

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER
DATE: MAY 6, 2011



PRESENTATIONS AND PUBLIC COMMENT

- C-1) PUBLIC COMMENT ON ITEMS NOT ON AGENDA
Any member of the public may give comments on the presentations and address the Board relating to any matter within the Board's jurisdiction but not on the Board's agenda. **Public Comment is limited to three (3) minutes or otherwise at the discretion of the President.**
- C-2) REPORT ON APRIL 27, 2011 REGULAR MEETING CLOSED SESSION
Announcement of Actions, if any, Taken in Closed Session
- C-3) MIKE NUNLEY OF AECOM
Update Report re: Southland Wastewater Treatment Plant Upgrade
- C-4) NCSD DISTRICT ENGINEER PETER SEVCIK
Update Report re: Recent Activities
- C-5) BASELINE SURVEY OF PROPERTY OWNER REPORT
Receive Survey Report Supplemental Water Polling Conducted February 2011
- C-6) DIRECTORS' ANNOUNCEMENTS OF DISTRICT & COMMUNITY INTEREST AND REPORTS ON ATTENDANCE AT PUBLIC MEETINGS, TRAINING PROGRAMS, CONFERENCES, AND SEMINARS.
Receive Announcements and Reports from Directors

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *MSL*
INTERIM GENERAL MANAGER
DATE: MAY 5, 2011



APRIL 27, 2011 REGULAR MEETING CLOSED SESSION REPORT

ITEM

Announcement of Actions, if any, Taken in Closed Session [NO ACTION REQUESTED].

BACKGROUND

The April 27, 2011 Regular Meeting Closed Session included:

1. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: PENDING LITIGATION PURSUANT TO GC §54956.9 SMVWCD VS. NCSO (SANTA CLARA COUNTY CASE NO. CV 770214, SIXTH APPELLATE COURT CASE NO. H032750 AND ALL CONSOLIDATED CASES).
2. PUBLIC EMPLOYEE EVALUATION (GOVERNMENT CODE §54957)
Title: District Interim General Manager Performance Evaluation
3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8
 - Property: Water Storage Tank Site Located at Corner of Dana Foothill Road and East Tefft Street.
 - Agency Negotiator: Lillian Jewell and Jon Seitz
 - Negotiating Parties: Dana Family Trust
 - Under negotiations: Terms and Conditions
4. CONFERENCE WITH DISTRICT LEGAL COUNSEL RE: ANTICIPATED LIABILITY CLAIM PURSUANT TO GC SECTION 54956.95; CHRIS FOSSE CLAIM AGAINST DISTRICT.

Staff will report on closed session action taken, if any.

RECOMMENDATION

No Action

ATTACHMENTS

- None

TO: MICHAEL LEBRUN ^{MML}
INTERIM GENERAL MANAGER

FROM: PETER SEVCIK ^{PVS}
DISTRICT ENGINEER

DATE: May 5, 2011



SOUTHLAND WWTF UPGRADE PROJECT UPDATE

ITEM

Mike Nunley of AECOM Engineering to provide Southland WWTF Upgrade project status [NO ACTION REQUESTED].

BACKGROUND

Mike Nunley is scheduled to summarize the attached report.

RECOMMENDATION

Staff recommends that your Honorable Board receive the presentation and ask questions as appropriate.

ATTACHMENTS

- May 2011 Southland WWTF Upgrade Design Phase Status Report

Memorandum

To	Michael LeBrun, PE, Interim General Manager Peter Sevcik, PE, District Engineer	Page	1
CC	Jon Hanlon, Eileen Shields		
Subject	Southland WWTF Phase 1 Improvements – Design Phase Status Report		
From	Michael K. Nunley, PE		
Date	May 4, 2011		

The Project Team has completed the following items this month:

1. AECOM continued work on the construction documents. The 95% submittal is scheduled for June 16th.
2. AECOM coordinated and attended the operator's workshop on April 12th to present the 60% design and receive input from the District's wastewater operations staff.
3. AECOM continued to work with District staff on the draft Report of Waste Discharge.
4. GTA (AECOM's subconsultant) completed the survey of the CCWA State Water Pipeline easement. AECOM will integrate the easement into the plans.

Schedule

The Project Schedule is attached. A baseline was set at the August 4, 2010 based on the District's request. The schedule has been updated to reflect the current project status.

Budget Status

The Invoice Summary is attached. The Invoice Summary indicates an amount invoiced which is consistent with the work completed to date. The project budget is attached and has been updated to reflect the 60% design.

Yours Sincerely,

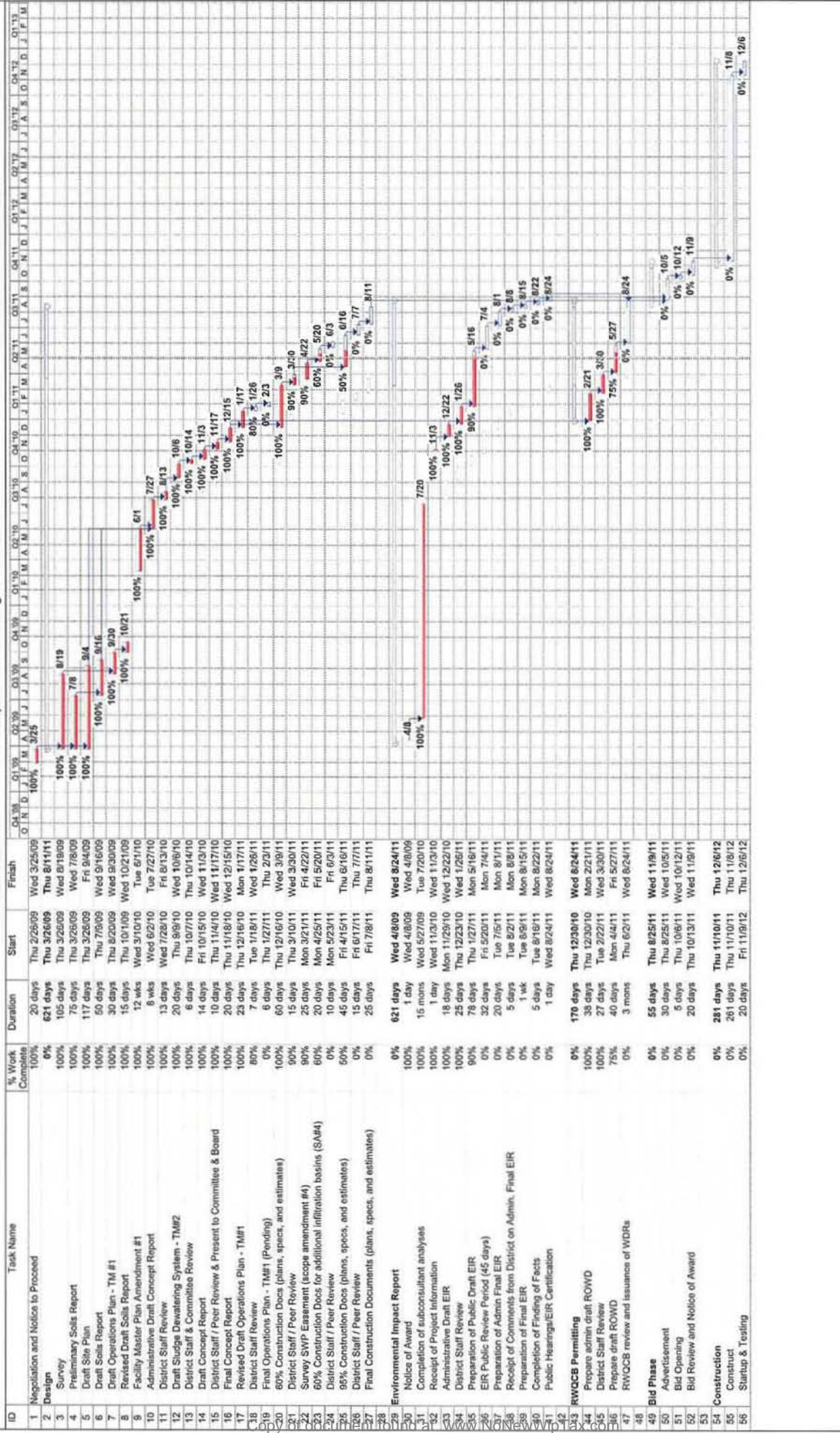


Michael K. Nunley, PE

Enclosures: Project Schedule, Invoice Summary, Project Budget Summary

Southland WWTF Phase 1 Improvements Design Schedule

Tue 5/3/11



ID	Task Name	Start	Finish	Duration	% Work Complete
1	Negotiation and Notice to Proceed	Thu 2/26/09	Wed 3/25/09	20 days	100%
2	Design	Thu 3/26/09	Thu 8/11/11	621 days	0%
3	Survey	Thu 3/26/09	Wed 8/19/09	105 days	100%
4	Preliminary Soils Report	Thu 3/26/09	Wed 7/8/09	76 days	100%
5	Draft Soils Plan	Thu 3/26/09	Fri 8/4/09	117 days	100%
6	Draft Soils Report	Thu 3/26/09	Wed 9/16/09	50 days	100%
7	Draft Operations Plan - TM #1	Thu 3/26/09	Wed 9/30/09	30 days	100%
8	Revised Draft Soils Report	Thu 3/26/09	Wed 9/30/09	15 days	100%
9	Facility Master Plan Amendment #1	Thu 3/26/09	Wed 10/21/09	12 wks	100%
10	Administrative Draft Concept Report	Thu 3/26/09	Tue 6/1/10	6 wks	100%
11	District Staff Review	Thu 3/26/09	Wed 7/27/10	13 days	100%
12	Draft Sludge Dewatering System - TMF2	Thu 3/26/09	Fri 8/13/10	20 days	100%
13	District Staff & Committee Review	Thu 3/26/09	Wed 10/6/10	6 days	100%
14	Draft Concept Report	Thu 3/26/09	Thu 10/14/10	14 days	100%
15	District Staff / Peer Review & Present to Committee & Board	Thu 3/26/09	Wed 11/3/10	10 days	100%
16	Final Concept Report	Thu 3/26/09	Wed 11/17/10	20 days	100%
17	Revised Draft Operations Plan - TMF1	Thu 3/26/09	Wed 12/15/10	23 days	100%
18	District Staff Review	Thu 3/26/09	Mon 1/17/11	7 days	100%
19	Final Operations Plan - TMF1 (Pending)	Thu 3/26/09	Wed 1/26/11	60 days	0%
20	60% Construction Docs (plans, specs, and estimates)	Thu 3/26/09	Wed 3/9/11	15 days	90%
21	District Staff / Peer Review	Thu 3/26/09	Wed 3/30/11	25 days	90%
22	Survey SWP Easement (scope amendment #4)	Thu 3/26/09	Fri 4/22/11	20 days	80%
23	60% Construction Docs (scope amendment #4)	Thu 3/26/09	Fri 5/20/11	45 days	60%
24	District Staff / Peer Review	Thu 3/26/09	Fri 6/3/11	15 days	50%
25	95% Construction Docs (plans, specs, and estimates)	Thu 3/26/09	Thu 6/17/11	15 days	0%
26	District Staff / Peer Review	Thu 3/26/09	Fri 6/17/11	25 days	0%
27	Final Construction Documents (plans, specs, and estimates)	Thu 3/26/09	Thu 8/11/11	621 days	0%
28	Environmental Impact Report	Thu 3/26/09	Wed 4/8/09	1 day	100%
29	Notice of Award	Thu 3/26/09	Wed 4/8/09	15 mos	100%
30	Completion of subconsultant analyses	Thu 3/26/09	Tue 7/20/10	1 day	100%
31	Receipt of Project Information	Thu 3/26/09	Wed 11/3/10	18 days	100%
32	Administrative Draft EIR	Thu 3/26/09	Wed 12/22/10	25 days	100%
33	District Staff Review	Thu 3/26/09	Mon 5/16/11	78 days	90%
34	Preparation of Public Draft EIR	Thu 3/26/09	Mon 7/4/11	32 days	0%
35	EIR Public Review Period (45 days)	Thu 3/26/09	Mon 7/4/11	20 days	0%
36	Preparation of Admin Final EIR	Thu 3/26/09	Mon 8/1/11	5 days	0%
37	Receipt of Comments from District on Admin. Final EIR	Thu 3/26/09	Mon 8/1/11	1 wk	0%
38	Preparation of Final EIR	Thu 3/26/09	Mon 8/15/11	5 days	0%
39	Completion of Finding of Facts	Thu 3/26/09	Mon 8/22/11	1 day	0%
40	Public Hearings/EIR Certification	Thu 3/26/09	Wed 8/24/11	170 days	0%
41	RWQCB Permitting	Thu 3/26/09	Wed 8/24/11	35 days	100%
42	Prepare admin draft ROWD	Thu 3/26/09	Mon 2/21/11	27 days	100%
43	District Staff Review	Thu 3/26/09	Wed 3/30/11	40 days	75%
44	Prepare draft ROWD	Thu 3/26/09	Fri 5/27/11	3 mos	0%
45	RWQCB review and issuance of WDRs	Thu 3/26/09	Wed 8/24/11	55 days	0%
46	Bid Phase	Thu 3/26/09	Wed 11/9/11	30 days	0%
47	Advertisement	Thu 3/26/09	Wed 10/5/11	0 days	0%
48	Bid Opening	Thu 3/26/09	Wed 10/12/11	0 days	0%
49	Bid Review and Notice of Award	Thu 3/26/09	Wed 11/9/11	20 days	0%
50	Construction	Thu 3/26/09	Thu 12/6/12	281 days	0%
51	Construct	Thu 3/26/09	Thu 11/8/12	261 days	0%
52	Startup & Testing	Thu 3/26/09	Thu 12/6/12	20 days	0%

Project Budget Summary

4/29/2011

Engineering Services for NCSD - Southland WWTF Upgrade

Nipomo CSD

	Total Budget	Amount Previously Invoiced	Current Invoice Amount	% of Budget Earned to date	% of Work Complete
Task Group 1 - Concept Design Phase	\$242,179.00	\$237,226.72	\$3,549.04	99%	99%
Task Group 2 - Construction Documents	\$566,856.00	\$323,745.12	\$94,186.53	74%	74%
Task Group 3 - Project Management	\$97,796.00	\$66,891.15	\$3,040.20	72%	72%
Task Group 4 - Assistance During Bid	\$39,539.00	\$0.00	\$0.00	0%	0%
Task Group 5 - Office Engineering Services	\$147,198.00	\$0.00	\$0.00	0%	0%
Task Group 6 - Amendment 1 Facility MP	\$37,020.00	\$37,131.75	\$0.00	100%	100%
Task Group 7 - Waste Discharge Report	\$30,130.00	\$15,513.93	\$2,937.60	61%	61%
Total	\$1,160,718.00	\$680,508.67	\$103,713.37	68%	68%

Date Printed 5/4/2011

Item	Description	Updated Amount Mar 2011 60% Plans (1)(2)
1	Influent Pump Station & Flowmeter	\$ 421,600
2	Spiral Screening System	\$ 402,500
3	Grit Removal System	\$ 254,000
4	Extended Aeration System	\$ 1,197,900
5	Secondary Clarifier	\$ 1,377,500 (3)
6	Sludge Thickening System	\$ 268,500
7	Emergency Holding Basin	\$ 105,700
8	Sludge Drying Beds	\$ 718,200
9	Controls & Blower Building	\$ 269,000
10	Non-Potable Plant Water System	\$ 210,800
11	Site Piping	\$ 1,297,100 (4)
12	Instrumentation & Controls	\$ 307,100
13	Electrical	\$ 724,400 (5)
14	Site Work	\$ 301,100 (6)
	Construction Subtotal	\$ 7,855,000
11	Construction Contingency	\$ 1,178,250 (7)
	Construction Total	\$ 9,033,250
12	Environmental Impact Report	\$ 93,400
13	Design-Phase Engineering	\$ 1,178,957 (8)
14	Construction Management	\$ 1,178,250 (9)
15	Environmental Mitigation & Monitoring Allowance	\$ 142,500 (10)
16	Permitting Fees Allowance	\$ 5,000 (11)
17	Non-Construction Contingency	\$ 363,643 (12)
	WWTF Phase 1 Improvements Estimated Total	\$ 11,995,000 (13)

Notes:

- (1) ENR CCI (Mar 2011) = 9011
- (2) Costs are escalated by 2% per year to midpoint of construction (estimated 5/11/2012)
- (3) The secondary clarifier cost opinion has reduced as a result of value engineering, which identified less cost required for the RAS/WAS pump station, distribution box, and miscellaneous piping.
- (4) The site piping cost opinion has increased to include the plant drain, scum piping, an increased length for the potable water line, non-potable water line, manholes and fittings, and an increased amount for shoring.
- (5) The electrical cost opinion has increased based on the 60% design.
- (6) Site work includes new gravel access roads, new fencing and relocation of existing fencing.
- (7) Construction contingency is estimated at 15% of construction subtotal.
- (8) Design-Phase engineering costs are a sum based on original contract (May 2009), and scope amendments #1 (Jun 2009), #2 (Mar 2010), #3 (Sept 2010), and #4 (Mar 2011).
- (9) To be updated by CM team; Construction Management costs estimated at 15% of construction subtotal.
- (10) Environmental mitigation and monitoring costs are provided as an allowance. These costs will be further developed with the EIR process.
- (11) Permitting fees are estimated and provided as an allowance. These costs will be further developed with the EIR process.
- (12) Non-construction contingency is estimated at approximately 14% of the non-construction total (line items 12 through 16).
- (13) Town Sewer System Financial Plan, August 24, 2007, assumes \$12 million project costs to be funded as follows:
 - \$8.9 million from new long-term debt (\$10.6 million par value)
 - \$2.6 million from Town Sewer Funded Replacement Fund
 - \$0.5 million from Town Sewer Capital Improvement Fund

TO: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER

FROM: PETER SEVCIK *PS*
DISTRICT ENGINEER

DATE: May 5, 2011



NCSD DISTRICT ENGINEER ACTIVITIES SUMMARY

ITEM

District Engineer Update on Recent Activities [NO ACTION REQUESTED].

BACKGROUND

Peter Sevcik is scheduled to summarize the attached report.

RECOMMENDATION

Staff recommends that your Honorable Board receive the presentation and ask questions as appropriate.

ATTACHMENT

- District Engineer Activities Summary



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.ncsd.ca.gov

MEMORANDUM

TO: MICHAEL LEBRUN, P.E., INTERIM GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E., DISTRICT ENGINEER *PVS*
DATE: MAY 5, 2011
RE: DISTRICT ENGINEER ACTIVITIES UPDATE – APRIL 2011

PROJECTS IN CONSTRUCTION:

- **Willow Road Waterline Extension Phase 1 Project**
 - SCOPE OF WORK – 1,260 lineal feet of 14-inch diameter and 6,280 lineal feet of 12-inch diameter waterline and associated ancillary facilities
 - Concurrent with County Willow Road Phase 1 Roadway Project
 - STATUS – Waterline 97% complete
- **Willow Road Waterline Extension Phase 2 Project**
 - SCOPE OF WORK – 3,115 lineal feet of 12-inch diameter waterline and associated ancillary facilities
 - Concurrent with County Willow Road Phase 2 Roadway Project
 - STATUS – Waterline 0% complete

PROJECTS IN DESIGN AND PLANNING STAGES:

- **Frontage Road Trunk Sewer Replacement Project**
 - SCOPE OF WORK – 1,100 lineal feet of 24-inch diameter and 3,160 lineal feet of 21-inch diameter sanitary sewer and associated ancillary facilities
 - STATUS – Bid documents are being finalized
- **Southland WWTF Upgrade**
 - SCOPE OF WORK - Phase 1 improvements to the treatment plant include a new influent pump station, influent screening system, grit removal system, Biolac® extended-aeration system and final clarifier as well as gravity belt thickener and lined drying beds for biosolids handling
 - Continue to assist EIR consultant
 - Continue to work with design consultant as final design progresses
 - Reviewed administrative draft of groundwater modeling report
 - STATUS – Draft EIR preparation in progress and 95% design in progress

- **Supplemental Water Project**
 - SCOPE OF WORK – 2,600 lineal foot 24-inch diameter HDD bore, 16,000 lineal feet of 12-inch diameter waterline, 210 lineal foot freeway crossing jack and bore, 4,000 lineal feet of 18-inch diameter waterline, 2,480 lineal feet of 24-inch waterline, 300 lineal foot levee crossing jack and bore, 2,000 gallon per minute pump station, 500,000 gallon tank, and 4 wellhead chloramination systems
 - Continue to assist property acquisition consultant and assessment engineer
 - STATUS – Design idled, property acquisition in progress, permitting in progress, assessment district formation in progress

- **Water and Sewer Master Plan Implementation**
 - Final design for SCADA Upgrade Project in progress
 - Developing plan for Dana Foothill Tank project

OTHER PROJECTS AND PROGRAMS:

- **Safety Program**
 - 4/27 fire extinguisher training for District employees
 - Continued to coordinate on-line safety training for all District Employees

- **Urban Water Management Plan**
 - Working with WSC to finalize 2010 Urban Water Management Plan

- **Development Oversight**
 - Tract 2650 – Via Concha – Margarita Valley Ranch LLC
 - Numerous inquiries regarding status of several projects

- **Other Projects**
 - Completed update of District Standards and Specifications
 - Assisted Utility Superintendent with repair of Via Concha Well
 - Working with SCADA support consultant to resolve radio communications problem at the Sundale Well

MEETINGS

- 4/4, District Legal Counsel, Frontage Road front-end bid documents
- 4/8, NMMA TG
- 4/12, AECOM, Southland WWTF Operator Workshop
- 4/14, Finance and Audit Committee
- 4/22, AECOM, Southland WWTF Design Review
- 4/25, NMMA TG
- 4/25, Wallace, FOG Program
- 4/28, Information technology provider

TO: BOARD OF DIRECTORS
FROM: MICHAEL LEBRUN *ML*
INTERIM GENERAL MANAGER
DATE: May 5, 2011

AGENDA ITEM
C-5
MAY 11, 2011

BASELINE SURVEY OF PROPERTY OWNER REPORT

ITEM

Receive Survey Report Supplemental Water Polling Conducted February 2011 [ACTION REQUESTED: RECEIVE AND FILE AS PART OF THE CONSENT CALENDAR].

BACKGROUND

In February 2011, the District consultant conducted a scientific poll as part of the effort to gauge community understanding of water resource issues faced by the District and other water providers that serve the Nipomo Mesa as well as gauge the level of community support for funding a supplemental water project. A weighted sample of 400 residents from the four water provider service areas were polled.

The results indicate our community is unaware of the precarious water resources situation we are facing, namely:

The entire Nipomo Mesa relies on a single source of supply (groundwater). This source is shared by all residents (~30,000) and businesses (e.g. agriculture, petroleum refinery, three golf courses) on the Nipomo Mesa. Literally thousands of wells access the groundwater table. The District and other public water providers have limited control to manage the resource and have an *inferior* water right to many of the other users. Finally, groundwater levels continue to trend downward, while to the immediate west, the Pacific Ocean remains at a constant level posing an ever increasing threat of seawater intrusion, which would cause long-term damage to the resource – our *only* water resource.

Absent this understanding, the poll indicates our community is not ready to support an effort to import supplemental water sources to the Nipomo Mesa at this time.

While it is generally true that public works projects are never less expensive than 'today', this especially holds true during the current construction climate and more so in the case of water resources projects throughout the semi-arid west. Time is of the essence for resolving our communities water resources issue. Nonetheless, these polling results indicate the District must take pause and focus on educating the public in order to develop the understanding needed to ensure a successful project.

RECOMMENDATION

Staff recommends that your Honorable Board receive the Report and ask questions as appropriate.

ATTACHMENT

- Baseline Survey of Property Owners, Survey Report

BASELINE SURVEY OF PROPERTY OWNERS
SURVEY REPORT

PREPARED FOR THE
NIPOMO COMMUNITY SERVICES DISTRICT



APRIL 29, 2011



741 GARDEN VIEW COURT, SUITE 208
ENCINITAS CA 92024
760.632.9900 WWW.TN-RESEARCH.COM

Copy of document found at www.NoNewWipTax.com

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INTRODUCTION

Located in southern San Luis Obispo County, the Nipomo Community Services District (District) is responsible for providing a limited number of public services to its residential and commercial customers, the most important of which is safe and reliable water. Recent studies have shown that the Nipomo Mesa Management Area of the Santa Maria Groundwater Basin—the sole source of water for the area—is facing a potentially severe shortage situation. In other words, more water has (and continues to be) pumped from the basin than is replaced naturally. Some groundwater levels are currently as low as the worst historic readings and, if continued, overpumping will lead to sea water intrusion and contamination of the groundwater supply.

Given the current demands for water in the community, conservation efforts alone are not sufficient to reduce pumping to sustainable levels. The overall supply of water that is available to the community must be *increased* through an additional water source(s) to supplement groundwater. After studying several options including desalination of ocean water, wastewater recharge/reuse, and water from the Central Coast Water Authority Pipeline, experts concluded that the most feasible and cost-effective method for augmenting the water supply is to construct a pipeline and related facilities required to import water from the City of Santa Maria's water distribution system. In order to pay for the capital and operational costs of providing supplemental water, however, the District will need the financial support of the community through the passage of a benefit assessment.

MOTIVATION FOR BASELINE RESEARCH The primary purpose of this baseline study was to produce an unbiased, statistically reliable evaluation of property owners' *current* opinions and levels of support for funding the Waterline Intertie Project described above through a benefit assessment. Additionally, should the District decide to move forward with a measure, the data provides initial guidance as to how to structure a measure so that it is consistent with the community's priorities and expressed needs.

It is important to note at the outset that property owners' opinions about revenue measures are often somewhat fluid, especially when the amount of information they initially have about a measure or a project is limited—which is certainly the case with the Waterline Intertie Project. How property owners think and feel about a measure today may not be the same way they think and feel once they have had a chance to hear more information about the project and why it is needed. This Baseline Survey is a snapshot in time, taken in advance of any organized efforts on the part of the District or others to educate the community about the water shortage situation or the Waterline Intertie Project. The results should be interpreted accordingly.

BENEFIT ASSESSMENT EXPLAINED Benefit assessments are very different than special taxes, such as parcel taxes or general obligation bonds. Unlike a special tax, a benefit assessment requires that those who participate own property in the District. In addition to residential property owners, owners of other types of properties (i.e., commercial, industrial, apartments, etc.) as well as absentee owners are eligible to participate. Whereas in special tax elections each vote is weighted equally in determining the outcome, in assessment ballot proceedings the higher the amount of a property owner's fee, the greater the weight of their vote in determining the outcome of the election. A majority of the weighted votes is required for a measure to pass. Assessment ballot proceedings also employ different voting procedures, as all property owners

are typically mailed a ballot that includes an information sheet, but does not include arguments in support or opposition as is the case with a special tax.

OVERVIEW OF METHODOLOGY For a full discussion of the research methods and techniques used in this study, turn to *Methodology* on page 15. In brief, the survey was administered by telephone to a random sample of 400 property owners who receive their water service from the Nipomo Community Services District, Woodlands Mutual Water Company, Golden State Water Company, or Rural Water Company—the four water purveyors who will receive imported water from the Project and share in the capital and operational costs. The survey was administered between February 8 and February 15, 2011, and the average interview lasted 17 minutes.

ACKNOWLEDGMENTS True North thanks the Nipomo Community Services District for the opportunity to conduct the study. A special thanks also to Tramutola LLC and Terrain Consulting for assisting in the overall research design. Their collective expertise and insight improved the overall quality of the research presented here.

DISCLAIMER The statements and conclusions in this report are those of the authors (Dr. Timothy McLarney and Richard Sarles) at True North Research, Inc. and not necessarily those of the Nipomo Community Services District. Any errors and omissions are the responsibility of the authors.

ABOUT TRUE NORTH True North is a full-service survey research firm that is dedicated to providing public agencies with a clear understanding of the values, perceptions, priorities and concerns of their residents and voters. Through designing and implementing scientific surveys, focus groups and one-on-one interviews, as well as expert interpretation of the findings, True North helps its clients to move with confidence when making strategic decisions in a variety of areas—such as planning, policy evaluation, performance management, organizational development, establishing fiscal priorities, passing revenue measures, and developing effective public information campaigns.

During their careers, Dr. McLarney and Mr. Sarles have designed and conducted over 600 survey research studies for public agencies—including more than 300 studies for California municipalities and special districts, and more than 200 revenue measure feasibility studies. Of the measures that have gone to ballot based on Dr. McLarney’s recommendation, more than 90% have been successful. In total, the research that Dr. McLarney has conducted has led to over \$19 billion in successful local revenue measures.

KEY FINDINGS & CONCLUSIONS

The following key findings and conclusions are based on True North's interpretations of the survey results and the firm's collective experience conducting hundreds of revenue measure studies for public agencies throughout the State.

How does having a reliable supply of drinking water rate in importance relative to other issues?

One of the more striking findings of the survey is that property owners in the Nipomo Mesa place great value on having an adequate supply of safe drinking water and protecting the quality of water supplies. When asked to rate the importance of seven issues facing the community, respondents rated these two issues as the two *most important* issues—even more important than improving public safety, increasing local job opportunities, and limiting local tax increases.

Do property owners appreciate the magnitude of the water shortage problem?

Placing great value on having an adequate supply of safe drinking water is one thing. Recognizing and *appreciating* the magnitude of the water shortage problem is quite another. The survey results indicate that many property owners are not *aware* that the region is facing a severe water shortage. Moreover, among those that have previously heard of the water shortage problem, it appears that a substantial percentage do not appreciate the magnitude of the problem and/or do not understand the negative consequences. A small percentage of property owners are also under the impression that the water shortage problem does not actually exist.

Are property owners prepared to support a benefit assessment given the information they have at this time?

Before property owners are willing to support a *solution*, they must first understand the nature and extent of the *problem*. As noted above, a sizeable percentage of property owners do not know a water shortage problem exists, do not understand the consequences of the problem, and/or mistakenly believe that there is enough water in the basin to continue supporting the demands of the community. That this pattern exists is not surprising, in some respects, given the absence to date of any disciplined efforts to educate property owners on these issues. However, the failure to understand and appreciate the nature of the problem naturally leads to weak levels of support for the proposed solution (benefit assessment) at the present time. During the space of the survey, weighted support for the benefit assessment ranged from 25% to 38% depending on the context, with the percentage who were undecided being as high as 14%.

What are the recommended next steps?

Given the great importance that property owners assign to ensuring that the region has a safe and reliable source of water, the principal challenge facing the District in the short term is to educate property owners about the realities of the water shortage problem and its consequences. Until they understand the problem, they will be unprepared to make an informed decision about the proposed solution. Accordingly, True North

recommends that the District begin the dialogue with the community through an effective public education and outreach effort.

SURVEY RESULTS



Nipomo Community Services District
Assessment Baseline Survey
Survey Results
April 2011

Section 1: Introduction to Study

Hi, may I please speak to the head of household? My name is _____, and I'm calling on behalf of TNR, an independent public opinion research firm. We're conducting a survey of property owners about important issues in Nipomo (Nuh-PO-mo) and the Mesa (May-suh) and I'd like to get your opinions.

If needed: This is a survey about important issues in your community. I'm NOT trying to sell anything and I won't ask for a donation.

If needed: The survey should take about 10 minutes to complete.

If needed: If now is not a convenient time, can you let me know a better time so I can call back?

If the person says they are an elected official or is somehow associated with the survey, politely explain that this survey is designed to measure the opinions of those not closely associated with the study, thank them for their time, and terminate the interview.

Section 2: Local Issues

Q1 To begin, I'm going to read a list of issues in your community and for each one, please tell me how important you feel the issue is to you, using a scale of extremely important, very important, somewhat important or not at all important.
Here is the (first/next) Issue: _____. Do you think this issue is extremely important, very important, somewhat important, or not at all important?

	<i>Randomize</i>	Extremely important	Very important	Somewhat important	Not at all important	Not sure	Refused
A	Protecting the environment	20%	35%	37%	8%	1%	0%
B	Ensuring an adequate supply of safe drinking water	46%	43%	8%	2%	1%	0%
C	Improving public safety	21%	40%	31%	6%	1%	1%
D	Improving the quality of education	36%	35%	22%	5%	1%	1%
E	Protecting our water quality	40%	46%	11%	2%	0%	0%
F	Limiting local tax increases	31%	37%	22%	8%	1%	0%
G	Increasing local job opportunities	26%	41%	27%	4%	1%	0%

Section 3: Awareness of Water Provider						
Q2		Prior to taking this survey, had you ever heard of the <Nipomo Community Services District/Woodlands Mutual Water Company/Golden State Water Company/Rural Water Company>? Insert water provider's name based on S3.				
		Overall	Nipomo CSD	Woodlands Mutual	Golden State	Rural Water
1	Yes	94%	95%	100%	85%	96%
2	No	6%	5%	0%	14%	2%
98	Not sure	0%	0%	0%	0%	2%
99	Refused	0%	0%	0%	1%	0%
Q3		In general, how familiar would you say you are with the <Nipomo Community Services District/Woodlands Mutual Water Company/Golden State Water Company/Rural Water Company>? Would you say you are very familiar, somewhat familiar, slightly familiar, or not at all familiar?				
		Overall	Nipomo CSD	Woodlands Mutual	Golden State	Rural Water
1	Very familiar	44%	35%	64%	41%	70%
2	Somewhat familiar	33%	40%	29%	25%	19%
3	Slightly familiar	14%	16%	7%	16%	5%
4	Not at all familiar	2%	3%	0%	4%	0%
	Not aware (from Q2)	6%	5%	0%	14%	4%
98	Not sure	1%	1%	0%	0%	2%
99	Refused	0%	0%	0%	0%	0%

Section 4: Initial Ballot Test

The <Nipomo Community Services District/Woodlands Mutual Water Company/Golden State Water Company/Rural Water Company> provides all of the fresh water in your service area. Next year, property owners in your community may be asked to vote on a local ballot measure. Let me read you a summary of the measure:

Q4 In order to:

- ◊ Ensure that we have safe and reliable sources of high quality water
- ◊ Build the Water Pipeline and facilities needed to provide enough drinking water to meet the needs of the community
- ◊ Protect against seawater contamination of our drinking water sources
- ◊ And avoid environmental problems caused by over pumping groundwater

Shall property owners in your community be assessed an annual fee for each property that they own? The fee for your property would be approximately: \$<Rate A> per year. The measure would require regular reports to the community for community oversight, and that all money be used to build the water pipeline project.

If the election were held today, would you vote yes or no on this measure? Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?

1	Definitely yes	11%	Skip to Q6
2	Probably yes	14%	Skip to Q6
3	Probably no	20%	Ask Q5
4	Definitely no	41%	Ask Q5
98	Not sure	14%	Skip to Q6
99	Refused	0%	Skip to Q6

Q5 Is there a particular reason why you would not support the water measure I just described? Verbatim responses recorded and later regrouped into categories shown below.

Measure is too expensive	24%
Measure isn't necessary / Sufficient water supply	15%
Need more information	15%
Taxes already too high	13%
Do not trust agencies, management	12%
Concern about past, future growth	9%
Water rates already too high	6%
Wasteful, misuse of money	5%
Economic recession	4%
Should find other funding sources	3%
Everyone should pay equally	2%
Solution overdue, could have been addressed sooner	2%
Will not change the quality of water	2%
Agencies need to live within budget	1%

Section 5: Fee Threshold							
Q6	The measure I just described would raise money through annual property taxes paid by residential and commercial property owners in the district. However, the amount to be charged to each parcel has not been determined yet.						
	If you heard that your household would pay per year for each property that you own in the district, would you vote yes or no on the measure? <i>Get answer, then ask: Is that definitely (yes/no) or probably (yes/no)?</i>						
<i>Read in sequence starting with the highest amount (A), then the next highest (B), and so on. If respondent says 'definitely yes', record 'definitely yes' for all LOWER dollar amounts and go to next section.</i>							
	<i>Ask in order</i>	Definitely yes	Probably yes	Probably no	Definitely no	Not sure	Refused
A	High rate	12%	14%	18%	46%	8%	0%
B	80% of High rate	17%	12%	19%	44%	8%	1%
C	60% of High rate	24%	14%	16%	38%	7%	0%

Section 6: Background Information about the Water Pipeline Project						
Q7	Next, I'd like to provide you with some background information about the Water Pipeline Project that would be funded by the measure. As I read each piece of information, I'd like to know whether the information affects your support for the measure.					
	Here is the (first/next) one: Hearing this, are you more likely to support the measure, or does this information have no effect? <i>If 'more likely', ask: Would that be much more likely or somewhat more likely?</i>					
	<i>Read in Order</i>	Much More Likely	Somewhat More Likely	No Effect	Not Sure	Refused
A	All of the water in your community is pumped from the local groundwater supply. The water supply has been over pumped for many years, meaning that much more water has been pumped out than is replaced naturally. Now there is a serious water shortage.	17%	20%	54%	7%	2%
B	Pumping too much water from the groundwater supply each year can result in seawater contaminating the water supply and other water quality problems.	19%	25%	48%	7%	1%
C	To meet the needs of the community, local water providers have to obtain new sources of fresh drinking water. There are no other local sources of water that can be used.	21%	26%	48%	5%	1%

D	Studies have shown that the most cost-effective method for increasing the water supply is to import water from Santa Maria. To do this, local water providers have proposed to share in the cost of building a pipeline, pumps, and treatment facilities.	18%	31%	45%	5%	2%
E	The ballot measure I described earlier will raise money to build the Water Pipeline and facilities needed to provide water for your community.	16%	29%	51%	3%	1%

Section 7: Positive Arguments

What I'd like to do now is tell you what some people are saying about the measure we've been discussing.

Q8 Supporters of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to SUPPORT the measure?

	<i>Randomize</i>	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Not sure	Refused
A	All money raised by the measure will stay in our community to build the Water Pipeline Project. It can't be taken away by the State or used for other purposes.	29%	32%	35%	2%	1%	1%
B	There will be a clear system of accountability including annual reports to the community and a Citizen's Oversight Committee to ensure that the money is spent properly.	21%	33%	43%	1%	1%	1%
C	We are in a water crisis. Studies show there is not enough local groundwater to support our community. We need to support this measure so we can have an adequate supply of safe, reliable fresh water.	16%	42%	40%	1%	1%	0%
D	This measure ensures that all property owners pay their fair share.	18%	31%	47%	2%	1%	1%
E	Water is critically important to maintaining our local economy, creating jobs, maintaining property values, and protecting our overall quality of life. We need to support this measure.	18%	39%	42%	0%	0%	1%
F	This project is NOT growth inducing. It is designed to meet the community's current need for water and replenish the ground water system that continues to be over pumped.	16%	39%	42%	1%	1%	1%

G	This measure is supported by a broad coalition of individuals and community organizations, including environmental groups, local businesses, and concerned property owners.	12%	36%	49%	0%	2%	1%
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Section 8: Interim Ballot Test

Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again:

	In order to:	
	<ul style="list-style-type: none"> ◊ Ensure that we have safe and reliable sources of high quality water ◊ Build the Water Pipeline and facilities needed to provide enough drinking water to meet the needs of the community ◊ Protect against seawater contamination of our drinking water sources ◊ And avoid environmental problems caused by over pumping groundwater 	
Q9	<p>Shall property owners in your community be assessed an annual fee for each property that they own? The fee for your property would be approximately: \$<Rate A> per year. The measure would require regular reports to the community for community oversight, and that all money be used to build the water pipeline project.</p> <p>If the election were held today, would you vote yes or no on this measure? Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</p>	
	1	Definitely yes 12%
	2	Probably yes 16%
	3	Probably no 17%
	4	Definitely no 46%
	98	Not sure 8%
	99	Refused 0%
Q10	<p>A benefit assessment measure is the least expensive way to raise the money needed to build the water pipeline project, which is why it was chosen.</p> <p>If this measure does not pass, the water providers will be forced to raise water rates to pay for the Project. A rate increase will be more expensive for customers, especially those with homes and developed properties.</p> <p>Knowing this, would you vote yes or no on this measure? Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</p>	
	1	Definitely yes 18%
	2	Probably yes 19%
	3	Probably no 15%
	4	Definitely no 34%
	98	Not sure 13%
	99	Refused 1%

Section 9: Negative Arguments							
Next, let me tell you what opponents of the measure are saying.							
Q11	Opponents of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Not sure	Refused
	<i>Randomize</i>						
A	People are having a hard time making ends meet with the housing crisis, financial crisis, and the economy in recession. Now is NOT the time to be raising taxes.	47%	29%	23%	0%	1%	1%
B	Water agencies have either raised rates recently, or plan to do so soon. They should use THAT money to pay for these projects, not a new tax.	29%	39%	28%	1%	2%	0%
C	This measure isn't fair. It charges some property owners a lot more than others, even though they use about the same amount of water.	32%	32%	30%	1%	3%	2%
D	This measure will encourage growth and development.	23%	28%	44%	2%	2%	2%
E	This project is NOT needed. There is no real evidence of salt water intrusion into our local ground water.	19%	40%	33%	2%	4%	2%
F	This problem can be solved by making water conservation mandatory. We don't need to build a pipeline to import water.	16%	42%	39%	1%	1%	0%

Section 10: Final Ballot Test

Now that you have heard a bit more about the measure, let me read you a summary of it one more time.

Q12	In order to:		
	<ul style="list-style-type: none"> ◊ Ensure that we have safe and reliable sources of high quality water ◊ Build the Water Pipeline and facilities needed to provide enough drinking water to meet the needs of the community ◊ Protect against seawater contamination of our drinking water sources ◊ And avoid environmental problems caused by over pumping groundwater 		
	<p>Shall property owners in your community be assessed an annual fee for each property that they own? The fee for your property would be approximately: \$<Rate A> per year. The measure would require regular reports to the community for community oversight, and that all money be used to build the water pipeline project.</p>		
	<p>If the election were held today, would you vote yes or no on this measure? Get answer, then ask: Would that be definitely (yes/no) or probably (yes/no)?</p>		
	1	Definitely yes	12%
	2	Probably yes	15%
3	Probably no	17%	
4	Definitely no	49%	
98	Not sure	6%	
99	Refused	0%	

Section 11: Background & Demographics

Thank you so much for your participation. I have just a few background questions for statistical purposes.

D1	In general, do you have a favorable or unfavorable opinion of the <Nipomo Community Services District/Woodlands Mutual Water Company/Golden State Water Company/Rural Water Company>, or do you have no opinion either way?						
			Overall	Nipomo CSD	Woodlands Mutual	Golden State	Rural Water
	1	Favorable	35%	34%	64%	21%	32%
	2	Unfavorable	19%	19%	0%	15%	36%
	3	No opinion	46%	45%	36%	63%	31%
99	Refused	1%	2%	0%	1%	1%	

D2	How long have you owned property in Nipomo (Nuh-PO-mo) or the Mesa?			
	1	Less than 1 year	0%	
	2	1 year to less than 5 years	13%	
	3	5 years to less than 10 years	20%	
	4	10 years to less than 15	26%	
	5	15 years or more	39%	
	99	Refused	1%	
D3	Do you own more than one property in the area?			
	1	Yes	16%	
	2	No	84%	
	99	Refused	1%	
D4	Do you have undeveloped property in the area that you eventually want to build on?			
	1	Yes	10%	Ask D5
	2	No	89%	Skip to D7
	99	Refused	1%	Skip to D7
D5	Is your undeveloped property in the service area of one of the following water providers: Nipomo Community Services District, Woodlands Mutual Water Company, Golden State Water Company, or Rural Water Company?			
	1	Yes	87%	Ask D6
	2	No	9%	Skip to D7
	99	Refused	4%	Skip to D7
D6	If you knew that this measure will ensure that there is enough water to allow your property to be developed in the future, and that it will also lower your cost of connecting to the water system by 70%, would you vote yes or no on the measure?			
	1	Yes	26%	
	2	No	53%	
	98	Not sure	4%	
	99	Refused	16%	
D7	Prior to taking this survey, were you aware that there is a serious water shortage in your area?			
	1	Yes	64%	
	2	No	23%	
	3	Don't believe there is a water shortage	11%	
	99	Refused	3%	

D8	Do you consider yourself to be an environmentalist? If yes, ask: Would that be a strong or a moderate environmentalist?		
	1	Yes, strong environmentalist	12%
	2	Yes, moderate environmentalist	40%
	3	No, not an environmentalist	46%
	99	Refused	3%

Those are all of the questions that I have for you. Thanks so much for participating in this important survey.

Post-Interview & Sample Items

S1	Gender		
	1	Male	53%
	2	Female	47%

S2	Household Party Type		
	1	Single Dem	7%
	2	Dual Dem	8%
	3	Single Rep	9%
	4	Dual Rep	20%
	5	Single Other	7%
	6	Dual Other	3%
	7	Dem & Rep	5%
	8	Dem & Other	4%
	9	Rep & Other	7%
	0	Mixed (Dem + Rep + Other)	1%
		Not on file	30%

S3	Water Purveyor		
	1	Nipomo CSD	57%
	2	Woodlands Mutual Water Co	10%
	3	Golden State Water Co	19%
	4	Rural Water Co	14%

M E T H O D O L O G Y

The following sections outline the methodology used in the study, as well as the motivation for using certain techniques.

QUESTIONNAIRE DEVELOPMENT Dr. McLarney of True North Research worked closely with the District, Tramutola LLC, and Terrain Consulting to develop a questionnaire that covered the topics of interest and avoided possible sources of systematic measurement error, including position-order effects, wording effects, response-category effects, scaling effects, and priming. Several questions included multiple individual items. Because asking the items in a set order can lead to a systematic position bias in responses, items were asked in random order for each respondent.

Some of the questions asked in this study were presented only to a subset of respondents. For example, only respondents who had heard of their water provider prior to taking the survey (Question 2) were asked how familiar they are with the provider (Question 3). The *Survey Results* section of this report identifies the skip patterns that were used during the interview to ensure that each respondent received the appropriate questions.

PROGRAMMING & PRE-TEST Prior to fielding the survey, the questionnaire was CATI (Computer Assisted Telephone Interviewing) programmed to assist the interviewers when conducting the telephone interviews. The CATI program automatically navigates the skip patterns, randomizes the appropriate question items, and alerts the interviewer to certain types of key-punching mistakes should they happen during the interview. The integrity of the questionnaire was pre-tested internally by True North and by dialing into random homes in the District prior to formally beginning the survey.

SAMPLE, WEIGHTING & MARGIN OF ERROR The survey was administered to a stratified and clustered random sample of property owners who would be included in the benefit assessment proceeding—including individuals who own property but do not reside in the Nipomo Mesa. Because the assessment fee varies considerably depending on the size and status of each property (developed or undeveloped), the sample was stratified by estimated fee amount, as well as location, to ensure a proper balance of property owners in the survey. Moreover, because the votes in an assessment proceeding are weighted by the fee amount, the results of the survey were similarly weighted by the fee amount for each respondent. Using this methodology, a sample of 400 property owners drawn from the estimated 7,780 property owners in the districts will produce survey results with a statistical margin of error due to sampling of +/- 4.8% at the 95% level of confidence.

DATA COLLECTION The method of data collection was telephone interviewing. Interviews were conducted during weekday evenings (5:30PM to 9PM) and on weekends (10AM to 5PM) between February 8 to February 15, 2011. It is standard practice not to call during the day on weekdays because most working adults are unavailable and thus calling during those hours would bias the sample. The interviews averaged 17 minutes in length.

DATA PROCESSING Data processing consisted of checking the data for errors or inconsistencies, coding and recoding responses, categorizing verbatim responses, and preparing frequency analyses and crosstabulations.

ROUNDING Numbers that end in 0.5 or higher are rounded up to the nearest whole number, whereas numbers that end in 0.4 or lower are rounded down to the nearest whole number. These same rounding rules are also applied, when needed, to arrive at numbers that include a decimal place in constructing figures and charts. Occasionally, these rounding rules lead to small discrepancies in the first decimal place when comparing tables and pie charts for a given question.