL LEBRUN  
DATE: APRIL 9, 2010

**AGENDA ITEM  
F  
APRIL 14, 2010**

**MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board --*Period covered by this report March 19, 2010 through April 9, 2010.*

**DISTRICT BUSINESS**

**Administrative**

- General Manager Recruitment continues. Interviews were conducted April 8 and 9, 2010.
- Mr. Aaron Hughes will be joining the District team on April 19, 2010 as our newest Maintenance Worker.
- Mr. Pete Davidson has been promoted from Maintenance Worker to Utility Worker in recognition of his performance and recent assignment to the Vac Con team.
- The processes for recruiting a replacement for the retiring Board Secretary commenced.
- Development of the District's 2010/2011 Budget continues.
- District office:
  - Roof repair is complete. Painting services RFP has been developed and is being circulated.
- A meeting with LAFCO staff to discuss District comments to the 2010 SOI/MSR Update took place on March 26, 2010. A copy of the LAFCO April 15, 2010 staff report on the Update is attached for Board review.

**Operational**

- Sundale Well is operational.
- Via Concha Well was pulled for evaluation. A scope and proposal for rehabilitation is scheduled for Board review on April 28.
- Tefft Street Lift Station easement transfer is pending SLO County Board of Supervisor approval.
- District Engineer attended Disaster Safety Assessment Training – see attached program flyer.
- Maria Vista Estates has set a total of ten water meters.

**Conservation Program**

- Spring Workshops are currently being conducted. See summary of Workshop #3 attached.
- On March 16, District Conservation Specialist participated in a panel discussion on the State's Model Water Efficient Landscape Ordinance – see attached summary.
- The District achieved significant water conservation reductions during the past six years. These reductions are reviewed in the attached April 8, 2010 memo by District Conservation Specialist.

**Meetings**

Significant meetings attended or scheduled:

- April 1, 2010 UWMP Workproduct #1
- April 2, 2010, Meeting with Craig Annexation Proponents
- April 5, 2010, NMMA Technical Group

- April 7, 2010, Meeting with County on WIP MOU

**Safety Program**

Minor District Vehicle Accident – non-injury. See memo from Utility Superintendent.

**Other**

- CSDA Renewal and Annual Report – see Attachment.
- County Request to ConocoPhillips for further investigation on Miller Park Property – see attachment.

**RECOMMENDATION**

Staff seeks direction and input from your Honorable Board.


**ATTACHMENTS**

- April 15, 2010 LAFCO staff report
- Disaster Safety Program flyer
- April 4, 2010, Workshop Summary Memo
- April 7, 2010, MWELO Panel Summary Memo
- April 8, 2010, Water Conservation Memo
- April 7, 2010, Accident Memo
- March 22, 1010, CSDA Renewal Letter and 2009 Annual Report
- SLO County Letter to ConocoPhillips

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LAFCO - San Luis Obispo - Local Agency Formation Commission  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

TO: MEMBERS, FORMATION COMMISSION  
FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER 

DATE: APRIL 15, 2010

SUBJECT: STATUS REPORT NIPOMO COMMUNITY SERVICES DISTRICT-SPHERE OF INFLUENCE UPDATE-MUNICIPAL SERVICE REVIEW

**Recommendation:** This item is informational only and does not require action by the Commission.

**Summary:** This Status Report Session is to update the Commission with regard to the Sphere of Influence Update and Municipal Service Review (SOI/MSR) prepared for the Nipomo Community Services District. The Public Review Draft was released on February 3, 2010 for a 45-day review period that ended on March 22, 2010. The draft document was sent on CD to interested public and agencies. Notices were also sent indicating that the document was available on-line at [www.slolafco.com](http://www.slolafco.com), the Nipomo CSD, and the County Planning Department.

**Sphere of Influence-Municipal Service Review Update:** LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years. The District has responded to LAFCO's information request and has submitted a variety of information that has been used in updating the Sphere of Influence (SOI) and the Municipal Service Review (MSR). The law also calls for a Municipal Service Review to be prepared to assist LAFCO in making decisions about the SOI. A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". The previous SOI Update and Municipal Service Review was approved by LAFCO in May 2004 along with a Program Environmental Impact Report. The 2010 document is an update of the May 2004 Sphere of Influence Update and Municipal Service Review based on information provided by the Nipomo Community Services District and other sources.

**Comments.** Several comment letters have been received regarding the SOI Update and Municipal Service Review and are attached. Commenter's include:

- Nipomo Community Services District
- Black Lake Master Association
- County Department of Planning and Building
- Air Pollution Control District
- County Department of Agriculture

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**Nipomo Community Services District.** The NCSD provides general and specific comments regarding the Update. The District suggests a number of wording changes and information corrections and additions. The District General Manager and LAFCO Executive Officer met and discussed the comment letter provided by the District. Most of the comments can be accommodated through corrections, additions, or changes to the documents. The District does not object to removing a portion Area Four located in the southern part of the SOI; however, the NCSD indicates that area adjacent to the Wastewater Treatment Plant should be included to allow for possible WWTP expansion. The District concludes that it has reached a 15% reduction in water use. The District assumes that the decrease in water consumption has been achieved through accepted methods.

**Black Lake Village Master Association.** The Association comment letter suggests changes to the Municipal Services Review with emphasis on factors five, Accountability, and six, Other Matters. The Association indicates that the MSR document should reflect the relationship and interactions of the Association with the District. The comment letter is critical of the NCSD's policies and decisions. The letter also suggests that the document be revised with regard to the Groundwater Basin Adjudication and Waterline Intertie Project.

**Department of Planning and Building.** The County Planning Department provided comments focused on the resource constraints facing Nipomo and the Strategic Growth policies adopted by the County. The County Planning Department goes on to make recommendations regarding each of the eight Sphere of Influence Areas that are described in the Draft SOI Update and MSR.

**Air Pollution Control District.** The APCD indicates that changes to the SOI in 2004 were inconsistent with the Clean Air Plan. The APCD is concerned about the increase in greenhouse gases that may be associated with development within the SOI. The District also implies that the SOI is directly responsible for future development in the SOI under current zoning. The APCD indicates that Areas One, Seven and Eight should be excluded from the SOI. It should be noted that a portion of Area Eight has already been annexed to the NCSD.

**County Department of Agriculture.** The Department of Agriculture agrees with the proposed reduction to Area four. The Department also indicates that a portion of Area Three should be excluded because it is under Williamson Act and is considered Prime Agricultural Land.

**Next Steps.** LAFCO staff is reviewing the comment letters and will be considering these in revising the Public Review Draft of the SOI Update and MSR. A revised document should be ready for the Commission's consideration at the May LAFCO meeting. Staff will also be coordinating discussions with the NCSD and County Planning Department regarding the Memorandum of Agreement.



# NIPOMO COMMUNITY

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# SERVICES DISTRICT

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March 11, 2010

Local Area Formation Commission  
San Luis Obispo County  
Attention: David Church  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

**SUBJECT: PUBLIC REVIEW DRAFT, SPHERE OF INFLUENCE UPDATE AND MUNICIPAL SERVICES REVIEW**

Dear Mr. Church:

With this letter, Nipomo Community Services District (District) conveys comments pertaining to the Commission's February 2010 Public Review Draft, Sphere of Influence Update and Municipal Service Review (Draft Update). The District's Board of Directors considered the draft document at a regular Board meeting on February 24, 2010, and reviewed a draft of this comment letter at a regular meeting on March 10, 2010.

The Board of Directors thanks the Commission and its staff for developing the Draft Update and look forward to working with the Commission to complete the process. The following comments reference the Draft Update sections and follow its order. Global comments are provided first.

### **Global Comments**

It is important that references to the District, the greater Nipomo community, and the Nipomo Mesa area are clearly understood. Additionally, there is the Nipomo Mesa Management Area (NMMA) defined through the groundwater adjudication process and the more recently County-defined Nipomo Mesa Water Conservation Area. Consider introducing the key terms and references and staying with defined nomenclature throughout the document.

The supplemental water project envisioned with the City of Santa Maria has evolved over the years. The project's March 2009 Final EIR has been certified. The EIR addresses a project that will import up to 6,200 acre-feet of water per year. The project currently underway is to design and build facilities capable of importing up to 3,000 acre-feet of water annually. A subsequent phase of the project may be undertaken in the future to expand capacity.

The January 5, 2010 Wholesale Water Supply Agreement between the District and City of Santa Maria is an executed document that specifies the conditions under which the City will sell up to 3000 acre-feet of water annually to the District. This Agreement replaces the MOU between the District and City that is referenced in numerous locations in the Draft Update.

County Ordinance §3090 defines the Nipomo Mesa Conservation Area and places significant restrictions on new growth and general plan amendments in the Conservation Area. The restrictions are linked to development of supplemental water resources for the area. This Ordinance should be discussed and referenced, as applicable, throughout the Draft Update.

While there are four other large water suppliers in the area and numerous small private water companies, the District is the only public water purveyor operating on the Nipomo Mesa and as such, the only purveyor subject to Commission municipal services review. The District is actively pursuing water conservation, basin management, and new source development. District customers represent less than half of the residential population estimated to live on the Mesa and depend on groundwater underlying the Mesa. The efforts of the District and its customers to manage and protect the groundwater resource should be clearly recognized, where appropriate, in the Draft Update.

#### **Specific Comments**

**Page 1-7, fourth sentence under Present and Planned Land Use:** The sentence needs to be completed or reworded.

**Page 1-9, NCSD-AREA 4 Map** The 245-acres attributed to RS-Maria Vista is excessive and should be revised. The District understands the recommended reduction in Area 4. However, the District asks that the area immediately adjacent to and southwest of our Southland WWTP, which is proposed for reduction, remain in Area 4. This would provide the District flexibility in the future as areas for expanded effluent disposal are explored and designed. The District does not object to the proposed removal of areas lying immediately adjacent to and southeast of the Southland WWTP and suggests a straight line be drawn from the District property line extending southwest to the Mesa bluff.

**Page 2-5, Area 3, second sentence:** The District believes there are additional areas that lie outside the URL and within the SOI. One such area is south of East Knotts.

**Page 2-5, Area 4, second sentence:** A reference is made to the use of "imported" water. The District is not aware of any water sources, other than Nipomo Mesa Management Area groundwater, currently in use on the Mesa. Please clarify/revise.

**Page 2-6, Area 6, last sentence:** The referenced MOU outlines cooperation in obtaining supplemental water for the area not "joint management of water resources".

**Page 2-7, Memorandum of Agreement:** The MOA referenced was adopted on May 18, 2004. This date should be included for clarity.

**Page 2-10, WATER 3.A.:** The District provides 2009 production and connection numbers later in this comment letter. These data indicate the District has met the 15% reduction in per connection pumping

over the 2004 base year. A discussion of this condition to reduce per connection consumption and the District's success in doing so should be included here and elsewhere in the Draft Update as appropriate. The condition should clearly be 'anchored' by referencing it to the 2004 approval of the SOI. We suggest the discussion on questioning the relation between reduction and District water conservation plan implementation be dropped as such conjecture is unfounded. The fact is the reduction has been clearly documented by accepted methods. The District does intend to continue its conservation efforts and to meet or exceed the requirements of the referenced State legislation (i.e. 20/20 Plan for water demand reduction).

**Page 3-1, Municipal Services Review:** There is no review of or suggested revision to the Urban Services Line. The Services Line is commonly included in County Planning documents and is in need of review and update.

**Page 3-5, RMS Annual Report – 2009, 1<sup>st</sup> paragraph:** Rate of population increases compound year to year, therefore dividing a ten year increase by ten (10) does NOT yield annual rate. The stated growth for the 1990's should be reported as a growth of 77.6%, not a growth rate.

**Page 3-8, Recent Land Use Permit Activity:** The District objects to the statement that the County has not approved any changes in zoning that would increase density. The District has contested a number of such proposed amendments/changes over the years and is currently considering litigation over one or more actions by the County in this regard. District efforts in this vain have culminated in the County adopting Ordinance §3090 which specifically links density increasing General Plan Amendments to the District's supplemental water project.

**Page 3-10, Written Determinations:** Reference County Ordinance §3090 in this list.

**Page 3-14/3-15, Condition 5-Compliance:** Construction on the Waterline Intertie project is currently scheduled to begin in April 2011 and complete by April 2012.

**Page 3-15, Santa Maria Groundwater Basin Adjudication:** Consider replacing the entire section with the following:

### *Santa Maria Groundwater Basin Adjudication Summary*

*The Santa Maria Valley Water Conservation District filed a groundwater adjudication lawsuit involving the Santa Maria Groundwater Basin that stretches from Orcutt to the South to Pismo Beach to the North. The greater Santa Maria Groundwater Basin includes waters underlying the Nipomo Mesa area (at the time commonly known as the Nipomo Hydrologic Sub-basin). The lawsuit includes the City of Santa Maria, landowners and other water purveyors (including the NCSD) that pump groundwater from the Santa Maria Groundwater Basin.*

*The Court in its Partial Statement Of Decision Re Trial Phase III found "No evidence of seawater intrusion, land subsidence, or water quality deterioration that would be evidence of overdraft has been presented. Some wells in the Nipomo Mesa area do show lowering of water levels that may result from the pumping depression or other cause, and there may be some effects in that portion of the Basin that are not shared Basin-wide. But that is not sufficient in*



*any event to demonstrate Basin-wide overdraft". Subsequently, many of the parties including the water purveyors that overlay the Nipomo Mesa portion of the Groundwater Basin signed a June 30, 2005 Stipulation (the Stipulation), that was approved by the Court. The Final Judgment after trial provides "the Court approves the Stipulation, orders the stipulating parties only to comply with each and every term thereof, and incorporates the same herein as though set forth at length".*

*The Stipulation divides the Santa Maria Groundwater Basin into three management areas known as the Santa Maria Valley Management Area (Southern portion of the Groundwater Basin) the Nipomo Mesa Management Area (the NMMA) (the center portion of the Groundwater Basin) and the Northern Cities Management Area (the northern portion of the Groundwater Basin). Further, pursuant to the Stipulation the NCSD, Woodland Mutual Water Company, Golden State Water Company and an Ag representative formed the Nipomo Mesa Management Area Technical Group to monitor the groundwater underlying the Nipomo Mesa Management Area, to file reports with the Court and to make recommendations to the Court. It is the overall purpose of the Nipomo Mesa Management Area Technical Group to protect the portion of the Groundwater Basin that underlies the NMMA. In 2008 & 2009 the Nipomo Mesa Management Area Technical Group filed with the Court: The Nipomo Mesa Monitoring Program, the Nipomo Area Water Shortage Conditions and Response Plan and the first Annual Report.*

*Pursuant to the Stipulation the NCSD, the Woodland Mutual Water Company, Golden State Water Company and Rural Water Company are participants in the Waterline Intertie Supplemental Water Project. The Supplement Water Project is in the design phase of development. The NCSD and the City of Santa Maria have signed a final Agreement for the purchase of 3,000 acre feet of water. The water will be used by the water purveyors to offset current pumping of the waters underlying the Nipomo Mesa Management Area (the NMMA).*

**Page 3-16, NCSD Waterline-Intertie Project:** As outlined above under global comments, the approved project EIR describes a 3000-AFY first phase project (combines phases I and II as described in the Draft Update) and a second phase of up to 3,200 AFY. A 3000 AFY project is currently being pursued. The apportionment shown in the Draft Update can be made correct by adding 500 AF to the District's line. The assessment to fund the Project will have four distinct *zones*, one for each of the participating purveyors (District, Golden State Water, Rural Water, and Woodlands). The Assessment will be conducted by the County of San Luis Obispo since they are the only public agency with jurisdiction over all four zones. The assessment will pass or fail based on a weighted majority of voting property owners across all four zones (a property owner's vote is 'weighted' according to the proposed assessment to the property). The District's assessment zone will cover only its service area. The only areas within the District's SOI that will be assessed are those areas that are currently served by one of the other participating water purveyors.

**Page 3-17, NCSD Urban Water Management Plan, Adopted January 2006:** The final sentence should reflect that the District is currently under contract to update the UWMP. The update is on schedule to be completed in October 2010. Intermediate work products will be provided to LAFCO when available.

Page 3-18, Water Demand, second paragraph, last sentence: "...promises to be a more refined approach to predicting and planning for future water demand."

Page 3-19, Table 3-8: Per Connection Water Use: The information summarized in this table comes directly from the District's Annual Production and Consumption report made to CA Dept. of Water Resources (Public Water System Statistic, DWR form 38) and is based on a calendar year. The Commission should also understand the District makes a similar report to DWR on a fiscal-year basis which generates slightly different numbers. Additionally, as part of our Conservation Program, we report numbers based on "Urban" water consumption which omits commercial- and irrigation-related pumping and thus generates different per connection numbers. We recommend a citation be included with this table to avoid confusion.

We have double-checked the data presented in the Draft Update and find one minor error in the raw data reported for 2006 pumping. We do not follow the percentage change calculations presented in the Draft Update. The table presented below includes corrected and updated raw data and a calculation of year-to-year percent change in per-connection pumping and percent change relative to the base year of 2004. In the year-to-year calculation, the divisor is the year being compared against – in this case, the previous year. In the comparison of each year to 2004, the divisor is 2004. As you can see, the District has met/exceeded the stated goal of reducing per-connection pumping by 15% since 2004.

**NCS D Per Connection Water Use**

	AF Pumped	Connections	AFY/Connection	Change in AFY/Connection since previous year	Change in AFY/Connection since 2004
2004	2908	3751	0.775259931		
2005	2794	3879	0.720288734	-7%	-7%
2006	2727	3995	0.682603254	-5%	-12%
2007	2856	4077	0.700515085	3%	-10%
2008	2755	4092	0.673264907	-4%	-13%
2009	2698	4138	0.6520058	-3%	-16%

Source data: DWR Form 38, Public Water System Statistics, calendar year report.

Page 3-20, San Luis Obispo County Water Master Plan: The most updated list of water purveyors operating in the area can be obtained from the County Health Department who regulate all but the largest (District, Golden State Water Company (formerly Cal Cities Water), Woodlands, Rural, and Mesa Dunes Mobile Home Park). A number of the small, County-regulated systems were created to serve development within the District SOI. In some cases, these small systems are created when the County approves development for which no purveyor exists to serve or, due to constraints on annexation, no purveyor is allowed to serve. Some of these listed 'Purveyors' are actually businesses that are required to have publicly-regulated water systems due to their number of employees.

The impact that the growing number of private, small purveyors accessing area groundwater to serve new, residential development is having on the management of the groundwater basin should be further discussed in this section. County Health does not require these purveyors to report pumping quantities

and these small purveyors are not participating in management and conservation efforts. Most small purveyors do not meter water to their individual customers.

**Page 3-20, Table 3-9: Water Purveyors in Nipomo Area:** This list includes entities that are not operating on the Mesa and are not drawing from the groundwater sub area underlying the Mesa. The list of Large Purveyors should include Mesa Dunes Mobile Home Park which is a State regulated (over 200 connections) purveyor serving a mobile home park on the west side of the Mesa near Highway 1. The District developed a listing showing the County-regulated purveyors operating on the Mesa – see below, next page.

**Page 3-21, Nipomo WPA 7:** This citation is dated. The District section discusses number of customers and should reference number of connections, as is done in the sections on other purveyors. The Golden State Water Company section seems to reference three different numbers for connections to the system and should be clarified.

**Page 3-26, Annual Resources Summary Report, 2008:** The section needs to clarify the County's dual system, whereby the water delivery system and water resources are separately evaluated. Currently, the Nipomo area system has a level of severity zero (0), while the resource has a Level of Severity III. Note, the County system uses Roman numerals and this convention should be used in the Draft Update.

**Page 3-31, number 4:** Commission consideration of future annexations should also consider the proposed development's capability to access area groundwater via formation of a new, independent, water company. In cases where the County approves a development that could lead to creation of a new, water company, annexation should be considered in order to facilitate better management of water resources. New, water companies and the expansion of water companies that do not meter water, practice conservation, or promote resource management, should be discouraged in the SOI.

**Page 3-31, number 5:** The District has an executed agreement with the City of Santa Maria to purchase a 2,000 to 3,000 acre-feet of water annually once the intertie is complete. The reference to "This area of the Santa Maria Basin..." in the second sentence is not clear. The City of Santa Maria has proven up water rights far in excess of their build-out connections. These water rights include water from the larger, groundwater basin, 'Twitchell groundwater' and water imported by the state pipeline.

**Page 3-31, Wastewater:** The District currently returns all of its collected and treated wastewater to the supply basin, or, in the case of Blacklake customers, uses treated wastewater to offset irrigation demands. Additionally, 100% of interior water use by the District's approximately 1,100 customers who utilize individual on-site disposal systems (septic tanks) is returned to the supply basin. Exterior/landscape water is the only water 'lost' to the water cycle locally. For this reason, the District's conservation plan focuses on reducing landscape water demands.



SLO County Regulated Private Water Systems, Nipomo Mesa Management Area			
Purveyor	C o n n e c t i o n s	P o p u l a t i o n	S e r v e d
Ball Tagawa Growers	1	55	
Black Lake Canyon Water Supply	11	40	
Callender Grove MWC	37	45	
Callender Water Association	7	15	
Conoco Phillips	1	200	
Crossroads Community Church Water	1	25	
Greenheart Water Supply	2	70	
La Colonia Water Association	6	18	
La Mesa Water Co.	11	30	
Laguna Negra MWC	29	80	
Mutual Water Association	8	35	
Nunes Water Company	12	45	
T&A Properties Water Company	7	25	
True Water Supply	7	20	
Vista De Las Flores	12	40	
Woodland Park MWC	151	500	
<b>Totals</b>	<b>303</b>	<b>1243</b>	
Information Source is County Inspection records dated May 2005- August 2007.			
Information on County # and System Type Class is also available.			

**Page 3-40, first bullet:** Update the reference to the Water Wholesale Agreement between the District and City of Santa Maria.

**Page 3-40, third bullet:** This should reflect an agreement in place to install a District *waterline* in conjunction with the County's Willow Road Phase I project. The District and the County are currently negotiating a similar Agreement to facilitate waterline installation in conjunction with Willow Road Phase II.

**Page 3-43, numbered item 5:** The District does not currently possess the administrative capacity to provide services to the entire SOI. We suggest the statement be reworded to reflect the fact that over its 45-year history the District has consistently grown administrative capacity to meet the needs of a growing customer base.

The District greatly appreciates the opportunity to comment on this Draft Update and looks forward to finalizing the Sphere of Influence Update and Municipal Services Review. District staff would be happy to meet with Commission staff and go over this comment letter. Please contact us with any questions you may have.

Very truly yours,  
Nipomo Community Services District

Michael LeBrun  
Interim General Manager

***Black Lake Village Master Association***  
*c/o Goetz Manderley*  
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March 29, 2010

Mr. David Church  
LAFCO  
1042 Pacific St., Suite A  
San Luis Obispo, CA 93401

Subject: Comments on LAFCO Public Draft Document

Reference: "Public Review Draft, Sphere of Influence Update and Municipal Service Review, Nipomo Community Services District", LAFCO, February 2010.

The Blacklake Board of Directors and the residents of Blacklake are very interested in providing comments on the referenced document, especially as it relates to issues relevant to the Blacklake community. Our comments are based on many interactions with the NCSD over the past several years. As you know, Blacklake is part of NCSD, however, NCSD still maintains a separate sewer plant for our residents. We have had communication and misinformation issues with NCSD in the past, one of which resulted in rallying the Blacklake residents to a successful Prop 218 protest to an unfair assessment, so the BLMA officers and residents stay very aware of NCSD issues affecting this community. We have spent thousands of hours learning how and why NCSD works. Based on that knowledge and experience, we believe it is important for new annexations to understand what will happen after an annexation is complete. Our comments are primarily directed towards factor #5 of the Municipal Service Review (MSR), "Accountability for community service needs including government structure and operational efficiencies" and factor #6, "Any other matter related to effective or efficient service delivery, as required by commission policy".

The general tone of the reference report is that NCSD "is a well-managed organization that carefully considers decisions and the provision of services to existing and future residents" (Pg 1-8). We suggest that statement be revised to reflect the realities of the NCSD organization and its past interactions with the Blacklake community.

The headings from the reference report are listed, followed by our comments.



### **Santa Maria Groundwater Basin Adjudication (Pg. 3-15)**

This entire section should be reworked based on the Nipomo Mesa Management Area (NMMA) Annual Report. The information in the draft comes from the NCS D 2006 Urban Water Management Plan (UWMP) which is outdated. The term "overdraft" is no longer used in discussing water sources on the mesa. The new terms, such as "Potentially Severe Water Shortages", "Severe Water Shortages", trigger points, and contours are now used to describe the health of the basin.

### **The Waterline Intertie Project (WIP) (Pg. 3-16)**

The implication of the document is that the WIP is a well thought-out solution to water supply problems on the Mesa. This rhetoric needs to be toned down and more of the facts need to be presented and discussed.

The reference document states that the WIP is "required" by the Stipulation (Pg. 3-22). This is just not true. The Stipulation agrees that bringing 2500 AF/Y of water from Santa Maria to the Nipomo Mesa is beneficial to the Mesa. It is NOT required. As for the 2500 AF/Y, there is no scientific evidence that this amount of water will solve anything, although it purports to delay some unknown impending doom. Furthermore, the Stipulation says nothing about the capital costs or who should pay for it -- only that when the water is available, there are specific percentages that will be delivered and paid for by the four major purveyors on the Mesa. Finally, none of the three technical groups assigned by the Court to monitor and control the water supply on the Mesa, has included any analysis in their respective annual reports that shows the benefit of the WIP project. In fact the Santa Maria Valley Management Area (SMVMA) 2008 annual report documented three distinct concerns related to the WIP and the ability of the Santa Maria basin to support the export (see section 4.3 Exported Water).

Even if the benefits can be supported, it is still questionable whether NCS D can convince the community to approve a tax assessment to fund the capital costs. In fact, NCS D is so unsure of this project getting approved that they are authorizing a PR firm to "sell" the project to the public (at a cost of approximately \$70,000). They have chosen to buy PR time rather than spend the money on a much-needed sentinel well recommended by the NMMA Technical Group to monitor for sea-water intrusion. Does this sound like an agency that has the best interests of the community at the top of their priority list?

For many retirees in the community (both at Blacklake and elsewhere on the Mesa), the additional burden of a tax assessment needs to be weighed against the "benefit". Since the WIP is not required, a good statement of benefits would be welcomed by the community. Also, NCS D has not released "final" cost figures and assumptions for the Nipomo community to consider. Should the LAFCO document highlight this plan when there is no assurance that it will ever be implemented? This project has been on the NCS D agenda for over 5 years and there is still uncertainty if it will ever be completed.

We recommend that the WIP be downplayed in this document and wait for the next revision to see if it has been implemented.

#### **NCSD Urban Water Management Plan, Adopted January 2006 (Pg. 3-17)**

As stated above, this UWMP document is outdated and does not include the results of the NMMA Technical Group annual reports. The NMMA TG is now the best source of information on water sources for the Nipomo area. NCSD is a member of that group, so we recommend this section be reworked based on the contents of the NMMA Annual Reports.

#### **Water Conservation Program, February 2008 (Pg. 3-18)**

We completely agree with the draft document that there is no evidence that the water conservation programs instituted at NCSD in the past year have produced any quantifiable results. In fact, the numbers in Table 3-8 (Pg. 3-19) and the earlier numbers from the NCSD Urban Water Management Plan, Table 6, pg. 23 show that year 2004 (the base year for determining percentage savings) is an aberration in the data. Note: In Table 6, the year 2003 has an arithmetic error, the total should be 2633, not 3033. By plotting years 2002-2009, one can easily see the anomaly is year 2004. If, instead, the years 2005-2008 are used to determine water use reduction, there is a miniscule 0.5% reduction in water use (hardly a testimonial to a successful water conservation program). We support LAFCO's decision to continue to impose a 15% water conservation on NCSD before any new annexations are allowed. We also recommend that the basis for the determination of water conservation be re-evaluated.

#### **Wastewater System (Pg. 3-29)**

This document implies the Southland wastewater facility has plenty of capacity to handle future growth. This is at odds with the NCSD report (Jan. 2009) that claims by Dec. 2010 the facility will be operating at permitted capacity. The District has an ongoing project to upgrade the facility. Although this problem does not affect Blacklake, it will be a large expense to the Town customers in the near future.

The Blacklake facility, meanwhile, is operating at approximately 50% capacity and Blacklake is fully developed, so no further increases are expected. Connections outside of Blacklake are not permitted.

#### **Accountability and Community Input (Pg. 3-42)**

The Little Hoover Commission and CSD's. In 2000, the Little Hoover Commission of the State of California issued a report, "Special Districts: Relics of the Past or Resources for the Future?" That report concluded:

*"The Little Hoover Commission found that independent special districts often lack the kind of oversight and citizen involvement necessary to promote their*

*efficient operation and evolution. And without robust mechanisms of public accountability, inefficiency can become routine and the occasional scandal inevitable."*

NCSD has consistently demonstrated that the concerns expressed by the Little Hoover Commission report are correct.

Although this report was published 10 years ago with specific recommendations, little has changed in the special district form of government. The disadvantages described in this report have turned out to be real problems that have escalated to the point where, in SLO County alone, one CSD has gone into bankruptcy and NCSD has had a successful Prop 218 protest against a Board decision.

Regarding public comment, one of the BLMA directors has observed:

*"We have allowed NCSD to define the assumptions and optional solutions for the contracted studies and analyses. The contractor then proceeded to do the study using the NCSD-dictated rules. In this approach, Blacklake only gets to interact during the review phase of the study prior to official presentation and approval. This phase is limited in time and requires Blacklake to get up to speed on the assumptions and requested statement of work, identify any differences in opinion, and try to persuade the contractor to modify the study results, all this in much less than a month. This process is guaranteed to keep Blacklake on the defensive and unable to effectively participate in the final decision. Blacklake is then left with no other choice than to attempt to overturn a formal decision, and if that fails, to protest the outcome." [Curt Curtis, internal communication. August, 2008.]*

In February 2008, an ad hoc committee from Blacklake met with LAFCO (Mr. Church) to inquire about de-annexation due to the ongoing disagreement regarding a contentious equity surcharge to the Blacklake community. Ten reasons were presented to LAFCO that showed the depth and breadth of our concerns. It was clear after these meetings that once LAFCO approves an annexation, there is no longer any accountability to LAFCO or the county for operational decisions, so LAFCO needs to understand that these types of problems do occur before an annexation is approved.

**Blacklake Water Assets.** When the annexation of the Blacklake facilities was approved by LAFCO in 1993, there was an implicit fiduciary responsibility transferred from the County to the district to maintain the facilities and provide an adequate water supply to the Blacklake community. After 14 years of control by NCSD, the Blacklake water facilities have been abandoned. Less than 4% of the water revenues over the last seven years of NCSD control were spent on maintenance, a policy that ignores the AWWA and equipment manufacturers' recommendations.

If the current community services district form of government is working properly, then the staff, the Board, or the auditors should have highlighted this lack of maintenance

problem and fixed it before it resulted in equipment failure. However, lacking oversight and accountability, the revenues were spent, no maintenance was performed, and the equipment failed.

Miller Park. Although this is not a Blacklake issue, it is instructive for LAFCO to understand the NCSD attitude. LAFCO recently granted NCSD park powers. This added power resulted in expenditures to develop the Miller park near the NCSD offices. They held a few public meetings attended by the proponents of the park. When the assessment vote was final, the park assessment failed to pass. NCSD was "surprised". After the vote failed, they voted to proceed with the park anyway. Does this sound like an agency that listens to public input?

### **Other Matters (Pg. 3-46)**

The referenced document concludes that the District is a "well-managed organization" (Pg. 1-8). Has this conclusion considered the following facts about NCSD that relate to its ability to fulfill its responsibilities?

- The NCSD has no one on staff with graduate degrees in urban planning, business (MBA), engineering, or hydrology
- The Directors are elected positions that have no qualification requirements
- Neither the staff nor the Directors have any experience managing a project of the size of the WIP, yet they are the lead agency for all the Nipomo Mesa
- Over the course of the MSR review period, there have been four different general managers at NCSD
- Based on the Blacklake experience, NCSD has not adequately managed the Blacklake water fund (see above) and the Blacklake sewer fund (see Table 3-10, Pg 3-37). The cost projections they create (or have created for them) have been inaccurate and result in raised rates, surcharges, and customer enmity.

All NCSD customer water bills have increased approximately 25%/year when the CPI is approximately 3%/year. There have been no water-related or delivery-related reasons for this increase -- it is due to increased spending by the District with no benefit to show as a result. What the District can show is that it:

- upset the Nipomo community over the Mesa Road sewer issue
- upset the Blacklake community over an unwarranted and unfounded "buy-in" charge
- wasted thousands of hours of staff time pursuing the Blacklake surcharge when a simple negotiation would have been sufficient
- ignored the Blacklake input which resulted in the first-ever successful Prop 218 protest against NCSD
- suggested an emergency water shortage measure that included jail time and turning off water service for excessive water use

William Petrick, Chairman  
NCSD Liason Committee  
Blacklake Management Association



SAN LUIS OBISPO COUNTY

## DEPARTMENT OF PLANNING AND BUILDING

March 22, 2010

David Church, Executive Director  
San Luis Obispo Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

**SUBJECT: COMMENTS ON SPHERE OF INFLUENCE UPDATE – NIPOMO COMMUNITY SERVICES DISTRICT**

Dear Mr. Church:

Thank you for sending us the Public Review Draft, Sphere of Influence Update and Municipal Service Review for the Nipomo Community Services District, as well as the EIR. We have the following general comments, followed by more detailed comments on the recommendations for specific areas.

### General Comments

According to Land Use Element of the County General Plan (in Framework for Planning), the Sphere of Influence for a jurisdiction should be coordinated with the County urban reserve line (URL) for a community, and as such, should reflect a 20-year growth boundary for a jurisdiction's future development. The URL identifies the area for urban growth where urban services can be provided within 20 years. According to Framework for Planning, the URL boundary relates to the capacities of community resources to support growth over a 20-year period. Therefore, we would like to see emphasis given to resource capacities for growth in the evaluation of the Sphere of Influence for the Nipomo Community Services District (NCSO). It is in that context that we submit the following comments.

### Background

During the five years since the previous Sphere of Influence study, two significant events have occurred that lead us to recommend major revisions to the Sphere of Influence for the Nipomo Community Services District (Nipomo CSD). The most serious event is the realization, based on a water resource studies, that current and foreseeable water supplies are probably not adequate to serve the planned population of the larger Nipomo area at buildout, as expressed in the County South County Area Plan. The other major event is adoption of Strategic Growth principles and policies by the Board of Supervisors in April 2009.

The Strategic Growth principles and policies are now part of the County General Plan and provide the basis for land use planning. The Strategic Growth policies:

- Emphasize that long-term sustainable capacities be planned and achieved for future resources, services and facilities before additional growth is planned
- Emphasize planning most growth within compact, complete communities, where adequate resources, services and facilities are identified to be available.

976 OSOS STREET, ROOM 300 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805)781-5600

EMAIL: [planning@co.slo.ca.us](mailto:planning@co.slo.ca.us) • FAX: (805) 781-1242 • WEBSITE: <http://www.sloplanning.org>

Copy of document found at [www.NoNewWipTax.com](http://www.NoNewWipTax.com)

G-1-16



- Discourage the extension of urban services outside communities, so that service planning is closely aligned with planned land uses.

The County URL for Nipomo was last updated in 1994. Potential expansions of the URL are typically examined through an update of a community plan. The existing South County Area Plan encourages expansion of the URL for just two properties - the Canada property in Study Area 1 and the Southland properties in Study Area 7. The policies of the South County Area Plan encourage the owners of those properties to apply for General Plan amendments (through Specific Plans) to authorize needed job-generating uses and associated retail and residential areas. The area within the Nipomo URL is currently about 63 percent "built out" under the South County Area Plan in terms of residential development ("buildout" is the full occupancy of its plan and zoning). However, the community is "under-planned" for local employment.

The South County Area Plan's general goals for the rural area are to "promote...the rural character and heritage of South County with a strong sense of identity and place" and to "strengthen the continuation of agriculture as part of the economic base," and "retain the open, low-density character around and between population centers." The Area Plan includes a vision and concepts of rural character and continued open countryside between Nipomo, Arroyo Grande and Santa Maria, with large agricultural areas with low density residential development.

#### *General Recommendation*

Except in the case of the Canada and Southland properties, the area around the Nipomo URL is to remain a rural residential and agricultural area per the South County Area Plan. Accordingly, that plan should guide the long-term, 20-year water and service planning of the NCSD and its Sphere of Influence. At the time of a community plan update, urban expansion issues should be closely coordinated with the NCSD and the LAFCO policies for locating the Sphere of Influence. With these considerations, we submit recommendations for the following areas as shown on page 1-6 of the Sphere of Influence Update.

#### **Recommendations on Specific Areas**

1. **Area 1.** The Canada Ranch property south of Cherokee Place and east of Hetrick Lane should be included in the Sphere of Influence, as it is planned for future urban development.

The area north of Cherokee Place appears to be included based on services needed for a proposed General Plan amendment (Mehlschau; G990013M). However, this application is withdrawn and is not active. With the possible exception of tiers (or portions thereof) of existing lots along the Willow Road extension, it may be premature to include this property within the Sphere of Influence at this time due to resource constraints and questions about whether urban expansion is consistent with the South County Area Plan and the Strategic Growth policies. It may also be premature to include in the Sphere the area west of Hetrick Lane, because it is planned and zoned for rural residential development at a density of one primary residential unit per five acres, and the South County Area Plan does not support urban expansion or services within that area. However, in the event that these areas north of Cherokee Place and west of Hetrick Lane are retained in the Sphere, the Memorandum of Agreement should include this area together with areas 4, 5, 7 and 8.

As in those areas, NCSD sewer service would not be provided, and the County would oppose amendments to the Urban Reserve Line that would increase density, unless considered within a community plan update.

2. **Area 3.** The alluvial part of this area has capability for high-value agriculture, and the portion that is outside of the URL is appropriate for long-term agriculture. Unlike the agricultural area in Area 2, it is not surrounded by existing and potential urban development. Therefore, the area outside of the URL should be excluded from Area 3.
3. **Area 4.** This area should be limited to 1) the designated Southland urban expansion area shown in Figure 4-3, Specific Plan Area – Southland Street, of the South County Area Plan, 2) the rural cluster land division on Hutton Lane (the remainder of the Residential Suburban area should be planned for rural services based on one residential unit per 2.5-acre lot), 3) the existing service area, and 4) the area that may be considered for possible use as an effluent disposal site. The Cuyama Lane Commercial Service area is planned for rural services. The SOI study does not identify any circumstances that would alter that planning approach.
4. **Area 6.** It appears that Area 6 is not proposed for inclusion within the Nipomo CSD Sphere of Influence. It also is not shown in Figure 2-1, although a property is labeled Woodlands. For clarification, perhaps the Woodlands Specific Plan area should be bordered and labeled Area 6 with no color.
5. **Area 7.** The South County Area Plan shows this area for development at one dwelling unit per five acres. This level of rural development is not intended to be served by urban services. Exceptions may occur for clustered land divisions, which may obtain water from shared wells, small State water systems, or mutual water companies. While a community services district might provide other services such as public safety and waste removal, it is appropriate for those services to be provided by specialized service providers or improvement districts. Policies in Framework for Planning of the County General Plan are intended to encourage service planning to be closely aligned with planned land uses. One of the implementing strategies for public services is to restrict urban services from being provided outside of urban or village areas. For all of these reasons, Area 7 should include only those properties subject to prior contracts or agreements between the NCSD and property owners for provision of services.
6. **Area 8.** Since this area has been annexed by the NCSD due to groundwater supply shortages for individual wells, it may be prudent for the County to amend the Land Use Ordinance by making all of this area subject to the Land Use Ordinance standards for NCSD water service in the Summit Station Road Area. These standards include requirements for a water conservation plan and submittal of a "will serve" letter from the NCSD. The Memorandum of Agreement could be revised to support such an ordinance amendment. This would be consistent with an existing County standard regarding County/NCSD coordination. It should be recognized that this area is planned at a density of one primary residence per five acres, and that the Sphere of Influence in this area is intended to meet only the water supply needs of the property owners at this density.

Please keep in mind that future County land use planning efforts may revise the land use plan and zoning for the areas in question in conjunction with NCSD and LAFCO participation. At this time, however, the County General Plan envisions only limited urban expansion.

David Church, LAFCo Executive Director  
March 22, 2010  
Page 4

We appreciate the detailed compilation of data and the analysis in the Municipal Service Review and the Environmental Impact Report. Thank you for considering our comments. If you have any questions or concerns, please contact me at 781-5608.

Sincerely,

MIKE WULKAN  
Supervising Planner



March 19, 2010

David Church  
Local Agency Formation Commission  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

**SUBJECT:** Public Review Draft Sphere of Influence Update and Municipal Service Review  
for the Nipomo Community Services District

Dear Mr. Church,

Thank you for including the District in the environmental review process. We have completed our review of the above referenced document. We have the following comments regarding this update.

**General Comments**

As we have indicated in previous correspondence on the SOI for Nipomo, the APCD continues to be concerned with proposed development in and around the Nipomo area. In the last update to the SOI in 2004, changes were made to the SOI which we believe are likely to promote additional development in remote areas and result in urban sprawl. This is inconsistent with the goals and objectives of the Clean Air Plan (CAP) and could contribute to existing stresses on air quality, circulation and other resources that are not sustainable or easily mitigated

In 2004, a number of the study areas were added to the SOI which have the potential to greatly increase growth outside the existing urban reserve line and contribute to unsustainable sprawl type development. Since that time several pieces of legislature relating to Greenhouse Gas (GHG) emission has been passed that further emphasize the importance of sustainable compact communities. The APCD continues to be concerned with the short term and cumulative impacts from the potential development which could result from the seven study areas that were added to the SOI in 2004.

In 2006, the State of California passed Assembly Bill 32, California's Global Solutions Act of 2006. In the 2007 California legislative session, Senate Bill 97 was passed and required that the California Office of Planning and Research update the CEQA Guidelines to include GHG emissions. As indicated in the Final EIR, dated May 20, 2004, the inclusion of Study areas 1,2,3,4,5,7,8 could potential result in an additional 1700 dwelling units based on current zoning. This is supported by the population projections included in Chapter 3 of the Municipal Service Review. This would equate to an additional 35,700 tons/year of greenhouse gas for these areas. This cumulative impact is significant.

**Specific Comments**

**Page 1-8** - District staff agrees with the proposal to exclude from the SOI, the 850 acres in Study Area 4 currently used for strawberry production.

District staff recommends the inclusion of the following study areas into the SOI be reconsidered and greenhouse gas analysis be conducted for these areas.

Area 1 - As stated in previous correspondence, District staff recommend Area 1 be excluded from the SOI. Extending the SOI to include agricultural zoned land outside the existing city limits is precedent setting and may be used as justification for similar conversion in the future.

Area 7 and 8 - After careful evaluation of the arguments sited for inclusion of Area 7 and 8 into the SOI, APCD staff still do not support inclusion of these areas into the SOI, for reasons sited above.

Thank you for the opportunity to comment on this project. Please contact me at 781-4667 if you have any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Melissa Guise', followed by the word 'for' written in a cursive style.

Melissa Guise  
Air Quality Specialist

MAG/arr





**COUNTY OF SAN LUIS OBISPO**  
**Department of Agriculture/Weights and Measures**

2156 SIERRA WAY, SUITE A • SAN LUIS OBISPO, CALIFORNIA 93401 - 4556

ROBERT F. LILLEY

AGRICULTURAL COMMISSIONER/SEALER

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**DATE:** March 22, 2010

**TO:** David Church, LAFCO Executive Officer

**FROM:** Lynda L. Auchinachie, Agriculture Department

**SUBJECT:** Nipomo Community Services District Sphere of Influence Update and Municipal Service Review (1496)

Thank you for the opportunity to review the Draft Sphere of Influence Update and Municipal Service Review for the Nipomo Community Services District. Our department is supportive of the proposed exclusion of an estimated 850 acres of prime farmland from the Sphere of Influence - Area 4. It is our understanding that the 150 acre strawberry site that is not recommended for exclusion from the Sphere of Influence has been identified for potential future wastewater treatment plant expansion. If this site or portions of this site are not required for the treatment plant expansion, these areas should be excluded from the Sphere of Influence as well.

If service constraints have been identified that could justify further reduction in the Sphere of Influence, please consider exclusion of Area 3 as it is prime farmland and is under Williamson Act contract.

If you have any questions, please do not hesitate to call.



American Society of Civil Engineers – ASCE  
Los Angeles Section  
Disaster Preparedness Committee  
Presents

DISASTER SAFETY ASSESSMENT PROGRAM  
**Instructors:** Ziad Y. Mazboudi, PE and Neil Nilchian, PE

**Date:** Friday, April 9, 2010  
8:00 a.m. – 4:00 p.m.

**Location:** Irvine Ranch Water District  
15600 Sand Canyon, Irvine, CA



Earthquake is a familiar term to anyone of us living in California, and as ASCE members we can be ready to assist during one.

This training will provide a comprehensive overview of the California Emergency Management Agency, CalEMA Safety Assessment Program, practical building evaluation exercises, criteria for assessing the degree of severity of facility and lifeline systems damage, and procedures for posting and barricading. Other hazards will also be covered. The ATC 20-1 Field Manual: "Post-Earthquake Safety Evaluation of Buildings" and additional training materials will be provided.

"All registered SAP evaluators must be professionally registered engineers, professionally licensed architects, certified building officials or inspectors. They must also have a general knowledge of construction, professional experience and judgment." One may attend the training without the above qualifications, but will not receive a State-issued CalEMA card. Those already possessing an OES or CalEMA card, should check their expiration date. State issued cards expire five years after the training date.

Licensed or certified professionals who are members of ASCE, AIA, SEAOC or CALBO will receive a new SAP volunteer card and will be allowed to "tag" buildings in the event of a disaster if called to volunteer.

For registration, please contact Betsy Dubois at 949-234-4414 or e-mail: [bdubois@sanjuancapistrano.org](mailto:bdubois@sanjuancapistrano.org). Space is limited, 50 seats are available. Class will be offered on a first come first served.

**There is no cost for this training**



# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET  
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(805) 929-1133 FAX (805) 929-1932  
Web site address [www.ncsd.com](http://www.ncsd.com)

## MEMORANDUM

TO: MICHAEL LEBRUN, GENERAL MANAGER  
FROM: CELESTE WHITLOW, WATER CONSERVATION COORDINATOR *ew*  
DATE OF REPORT: APRIL 4, 2010  
RE: 2010 SPRING GARDENING WORKSHOPS #3: *DARE TO COMPOST!* and  
*WORM RANCHING AND YOU!* (Saturday, 4/3/2010)

### BACKGROUND.

On a yearly basis, NCSO offers free gardening workshops to our customers. The workshops usually start in late winter or spring. The focus of the workshops is water efficiency in the residential landscape. The 2010 workshop series is the third round of workshops presented since I became the water conservation coordinator for NCSO. They have always been very positive experiences, and I look forward to them every year.

### WORKSHOP #3.

Workshop #3 was presented by Hunter Francis, associate of the sustainable agriculture program at Cal Poly San Luis Obispo. Hunter presented the compost/soil building workshops in 2008 and 2009, as well.

Hunter spoke about soil and soil microbes, particularly as pertain to moisture-holding capacity and nutrient-holding capacity. He discussed basic composting and worm composting in depth. He also set up a new three-bin "worm ranch," which was given away in a drawing at the end of the class.

When we originally set up our office three-bin worm composter, we bought worms to get it going. We did not need to buy worms to set up the worm composter in the workshop because our office composter has an abundance of worms.

About 20 minutes was spent with Hunter showing our office tumbler composter and our three-bin worm ranch. Because of the wealth of worms we have in our own worm composting system, all of the participants who wished to take some home were able to do so, along with some of the worm compost, which will help get a worm composting system off to a running start.

As always, there were many questions from the audience.

As has been our experience in the last two workshops Hunter presented, the workshop was fun, informative, and inspiring. He very much enjoys presenting our workshop, and he is very popular with the attendees (some of whom have been to each of the composting workshops—2008, 2009, 2010).





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## MEMORANDUM

TO: MICHAEL LEBRUN, GENERAL MANAGER *msl*  
FROM: CELESTE WHITLOW, WATER CONSERVATION COORDINATOR  
DATE OF REPORT: APRIL 7, 2010  
RE: SUMMARY OF PANEL DISCUSSION AT THE SAN LUIS OBISPO CHAPTER  
OF THE CALIFORNIA LANDSCAPE CONTRACTORS ASSOCIATION.

### BACKGROUND.

In support of California's *20 x 2020 Program*, the State issued a *Model Water-Efficient Landscape Ordinance* (MWELo), and directed water purveyors to adopt a landscape ordinance at least as productive in water efficiency as the MWELo. The Model ordinance requires contractors, homeowners, or anyone performing substantial modification of an existing home, or building a new home, to submit for approval a packet of landscape-specific requirements (including soil testing and the anticipated amount of water the mature landscape will need). The MWELo requires certification of this packet as complete before a building permit can be given. In addition, a water purveyor cannot commit to supplying water for a project until the certification is delivered to the water purveyor.

As of 1/1/2010, the WELO's requirements will apply to all of the following landscape projects:

- New construction and rehabilitated landscapes for public agency projects and private development projects with a landscape area equal to or greater than 2,500 square feet, requiring a building or landscape permit, plan check or design review;
- New construction and rehabilitated landscapes which are developer-installed in single-family and multifamily projects with a landscape area equal to or greater than 2,500 square feet, requiring a building or landscape permit, plan check, or design review;
- New construction landscapes which are homeowner-provided and/or homeowner-hired in single-family and multi-family residential projects with a total project landscape area equal to or greater than 5,000 square feet, requiring a building or landscape permit, plan check or design review;
- Some existing landscapes,
- Some cemeteries.

Landscape contractors will be required to work within the WELO of each water-purveyor's domain.

The local chapter of the CLCA invited me to attend a dinner meeting on March 16, 2010 at the Spyglass Inn Restaurant in Shell Beach, and to be part of a panel discussion regarding WELOs in the San Luis Obispo County (SLOCo).

### PANEL DISCUSSION.

Other panel members were Ron Munds (City of San Luis Obispo-SLOCity), Jaime Lein (Atascadero Mutual Water Company-AMWC), and Keith Larson (City of Paso Robles-CityPR). The panel discussion part of the evening went for about an hour.

Members of the panel introduced themselves, and briefly described their WELO. The discussion then centered on WELOs, but drifted to associated issues, as well.

The City of San Luis Obispo's WELO is in place. According to Ron Munds, it is much less strict than the MWELo, and allows the contractor to "self-certify" all conditions have been met.

Both the AMWC and CityPR are in the process of developing their WELO.

I informed the audience that we have not yet developed our WELO because it appears that the process may originate with SLOCo (the entity issuing the building permit). Therefore, we may work with SLOCo to develop the WELO. In answer to a question of a CLCA member, I described our turf-replacement rebate program, and distributed information about the program to interested CLCA members.

CLCA members' concerns included being able to negotiate different WELOs across the County, and their wish that there could be one WELO for all water purveyors in the County.

One CLCA member was concerned that artificial turf was not being rebated in turf-removal programs.

Other issues discussed were water conservation in the landscape, and the role optimum soil condition plays in a healthy and soil-moisture-retentive landscape.

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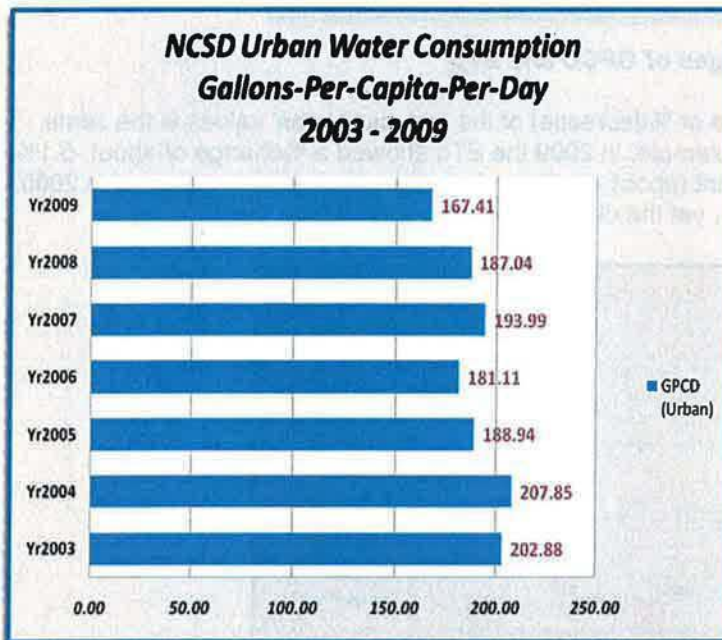


# NIPOMO COMMUNITY SERVICES DISTRICT

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## MEMORANDUM

TO: MICHAEL LEBRUN, INTERIM GENERAL MANAGER  
 FROM: CELESTE WHITLOW, CONSERVATION COORDINATOR AND PUBLIC OUTREACH  
 DATE: APRIL 8, 2010  
 RE: WATER CONSERVATION FROM 2003 TO 2009.



Year	GPCD (Urban)	Change in GPCD from PrevYr	%Change in GPCD from PrevYr
Yr2003	202.88		
Yr2004	207.85	4.97	2.45%
Yr2005	188.94	-18.91	-9.10%
Yr2006	181.11	-7.83	-4.14%
Yr2007	193.99	12.88	7.11%
Yr2008	187.04	-6.95	-3.58%
Yr2009	167.41	-19.63	-10.50%

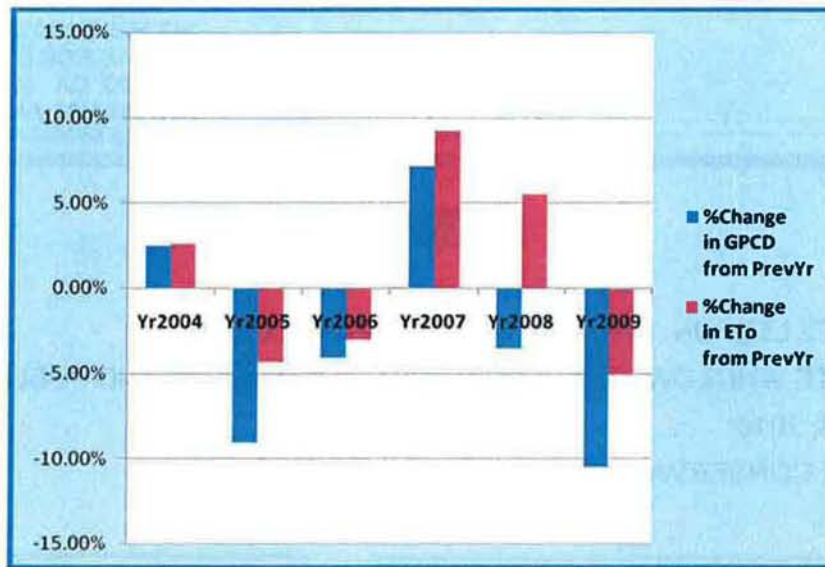
**INTERPRETATION.** From calendar years 2003 to 2009, there has been a gradual decrease in gallons-per-capita-per-day (GPCD), with the largest decreases in 2004-2005 and 2008-2009.

From 2003 to 2009, a decrease in 35.47 GPCD was achieved. The largest increments of decrease were in 2004-2005 when there was a decrease of 18.91 GPCD (-9.10 %change), and 2008-2009 when there was a 19.63 GPCD decrease (-10.5 %change).

Significant water conservation has been achieved, without mandatory measures or "pocketbook-incentive" water pricing.

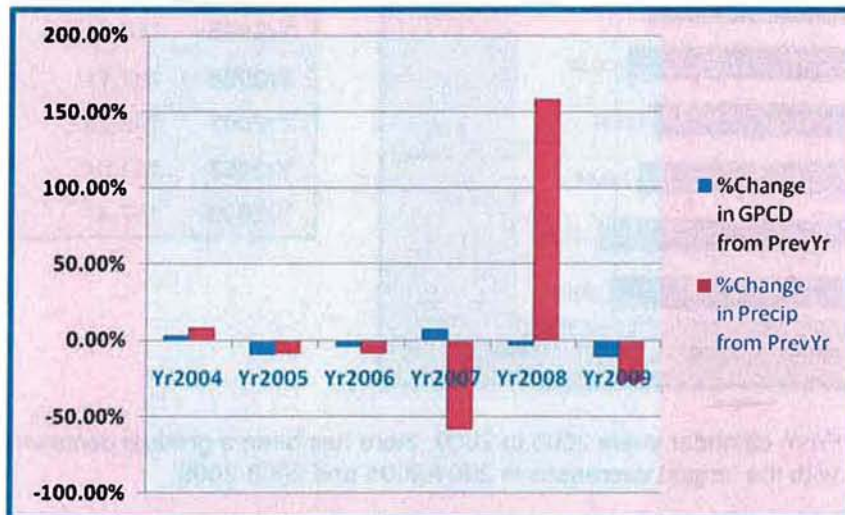
Factors that may influence water consumption include significant differences in climate and, therefore, water demand of plants and animals (ETo and precipitation), wildfire, an emergency large transfer of water to another agency, the unusual absence or increased presence of people in the District, increased charges for water ("pocketbook-incentive water pricing"), and mandatory water restrictions. There were no wildfires, migration of people in or out of the District, pocketbook-incentive water pricing or mandatory water restrictions during 2004 to 2009.

To assess for possible impact of changes in ETo, comparison was made between the %change of ETo and %change of water consumption.



**Comparing %Changes of GPCD and ETo**

**Interpretation.** In general, the direction (%increase or %decrease) of the two categories' values is the same, but the amount of change can vary quite a bit. For example, in 2009 the ETo showed a %change of about -5.1%, and the %change for the GPCD was twice that amount (about -10.5%). A similar phenomenon occurred in 2005. In addition, in 2008 the ETo %change was over +5%, yet the GPCD %change was -3.5%.



**Comparing %Changes of GPCD and Precipitation**

**Interpretation.** While there is some correlation in the direction of the changes (%increase or %decrease), the amount of change can have wide variation.

**SUMMARY.** From 2004 to 2009, a significant decrease (35.47) in the gallons-per-capita-per-day urban-water consumption for NCS D was achieved, representing a %change from 2004 to 2009 of -17.48%. The amount of precipitation and ETo has some impact on water consumption, the nature and amount of the impact is unclear, and, from this short study, the impact does appear to be dependable or consistent.

NOTE: San Luis Obispo (Central Coast Valleys) CIMIS Station #52 was used for the ETo and precipitation figures. The Nipomo CIMIS Station #202 was not brought online until 6/27/2006. CIMIS #202 would not have included the entire period being studied.





# NIPOMO COMMUNITY SERVICES DISTRICT

148 SOUTH WILSON STREET  
POST OFFICE BOX 326  
NIPOMO, CA 93444 - 0326  
(805) 929-1133 FAX (805) 929-1932  
Web site address [www.nipomocsd.com](http://www.nipomocsd.com)

## MEMORANDUM

DATE: April 7, 2010  
TO: Michael LeBrun, Interim General Manager *msl*  
FROM: Tina Grietens, Utility Superintendent  
SUBJECT: Minor Non Injury Accident to Vehicle

On March 1, 2010, while making rounds at the Blacklake Wastewater Treatment Facility, Rick Motley took a turn around the bollards adjacent to the chlorine tank too tightly and the truck he was driving was damaged. There were no other vehicles involved and no personal injury was reported.

The incident was discussed during a tailgate safety meeting with the Utility Staff. We talked about how this type of accident can be prevented in the future. It was noted that since this vehicle is a long bed, that it should not be driven in areas where turning can be difficult. It was also noted that one should always be aware of their surroundings, and to utilize the side mirrors to guide the vehicle.

Three estimates were sought for the repair/replacement of the left rear quarter panel. The lowest estimate was from Maaco Collision Repair, Santa Maria, for \$ 1,935.65. A purchase order was approved, and an appointment will be made for the replacement of the panel.



March 22, 2010

559

Dear: Ms. Lisa Bognuda

Thank you for renewing your membership with the California Special Districts Association!

Your agency's dues investment in CSDA plays a crucial role in the overall success of the only association in California that represents the interests of all special districts. Your support provides CSDA with the resources and advocacy base necessary to take the lead in working with legislators to provide accurate information about special districts. It also allows CSDA to strongly oppose issues that don't have the best interests of local government in mind. The state's current fiscal emergency and ongoing spending cuts mean CSDA will be fighting even harder to protect your interests.

The CSDA Board of Directors has developed an aggressive Strategic Plan designed to grow the association and its influence at the Capitol as well as provide your agency with access to more resources, benefits and services. Our staff will be working to develop more partnerships with vendors that can offer discounts on the products and services you need. We will be expanding our online bookstore with more free, downloadable resources. We will be applying deeper member discounts wherever possible. The Strategic Plan ensures that your membership in CSDA will continue to increase in value!

Enclosed you will find a copy of CSDA's 2009 Annual Report summarizing our activities throughout the past year. As you review it, please remember that we are your association and our accomplishments are yours. We encourage you to use us as a resource for all your needs...contact us toll-free at 877.924.CSDA or via email at [cathrinel@csda.net](mailto:cathrinel@csda.net). We'd like to hear from you.

And again, thank you for your continued support and participation in CSDA!

Best regards,

Cathrine Lemaire  
Membership Director

RECEIVED

APR 07 2010

NIPOMO COMMUNITY  
SERVICES DISTRICT

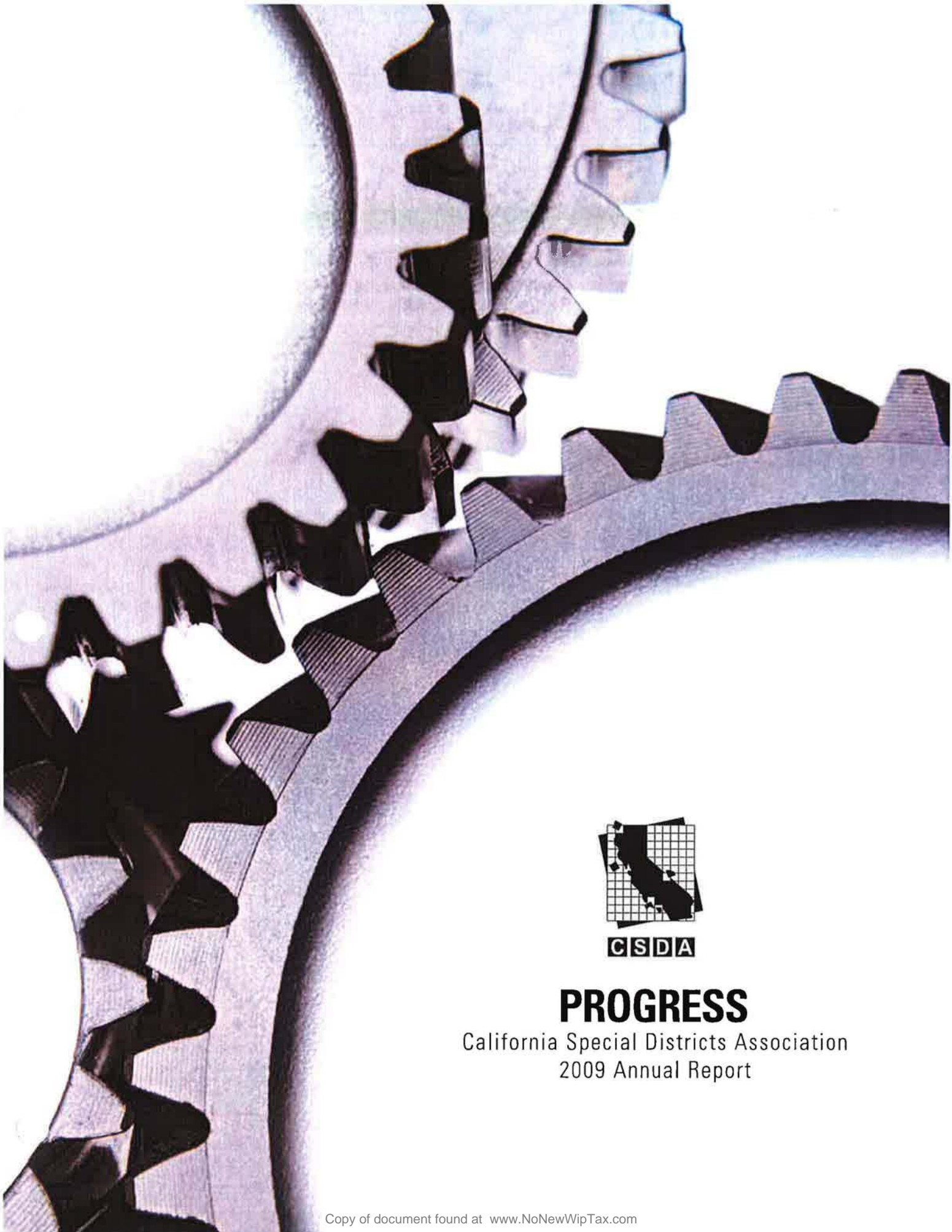
**California Special Districts Association**

1112 I Street, Suite 200  
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*A proud California Special Districts Alliance partner*

Special District Risk Management Authority  
1112 I Street, Suite 300  
Sacramento, CA 95814  
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f: 916.231.4111

CSDA Finance Corporation  
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Sacramento, CA 95814  
toll-free: 877.924.CSDA (2732)  
f: 916.442.7889



**CSDA**

# **PROGRESS**

California Special Districts Association  
2009 Annual Report





# PROGRESS

California Special Districts Association • 2009 Annual Report

## Mission

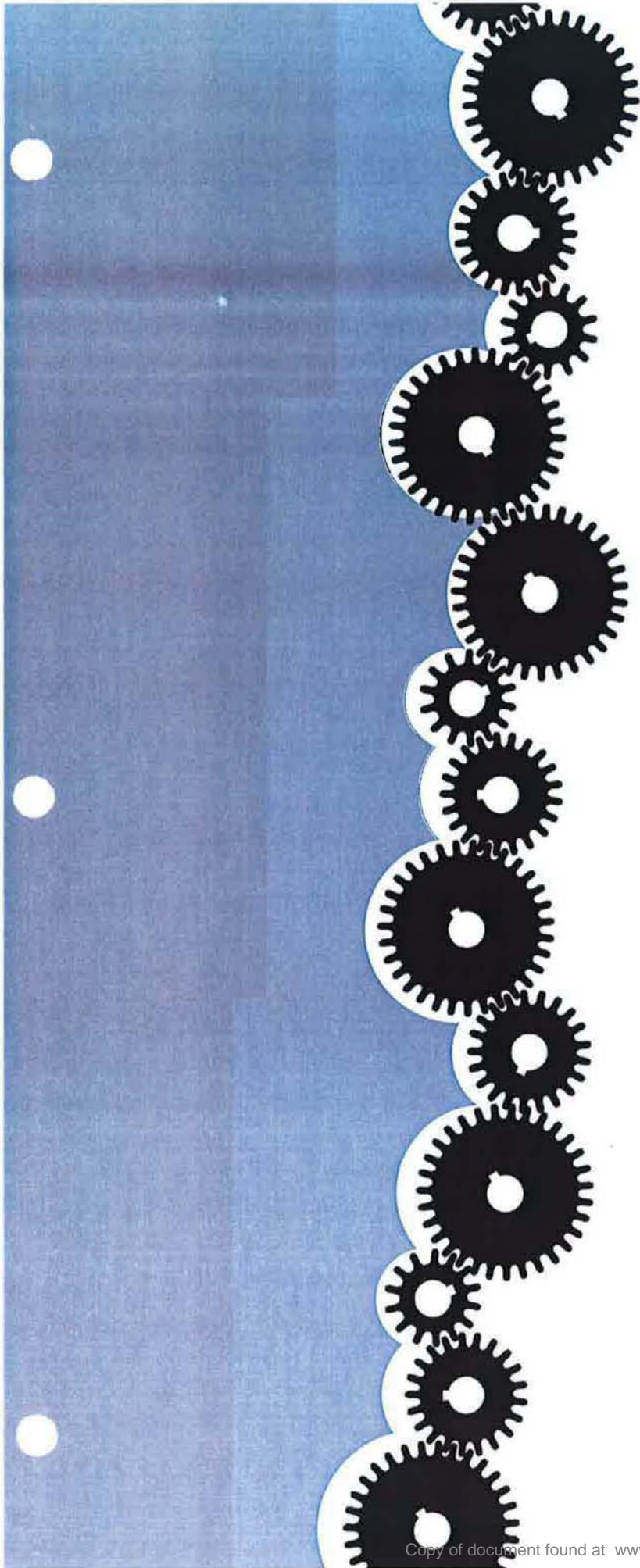
The California Special Districts Association provides legislative advocacy, education and member services for all special districts.

## Beliefs

The Board therefore believes that CSDA should continue to:

- Be the leading and passionate voice for all special districts.
- Be aggressive and resolute in representing and advocating for the needs of all special districts.
- Strengthen support for special districts by educating the public and public policymakers at all levels of the value and function of special districts.
- Capitalize on the strengths of the diversity of special districts, fully representing all types and forms of districts.
- Be the premier training provider for all special districts, striving for effective governance, leadership and administration.
- Provide a wide range of high-quality services and resources to member districts.





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### Officers of the Board:

President - Mark Bryant, Garberville Sanitary District

Vice President - Jo MacKenzie, Vista Irrigation District

Treasurer - Dewey Ausmus, North County Cemetery District

Secretary - Sandy Young, Stallion Springs Community Services District

Past President - Arlene Schaefer, Costa Mesa Sanitary District

### Members of the Board:

Alan Schoenstem, McCloud Community Services District

Phil Schoefer, Western Shasta RCD

Noelle Mattock, El Dorado Hills CSD

Pete Kampa, Toulonnie Utilities District

Shary Storrett, Pleasant Hill RPD

Stanley Caldwell, Mt. View Sanitary District

Jim Kohmen, Ph.D., Alameda County Mosquito Abatement District

Adrienne (Ana) Mathews, Kern County Water Agency

Tim Umoh, Kern County Cemetery District No. 1

Jack Curtis, Ojai Valley Sanitary District

John Fox, Goleta Sanitary District

Jim Acosta, Saticoy Sanitary District

### CSDA Staff:

Neil McCormick, MBA, Executive Director

Laura DeOno, CMP, Education Director

Cathelin Lemaire, Membership Director

Kyle Packham, MPA, Legislative Director

Todd Winslow, Publications Director

Nicole Dunn, Communication Specialist

Sharon Foster, Meetings Coordinator

Patricia Helm, Legislative Advocate

Iris Herrera, Legislative Advocate

Charlotte Jossenberger, Receptionist

Scott Keyport, Administrative & Technology Director

Bill Luikart, Controller

Gianna Mical, Legislative Intern

James Willong, Communication Specialist

Travis Wills, Membership & Chapters Coordinator

Diana Zavala, Executive Assistant



## 2009: A Year of Challenges and Accomplishments

This last year marked CSDA's 40<sup>th</sup> anniversary of serving and representing special districts. This milestone was celebrated at our Annual Conference this year where we highlighted the many accomplishments of special districts and CSDA throughout the years.

*Having few options, the suspension and borrowing was ultimately approved by the Legislature and governor so CSDA immediately began work with our local government partners to negotiate the details of a securitization mechanism that would soften the impact to special districts. Ultimately, nearly 1,000 districts participated in the securitization program, which allowed districts to sell their receivables and get the lost revenue back.*

While we celebrated 40 years of service, this last year brought many challenges as the state was faced with growing deficits in the billions and was looking at all avenues to close the massive budget gap. CSDA worked to strongly oppose proposals to suspend Proposition 1A and borrow roughly \$2 billion from special districts and other local governments. Having few options, the suspension and borrowing was ultimately approved by the Legislature and governor so CSDA immediately began work with our local government partners to negotiate the details of a securitization mechanism that would soften the impact to special districts. Ultimately, nearly 1,000 districts participated in the securitization program, which allowed districts to sell their receivables and get the lost revenue back.



CSDA's ongoing focus to ensure special districts are well represented and have a voice at the decision-making table involved focusing efforts on the funding of and participation on numerous coalitions. Two major coalitions that will continue into 2010 include efforts to further protect local government revenues and provide flexibility in the approval of new taxes and bonded indebtedness.

Delivering value to districts has been the core component of CSDA's strategic plan over the last two years and is something that will carry forward in our updated plan for 2010. This last year, CSDA added new resources, enhanced information delivery and added new benefits and programs for CSDA members.

Further, access to education was enhanced by the addition of webinars in 2009, which brings workshops directly to districts in their office. These provide yet another option for districts to receive quality education at a reasonable investment.

Lastly, in response to the challenging economic conditions facing special districts, the CSDA Board of Directors moved to freeze dues and not implement any increases for 2010. Additionally, to provide further assistance, the SDRMA Board of Directors announced a 15 percent rate discount for members of the Property/Liability and Workers' Compensation Coverage Programs.

2010 promises to be equally as challenging and CSDA is poised to continue the progress made over the last 40 years. On behalf of the CSDA Board and Staff, we want to thank all members for the continued support and participation in the association!







*CSDA has and will insistently defend the interest, assets and resources of special districts. In that same light we as members need to open our eyes and stand up and be heard.*



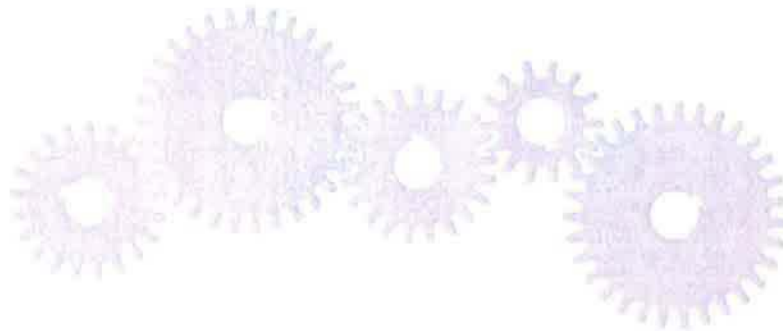
## The Future of CSDA is Beyond Fuzzy Logic

The future for CSDA is beyond fuzzy logic...we are solidly meeting needs of special districts.

The fiscal challenges confronting us pull us together in a common cause, building the bonds of securitization and strengthening our positions as local government. With our state looking down the barrel at another \$21 billion (with a "B") deficit, local government is again pulling on the rubber boots in an attempt to keep above the flood of revenue losses that could leave special districts, cities and counties in a whirlpool of red ink. To keep special districts afloat, CSDA has been building RAFTS, or Real Alliances For Tactical Securitization. The members of this partnership are all local governments and the associations that represent us. Although RAFTS is in no way an official Memorandum of Understanding driven organization, it does represent a common bond that has become all too transparent in the realities of local government.

It is fiscal bewilderment that is driving us into another projected deficit. This is where CSDA is taking the lead in forming such strong partnerships with cities and counties to create a fibrous network latched together with a common goal: to preserve our local revenues. These partnerships will sustain based on a balance derived from the fiscal commitment demanded by our constituents. That commitment is driven with an overwhelming compassion that builds with the strengths of local government. Those strengths were demonstrated at the table this December when local government alliances sat at the table with the Senate and Assembly members to embellish an aggregate of concepts that must meet the demands of our constituents. Those demands for fiscal solvency must to be met with wisdom and fortitude - the wisdom to not encumber generations to come, and the fortitude to accept needed change.

CSDA has and will insistently defend the interest, assets and resources of special districts. In that same light we as members need to open our eyes and stand up and be heard. We need to openly have a conversation with our legislators on our home turf then follow that conversation up with a visit to our representatives in Sacramento May 11-12 during CSDA's annual Special Districts Legislative Days. If we don't communicate and participate, we can only grunt when the hammer falls on the next suspension of Proposition 1A.





## Effective Advocacy at the Capitol

**Opposed Proposition 1A Suspension:** CSDA worked in a coalition with the League of California Cities and CSAC to strongly oppose the governor's proposal to suspend Prop 1A and borrow approximately \$2 billion from special districts, cities and counties to help bridge the state's budget deficit. Although the suspension was ultimately approved by the Legislature and signed by the governor, CSDA's efforts made this the toughest budget vote in July 2009. In addition, the coalition was able to negotiate the details of a Prop 1A securitization mechanism that softens the impact the shift has on special districts in the 2009-10 fiscal year. As mandated by the State Constitution, the state must repay this loan within three years with interest.

**Sponsor of the Proposition 1A Securitization Program:** CSDA worked with other local government associations and California Communities to develop the Prop 1A Securitization Program, available to any special district, city or county impacted by the suspension of Prop 1A. Under this program, participating agencies would sell their state repayment obligations to CA Communities. In a simultaneous transaction, CA Communities would issue bonds and would remit the cash proceeds to the participating local public agencies. Bondholders would receive their repayment from the state at a later date. The program was voluntary and the state will pay for all costs of issuance and interest incurred. On November 19, 2009, CA Communities successfully sold the full amount of the securitization bond and participating agencies received their first payment of one-half the amount securitized on January 15, 2010, with the remaining balance scheduled to be paid on May 3, 2010.

**Budget Action Day:** Organized in partnership with the League of California Cities, special district representatives joined city representatives at Budget Action Day to educate lawmakers on the harmful consequences a suspension of Prop 1A would have on local governments. CSDA mobilized more than 50 district firefighters to attend and coordinated face time for our members to briefly meet the governor to reiterate our opposition to a suspension of Prop 1A.

**Protecting Local Government Funding from State Raids:** CSDA joined the Californians to Protect Local Taxpayers and Vital Services coalition, which is working to qualify and pass the Local Taxpayer, Public Safety and Transportation Initiative, scheduled for the November 2010 statewide ballot. This measure would prohibit the state from taking, borrowing or redirecting local government, transit and transportation funds.

**Defeat of Assembly Bill 155 (Mendoza) and Senate Bill 88 (DeSaulnier):**

CSDA strongly opposed both bills that would have required any local entity, including special districts, considering bankruptcy to first gain the approval of the California Debt and Investment Advisory Commission before filing for Chapter 9 bankruptcy. Status: Held in committee

**Co-sponsored AB 405 (Caballero):** CSDA co-sponsored this bill with the Association of California Healthcare Districts (ACHD), to expand design-build authority to hospital districts. Although AB 405 did not make legislative deadlines, CSDA and ACHD have introduced similar legislation in 2010. Status: Reintroduced as SB 1005 (Cox) on February 10, 2010

**Co-sponsored ACA 9 (Huffman):** CSDA co-sponsored this bill to lower the voter threshold for new or extended special taxes and local general obligation bonds from two-thirds to 55 percent. Status: Assembly Floor





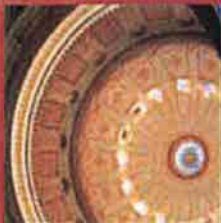


**Expanding Broadband in Rural Unserved Areas:**

In 2008, CSDA successfully sponsored legislation to allow community services districts (CSDs) to provide broadband Internet access to their communities if no private provider is willing to provide service. In 2009, CSDA supported AB 1012 and AB 1555 (Perez, M.) that would expand federal broadband stimulus dollars to CSDs and ensure a transparent process. CSDA also partnered with CALAFCO to educate CSDs and LAFCos about the new latent power to provide broadband and about the federal stimulus money available for these projects. AB 1012 Status: Senate Floor, AB 1555 Status: Chaptered


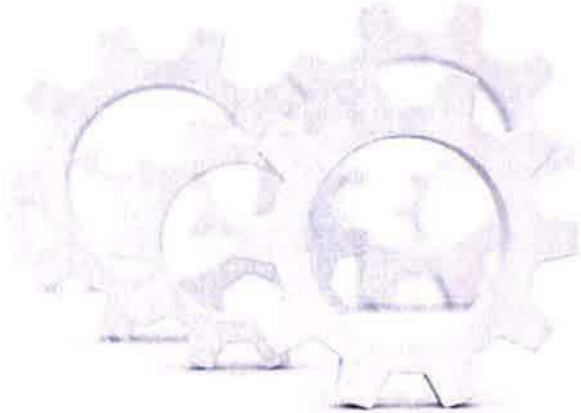
**Coalitions and influence:** CSDA continued to participate in working groups and coalitions to ensure special districts have a strong voice in state and local government decision-making. Those groups included topics and efforts such as:

- Coalition to oppose Prop 1A suspension;
- Coalition to negotiate the Prop 1A clean-up language that ensured the securitization program worked efficiently and effectively (SB 67);
- Coalition to introduce an initiative to lower the voter threshold for new special taxes and GO bonds from two-thirds to 55 percent and to make sure districts are represented;
- Coalition to introduce an initiative to protect all local revenues from future state raids;
- Coalition to oppose legislation that expands workers' compensation presumptions and costs to local government agencies: successfully stopped AB 128 (Coto), AB 586 (Huber), and AB 664 (Skinner);
- Coalition to examine the need to revise joint and several liability law;
- Participated in the lawsuit LAUSD v. Great American, relating to AB 815 (Ma);
- Green California Summit advisory board;
- Worked with California Air Resources Board on a toolkit that local governments can use to be more environmentally friendly.



**Special Districts Legislative Days:**

The 2009 Special Districts Legislative Days, CSDA's annual legislative conference, was attended by a record number of special district representatives! The 2009 theme focused on "Rising Above the Fiscal Crisis." Speakers included State Treasurer Bill Lockyer, Department of Finance Director Mike Genet, California Forward Executive Director Jim Mayer, Senate Local Government Chair Patricia Wiggins, Assembly Local Government Chair Anna Caballero, Author of ACA 9 Assembly Member Jared Huffman and a special panel on relations with the media and the public. Attendees went on pre-arranged visits with their legislators and enjoyed a reception in the Capitol with legislators and legislative staff.



## New Education Opportunities for Special Districts



### Annual Conference & Exhibitor Showcase

CSDA's 40th anniversary was celebrated at the September 2009 Annual Conference and Exhibitor Showcase, held in Indian Wells. In addition, this year's conference focused on leadership and strategic planning. More than 450 attendees benefited from nationally ranked keynote and super session speakers including: Dr. Pete Johnson - known as the Strategy Execution Guru and Transformational Leadership Expert, Dr. Bob Nelson - best selling employee recognition author, the Disney Institute's Jeff Noel, addressing how to deal with "Change Leadership" and Eileen McDargh sharing ways to work smart and live happier. More than 50 exhibitors participated in the exhibitor showcase where they demonstrated their diverse services and products.

***The event would not be a success if it wasn't for the support of our 2009 conference sponsors.***

***Platinum Sponsors included:*** Special District Risk Management Authority, California Special Districts Alliance and the CSDA Finance Corporation.

***Gold Sponsors:*** CPS Human Resource Services, Liebert Cassidy Whitmore, Meyers Nave, Public Agency Retirement Services (PARS) and TIAA-CREF.

***Silver Sponsors:*** Bank of New York Mellon, Bank of the West, BHI Management Consulting, Contractor Compliance and Monitoring, Inc. McMurchie Law, NMS, Nossaman, LLP, Prager, Sealy & Co., LLC.

***Bronze Sponsors:*** Best, Best and Krieger, Nationwide Retirement Solutions, Project Resource Specialists and CH2M Hill.



### Education Programs

In 2009, the first CSDA Education Workshop Catalog was introduced. It immediately became a vital marketing tool for all of the education programs. In addition to the 47 workshops offered, the Ethics Training DVD program was promoted as well as the Annual Conference and Special Districts Legislative Days event. The one-page registration form allowed participants to sign up for several workshops by using one form or, if they preferred, online registration was also available. The introduction of the catalog has also saved CSDA money since we did not have to produce individual brochures for each event.

***Three new classes were introduced in 2009:*** Coaching Skills for Managers and Leaders, Developing & Updating Essential District Policies and Teambuilding Skills for Managers & Supervisors.







### Webinars

Webinars debuted in the fall and winter of 2009 and were an immediate success. Eight topics were introduced:

- Everything You Need to Know About a Special District
- The Brown Act
- Effective Methods for Special District Staff Evaluations
- Strategic Planning Concepts & Case Studies for Special Districts
- Required Sexual Harassment Prevention Training
- Must Have Communication Protocols for District Boards & Staff
- Ethics Training - AB1234
- Financing Options for Special Districts in Challenging Economic Times

Members expressed a strong interest in this type of online solution as many of them do not have travel funds available for all district personnel. Over 350 CSDA members participated in the fall/winter program.

### Regional Meetings

In December of 2009, CSDA partnered with SDRMA to bring safety related education training to the Humboldt County region. This is one in a series of trainings to be offered to CSDA members located in rural communities. Over 30 members participated in this one-day workshop, which covered compliance training as well as property/liability and compensation programs. These regional meetings are free to SDRMA and CSDA members.



### CSDA Special District Leadership Academy

The CSDA Special District Leadership Academy continues to be the premier leadership development program for special district professionals. A total of 226 special district board members and managers attended the four modules in 2009. Each of the four modules: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Finance and Fiscal Accountability and Board's Role in Human Resources were taught in locations throughout California. A total of 13 workshops were offered to the special district community.

Each module is unique in offering specialized education to meet the needs of CSDA members. The first module, Governance Foundations, is the core of the academy series. It teaches the board's role and responsibilities within the district, how to build a strong, positive and functional board culture and developing the formal structure of the board.

The second module, Setting Direction/Community Leadership, helps identify the board's responsibility in setting the direction of the district, defining performance measures and learning how to think strategically.

Module three, Board's Role in Finance and Fiscal Accountability, takes an in-depth look at how the special district board should carry out its fiduciary responsibilities.

The fourth and final module, Board's Role in Human Resources, addresses how boards interface with district personnel.



## Unmatched Services to Our Membership

### Dues Freeze for 2010

In May 2009, the CSDA Board of Directors responded to the concerns of many special district members and announced a dues freeze for 2010. Increases in previous years have included a cost of living adjustment, but, given the economic conditions, the board strongly felt that such a dues freeze would be a welcome relief to districts facing a financial crunch and help them in budgeting for the coming year.

At the same time, CSDA reaffirmed our commitment to protect the funds of special districts and provide our members with the services and benefits they need.

### Delivering More Value to CSDA Members

CSDA knows your district is counting on value for your membership dues investment. We are continuing to enhance membership by identifying beneficial partnerships and developing programs that will add value and save you money. Through the CSDA Endorsed Affiliates program, your district can realize cost savings on a wide range of quality products and services, from investment options to first aid supplies to website development. In 2009, a number of services were added to our array of programs:

- **CalTRUST:** The Investment Trust of California provides a stable alternative for the investment of district funds. Recently a new money market account was added to the CalTRUST investment program, offering same day liquidity and an AAA-rated option to participants.
- **Cintas:** Cintas First Aid and Safety is the nation's largest provider of van-delivered first aid and safety products. In partnership with CSDA, Cintas agreed to provide products and training to special districts at a 20 percent discount.
- **GASB 45 – Low Cost Actuarial Service:** In conjunction with the Special District GASB45 Trust Program administered by PARS, CSDA joined with the California School Boards Association in assisting smaller districts in planning for the new government accounting standards. Districts with less than 100 plan members are eligible to use this low cost, online actuary service or "Alternative Measurement Method."

### CSDA Chapters

CSDA chapters are independent groups of special districts formed to create local networks of special district leaders. There are currently 13 active chapters in the state:

- Alameda County
- Contra Costa County
- Kern County
- Placer County
- Orange County
- Sacramento County
- San Bernardino County
- San Diego County
- San Luis Obispo County
- San Mateo County
- Santa Barbara County
- Santa Clara County
- Ventura County

Activities that support communications between local chapters and the state association are very important. CSDA hosted two Chapter Roundtables in 2009 - one in Sacramento in May and one in Indian Wells in conjunction with the 2009 CSDA Annual Conference and Exhibitor Showcase. The roundtables gave chapter leaders the opportunity to network and discuss ways CSDA and the chapters can work together to promote the interests of special districts at the local level.

Also at the conference, chapters were encouraged to showcase their activities with displays in the exhibit hall. In addition, chapter representatives had the opportunity to network with other conference attendees at the Chapters Reception. At this reception, the winner of the Chapter of the Year award – Alameda County Chapter - was recognized for its efforts in providing unique educational opportunities for its members.

In 2009 a CSDA/Chapter Membership Incentive Program was launched. The program was designed to build membership in both the state association and in the local chapters while rewarding the local groups for their recruitment efforts with credits toward CSDA publications and event registrations.





### CSDA Bookstore Moves Online

CSDA's new online bookstore allows members to receive discounted rates on varying topics chosen to enhance special districts' board of directors, administrative personnel and management teams. The bookstore expanded this year with 16 new titles, to include publications on grant writing, human resources, board development and more.



Two of the bookstore's most popular publications - the *CSDA Sample Policy Handbook* and the *Administrative Salary and Benefits Survey* - were updated significantly. With input from our member districts, the *CSDA Sample Policy Handbook* was updated with more than 70 new and revised policies while the

*Administrative Salary and Benefits Survey* now includes an additional six administrative positions.



The partnership with Liebert Cassidy Whitmore is gaining momentum as they continue to update and consolidate several of their legal titles to keep you as up to date as possible. This partnership brings you access to over 30 legal workbooks that cover topics such as privacy in the workplace, leave rights, personnel management, diversity in the workplace, public meeting law and many more.

The CSDA Bookstore debuted a new booth at the 2009 CSDA Annual Conference and Exhibitor Showcase in Palm Springs. With the growing number of titles and topics also came the need for more space to display these items. We encouraged visitors to browse through our selections to ensure they found the necessary references needed to keep their district running smoothly and to implement new ideas. We also broadened our selection to include books on management issues, electronic communication, rewarding employees and an *Organizational Health Assessment and Planner for Special Districts*.

A major highlight during each conference is hosting book signing events. This year the CSDA Bookstore carried several inspirational books written by keynote speaker, Eileen McDargh, and various books on employee morale and management written by keynote speaker, Bob Nelson. The signings were held after the author presentations and gave attendees a change to talk to the speakers face to face in a casual setting. All current offerings can be found online at the CSDA website under Featured Sections.



### Timely Delivery of Essential Information

The readership of CSDA's flagship publication, *California Special District*, has increased by more than 1,500 to 19,550. The bi-monthly magazine contains articles, interviews, and news items and innovative ideas from special districts all over the state. Last year's issues featured many inspirational and educational articles on topics like "going green," media relations, legal and regulatory requirements and win-win partnerships.

The very successful first edition of the CSDA Buyers Guide was launched in the May/June 2009 issue of *California Special District* magazine. With a listing of more than 75 Business Affiliate members, including contact information and summary of services provided, the Buyers Guide gave CSDA members a quick, convenient way of finding the products and services they need from vendors that care about special districts.

Many CSDA members depend on the CSDA *e-News* to keep them current on important state budget updates, legislative issues, new membership benefits, upcoming educational opportunities and more. In mid-2009, the *e-News* took on a new, easy-to-read format and began highlighting the achievements of districts and district staff. Readership for the weekly electronic newsletter has grown to more than 3,500.

In addition to the regularly scheduled communications, electronic alerts are sent to our members to update them on time-sensitive issues. Below is just a sample of the alert topics that went out to CSDA members:

- Suspension of Proposition 1A
- Proposition 1A Securitization Program
- Availability of Federal Stimulus Funds
- The Local Taxpayer, Public Safety and Transportation Protection Act

CSDA also ventured into the realm of social networking with the new California Special Districts Association's Facebook page. The page highlights important news of interest to those who "Become a Fan," including timely legislative updates, information on new educational offerings and photos taken at various events.



## Meeting Needs Through Collaborative Alliance



### California Special Districts Alliance

Throughout the past year the Alliance partners - CSDA, CSDA Finance Corporation and Special District Risk Management Authority (SDRMA) -

focused on collaborative efforts that promised more benefits and resources for special districts. One of the most successful of these cooperative efforts was the development of the new series of eight educational webinars launched in the fall of 2009. All webinars were offered free to SDRMA participants and one webinar, discussing financing options for special districts, was free to all attendees.

The California Special Districts Alliance played a supporting role at the 2009 CSDA Annual Conference by hosting the popular cyber café for the convenience of conference attendees who needed email to keep in touch with the district office or confirm travel arrangements. In addition, the opening keynote session by Dr. Pete Johnson was sponsored by the Alliance.

At a number of other association conferences and meetings across the state, CSDA members stopped to visit at the Alliance exhibit booth, while non-members learned of the many benefits of membership and gathered information on the services offered by the Alliance partners. The Alliance booth participated at the following conferences:

- Mosquito & Vector Control Association of California
- Special District & Local Government Institute
- SDRMA Safety/Claims Education Day
- California Association of Public Cemeteries
- California Association of Recreation & Park Districts
- California Rural Water Association
- Association of California Water Agencies



Throughout the past year the Alliance partners - CSDA, CSDA Finance Corporation and Special District Risk Management Authority (SDRMA) - focused on collaborative efforts that promised more benefits and resources for special districts.



### CSDA Finance Corporation

The CSDA Finance Corporation is proud of its reputation for responsive service and expert execution of tax-exempt financings. Last year the CSDA Finance Corporation responded to inquiries from more than 75 diverse special districts seeking financing for a broad range of projects and purchases. Some examples of financings completed in 2009 include \$50,000 for a fire protection district's fire engine purchase, \$400,000 for a community service district's administration building and \$9 million for a sanitary district's biosolids project.

The CSDA Finance Corporation hosted a number of workshops and webinars to educate district staff and directors on the financing mechanisms available and the importance of approaching financing strategically.



CSDA Finance Corporation  
Board & Staff



#### Officers

**PRESIDENT**

John Fox, Goleta Sanitary District

**VICE PRESIDENT**

Arlene Schafer, Costa Mesa Sanitary District

**SECRETARY**

Jack Curtis, Ojai Valley Sanitary District

**TREASURER**

Judy Cofer, Oxnard Harbor District

#### Members of the Board

James Acosta, Saticoy Sanitary District

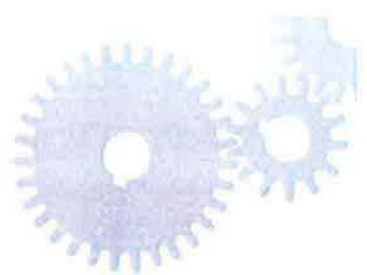
Jo MacKenzie, Vista Irrigation District

Steve Ruettgers, Kern County Water Agency

#### Staff

Neil McCormick, Administrator

Cathrine Lemaire, Program Manager



**SDRMA Reduces Rates by 15 Percent**

Based on concerns for SDRMA members

resulting from the effects of economic conditions, SDRMA's Board of Directors reduced rates on July 1, 2009, an average of 15 percent in both Property/Liability and Workers' Compensation Programs. SDRMA's Board of Directors reduced rates to provide financial relief for their members.

According to SDRMA Board Past President, Ken Sonksen, "A rate reduction during these difficult financial times reflects SDRMA's partnership with members and our commitment to serve as an extension of their agency. SDRMA wants to be part of the solution when conditions like these affect our members."



**SDRMA CEO Jim Towns Retires**

On December 31, 2009, SDRMA CEO Jim Towns retired, after serving members for 21 years. During his years of service, SDRMA evolved from a single coverage program with 170 members to one with expanded coverage providing services to over 600 agencies. SDRMA's service portfolio and membership has flourished to include workers' compensation, health benefits, numerous successful business partnerships and a state-of-the-art member focused risk management system.

SDRMA Chief Administrative Officer Greg Hall was selected by the Board of Directors to assume the position of CEO. Hall joined SDRMA's executive management team in January 2006 and was instrumental in launching SDRMA's health benefits program, as well as developing increased technology capabilities to enhance member services. Hall's strong special district background, as well as proven leadership will successfully lead SDRMA into the future. SDRMA remains committed to serving members' best interests by providing member focused service, maximum coverage protection and innovative risk management solutions.



SDRMA Board and Staff



**Officers**  
**PRESIDENT**

David Aranda, Stallion Springs Community Services District

**VICE PRESIDENT**

John Yeakley, Bear Valley Community Services District

**SECRETARY**

William Miller, North of the River Municipal Water District

**Members of the Board**

Jean Bracy, Mojave Desert Air Quality Management District

Muril Clift, Cambria Community Services District

Craig Hair, Trinity County Waterworks District #1

Jerry Ledbetter, Alameda County Water District

**Staff**

Greg Hall, ARM, Chief Executive Officer

Paul Frydendal, CPA, Chief Financial Officer

Dennis Timoney, Chief Risk Officer

Alana Batzianis, Administrative Assistant

Ellen Mirabal Doughty, Senior Member Services Representative

Tiffany Henderson, Claims Assistant

Karen Lafferty, AIC, Senior Claims Examiner

Nicole Rushing, Senior Business Analyst

Wendy Tucker, Member Services Representative

Barbara Tyler, CCLA, Claims/Loss Prevention Manager

Shawn Vang, Accounting Technician





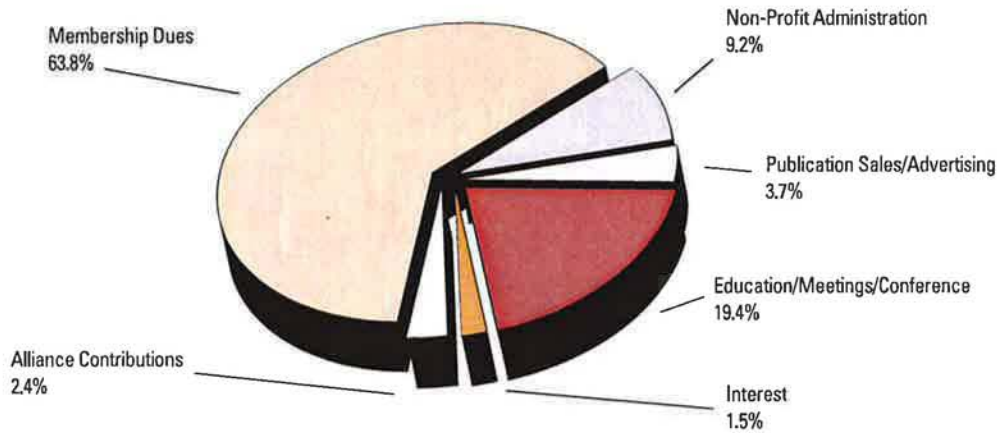
# Financials

JANUARY - DECEMBER 2009 UNAUDITED

## REVENUE

Membership Dues	1,658,021
Alliance Contributions	53,352
Non-Profit Administration	157,669
Publication Sales/Advertising	90,482
Education/Meetings/Conference	470,428
Interest	20,338

**TOTAL REVENUE** 2,450,290

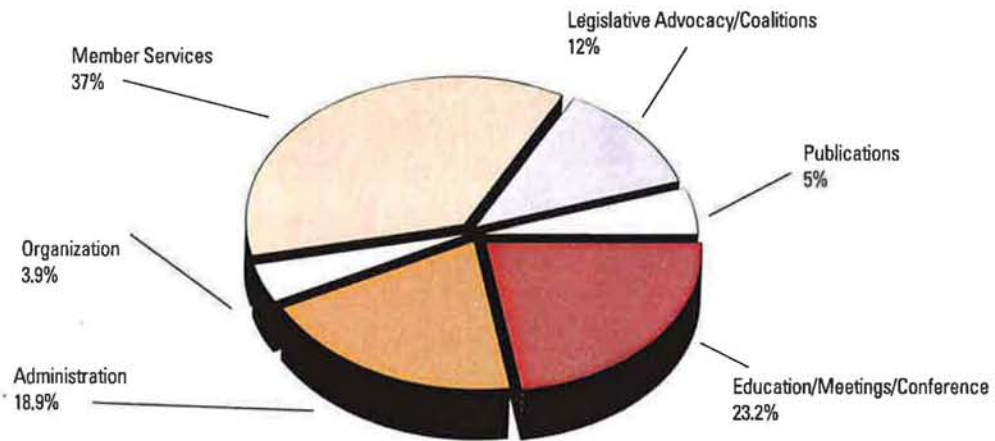


JANUARY - DECEMBER 2009 UNAUDITED

**EXPENSES**

Member Services	809,341
Legislative Advocacy/Coalitions	335,370
Publications	107,309
Education/Meetings/Conference	445,306
Administration	395,807
Organization	80,703

**TOTAL EXPENSES 2,173,836**



<b>CSDA Reserve Funding</b>	<b>12/31/2008 FUND BALANCES</b>	<b>TARGET FOR MINIMUM YEARLY FUNDING</b>	<b>PROPOSED 2009 FUNDING</b>	<b>12/31/2009 FUND BALANCES</b>	<b>LONG TERM TARGET</b>
BUILDING PURCHASE FUND	\$35,000	\$5,000	\$5,000	\$40,000	\$200,000
CAPITAL REPLACEMENT FUND	\$20,000	\$5,000	\$30,000	\$50,000	\$50,000
CAPITAL TECHNOLOGY FUND	\$25,000	\$5,000	\$25,000	\$50,000	\$50,000
SPECIAL TASK FORCE FUND	\$55,000	\$10,000	\$80,000	\$135,000	\$200,000
OPERATING RESERVES FUND	\$317,169	\$25,000	\$121,454	\$438,623	\$1,158,787 (1/2 yearly budget)
PAY FOR PERFORMANCE	\$15,000	\$15,000	\$15,000	\$30,000	N/A
<b>TOTALS</b>	<b>\$467,169</b>	<b>\$65,000</b>	<b>\$276,454</b>	<b>\$743,623</b>	<b>\$1,658,787</b>

CSDA's Board of Directors developed a policy directing the establishment of various Reserve Funds in order to ensure the long term financial stability of the association for the benefit of its members and to enable it to respond to the legislative needs of its membership given the volatile nature of the State of California's budget. This chart has been produced to let our membership know how we have progressed in our efforts through 2009.





California Special Districts Association  
1112 I Street, Suite 200  
Sacramento, CA 95814



# PROGRESS

California Special Districts Association • 2009 Annual Report

# SAN LUIS OBISPO COUNTY HEALTH AGENCY



April 2, 2010

ConocoPhillips  
Ed Ralston  
76 Broadway  
Sacramento, CA 95818

## PUBLIC HEALTH *Environmental Health Services Division*

2156 Sierra Way • P.O. Box 1489  
San Luis Obispo, California 93406  
805-781-5544 • FAX 805-781-4211

*Jeff Hamm*  
Health Agency Director

*Penny Borenstein, M.D., M.P.H.*  
Health Officer/Public Health Administrator

*Curtis A. Batson, R.E.H.S.*  
Director of Environmental Health

Re: Site Assessment for ConocoPhillips Pipeline located at Tefft and Carillo Streets,  
Nipomo, APN #090-151-008.

Dear Mr. Ralston,

Recently proposed development of a public park by the Nipomo Community Services District on a property (APN #090-141-006) located directly adjacent to the above referenced site prompted a Phase I and limited site assessment to be performed.

The results of the site assessment performed by Earth Systems Pacific indicate TPH concentrations in soil boring location B-3 of up to 1,500 mg/kg at a depth of up to 15 feet adjacent to the ConocoPhillips pipeline. A copy of the assessment report prepared by Earth Systems Pacific dated January 8, 2010, is enclosed for your reference.

Additional site assessment is required to determine the lateral and vertical extent of petroleum impacted soil at this location.

San Luis Obispo County Environmental Health Services requires that you prepare and provide a workplan for additional site assessment by May 17, 2010, that would further assess the lateral and vertical extent of petroleum impacted soil at the above referenced site.

If you have questions, please contact me at (805) 781-5557.

Sincerely,

Scott Milner  
Environmental Health Specialist III  
Hazardous Materials Section

Enclosure