

TO: BOARD OF DIRECTORS  
 FROM: MICHAEL S. LEBRUN *MSL*  
 GENERAL MANAGER  
 DATE: DECEMBER 9, 2011

**AGENDA ITEM  
 F  
 DECEMBER 14, 2011**

**GENERAL MANAGER'S REPORT**

**ITEM**

Standing report to your Honorable Board -- *Period covered by this report is November 10, 2011 through December 9, 2011.*

**DISTRICT BUSINESS**

**Administrative**

- Operations recruitment;
  - On November 28, Mr. Mike Baumgarten began working with the District as an Introductory Employee in the Utility Worker position.
  - One additional person is scheduled to begin work as an Introductory Employee in the Utility Worker position on January 3, 2012.
  - 156 applications were received for the District's open Customer Service position. All candidates meeting application requirements were invited to take a written examination. The exam was administered by District staff on December 6<sup>th</sup> and 7<sup>th</sup>. A careful review of applications from all applicants passing the exam is being conducted. Interviews will be scheduled in early 2012.
- Supplemental Water Project cost summary through October 2011 (Attached).
- News of Interest (reference items are attached to this report)
  - Department of Fish and Game fee increase – Noticed by County Clerk
  - November 22, 2011, SDRMA Nomination Results (On May 25, 2011 your Board cast ballot for Terry Burkhart and Ed Sprague)
  - NCMA/NMMA Technical Group request for County funding. District is working with NCMA agencies to develop an IRWM planning grant proposal in conjunction with the County.
  - December 13, 2011 County Board of Supervisors Consent Agenda Item 19, staff report recommending approval of Resolution allowing District to create an assessment district in support of supplemental water project capital funding.
- Service Connections  
*Note: this report has not been updated from last report due to an unplanned staff absence.*

Nipomo Community Services District Water and Sewer Connections		End of Month Report 2011					
	JULY	AUG	SEPT	OCT	NOV	DEC	
Water Connections (Total)	4158	4164	4168	4232			
Sewer Connections (Total)	2987	2991	2994	3022			
Meters turned off (Non-payment)			14	18			
Meters off (Vacant)	73	69	59	64			
Sewer Connections off (Vacant)	33	34	30	28			
New Water Connections	2	6	0	0			
New Sewer Connection	0	4	3	0			
Galaxy & PSHH Sewer Connections billed to the County	460	460	460	460			

**Meetings**

*Meetings attended:*

- November 18, CSDA SLO County Chapter
- November 21, Supplemental Water Outreach Ad-Hoc
- November 28, Southland WWTF Upgrade Committee
- November 29, Supplemental Water Outreach Ad-Hoc
- November 29, Maria Vista Estates
- December 2, Water Conservation Committee
- December 5, Board Officers Coordination
- December 6, NMMA Technical Group
- December 8, Southland bid document

*Meetings Scheduled:*

- December 12, meter read contractor
- December 13, County Board of Supervisor
- December 14, NCSD Board of Directors
- December 16, Holiday Luncheon Board and Staff

**REMINDER: DISTRICT OFFICE WILL CLOSE AT NOON ON DECEMBER 23 AND RE-OPEN ON TUESDAY JANUARY 3, 2012!**

**Safety Program**

No accidents, incidents, or injuries to report.

**RECOMMENDATION**

Staff seeks direction and input from your Honorable Board

**ATTACHMENTS**

- Supplemental Water Project Cost Summary
- December 2, 2011 County Clerk Notice
- November 22, 2011 SDRMA Election Results
- November 30, 2011 NCMA/NMMA Funding Request
- December 13, 2011 County Staff Report

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**NIPOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER COST SUMMARY**

A/C #	DESCRIPTION	7/1/2004 TO	7/1/2005 TO	7/1/2006 TO	7/1/2007 TO	7/1/2008 TO	7/1/2009 TO	7/1/2010 TO	7/1/2011 TO	GRAND TOTAL
		6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	October 6/30/2012	
1645	Reservation Fee-City of Santa Maria	37,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37,500.00
1590-A1	Feasibility Study (Cannon)	25,897.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,897.29
1590-A2	EIR Preparation (Wood & Assoc)	29,037.48	87,100.23	16,053.83	45,407.70	76,544.11	500.00	0.00	505.00	255,148.35
1590-A3	Est/Preliminary Schedule (Cannon)	3,706.19	2,602.75	0.00	0.00	0.00	0.00	0.00	0.00	6,308.94
1590-A4	Proposed Routes/Facilities (Cannon)	5,050.07	520.00	0.00	0.00	0.00	0.00	0.00	0.00	5,570.07
1590-A5	Prop 50 Grant Application	2,757.00	6,210.00	0.00	1,857.60	0.00	0.00	0.00	0.00	10,824.60
1590-A6	Project Support (Cannon)	0.00	11,797.44	0.00	0.00	0.00	0.00	0.00	0.00	11,797.44
1590-A7	Groundwater Grant Assistance (SAIC)	0.00	0.00	0.00	15,000.00	0.00	0.00	0.00	0.00	15,000.00
1590-B1	Shipsey & Seltz	0.00	23,095.55	17,564.25	2,201.50	18,224.00	16,601.58	18,664.80	10,410.40	106,762.08
1590-B2	McDonough, Holland & Allen	0.00	34,177.28	15,871.65	0.00	0.00	0.00	0.00	0.00	50,048.93
1590-B3	Richard, Watson & Gershon	0.00	9,472.38	27,954.81	0.00	0.00	0.00	0.00	0.00	37,427.19
1590-C1	Appraisals (Tarvin & Reeder Gilman)	0.00	0.00	16,170.00	10,000.00	0.00	8,000.00	3,600.00	0.00	37,770.00
1590-C2	Property Negotiations (Hamner Jewell)	0.00	0.00	0.00	0.00	15,250.00	14,748.75	36,481.90	6,536.53	73,017.18
1590-C3	Property Acquisitions	0.00	0.00	0.00	0.00	673.00	2,772.00	600.00	2,800.00	6,845.00
1590-D1	Reed Group and Wallace Group	0.00	2,809.85	0.00	0.00	7,585.45	4,476.25	0.00	0.00	14,871.55
1590-D2	Lobbying	0.00	0.00	0.00	38,601.11	38,950.00	54,000.00	9,000.00	0.00	140,751.11
1590-E1	Preliminary Engineering Design (Boyle)	0.00	6,470.33	223,286.67	103,460.19	2,194.43	0.00	0.00	0.00	335,411.62
1590-E2	Water Modeling by Carollo (City of SM)	0.00	0.00	24,942.00	0.00	0.00	0.00	0.00	0.00	24,942.00
1590-E3	Alternative Water Supplies (Boyle)	0.00	0.00	164,230.48	70,772.01	0.00	0.00	0.00	0.00	235,002.49
1590-E4	Project Information (Boyle)	0.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	6,000.00
1590-E5	Project Design (AECOM)	0.00	0.00	0.00	0.00	752,319.66	228,952.01	172,785.69	0.00	1,154,057.36
1590-E6	Pressure Testing	0.00	0.00	0.00	0.00	8,662.92	0.00	0.00	0.00	8,662.92
1590-E7	Peer Review	0.00	0.00	0.00	0.00	7,571.05	37,349.25	12,134.80	0.00	57,055.10
1590-E8	Pot Holing	0.00	0.00	0.00	0.00	0.00	29,053.05	0.00	0.00	29,053.05
1590-F1	Lab Testing (FGL Environmental)	0.00	0.00	5,047.00	0.00	0.00	0.00	0.00	0.00	5,047.00
1590-F2	Copy/Print	0.00	0.00	740.24	1,022.01	0.00	0.00	52.07	0.00	1,814.32
1590-G1	Permits	0.00	0.00	0.00	0.00	130.00	0.00	0.00	0.00	130.00
1590-H1	Assessment District	0.00	0.00	0.00	0.00	83,030.71	21,227.92	56,931.64	8,518.50	169,708.77
1590-H2	SLO County Reimb Agreement-JPA	0.00	0.00	0.00	0.00	0.00	36,603.80	6,799.89	0.00	43,403.69
1590-H3	Purveyor Partner Reimbursements to NCSO	0.00	0.00	0.00	0.00	0.00	0.00	(10,492.04)	0.00	(10,492.04)
1590-H4	A/D Financial Advisor	0.00	0.00	0.00	0.00	0.00	0.00	8,835.63	0.00	8,835.63
1590-H5	A/D Outreach/Education	0.00	0.00	0.00	0.00	0.00	0.00	74,571.75	83,444.05	158,015.80
1590-I1	Construction Management (MNS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	360.00	360.00
1590-I2	Arborist (A&T Arborist)	0.00	0.00	0.00	0.00	0.00	2,830.00	0.00	0.00	2,830.00
1590-Z1	Wages-Capitalized	0.00	29,076.92	35,884.51	28,197.08	31,926.57	50,005.29	46,698.55	16,205.49	237,994.41
1590-Z2	Payroll Taxes-Capitalized	0.00	587.22	587.42	455.96	504.53	2,056.44	1,918.13	234.96	6,346.66
1590-Z3	Retirement-Capitalized	0.00	8,418.08	10,344.53	8,110.84	8,690.47	9,443.17	6,729.62	3,957.51	55,694.22
1590-Z4	Medical-Capitalized	0.00	2,861.36	3,367.02	2,564.88	2,757.36	3,390.94	3,352.92	590.60	18,885.08
1590-Z5	Dental/Vision-Capitalized	0.00	0.00	247.90	328.23	348.15	459.62	239.83	79.08	1,702.81
1590-Z6	Workers Compensation-Capitalized	0.00	260.35	341.83	225.21	259.81	271.21	277.61	65.43	1,701.45
		103,938.03	226,459.74	562,634.14	334,404.32	1,055,642.22	522,743.28	449,182.79	133,707.55	3,387,712.07

**NIPOMO COMMUNITY SERVICES DISTRICT  
CERTIFICATES OF PARTICIPATION  
DEBT SERVICE SCHEDULE**

	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	PRINCIPAL BALANCE
FY June 30, 2004	0.00	136,384.79	136,384.79	4,000,000.00
FY June 30, 2005	75,000.00	169,950.00	244,950.00	3,925,000.00
FY June 30, 2006	80,000.00	167,625.00	247,625.00	3,845,000.00
FY June 30, 2007	80,000.00	165,225.00	245,225.00	3,765,000.00
FY June 30, 2008	85,000.00	163,132.50	248,132.50	3,680,000.00
FY June 30, 2009	85,000.00	161,198.75	246,198.75	3,595,000.00
FY June 30, 2010	85,000.00	158,988.75	243,988.75	3,510,000.00
FY June 30, 2011	90,000.00	156,425.00	246,425.00	3,420,000.00
FY June 30, 2012	90,000.00	153,545.00	243,545.00	3,330,000.00
FY June 30, 2013	95,000.00	150,397.50	245,397.50	3,235,000.00
FY June 30, 2014	100,000.00	146,885.00	246,885.00	3,135,000.00
FY June 30, 2015	100,000.00	143,110.00	243,110.00	3,035,000.00
FY June 30, 2016	105,000.00	139,137.50	244,137.50	2,930,000.00

T:\DOC\FINANCE\SUPP WATER\COST SUMMARY.XLS

**NIOMO COMMUNITY SERVICES DISTRICT  
SUPPLEMENTAL WATER PROJECT  
MONTHLY REPORT TO THE BOARD OF DIRECTORS  
(FY JUNE 30, 2012)**

REVENUES FY 2011-2012 (1)	<u>MONTH OF</u> <u>OCTOBER</u>	<u>FISCAL YEAR</u> <u>7/1/2011 TO</u> <u>6/30/2012</u>
Supplemental Water Capacity Fees Collected	0.00	14,605.00
Interest Income (monthly & quarterly posting)	<u>545.49</u>	<u>2,175.54</u>
Revenue Subtotal	<u>545.49</u>	<u>16,780.54</u>
<b>EXPENDITURES FY 2011-2012 (2)</b>		
<u>CONSULTANTS</u>		
1590-A1 Feasibility Study (Cannon)	0.00	0.00
1590-A2 EIR Preparation (Wood & Assoc)	0.00	505.00
1590-A3 Estimate/Preliminary Schedule (Cannon)	0.00	0.00
1590-A4 Proposed Routes/Facilities (Cannon)	0.00	0.00
1590-A5 Prop 50 Grant Applicatin	0.00	0.00
1590-A6 Project Support (Cannon)	0.00	0.00
1590-A7 Groundwater Grant Assistance (SAIC)	0.00	0.00
<u>LEGAL</u>		
1590-B1 Shipsey & Seitz	6,160.00	10,410.40
1590-B2 McDonough, Holland & Allen	0.00	0.00
1590-B3 Richards, Watson & Gershon	0.00	0.00
<u>LAND ACQUISITION</u>		
1590-C1 Appraisals (Tarvin & Reeder Gilman)	0.00	0.00
1590-C2 Property Negotiations (Hamner Jewell)	2,547.21	6,536.53
1590-C3 Property Acquisitions	0.00	2,800.00
<u>FINANCIAL</u>		
1590-D1 Reed Group and Wallace Group	0.00	0.00
1590-D2 Lobbying	0.00	0.00
<u>ENGINEERING</u>		
1590-E1 Preliminary Engineering Design (AECOM)	0.00	0.00
1590-E2 Water Modeling by Carollo (City of Santa Maria)	0.00	0.00
1590-E3 Alternative Water Supplies (AECOM)	0.00	0.00
1590-E4 Project Information (AECOM)	0.00	0.00
1590-E5 Project Design (AECOM)	0.00	0.00
1590-E6 Pressure Testing	0.00	0.00
1590-E7 Peer Review	0.00	0.00
1590-E8 Pot Holing	0.00	0.00
<u>OTHER</u>		
1590-F1 FGL Environmental	0.00	0.00
1590-F2 Copy/Print	0.00	0.00
<u>PERMITS</u>		
1590-G1 Santa Maria Valley Water Conservation District	0.00	0.00
<u>ASSESSMENT DISTRICT</u>		
1590-H1 Wallace Group	0.00	8,518.50
1590-H2 SLO County Reimbursement Agreement for JPA	0.00	0.00
1590-H3 Purveyor Partner Reimbursements to NCSD	0.00	0.00
1590-H4 A/D Financial Advisor	0.00	0.00
1590-H5 A/D Outreach/Education	17,360.03	83,444.05
<u>CONSTRUCTION</u>		
1590-I1 Construction Management (MNS)	360.00	360.00
1590-I2 Arborist (A&T Arborists)	0.00	0.00
<u>SALARY AND BENEFITS (3)</u>		
1590-Z1 Wages-Capitalized	3,621.02	16,205.49
1590-Z2 Payroll Taxes-Capitalized	52.50	234.96
1590-Z3 Retirement-Capitalized	920.96	3,957.51
1590-Z4 Medical-Capitalized	0.00	590.60
1590-Z5 Dental/Vision-Capitalized	0.00	79.08
1590-Z6 Workers Compensation-Capitalized	14.62	65.43
Expenditure Subtotal	<u>31,036.34</u>	<u>133,707.55</u>
Net Revenues less Expenditures	<u>(30,490.85)</u>	<u>(116,927.01)</u>
Beginning Fund Balance as of July 1, 2011		2,070,224.10
Ending Fund Balance as of October 31, 2011		<u>1,953,297.09</u>

(1) See attached "Supplemental Water Fees Collected" Schedule for more detail.  
(2) See attached "Supplemental Water Cost Summary" for more detail.  
(3) Salary and Benefits of GM and District Engineer are allocated among NCSD projects and capitalized as part of the cost of the project.

# Office of the County Clerk-Recorder

COUNTY OF SAN LUIS OBISPO ♦ 1055 MONTEREY ST. Rm D120 ♦ SAN LUIS OBISPO, CA 93408 ♦ (805) 781-5080/5088



**JULIE L. RODEWALD**  
COUNTY CLERK RECORDER

**DIANE GRATON**– Division Supervisor  
**CATRINA CHRISTENSEN**– Division Supervisor

**TOMMY GONG**  
ASSISTANT COUNTY CLERK RECORDER

December 2, 2011

NIPOMO COMMUNITY SERVICES DISTRICT  
148 S Wilson Ave  
Nipomo CA 93444

Re: Fish and Game Filing Fee Increases

Effective **January 1, 2012**, the Fish and Game Filing fees are increasing, please see the table below.

DOCUMENT	2011 FEE	INCREASE	2012 FEE
Negative Declaration	\$2,044.00	\$57.50	\$2,101.50
Mitigated Negative Declaration	\$2,044.00	\$57.50	\$2,101.50
Environmental Impact Report	\$2,839.25	\$79.75	\$2,919.00
Environmental Document pursuant to a Certified Regulatory Program	\$965.50	\$27.00	\$992.50
County Clerk Processing Fee	\$50.00	-	\$50.00

To avoid delaying the filing of your documents, please ensure any filings for which you have collected a fee are filed with our office by **5:00 p.m. on December 30, 2011**. After this date we cannot accept a filing without the proper fee.

If you have any questions regarding this matter, please feel free to contact our office at 781-5080.

Sincerely,

Julie L. Rodewald  
County Clerk-Recorder

RECEIVED  
DEC - 7 2011  
NIPOMO COMMUNITY  
SERVICES DISTRICT

November 22, 2011

Mr. James Harrison  
Board President  
Nipomo Community Services District  
Post Office Box 326  
Nipomo, California 93444-0326

Dear Mr. Harrison:

Nominations and elections for the 2011 Special District Risk Management Authority (SDRMA) Board of Directors were recently completed in accordance with the SDRMA Sixth Amended and Restated Joint Powers Agreement.

Nominees were required to be a board member or full-time management employee and be an active member agency of either SDRMA's property/liability or workers' compensation programs. Candidates had to be nominated by resolution of their member agency's governing body and complete and submit a "Statement of Qualifications". Three Director seats were up for election with ballots due in the SDRMA office by September 16. The SDRMA Election Committee opened the ballots on September 20 and the results were announced at the SDRMA annual membership meeting and breakfast during the CSDA annual conference on October 12.

Following are the 2011 election results in order by the candidate receiving the highest number of votes;

**Ed Gray, Incumbent – Re-elected**, Chino Valley Independent Fire District  
**Sandy Raffelson – Elected**, Herlong Public Utility District  
**Terry Burkhart – Elected**, Bighorn-Desert View Water Agency  
Emery Ross – Mariposa County Resource Conservation District  
Mike Scheafer – Costa Mesa Sanitary District  
Bethzabe Yanez – East Palo Alto Sanitary District  
Ed Sprague – *Candidacy Withdrawn*, Olivenhain Municipal Water District

Congratulations to the successful candidates! Elected Directors will serve a 4-year term with the term of office beginning January 1, 2012 and expiring December 31, 2015. The **2012 Board of Directors** will be;

David Aranda, North of the River Municipal Water District  
Jean Bracy, Mojave Desert Air Quality Management District  
Terry Burkhart, Bighorn-Desert View Water Agency  
Muril Clift, Cambria Community Services District  
Ed Gray, Chino Valley Independent Fire District  
Jerry Ledbetter, Alameda County Water District  
Sandy Raffelson, Herlong Public Utility District

Thank you for your participation in this important process. Please do not hesitate to contact me at 800.537.7790, if you have any questions regarding the 2011 SDRMA Board of Director Election Results.

Sincerely,  
Special District Risk Management Authority

  
Gregory S. Hall, ARM  
Chief Executive Officer



## NCMA/NMMA Technical Groups

11/30/2011

Mr. Paavo Ogren  
Director of Public Works  
County Government Center  
Room 207  
San Luis Obispo, CA 93408

**SUBJECT: REQUEST FOR FUNDING TO IMPLEMENT REGIONAL GROUNDWATER MANAGEMENT ACTIVITIES  
WITHIN THE NCMA AND NMMA OF THE SANTA MARIA VALLEY GROUNDWATER BASIN**

Dear Paavo,

This letter outlines the joint request of the Northern Cities Management Area (NCMA) and Nipomo Mesa Management Area (NMMA) Technical Groups for the San Luis Obispo Flood Control and Water Conservation District (District) to provide complete or majority funding in support of regional groundwater management activities in the South County, including projects to provide additional hydrogeologic data, as well as the development of a basin-wide groundwater flow model for the Santa Maria Valley Groundwater Basin (SMVGB).

### **BACKGROUND**

Water from the SMVGB is a critical resource for a majority of southern San Luis Obispo County. The recent evidence of seawater intrusion at the NCMA coastal sentry wells, and evidence that groundwater pumping exceeds recharge on the Nipomo mesa, demonstrate the need for further understanding of the movement and storage of groundwater within the SMVGB.

The NCMA Technical Group (NCMA TG), which includes representatives from the Cities of Pismo Beach, Arroyo Grande, Grover Beach and the Oceano Community Services District, and the NMMA Technical Group (NMMA TG), which includes representatives from Golden State Water Company, Nipomo Community Services District, ConocoPhillips and Woodlands Mutual Water Company, have determined that improved hydrogeologic characterization of the SMVGB and development of a groundwater flow model of the basin are necessary to improve understanding and management of this critical resource.

The first step in developing a groundwater model is to characterize the hydrogeology of the basin. Because the quality of a groundwater model is only as good as the data used to develop it, the NCMA TG and NMMA TG have prioritized efforts to improve data collection, including projects that will serve to improve the understanding of the physical properties of the basin, as well as the hydrologic inputs and outputs. It is envisioned that data collected from the groundwater characterization projects will improve the quality of the groundwater flow model, and lead to improved groundwater management within southern San Luis Obispo County.

The NCMA TG and NMMA TG appreciate the District's ongoing pro-active efforts to install monitoring wells at key locations within the NCMA and NMMA, and envision that the District's funding of the key regional groundwater management activities described below, further demonstrates the District's commitment to improve regional water resources.

**REGIONAL GROUNDWATER MANAGEMENT ACTIVITIES**

Below is an outline of the project scope established by the NCMA TG and NMMA TG for the development of a groundwater flow model for the SMVGB. The anticipated budget for these regional groundwater management activities is \$850,000.

1. Expanded Data Collection
  - Installation of transducers in existing monitoring wells
  - Collection of Lidar and/or aerial orthophoto data within the NCMA and NMMA boundaries
  
2. Hydrogeologic Evaluation
  - Development of geologic cross-sections for the NCMA and NMMA
  - Well testing to determine aquifer characteristics
  - Investigation of infiltration from surface water
  - Investigation of recharge areas
  
3. Groundwater Flow Model
  - Construct and calibrate a groundwater flow model

The largest hurdle to implementing these critical activities is funding. Given the current economic climate, it is extremely difficult to increase water rates to fund the development of a groundwater model. Currently, the NCMA TG and NMMA TG are pursuing funding from the Department of Water Resources Local Groundwater Assistance program and investigating a partnership with the United States Geological Survey through their Cooperative Water Program. However, these potential funding sources are not guaranteed, and may not materialize. Even if the NCMA TG and NMMA TG are successful in obtaining assistance through either or both of these programs, there will still be a significant funding gap.

Utilizing surplus funds from the Nacimiento Water Project for these critical regional groundwater management activities presents an opportunity that would benefit San Luis Obispo County for years to come and is well-matched with the District's water supply management objectives. The District's 2007 Integrated Regional Water Management Plan (IRWMP) established a goal to "Monitor, protect, and improve the region's groundwater through a collaborative approach designed to reduce conflicts, without unfairly burdening communities, neighborhoods or individuals". Funding these critical groundwater management activities clearly meets this goal by providing the information necessary to protect and improve the region's groundwater in the following ways:

- Increased understanding of the hydrologic conditions that can lead to seawater intrusion
- Improved understanding of regional groundwater flow, recharge, storage and yield
- Increased efficiency of conjunctive water use programs, including a greater understanding of the impact of Lopez operations on the groundwater basin
- Improved water supply reliability for more than 53,000 residents in southern San Luis Obispo county

Given the current availability of surplus funding from the Nacimiento Water Project, and the regional importance of developing a groundwater model for the SMVGB, the member agencies of the NCMA TG and NMMA TG hereby request that the District provide complete or majority funding for the critical regional groundwater management activities described above.



Mr. Paavo Ogren

11/30/2011

We appreciate your consideration of this request, and look forward to working with you and your staff to bring these initiatives to fruition. Please feel free to contact any one of our members with any questions, or if you would like to discuss these cooperative efforts further.

Sincerely,

Northern Cities Management Area Technical Group



Dwayne Chisam  
Public Works  
Director/City Engineer  
City of Pismo Beach

Gregory Ray  
Public Works  
Director/City Engineer  
City of Grover Beach

Teresa McClish  
Director of Community  
Development  
City of Arroyo Grande

Tom Geaslen  
General Manager  
Oceano Community  
Services District

Nipomo Mesa Management Area Technical Group

Rob Miller  
General Manager  
Woodlands Mutual  
Water Company

Michael LeBrun  
General Manager  
Nipomo Community  
Services District

Mr. Paavo Ogren

11/30/2011

We appreciate your consideration of this request, and look forward to working with you and your staff to bring these initiatives to fruition. Please feel free to contact any one of our members with any questions, or if you would like to discuss these cooperative efforts further.

Sincerely,

Northern Cities Management Area Technical Group



Dwayne Chisam  
Public Works  
Director/City Engineer  
City of Pismo Beach

Gregory Ray  
Public Works  
Director/City Engineer  
City of Grover Beach

Teresa McClish  
Director of Community  
Development  
City of Arroyo Grande

Tom Geaslen  
General Manager  
Oceano Community  
Services District

Nipomo Mesa Management Area Technical Group

Rob Miller  
General Manager  
Woodlands Mutual  
Water Company

Michael LeBrun  
General Manager  
Nipomo Community  
Services District

We appreciate your consideration of this request, and look forward to working with you and your staff to bring these initiatives to fruition. Please feel free to contact any one of our members with any questions, or if you would like to discuss these cooperative efforts further.

Sincerely,

Northern Cities Management Area Technical Group

Dwayne Chlsam  
Public Works  
Director/City Engineer  
City of Pismo Beach

Gregory Ray  
Public Works  
Director/City Engineer  
City of Grover Beach



Teresa McClish  
Director of Community  
Development  
City of Arroyo Grande

Tom Geaslen  
General Manager  
Oceano Community  
Services District

Nipomo Mesa Management Area Technical Group

Rob Miller  
General Manager  
Woodlands Mutual  
Water Company

Michael LeBrun  
General Manager  
Nipomo Community  
Services District

Mr. Paavo Ogren

11/30/2011

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Northern Cities Management Area Technical Group

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

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Public Works  
Director/City Engineer  
City of Pismo Beach

Gregory Ray  
Public Works  
Director/City Engineer  
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Director/City Engineer  
City of Pismo Beach

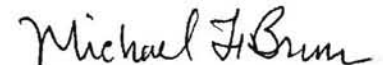
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Rob Miller  
General Manager  
Woodlands Mutual  
Water Company



Michael LeBrun  
General Manager  
Nipomo Community  
Services District

## Michael LeBrun

---

**From:** pogren@co.slo.ca.us  
**Sent:** Friday, December 02, 2011 5:33 AM  
**To:** Jeffery Szytel; choward@co.slo.ca.us; dbenedix@co.slo.ca.us; pogren@co.slo.ca.us  
**Cc:** Dwayne Chisam (dchisam@pismobeach.org); Gregory Ray (gray@grover.org); Michael LeBrun; Thomas Geaslen (ocsdgm@oceanoosd.org); Robert Miller (robm@wallacegroup.us); Teresa McClish (tmcclish@arroyogrande.org)  
**Subject:** Re: NCMA and NMMA - Regional Groundwater Management Activities  
**Attachments:** pic09220.jpg

Jeff

You should include Courtney Howard and Dean Benedix in your emails.

You can anticipate that in 2012, when we initiate policy discussions with the Board leading to the 2012/13 budget requests, this and other requests will be included. On December 13th we are only discussing the District's current fiscal situation and not requests. In addition, you can anticipate that I will making some points that you may not like. First, the request for "complete or majority" of the funding lacks any recognition of significant unfunded needs throughout the County, and lacks any recognition of the District's responsibilities for flood control in addition to water resources. To say that surplus Nacimiento reserves exist and therefore we want them because water rates are difficult to increase is not in and of itself a very compelling argument especially when the Board of Supervisors has themselves gone through much more significant and difficult hearings recently to increase rates for utility operations (i.e the Los Osos wastewater project). The Board is well aware of rate increase challenges since it also governs several special districts, and is currently considering another significant water rate increase in Cayucos. Consider also that the NCMA and NMMA entities have been directed by the courts to resolve the situation and therefore have a legal mandate independent of the District. In addition, the entities are the pumpers of the resource, and the entities customers are the beneficiaries of the groundwater basin.

Meeting unfunded flood control, drainage and other responsibilities within the District that have no revenue source will be part of the 2012 discussions, and allocating funds to those needs that otherwise have no funding source will be discussed in context of priorities with comparison and contrast to those activities that have legal mandates and have funding sources (even if it is "difficult" to increase water rates).

In addition to NCMA and NMMA, the Paso Basin will also come up in discussions, which admittedly have similar needs for improved groundwater basin monitoring. In 2012, we will also be providing the Board with comparisons and contrasts between those basin efforts. The Los Osos groundwater basin will also be discussed, where the evidence is much more compelling on the argument of sea water intrusion than the Santa Maria groundwater basin, where the fiscal impacts of needed infrastructure is much more expensive than South County, and where the population base to cover costs is much smaller. (i.e how should affordability enter into the equation?)

While it is very important that the County (via the District) helps to support broader groundwater efforts, the question will turn to how? By granting money as per your request? By quickly burning through one-time funding? In effect, by sponsoring and paying for the development of the IRWM program hasn't the County already been active in helping pursue grant funding? Hasn't some of those efforts already created benefits to at least some of the residents of both NCMA and NMMA? Many of the other IRWM plans developed in California have joint funding agreements, including funding support from other local agencies, and are not paid solely by the County.

How about North County? Haven't they recently stepped up to pay for the largest local water supply project ever constructed in our County, faced very difficult rate increases, and have they yet seen any benefits from the IRWM program? If we compare the cost of water that they pay, versus the cost of water to NCMA and NMMA, wouldn't that compel the Board to provide more support up north?

Steven Covey wrote seek to understand before being understood. I do believe that the County understands the challenges that exist throughout the County, including those of NCMA and NMMA, but Jeff, when your letter fails to recognize an understanding of the broad range of other challenges in other areas such as Los Osos, Cayucos, Paso Robles, Templeton, Atascadero ..., well let's just say that the statement of looking forward to cooperation vis-a-vie the County paying all or a majority of the costs does not exactly come across as sincere when the letter does not recognize other issues in the region much less the IRWM efforts beyond one simple recognition of an obvious plan objective.

John F Kennedy spoke to ask not what your Country can do for you but ask instead what you can do for your Country. How then can NMMA and NCMA representatives help with IRWM priority setting, reviewing the Master Water Plan and helping with identifying its priorities? Isn't it through these WRAC efforts, on a regional basis, where priority setting and strategy development be focused? Isn't that what you should be really asking.... that the groundwater needs of NMMA and NCMA be considered as part of the upcoming priority setting and other IRWM efforts?

Sorry if I sound harsh, but the letter is not compelling. In contrast, Dwayne and Dylan Wade's willingness to act as liaisons during upcoming discussions on State Water agreements, and Tom Geaslon's work on Oceano flooding issues, are good examples of multi-jurisdictional efforts.

Courtney Howard's work is 100% multi-jurisdictional. Keith Larson (Paso) has taken a very proactive role in the overall Paso basin. Cost sharing of the most recent groundwater analysis in north county was agreed upon by Atascadero, Templeton, Paso and others. I have no doubt that the Board will be as fair as possible, but when the unfunded need of the Arroyo Grande creek levees themselves exceed the available reserves, you are well advised to do a better job in identifying how your request might be considered in context of the IRWM priority setting process and ongoing WRAC efforts.

Paavo Ogren  
Director of Public Works  
pogren@co.slo.ca.us  
805-781-5291 (w)  
805-781-1229 (fax)

From: Jeffery Szytel <jszytel@wsc-inc.com>  
To: "Paavo Ogren (pogren@co.slo.ca.us)" <pogren@co.slo.ca.us>  
Cc: "Dwayne Chisam (dchisam@pismobeach.org)"  
<dchisam@pismobeach.org>, "Gregory Ray (gray@grover.org)"  
<gray@grover.org>, "Teresa McClish (tmclish@arroyogrande.org)"  
<tmclish@arroyogrande.org>, "Thomas Geaslen  
(ocsdgm@oceanocsd.org)" <ocsdgm@oceanocsd.org>, "Robert Miller  
(robm@wallacegroup.us)" <robm@wallacegroup.us>, "Michael LeBrun  
(mlebrun@ncsd.ca.gov)" <mlebrun@ncsd.ca.gov>  
Date: 12/01/2011 03:39 PM  
Subject: NCMA and NMMA - Regional Groundwater Management Activities



Dear Paavo,

The attached letter is being transmitted on behalf of members of the Northern Cities Management Area Technical Group (NCMA TG) and Nipomo Mesa Management Area Technical Group (NMMA TG). A hardcopy will follow via US mail. Additional signatures are expected, and will be forwarded to you as they are received.

Best regards,

-----  
-----  
Jeffery M. Szytel, P.E., M.S., M.B.A.

jszytel@wsc-inc.com

office: (805) 457-8833 ext. 101

cell: (619) 807-8398

(Embedded image moved to file: pic09220.jpg)Description: Description: WSC logo\_blue standard  
[attachment "20111130\_Regional Groundwater Management Activities-signed.pdf" deleted by Paavo  
Ogren/PubWorks/COSLO]

[Scanned @co.slo.ca.us]

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 12/13/2011	(3) CONTACT/PHONE Courtney Howard, Water Resources Engineer (805) 781-1016	
(4) SUBJECT Request to 1) approve a resolution to allow the Nipomo Community Services District (NCSD) to create an Assessment District to fund capital improvements for the NCSD's Supplemental Water Project for the Nipomo Mesa Management Area; and 2) adopt the California Environmental Quality Act Findings of Fact and Statement of Overriding Considerations for the Project.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: <ol style="list-style-type: none"> <li>Approve a final Resolution to allow the Nipomo Community Services District to create an Assessment District to fund capital improvements for the NCSD's Supplemental Water Project for the Nipomo Mesa Management Area; and</li> <li>Adopt findings of fact and the Statement of Overriding Considerations pursuant to the California Environmental Quality Act.</li> </ol>			
(6) FUNDING SOURCE(S) Nipomo CSD	(7) CURRENT YEAR FINANCIAL IMPACT \$60,000.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 9/21/10; A-2, 10/25/11; D-2	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) District 4 -			

## County of San Luis Obispo



TO: Board of Supervisors  
FROM: Public Works  
Courtney Howard, Water Resources Engineer  
VIA: Paavo Ogren, Director of Public Works  
DATE: 12/13/2011

SUBJECT: Request to 1) approve a resolution to allow the Nipomo Community Services District (NCSD) to create an Assessment District to fund capital improvements for the NCSD's Supplemental Water Project for the Nipomo Mesa Management Area; and 2) adopt the California Environmental Quality Act Findings of Fact and Statement of Overriding Considerations for the Project.

### **RECOMMENDATION**

It is our recommendation that your Honorable Board:

1. Approve a final Resolution to allow the Nipomo Community Services District to create an Assessment District to fund capital improvements for the NCSD's Supplemental Water Project for the Nipomo Mesa Management Area; and
2. Adopt findings of fact and the Statement of Overriding Considerations pursuant to the California Environmental Quality Act.

### **DISCUSSION**

On October 25, 2011, your Board directed staff to return to your Board with a final Resolution to allow the Nipomo Community Services District (NCSD) to create an Assessment District to fund capital improvements for the NCSD's Supplemental Water Project (Project) for the Nipomo Mesa Management Area (NMMA), subject to County Counsel's review and approval. The attached Resolution grants consent to the NCSD to form the Assessment District, approves a Resolution of Intent (Attachment A) to order improvements for the proposed assessment district that will subsequently be approved by the NCSD, and approves the improvements described in Exhibit "A" of the Resolution of Intent. The Resolution of Intent and Exhibit "A" of the Resolution of Intent are attached to the Resolution recommended to be approved by your Board.

During the October 25<sup>th</sup> hearing, staff informed your Board of the need to concurrently approve findings of fact (Attachment "B" to the Resolution) associated with the Project's Environmental Impact Report for the Project and approved by the NCS D in 2009 with a Statement of Overriding Considerations in order to comply with the California Environmental Quality Act (CEQA). Your Board has previously been provided with a copy of the Project's Final Environmental Impact Report (Final EIR). If your Board approves the Resolution, which includes approving the Resolution of Intent and its Exhibit "A," your Board is also approving the findings of fact and Statement of Overriding Considerations associated with the Project's Final EIR. These Findings reflect the County's position as a "Responsible Agency" under CEQA, in contrast to typically acting as a "Lead Agency." As a Responsible Agency the Board must certify that it has received, reviewed and considered the Final EIR and has adopted Findings for each identified significant impact. Because the Final EIR identifies significant unavoidable impacts in the areas of Land Use & Planning, and Population & Housing, a Statement of Overriding Considerations is also required, and included with the Findings.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The assessment district would contain the NCS D, Golden State Water Company, Rural Water Company and Woodlands Ventures, LLC service areas.

The County Environmental Coordinator has reviewed and approved the findings of fact and Statement of Overriding Considerations for submission to your Board.

County Counsel has reviewed and approved the final Resolution for form and effect.

### **FINANCIAL CONSIDERATIONS**

The estimated County cost under the 2010 NCS D Agreement is \$60,000, which is reimbursable from NCS D. No substantial costs would be incurred by the County if the recommended action is approved, however, approval of the recommended action will free up staff time for other priority County projects. The Resolution ensures that any costs incurred by the County for work under the 2010 NCS D Agreement remain reimbursable from the NCS D.

### **RESULTS**

The results of the recommended action will allow NCS D to proceed independently on the formation of the Assessment District and related proceedings.

Approval of the assessments by property owners will have a significant, positive influence on the timing of the Nipomo Supplemental Water Project and help lead to substantial improvements in water resources within the NMMA, thereby ensuring a healthy, livable and well-governed community. Likewise, denial of the assessments by property owners will impair project timing and not improve water resources within the NMMA.

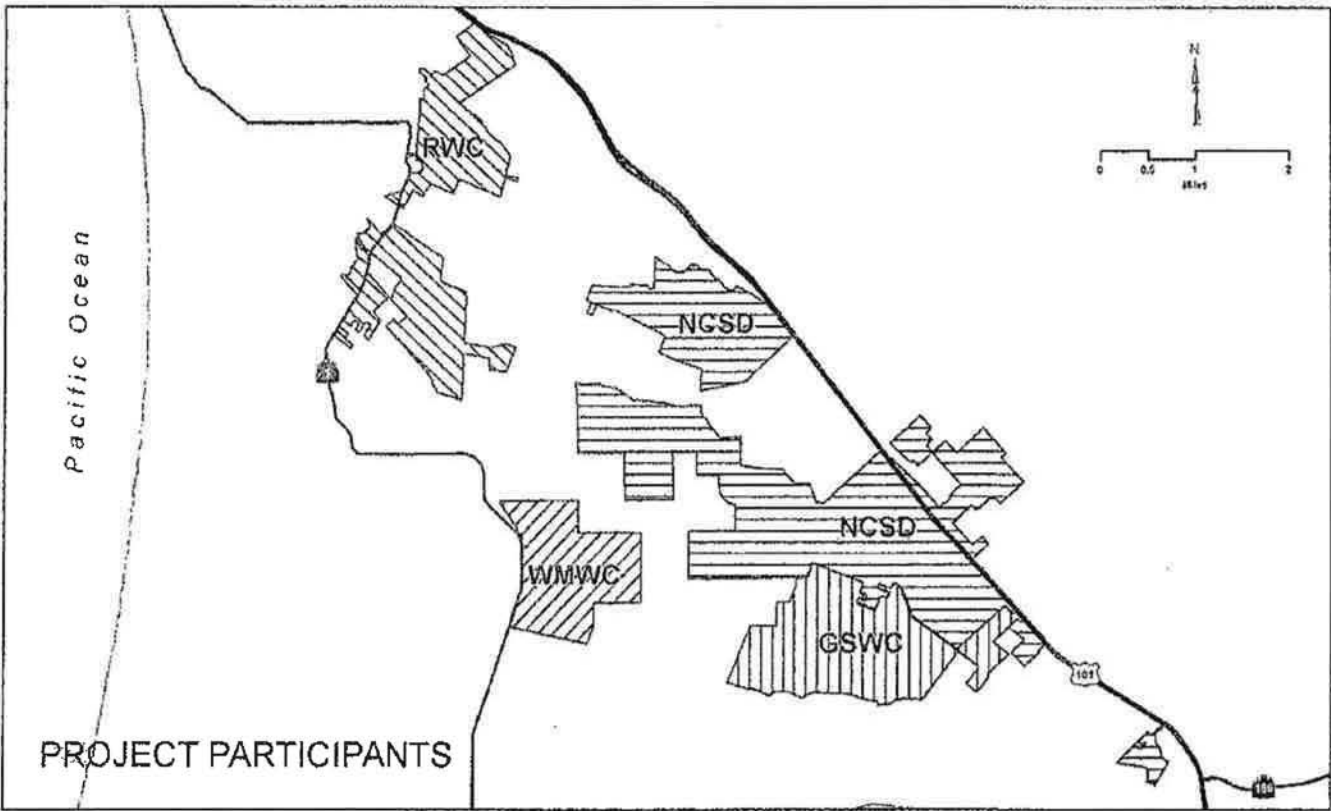
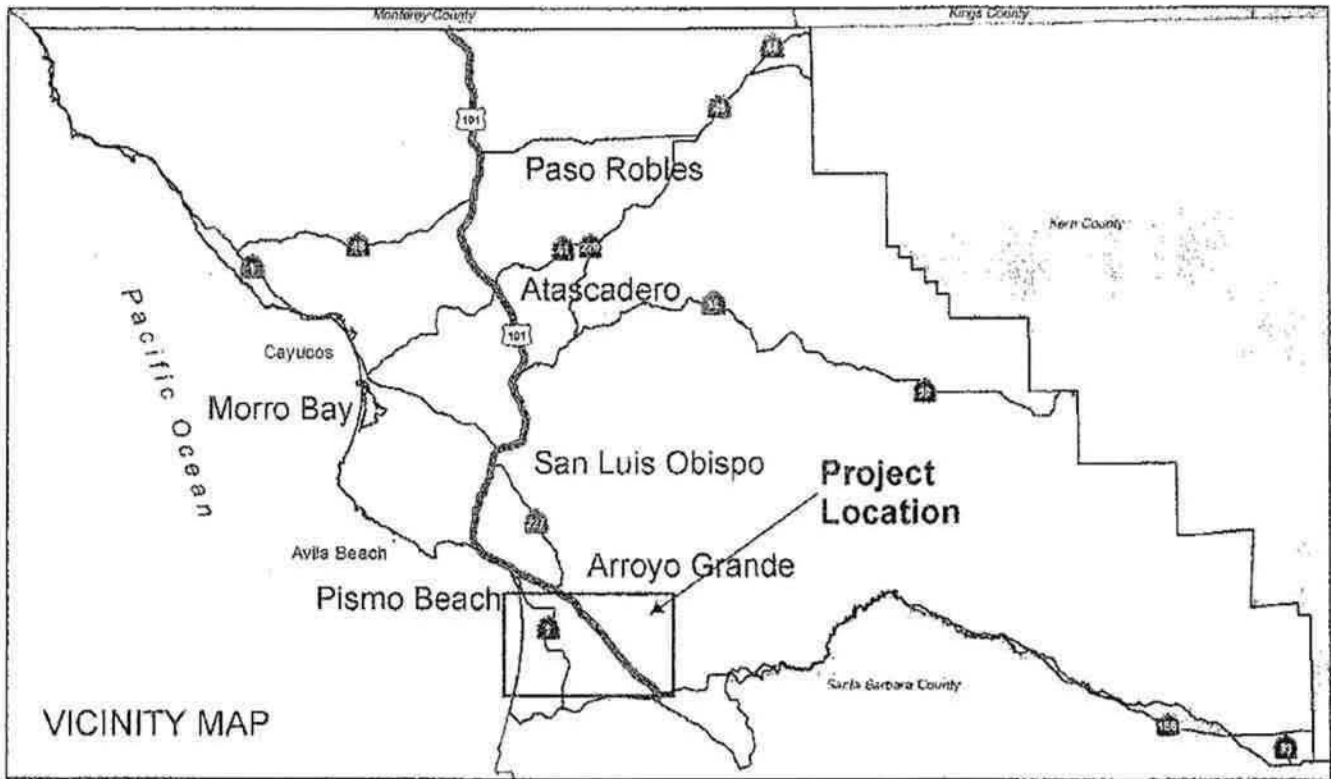
File: CF 310.100.01 (Nipomo Agreements & Amendments)





Reference: 11DEC13-C-4

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## ATTACHMENTS

1. Vicinity Map
2. Resolution
3. Attachment A - Resolution of Intention
4. Attachment B - Findings of Fact



-  Golden State Water Company
-  Nipomo Community Service District
-  Rural Water Company
-  Woodlands

Nipomo Supplemental Water Project  
VICINITY MAP

1 of 1



# IN THE BOARD OF SUPERVISORS

County of San Luis Obispo, State of California

\_\_\_\_\_ day \_\_\_\_\_, 20\_\_

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. \_\_\_\_\_

## RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN LUIS OBISPO GRANTING CONSENT TO THE FORMATION OF AN ASSESSMENT DISTRICT BY THE NIPOMO COMMUNITY SERVICES DISTRICT

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("Nipomo CSD") proposes to adopt a Resolution of Intention (the "Resolution of Intention") to initiate proceedings to consider the formation of a special assessment district designated as Nipomo Community Services District Assessment District No. 2012-1 (Supplemental Water Project) (the "Assessment District"), under the provisions of the Municipal Improvement Act of 1913, being Division 12 (commencing with Section 10000) of the Streets and Highways Code of the State of California, (the "Improvement Act"), Article XIID of the Constitution of the State of California ("Article XIID") and the Proposition 218 Omnibus Implementation Act (Government Code Sections, 53750, and following) (together with the Improvement Act and Article XIID, the "Assessment Law"), to finance the acquisition or construction of certain water improvements to be located in and to specially benefit certain real property partially located in the County of San Luis Obispo (the "County"); and

**WHEREAS**, Sections 5117 and 5118 of the Improvement Act of 1911 and Section 10103 of the Improvement Act provide that, when another public agency initiates proceedings under the Improvement Act to consider the formation of an assessment district to include parcels or portions of parcels and improvements within territory of the County, the Board of Supervisors of the County must consent to the formation of such assessment district and approve the proposed Resolution of Intention of such legislative body to form such assessment district and the Improvements proposed to be constructed, prior to the adoption of such Resolution of Intention by such legislative body; and

**WHEREAS**, the Board of Directors of the Nipomo CSD has requested that the Board of Supervisors of the County consent to the formation of the Assessment District and approve the Resolution of Intention, attached hereto as Attachment "A," and the Improvements described in the Exhibit "A" to the Resolution of Intention (the "Improvements"); and,

**WHEREAS**, the County of San Luis Obispo is a Responsible Agency for this Project pursuant to the California Environmental Quality Act; and

1 of 3

19-6

**WHEREAS**, the County and the Nipomo CSD entered into a Memorandum of Understanding, dated August 11, 2010, ( the "2010 MOU") that required the Nipomo CSD to reimburse the County for County costs relating to the County's possible formation of an assessment district described in said MOU; and

**WHEREAS**, there is still an outstanding balance owed by the Nipomo CSD to the County for the County's costs relating to 2010 MOU; and

**WHEREAS**, despite the County's full compliance with the provisions of the 2010 MOU, the 2010 MOU has terminated, and the County has no obligations or liability to the Nipomo CSD relating to the 2010 MOU.

**NOW, THEREFORE**, the Board of Supervisors does hereby resolve and determine as follows:

Section 1. The above recitals are all true and correct.

Section 2. The Findings of Fact and Statement of Overriding Considerations prepared pursuant to the California Environmental Quality Act and attached hereto as Attachment "B" are hereby adopted.

Section 3. Pursuant to the Improvement Act, the Board of Directors of the County of San Luis Obispo hereby consents to the formation of the Assessment District and approves the Improvements and the attached Resolution of Intention, subject to the following conditions:

(a) compliance by the Nipomo CSD with the provisions of the Assessment Law in undertaking the proceedings to consider the formation of the Assessment District and in levying any assessment upon the properties within the Assessment District;

(b) compliance by the Nipomo CSD with all applicable laws relating to work within any County road right of way, including but not limited to County Code Chapter 13.08, County Road Standards and any reasonable conditions the County Public Works Director, or his designee, shall include in any encroachment permits;

(c) compliance by the Nipomo CSD with all applicable laws relating to the design, construction, maintenance and operation of the Improvements;

(d) the agreement by Nipomo CSD as specified in the Resolution of Intention that Nipomo CSD shall hold harmless and indemnify the County, its officers and employees, from any and all causes of action, claims, losses or damages which may arise, directly or indirectly, from the Improvements or the Assessment District, including but not limited to, any action of the County in reviewing and granting its consent to the formation of the Assessment District and approving the Improvements and the attached Resolution of Intention;

(e) the agreement by the Nipomo CSD that, despite the County's full compliance with the terms of the 2010 MOU, the 2010 MOU has expired by its own terms due to Nipomo CSD's failure to perform;

(f) the agreement by the Nipomo CSD that, despite the County's full compliance with the terms of the 2010 MOU, the 2010 MOU has terminated, and the County has no obligations or liability to the Nipomo CSD relating to the 2010 MOU;

(g) the Nipomo CSD's payment to the County, within 30 days of this resolution, the sum of \$22,000 for the sum of \$6,100 still owing under the 2010 MOU, with the balance being a deposit toward the other County costs described in paragraph (f) above.

Section 3. The County Clerk of the County is hereby directed to certify and transmit a copy of this Resolution to the Secretary of Nipomo CSD.

Section 4. This Resolution shall take effect immediately upon its adoption.

#####

2 of 3

19-7



Upon motion of Supervisor \_\_\_\_\_, seconded by  
Supervisor \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted.

\_\_\_\_\_  
Chairperson of the Board of Supervisors

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN  
County Counsel

By: Robert G. Foran  
Deputy County Counsel

Dated: 11/29/11

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STATE OF CALIFORNIA, }  
County of San Luis Obispo, } ss.

I, \_\_\_\_\_, County Clerk and ex-officio Clerk  
of the Board of Supervisors, in and for the County of San Luis Obispo, State of California, do hereby  
certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as  
the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this \_\_\_\_\_  
day of \_\_\_\_\_, 20 \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
County Clerk and Ex-Officio Clerk of the Board  
of Supervisors

By \_\_\_\_\_  
Deputy Clerk.

3 of 3

19-8

ATTACHMENT A

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NIPOMO COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO ORDER IMPROVEMENTS FOR PROPOSED ASSESSMENT DISTRICT NO. 2012-1 (SUPPLEMENTAL WATER PROJECT) PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF 1913 AND IN ACCORDANCE WITH ARTICLE XIID OF THE CALIFORNIA CONSTITUTION, AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Board of Directors of the Nipomo Community Services District ("District"), desires to initiate proceedings for the formation of an assessment district (the "Assessment District"), pursuant to the provisions of the Municipal Improvement Act of 1913 (the "Improvement Act"), being Division 12 (commencing with Section 10000) of the Streets and Highways Code of the State of California, Article XIID of the Constitution of the State of California ("Article XIID"), the Special Assessment Investigation, Limitation and Majority Protest Act of 1931, being Division 4 of the Streets and Highways Code of the State of California (commencing with Section 2800), and the Proposition 218 Omnibus Implementation Act (commencing with Section 53750) of the Government Code of the State of California, and for the issuance of bonds in the proceedings under the Improvement Bond Act of 1915, being Division 10 of the Streets and Highways Code of the State of California (commencing with Section 8500) (the "Bond Act"), for the purpose of financing certain public capital water improvements (the "Improvements"), of benefit to the properties within the proposed Assessment District; and

**WHEREAS**, the territory proposed for inclusion in the proposed Assessment District includes parcels of land located within the District as well as certain other parcels of land located in whole or in part within the County of San Luis Obispo ("San Luis Obispo County") that, in the opinion of the Board of Directors, will be specially benefited by the Improvements; and

**WHEREAS**, a portion of the Improvements are proposed to be located within San Luis Obispo County, the City of Santa Maria (the "City of Santa Maria") [and the County of Santa Barbara (the "Santa Barbara County")]; and

**WHEREAS**, pursuant to Section 10103 of the Improvement Act and Sections 5117 and 5118 of the Improvement Act of 1911, Division 7 (commencing with Section 5000) of the Streets and Highways Code, before the Board of Directors may adopt a resolution of intention initiating such proceedings, it must submit the proposed Resolution of Intention to and obtain the consent of (i) the Board of Supervisors of the San Luis Obispo County (the "San Luis Obispo County Board"), (ii) the City Council of the City of Santa Maria (the "Santa Maria City Council") [and (iii) the Board of Supervisors of Santa Barbara County (the "Santa Barbara County Board")] to the formation of the proposed Assessment District and the approval of the Resolution of Intention and the proposed Improvements;

**WHEREAS**, the Board of Directors has received consent from San Luis Obispo County Board as to the inclusion of territory outside the boundaries of the District, and has received consent from the San Luis Obispo County Board, Santa Maria City Council [and Santa Barbara County Board] for the proposed Improvements; and

**WHEREAS**, the public interest and convenience require the construction and acquisition of the Improvements.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Nipomo Community Services District:

**Section 1.** The above recitals are true and correct.

**Section 2.** The proposed improvements (the "Improvements") generally consist of the acquisition and financing of certain public capital water improvements as more particularly described on Exhibit A attached hereto.

**Section 3.** In the opinion of the Board of Directors, the Board of Directors hereby finds and determines that the public interest and convenience require that the proposed Improvements is of such a character that it directly and peculiarly affects property in one or more jurisdictions, and that the purposes sought to be accomplished by the proposed Improvements can best be accomplished by a single, comprehensive scheme of work, thereby requiring inclusion of Improvements and property that lie outside the territorial limits of the District.

**Section 4.** In the opinion of the Board of Directors, the Board of Directors hereby finds and determines that the public interest and convenience require that property within the boundaries of the Assessment District lying outside the jurisdiction of the District will be benefitted by the proposed Improvements, and that the consents of the legislative bodies having jurisdiction over any such property proposed to be assessed have been obtained to (i) the formation of the Assessment District and (ii) the assumption by the District of jurisdiction thereover. The consents of the legislative bodies which contain the proposed Improvements that lie outside of the boundaries of the District have been obtained to (y) the formation of the Assessment District and the proposed Improvements to be done within such territory, and (z) the assumption by the District of jurisdiction thereover.

**Section 5.** The District shall hold harmless and indemnify San Luis Obispo County, its officers and employees, from any and all causes of action, claims, losses or damages which may arise, directly or indirectly, from the Improvements or the Assessment District, including but not limited to, the action of the San Luis Obispo County Board in reviewing and granting its consent to the formation of the Assessment District and approving this Resolution of Intention form and the Improvements.

**Section 6.** The District shall hold harmless and indemnify the City of Santa Maria, its officers and employees, from any and all causes of action, claims, losses or damages which may arise, directly or indirectly, from the action of the Santa Maria City Council in reviewing and granting its consent to the formation of the Assessment District and approving this Resolution of Intention form and the Improvements.

**Section 7.** [The District shall hold harmless and indemnify Santa Barbara County, its officers and employees, from any and all causes of action, claims, losses or damages which may arise, directly or indirectly, from the action of the Santa Maria City Council in reviewing and granting its consent to the formation of the Assessment District and approving this Resolution of Intention form and the Improvements.]

**Section 8.** The Board of Directors hereby (i) finds that the public interest, necessity and convenience require the acquisition, improvement, and financing of the Improvements, and (ii) declares its intention to order the Improvements and form an assessment district to be known as the "Nipomo Community Services District Assessment District No. 2012-1 (Supplemental Water Project)" pursuant to the Improvement Act. Unless otherwise specifically provided, all Improvements and work to be funded by the Assessment District shall be made and done pursuant to the Improvement Act.

**Section 9.** The Board of Directors hereby declares that the territory within the boundaries hereinafter specified and described as the Assessment District is the land benefitted by the Improvements to be made and to be assessed to pay the costs and expenses thereof; that the expense of the Improvements is hereby made chargeable upon the Assessment District; and that the exterior boundaries of the Assessment District are hereby specified and described to be shown on that certain map now on file in the office of the Secretary of the District entitled "Nipomo Community Services District Assessment District No. 2012-1 (Supplemental Water Project) Assessment Diagram/Boundary Map," which map indicates by a boundary line the extent of the territory included in the proposed Assessment District. On the original and a copy of the map of the Assessment District on file in the Secretary's office, the Secretary shall endorse the certificate evidencing the date and adoption of this Resolution of Intention. The Secretary shall file the original of such map in his or her office and, within fifteen (15) days after adoption of the resolution fixing the time and place of hearing on the formation and extent of the Assessment District, the Secretary shall file a copy of such map so endorsed in the records of the County Recorder, County of San Luis Obispo, State of California.

**Section 10.** The Board of Directors hereby appoints and designates the District Engineer to perform the duties and functions of the Superintendent of Streets in connection with such proceedings.

**Section 11.** The proposed Improvements are hereby referred to the Assessment Engineer to make and file with the Secretary of the District a report in writing in accordance with Article XIII D, Section 4 of the California Constitution and Section 10204 of the Improvement Act. The District intends to comply with the requirements of Part 7.5 of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931, and hereby directs the Assessment Engineer to include in the report all of the information required in Section 2961 of the California Streets and Highways Code.

**Section 12.** The Board of Directors hereby determines that it is in the public interest and more economical to do work on private property to eliminate any disparity in level or size between the proposed Improvements and private property than to adjust the work on public property to eliminate such disparity.

**Section 13.** The Board of Directors hereby declares its intention to enter into an agreement or agreements with the City of Santa Maria and any other public agency, regulated public utility or mutual water company pursuant to Chapter 2 of the 1913 Act (commencing with Section 10100) if any of the Improvements are to be owned, managed or controlled by any other public agency, regulated public utility or mutual water company.

**Section 14.** Pursuant to Section 4 of Article XIID of the Constitution of the State of California, parcels within the assessment district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment, unless the District can demonstrate by clear and convincing evidence that such publicly owned parcels in fact receive no special benefit.

**Section 15.** Notice is hereby given that bonds to represent unpaid assessments, and which bear interest at a fixed or variable interest rate of not to exceed twelve percent (12%) per annum, or such higher maximum interest rate as may be provided in the resolution of issuance, will be issued hereunder in the manner provided in the Bond Act, and the last installment of such bonds shall mature in not to exceed 39 years from the second of September next succeeding twelve (12) months from their date. The alternate procedure for collecting assessments and advance retirement of bonds as set forth in Part 11.1 of the Bond Act shall apply herein. Pursuant to Section 8650.1 of the Bond Act, the Board of Directors may determine that the principal amount of bonds maturing or becoming subject to mandatory prior redemption each year shall be other than the amount equal to an even annual proportion of the aggregate principal of the bonds.

**Section 16.** The Board of Directors hereby further declares that it is its intention to covenant that, upon default of any assessment payment due (except under certain circumstances to be specified in the fiscal agent agreement or trust indenture for the bonds) it will cause foreclosure proceedings to be brought within 150 days of such default, as permitted by Section 8830(b) of the Bond Act.

**Section 17.** The Board of Directors hereby further declares that it is its intention to create a special reserve fund as permitted by Sections 8880-8886 of the Bond Act.

**Section 18.** The Board of Directors hereby finds and determines that if the assessment proposed herein results in a surplus in the improvement fund to be provided for in the proceedings hereafter taken pursuant to this Resolution of Intention, after the improvements are acquired or constructed, the surplus shall be used or allocated in accordance with the provisions of Sections 10427 to 10427.2, inclusive, of the Improvement Act.

**Section 19.** The Board of Directors hereby designates the General Manager and Secretary to the Board of Directors (General Manager or Secretary depending on the context), or the designated agent of the General Manager, to collect and receive the assessments.

**Section 20.** Pursuant to Streets and Highways Code Section 8769, the Board of Directors hereby determines and declares that the District will not obligate itself to advance available funds from the District treasury to cure any deficiency which may occur in the bond redemption fund; provided, however, this determination shall not prevent the District from, in its

sole and unbridled discretion, advancing funds for such purpose as otherwise provided in the Bond Act.

**Section 21.** The Board of Directors hereby further declares that the bonds issued for Assessment District No. 2012-1 shall be refundable in accordance with the provisions of the "Refunding Act of 1984 for 1915 Improvement Act Bonds." The specific conditions under which said bonds may be refunded include the condition that there be a reduction in the interest cost to maturity by reason of the refunding of such bonds and the condition that the refunding bonds shall bear interest at a maximum rate, and shall have a maximum number of years to maturity, not in excess of the maximum rate and years to maturity, respectively, then permitted by law. Any adjustment to assessments resulting from any such refunding will be done on a pro rata basis.

**Section 22.** Whenever, in the Improvement Act or in the Bond Act a notice, resolution, order or other matter relative to said proceedings for the work, acquisitions and improvements in said assessment district is required to be published, the Secretary is hereby ordered to publish such notice, resolution or other matter in the Santa Maria Times and/or the Tribune, which is hereby selected by the Board of Directors for that purpose.

**Section 23.** The Secretary shall transmit a certified copy of this Resolution of Intention and Boundary Map to the County Clerk of San Luis Obispo, the City Clerk of the City of Santa Maria [and the County Clerk of Santa Barbara County].

**Section 24.** This resolution shall take effect immediately.

Upon a motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the following roll call vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

the foregoing resolution is hereby passed and adopted on this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
JAMES HARRISON  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
MICHAEL S. LEBRUN  
Secretary to the Board

\_\_\_\_\_  
JON S. SEITZ  
District Legal Counsel