

TO: BOARD OF DIRECTORS
FROM: MICHAEL S. LEBRUN *MSL*
GENERAL MANAGER
DATE: JULY 22, 2011



Nipomo Community Services District
PUBLIC FACILITIES CORPORATION

ITEM

Annual Meeting of the Nipomo Community Services District Public Facilities Corporation

BACKGROUND

The Nipomo Community Services District Public Facilities Corporation is required to meet annually in the month of July to review corporate activities, take appropriate action, and approve of previous Board minutes. The only action at this time is approving the minutes of the July 28, 2010, meeting of the Nipomo Community Services District Public Facilities Corporation. These Board minutes were included in the regular NCSD meeting minutes but were not separately approved by the corporation. The minutes are being presented today for approval.

RECOMMENDATION

Staff recommends that your Honorable Board approve the July 28, 2010 Minutes of the Nipomo Community Services District Public Facilities Corporation meeting.

ATTACHMENT

Minutes of July 27, 2010

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**Nipomo Community Services District
REGULAR MEETING
MINUTES**

~~solid waste franchise fees on August 20, 2010 at 10:00 a.m., after which Director Winn withdrew his motion to add this to the Water Conservation committee's efforts.~~

04:10:00

ADJOURN TO NCSD PUBLIC FACILITIES CORPORATION

President Harrison adjourned the regular meeting of the Nipomo Community Services District and opened the Public Facilities Corporation meeting.

ROLL CALL

At Roll Call, the following members of the Corporation were present:
Members Nelson, Vierheilig, Eby, Winn and Harrison.

There was no public comment.

**NCSD PUBLIC FACILITIES CORPORATION ANNUAL MEETING
Approve 2009 Minutes**

Lisa Bognuda, Finance Director, explained that the purpose of the annual meeting is to approve the minutes of the last meeting held on July 22, 2009.

Upon motion of Director Eby and seconded by Director Winn, the Board unanimously approved the minutes of the July 22, 2009 NCSD Public Facilities Corporation. Vote 5-0.

YES VOTES	NO VOTES	ABSENT
Directors Eby, Winn, Vierheilig, Nelson, and Harrison	None	None

ADJOURN TO NCSD – REGULAR MEETING

President Harrison adjourned the Public Facilities Corporation meeting and re-opened the regular meeting of the Nipomo Community Services District.

04:16:00

F. MANAGER'S REPORT

Don Spagnolo, General Manager, reviewed the Manager's Report presented in the Board packet. Mr. Spagnolo answered questions from the Board. Mr. Spagnolo will be out of the office August 13 – 18.

G. COMMITTEE REPORT

The Southland WWTF Committee met on July 12 and the WIP Committee met on July 26.

There was no public comment.

04:30:00

H. DIRECTORS' REQUESTS TO STAFF AND SUPPLEMENTAL REPORTS

Director Winn

- ◇ Would like Jon Seitz to explain the difference between a recharge and a discharge permit.
- ◇ Would like to know when the Park Committee will meet.
- ◇ Would like the District to encourage the SLO County Public Works Department to hire Cal Poly Interns to gather rainfall data.

ADJOURN

President Harrison adjourned the meeting at 3:26 p.m.

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DATE: JULY 22, 2011



GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- *Period covered by this report is July 9, 2011 through July 22, 2011.*

DISTRICT BUSINESS

Administrative

- Preparing for Audit of fiscal 2010-2011 which is scheduled for August 2011
- Working with South County Sanitation to schedule proposed solid waste rate increase (~5%).
- News of Interest
 - Coastal Commission Grants Long Beach Extension for Desalination Research
 - Thousand Oaks Council Rejects Single Water Tier Proposal
- Service Connection Information:
 - Number of Water Connections: 4142
 - Number of Sewer Connections: 2984
 - Number of New Water Connections during period: 0
 - Number of New Sewer Connections during period: 0

Operations

- Request for Recruitment Services proposals circulated. Responses received July 8, 2011. Personnel Committee meeting scheduled.

Major Capital Projects

- Frontage Road Trunk Line bid awarded July 13, 2011. Approximate 6-month construction.
- Willow Road Project, Phase I near complete. District elements of Phase II scheduled for fall 2011.
- Southland WWTF Upgrade; 95% Design due mid-June, Construction schedule November 2011- November 2012
- Supplemental Water; \$2.3M Proposition 84 Grant pending, Outreach program underway, Assessment options being weighed. Design efforts idle and near 100%

Conservation

- Urban Water Management Plan 2010 Update completed and circulated

Meetings

Meetings attended:

- *July 11, Peg Miller and Ruth Brackett, with President Harrison, Jim O Miller and Supplemental Water*
- *July 12, BLMA Board with President Harrison*
- *July 13, Regular Board Meeting*
- *July 14, Management Coordination*
- *July 15, Rob Miller GM Woodlands Mutual Water Company*

- July 15, SLO Chapter CSDA
- July 15, General Counsel Coordination
- July 18, Herb Kandel DANA Adobe and Supplemental Water
- July 19, Board Officer Coordination
- July 19, District Engineer
- July 20, District Operations Superintendent
- July 21, NMMA Technical Group
- July 21, Carriage Homes Home Owners
- July 22, Supplemental Water Outreach Ad-Hoc

Meetings Scheduled:

- July 26, Personnel Committee
- July 27, Regular Board Meeting
- July 28, Management Team Coordination
- July 28, Capital Improvement Planning (Operations Mgmt and Engineer)
- July 29, Coordination with District Counsel
- July 29, CSD General Managers

Upcoming: CSDA Annual Conference and Exhibitor Show Case, October 10-13, 2011, Monterey Marriott

Safety Program

- No accidents or incidents.

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

- July 20, 2011 State Coastal Commission Grants Long Beach Extension
- July 20, 2011 Thousand Oaks City Council Rejects Water Proposal

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UPDATE: State Coastal Commission Grants Long Beach Permit Extension for Desalination Research

by [Allison Jean Eaton](#) | [Long Beach News](#) | 07.20.11 |

UPDATE Wednesday, July 20, 4:03pm | The Under Ocean Floor Seawater Intake and Discharge System being used by the Long Beach Water Department to research desalination processes is funded by Proposition 50.

California voters approved the ballot measure, also known as the Water Quality, Supply and Safe Drinking Water Projects, Coastal Wetlands Purchase and Protection Act, in 2002. It authorized the sale of \$3.4 billion in general obligation bonds for a variety of water-related projects including desalination efforts.

Desalination has continued to remain too costly in terms of the amount of energy required to complete the process, and while significant advancements have been made, overall energy consumption remains what water department officials described in 2005 as "extremely high" due to the high-pressure requirements of reverse osmosis membranes.

As of 2005, the Long Beach Water Department had successfully slashed the overall energy requirement by 20 to 30 percent using a small, 9,000 gallon-per-day pilot-scale desalter featuring a relatively low-pressure, two-staged nano-filtration process developed by Long Beach water engineers. That process is now known as the "Long Beach Method."

It was based on this success that the state's Department of Water Resources granted the city of Long Beach \$3 million in 2005 to construct a 300,000 gallon-per-day prototype-scale desalter.

Costs for both the prototype-scale desalter and the seawater intake and discharge system are additionally being covered by two funding partners, the U.S. Bureau of Reclamation and the Los Angeles Department of Water and Power.

Tuesday, July 19, 1:01pm | The California Coastal Commission on Thursday, July 14, granted the Long Beach Water Department a five-year extension on its coastal development permit, meaning the department will be able to conduct five additional years of seawater intake and discharge research.

The department's Under Ocean Floor Seawater Intake and Discharge System was slated for removal in May 2012, but the extension allows the facility to remain in place through May 2017.

Dr. Suzanne Dallman, president of the Long Beach Board of Water Commissioners, said the extension is important to the city's future in terms of identifying a reliable water supply as the natural resource becomes more and more scarce.

"As the cost of imported water continues to increase, it is critical that we seek out alternative, environmentally responsible sources of water that can provide Long Beach with an essential supply of reliable water," Dallman said in a statement.

The Long Beach Under Ocean Floor Seawater Intake and Discharge System is the first seawater intake project of its kind in the United States. It is also a "vital" piece of the Long Beach Desalination Project, an ongoing national research and development partnership between the water department and the U.S. Department of Interior's Bureau of Reclamation, according to information provided by Matthew Veeh, a water department spokesman.

It was constructed to demonstrate a cost-effective, environmentally responsible alternative to more traditional seawater intake and discharge practices used around the world, which often result in the

destruction of ocean habitats and species.

Kevin Wattier, general manager of water department, said that once seawater desalination becomes cost effective, the city aims to use it to provide roughly 10 percent or more of Long Beach's annual drinking water supply.

"However, before we make that investment, we want to make sure that our process for bringing in seawater to a treatment facility is proven to have as minimal an impact on the surrounding ocean habitat as possible," Wattier said in a statement. "With five additional years of research, I am confident that we will be well prepared to implement this environmentally sound intake process."

The intake system employs a natural, biological filtration process that reduces organic and suspended solids. Veeh said this "largely" eliminates the need for additional pretreatment, results in a smaller overall energy footprint and lowers the cost of operation.

A full-scale, sub-ocean floor intake system with technology identical to that which has been constructed in Long Beach currently exists and is in operation in Japan, It was constructed several years ago at a 25-million-gallons-per-day seawater desalination facility in that country, Veeh said.

Thousand Oaks City Council rejects water proposal

By Teresa Rochester

Posted July 20, 2011 at 8:01 a.m., updated July 20, 2011 at 2:57 p.m.

A proposal to replace Thousand Oaks' three-tier water rate structure with a single commodity rate was rejected by the City Council on Tuesday night.

Instead, the council voted 4-0 to direct city officials to construct a "less aggressively" priced tiered rate for its single-family residential customers. Councilman Dennis Gillette was absent.

A single commodity rate per 100 cubic feet of water was recommended by the city's Community Water Rate Structure Committee.

The council created the committee to review the city's water pricing structure after an outcry last fall by residents in Conejo Oaks, an older neighborhood with homes sitting on half acre lots or larger.

The residents complained their water bills had skyrocketed under the three-tier structure, despite their efforts to reduce water usage.

The tiered water rate assesses residents per 100 cubic feet of water used. The billing system was adopted several years ago to encourage conservation.

Committee member Doug Tapping told the council that the group had discovered water bills ranged from \$32 per billing cycle to \$1,800. The goal of the committee was to find a structure that was fair to all city water customers.

Councilwoman Jacqui Irwin said she couldn't see moving to a single commodity rate when every other city in Ventura County, most counties statewide and two other water providers that serve portions of Thousand Oaks use tiered rates.

"I think when we started this whole thing we priced the tiered rates too aggressively and there has to be some way to price them less aggressively," Irwin said. "The data unequivocally shows that tiers promote conservation."

Irwin said she also was concerned about the effectiveness of "conservation component" recommended by the committee that would direct a portion of the single commodity rate to conservation incentive programs. She suggested that city staff work more closely with large lot residents to provide some substantial way they could save water, such as providing loans to switch out their irrigation systems.

Councilwoman Claudia Bill-de la Peña said she could not support Irwin's motion unless it called for the committee to be involved in the process of developing the rate structure.

Irwin declined the proposal, pointing to the short time frame to complete the work. New water rates will be presented in January, which will require a notification period and a public hearing.

To reach some common ground, Mayor Andy Fox suggested that staff develop the tiered structure and then present it to the committee for review and comments. Bill-de la Peña supported that.

Conejo Oaks residents gathered in the lobby after the vote and discussed their displeasure with the council's action.

Ken Free, who had led the neighborhood opposition to tiered rates, said the decision flew in the face of the direction the council gave to the committee.

"They have opted to disregard the recommendations of the committee and go off on a tangent in a mistaken belief that low density means less efficient than high density homes," Free said.

During the hearing, Conejo Oaks residents said the single commodity rate was a fair plan that would alleviate the burden of higher bills, particularly for seniors who have lived in the neighborhood for years.

"They deliberated carefully," said Marilyn Carpenter, a former planning commissioner. "I think they came up with a fair, equitable solution."

Large-lot residents make up 9 percent of the city's single-family home customers, while low-water users make up 55 percent.

If the single commodity rate had passed, average water users would have seen their bills increase 4 percent, with a 19 percent increase for low-water users. High water users' rates would have decreased by about 25 percent.

Committee member Kirit Sarvaiya was one of three who voted against the single commodity rate. On Tuesday, he told the council that the committee had considered additional tiers. That suggestion didn't fly.

After the meeting Sarvaiya, who lives on a 5,000-square-foot lot in Lang Ranch, said he was pleased with the council's decision.

"It's the right way to go," he said.

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