TO:

BOARD OF DIRECTORS M9

FROM:

MICHAEL S. LEBRUN GENERAL MANAGER

DATE:

MAY 17, 2013

AGENDA ITEM F MAY 22, 2013

GENERAL MANAGER'S REPORT

ITEM

Standing report to your Honorable Board -- Period covered by this report is May 4, 2013 through May 17, 2013.

DISTRICT BUSINESS

Administrative

- A customer was granted relief from a high bill due to a leak. The customer's average March/April usage is 21 units. In March/April 2013 billing period a leaked caused a usage of 168 units (110,000 gallons above average). Upon written request from the customer and in accordance with District policy, the customer's bill for usage was reduced from \$748.80 to \$414.45, a difference of \$334.35 or 45%.
- Most recent data from Nipomo area County rain gauges recorded no rain during the past two weeks. The Nipomo South gauge (Sensor 730) is reporting 7 inches of cumulative rain fall this season or 44% of the 16-inch annual average. The Nipomo North gauge (Sensor 730) is reporting 5.9 inches of cumulative rain fall this season or 33% of the 18 inch annual average. Twitchell Reservoir reports 0.0% capacity (at gauge minimum); Lopez Lake stands at 73.1% capacity (36,122 Acre-feet).

Safety Program

- No accidents or injuries to report
- Quarterly All-staff safety training conducted on May 9

Public Outreach

The following information is attached to the Manager's Report:

- A summary of outreach and education activities
- 2012 Consumer Confidence Report
- Drinking Water Week advertisement
- 2013 Press Release Log
- Press releases over past two weeks
- News articles over past two weeks
- Web site traffic report

Monthly Connection Report

No change from last report – report is updated near the 5th of the month when bills are issued. (next page)

Nipomo Community Services District Water and Sewer Connections	End of I	Month I	Report	2013				
	DEC-12	JAN-13	FEB-13	MAR-13	APR-13	MAY-13	JUN-13	JUL-13
Water Connections (Total)	4259	4268	4268	4268	4268	4287		
Sewer Connections (Total)	3055	3064	3064	3064	3064	3083		
Meters turned off (Non-payment)	20	18	34	32	14	20		
Meters off (Vacant)	52	55	57	56	58	57		
Sewer Connections off (Vacant)	20	22	24	22	23	24		
New Water Connections	12	9	0	0	0	2		
New Sewer Connection	12	9	0	0	0	2		
Galaxy & PSHH at Orchard and Division Sewer Connections billed to the County		462	462	462	462	462		

Meetings

Meetings Attended (telephonically or in person):

- May 6, Supplemental Water Project with Counsel
- May 7, Santa Barbara Board of Supervisors, Supplemental Water Project License Agreement
- May 7, Supplemental Water Project with Counsel
- · May 7, City of Santa Maria Supplemental Water Wholesale Agreement
- May 8, Regular Board Meeting
- May 9, Quarterly All-staff Safety Training
- May 10, Special Board Meeting
- May 10, Local Area Formation Commission, Transparency Review
- May 14, coordination with Director of Eng & Ops
- May 14, coordination with Board Officers
- May 15, AECOM on staff transitions
- May 15, Supplemental Water Project with Counsel
- May 15, Supplemental Water Project Finance Team
- May 15, City of Santa Maria Utilities Director on Supplemental Water
- May 17, SLO Chapter CA Special Districts Association

Meetings Scheduled:

- May 22, Regular Board Meeting
- May 23, Supplemental Water Project field meeting
- May 23, Management coordination

RECOMMENDATION

Staff seeks direction and input from your Honorable Board

ATTACHMENTS

A. Outreach Materials

T:\BOARD MATTERS\BOARD MEETINGS\BOARD LETTER\2013\MGRS RPT\130522 MGRS RPT.docx

MAY 22, 2013

ITEM F

ATTACHMENT A



Nipomo Community Services District 2012 Water Quality Report

This report provides information regarding the quality of water for the Nipomo Community Services District during 2012

Included are details about where your water comes from, what it contains, and how it compares to State standards. The District routinely checks water quality from the wells and the distribution system that provides your drinking water--From the source right to your home. We are committed to providing you with this information to keep you informed about your water supply.

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.

WATER SUPPLY: The water for the Nipomo Community Services District comes from the Santa Maria Valley Groundwater Basin. Currently, this is the District's (and entire Nipomo Mesa area's) ONLY source of water. The District operates a number of wells to produce water from the basin.

SOURCE WATER ASSESSMENT: A source water assessment of the District wells was completed in 2001. Our water resources are considered most vulnerable to the following activities: historic gas stations, low and high density septic systems and wastewater treatment plants. A copy of the complete assessment may be viewed at the District office.

WATER SYSTEM SECURITY: The District has implemented security systems to protect the distribution and storage of the drinking water. These measures are part of our ongoing operation and ensure the safe treatment and delivery of your drinking water.

SOURCES OF DRINKING WATER: (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, spring, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

CONTAMINANTS: Contaminants that may be present in any source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural or livestock operations and wildlife.
- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and herbicides, which may come from a variety of sources: agriculture, urban stormwater runoff, and residential uses.
- Radioactive contaminants, which can be naturally occurring or the result of oil production and mining activities.
- Organic chemical contaminants, including

synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and can also, come from gas stations, urban stormwater runoff, and septic systems.

In order to ensure that tap water is safe to drink, the USEPA and the California Department of Health Services (Department) prescribe regulations which limit the amount of certain contaminants in water provided by public water systems. Department regulations also establish limits for contaminants in bottled water that must provide the same protection for public health.

Additional Information on Drinking Water:

All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline (800-426-4791).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care provider. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline: (800-426-4791).

For more information about this report, or for any questions relating to your drinking water, please call (805) 929-1133 and ask for Michael LeBrun, or visit our website at www.ncsd.ca.gov.

Nipomo Community Services District CONSUMER CONFIDENCE REPORT – 2012 WATER QUALITY DATA

The table below lists all the results of analytical tests performed on your drinking water during the 2012 calendar year, unless otherwise noted. The presence of contaminants in the water does not necessarily indicate that the water poses a health risk. State and Federal regulations require us to monitor for certain contaminants less than once per year because the concentrations of those contaminants are not expected to vary significantly from year to year. *Terms & abbreviations used below:*

- Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs are set to protect the odor, taste, and appearance of drinking water.
- Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.
- Public Health Goal (PHG): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.
- Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
 - Items shaded are greater than MCL, AL or MRDL, see below

- Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- Regulatory Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.
- Primary Drinking Water Standards (PDWS): MCLs for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.
- Secondary Drinking Water Standards (SDWS): MCLs for contaminants that affect taste, order, or appearance of the drinking water. Contaminants with SDWSs do not affect the health at the MCL levels.
- Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.
- Variances and Exemptions: Department permission to exceed an MCL or not comply with a treatment technique under certain conditions.
- NA: not applicable
- . ND: not detectable at testing limit
- pCi/l: picocuries per liter (a measure of radioactivity) ppb: parts per billion or micrograms per liter (µg/L) ppm: parts per million or milligrams per liter (mg/L) ppq: parts per quadrillion or picograms per liter (pg/L) ppt: parts per trillion or nanograms per liter (ng/L).

Parameter	Units	Samples Collected	Sites Exceeding AL	90 th Percentile Level	AL	Pŀ	Typical Sources of Co	ontaminants	
Lead (Pb)	ppb	30 (2012)	0	1.20	15.0	0.	Internal corrosion of househ discharges from industrial m natural deposits	anufacturers, erosion of	
Copper	ppm	30 (2012)	0	0.314	1.3	0.	Internal corrosion of househ erosion of natural deposits; I preservatives		
		andards (PDWS)							
Parameter	Units	MCL	PHG (MCLG)	Res Average	ults Range	,	pical Sources of Contam	<u>inants</u>	
Total Coliform Bacteria	NA	More than 1 sample in a month with a detection	0	NA	0-0 (2012)		laturally present in the envi	ronment	
Arsenic (As)	ppb	10	NA	5.6	2 - 8 (2012)		rosion of natural deposits; lass and electronics produc		
Barium (Ba)	ppm	1	2	0.03	0.02 - 0.0 (2011)		Discharge from oil drilling was efineries; erosion of natural	astes and from metal deposits	
Cadmium (Cd)	ppb	5.0	0.04	0,6	ND - 0 (2011)		Internal corrosion of galvanized pipes; erosic natural deposits; discharge from electroplatic industrial chemical factories, and from metal refineries; runoff from waste batteries and pa		
Chromium(Total Cr)	ppb	50.0	NA	0.9	ND - 2 (2011)		ischarge from steel and pullating;: erosion of natural d		
Fluoride (F)	ppm	2	1	0.22	ND-0.4 (2012)		rosion of natural deposits; v romotes strong teeth; disch luminum factories		
Mercury	ppb	2	1.2	0.01	ND-0.0 (2011)		rosion of natural deposits; on factories; runoff from lan		
Nickel	ppb	100	12	0.3	ND-2 (2011)		rosion of natural deposits; o	discharge from metal	
Nitrate (NO3)	ppm	45	45	8.8	4 – 19 (2012)		unoff & leaching from fertili. eptic tanks & sewage; erosi	on of natural deposits	
Nitrate+Nitrite as N	ppm	10	10	1.89	1.0-2.6 (2012)		unoff and leaching from fer eptic tanks and sewage; ero	tilizer use' leaching from	
Selenium (Se)	ppb	50	30	3.1	3 - 4 (2011)		ischarge from petroleum, g afineries; erosion of natural om mines and chemical ma vestock lots (feed additive)	deposits; discharge	
Gross Alpha	pCi/L	15	NA	3.4	3 - 3 (2012)		Erosion of natural deposits		
Uranium	pCi/L	20	0.5	3.0	0.2 - 6		Erosion of natural deposits		
Total Radium 228	pCi/L	5	N/A	0.03	ND-0.2 (2006)	2	osion of natural deposits		

Secondary Drinking Water Standa		,				
Parameter	Units	MCL	PHG (MCLG)	Results Average	Range	Typical Sources of Contaminants
Chloride	ppm	500	NA	59	44 -80 (2012)	Runoff/leaching from natural deposits; seawater influence
Color (Unfiltered)	Units	15	NA	ND	ND (2012)	Naturally-occurring organic materials
Corrosivity (Langlier Index)	NA	> 0	NA	-0.2	-0.6 - 0.3 (2012)	Natural or industrial-influenced balance of hydrogen, carbon and oxygen in the water; affected by temperature, other factors
Iron (Fe)	ppb	300	NA	7	ND - 100 (2012)	Leaching from natural deposits; industrial wastes
Manganese (Mn)	ppb	50	NA	4	ND - 40 (2012)	Leaching from natural deposits
Odor Threshold at 60°	TON	3	NA	4	ND - 16 (2012)	Naturally-occurring organic materials
Specific Conductance	umhos/c m	1600	NA	899	763 - 992 (2012)	Substances that form ions when in water; seawater influence
Sulfate (SO4)	ppm	500	NA	218	125 - 306 (2012)	Runoff/leaching from natural deposits; industrial wastes
TDS	ppm	1000	NA	601	490 - 700 (2012)	Runoff/leaching from natural deposits
Zinc (Zn)	ppm	5	NA	0.01	ND = 0.04 (2012)	Runoff/leaching from natural deposits
Federal Disinfection/Disinfectan	t Byproduct Ru	ıle				
Parameter	Units	MCL	PHG (MCLG)	Res Average	sults Range	Typical Sources of Contaminant
Total Trihalomethanes (TTHMs)	ppb	80	NA	3.5	1.9 - 5.1 (2012)	By-product of drinking water disinfection
Haloacetic Acids (HAA5)	ppb	60	NA	7	5 - 8 (2012)	By-product of drinking water disinfection
Detection of Unregulated Contan	ninants					
Parameter	Units	Actio	n Level	Res Average	sults Range	Typical Sources of Contaminants
Boron	ppm		1	0,1	ND - 0.5 (2012)	The babies of some pregnant women who drink water containing boron in excess of the notification level may have an increased risk of developmental effects, based on studies on laboratory animals.
Vanadium	ppm	0	0.05	0.01	0.003–0.01 (2011)	The babies of some pregnant women who drink water containing vanadium in excess of action level may have an increased risk of developmental effects, based on studies in laboratory animals
Sampling Results for Sodium ar	nd Hardness					
Parameter	Units	Action Level		Res Average	rults Range	Typical Sources of Contaminants
Sodium	ppm	NA		62	55 - 77 (2012)	Sodium refers to the salt present in the water and is generally naturally occurring
Total Hardness (as CaCO3)	ppm	NA		325	248 - 384 (2012)	Hardness is the sum of polyvalent cations present in the water, generally magnesium and calcium. The cations are usually naturally-occurring

For Lead (Pb): If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily form materials and components associated with service lines and home plumbing. NIPOMO COMMUNITY SERVICES DISTRICT is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at http://www.epa.gov/safewater/lead.

About our Corrosivity (Langlier Index): Corrosivity less than 0, indicates your water may be corrosive to the plumbing and fixtures. The Corrosivity MCL was set to protect you against unpleasant aesthetic affects such as color, taste, and odor. Violating this MCL does not pose a risk to public health.

About our Odor Threshold at 60°C): Odor was found at levels that exceed the secondary MCL. The Odor ML was set to protect you against unpleasant aesthetic effects such as color, taste, odor, and the staining of plumbing fixtures (e.g. tubs and sinks) and clothing while washing. Violating this MCL does not pose any risk to public health.

Compliance with Other Regulations: The State requires us to test our water on a regular basis to ensure its safety. In 2012, Nipomo Community Services District met all State and Federal sampling, treatment, and reporting requirements.

SAFE RELIABLE DRINKING WATER

The District understands that safe reliable drinking water is a cornerstone to community health and prosperity.

Under the direction of your elected Board of Directors, the District continues to pursue projects to protect our current water source (Santa Maria Groundwater) and define Supplemental Water sources to diversify and augment supply.

As with all coastal groundwater basins, our water basin is threatened by seawater contamination. Over-pumping groundwater lowers the water level and increases the threat of contamination by seawater. Many coastal groundwater basins across California have experienced seawater contamination and have been forced to augment supply.

The District is working diligently to avoid such a situation. In 2007, the San Luis Obispo County Board of Supervisors Certified a 'Level of Severity III' for Nipomo water resources which confirms our groundwater basin is currently being over-pumped relative to its long-term safe yield.

This rainy season is on track to be one of the driest on record. We ask all of our customers to remain diligent with our precious water resources.

The District holds public meetings the second and fourth Wednesday of each month at 9:00 a.m. at 148 South Wilson Street, Nipomo, California. See www.NCSD.ca.gov for more information.

WATER SAVING TIPS

- On average, 50% of a customer's annual water use is for irrigation – FOCUS on your landscape irrigation. Water plants only when necessary.
- Make monthly tune-ups of your irrigation system a habit, including changing the timer battery and settings as seasons change.
- Irrigate between 10 PM and 6 AM, and avoid irrigating when it is windy or raining.
- Choose shrubs and groundcovers instead of turf for hardto-water areas such as steep slopes and isolated strips.
- 5. Fix leaking toilets and faucets.
- Shut off water while brushing your teeth, washing your hair, and shaving- can save up to 500 gallons a month.
- 7. Run your clothes washer and dishwasher only when they are full-can save up to 1,000 gallons a month
- Use a broom (not a hose) to clean driveways, decks, and patios.
- Use a bucket and a hose with an automatic shut-off nozzle when washing your car, or take your car to a carwash that recycles water.
- 10. Some refrigerators, air conditioners and ice-makers are cooled with wasted flows of water. Consider upgrading with air-cooled appliances for significant water savings.
- 11. Buy high-efficiency appliances, especially clothes washer and dishwasher. THE DISTRICT IS CURRENTLY OFFERING A \$75.00 REBATE FOR PURCHASE OF HIGH EFFICIENCY CLOTHES WASHERS
- 12. See the District website (www.ncsd.ca.gov) for more information on rebates, fixing leaks and saving water!

NCSD Elected Board of Directors

Jim Harrison
Larry Vierheilig
Dan Gaddis
Bob Blair
Craig Armstrong
President
Vice President
Director
Director
Director

District General Manager Michael S. LeBrun, P.E.



Nipomo Community Services District

CONSUMER CONFIDENCE REPORT

WATER QUALITY DATA 2012

NCSD Outreach Summary May 2013

Date Started	Outreach	Description	Status	Date Completed
3/28/2013	Website Updates	Updating District's website	In Progress	
4/29/2013	Ad	AWWA Drinking Water Week 1/4 page Ad in Adobe, pub date 5/3	Complete	5/1/2013
4/30/2013	Water Quality Report	2012 Report for distribution 5/8	Complete	5/8/2013
5/2/2013	Value of Water Banner	Value of Water banner for lobby	In Progress	
5/3/2013	Press Release	Law Suit Challenges District Water Project Financing Plan	Complete	5/3/2013
5/6/2013	Ad	AWWA Drinking Water Week 1/4 page Ad in Adobe, pub date 5/10	Complete	5/8/2013
5/9/2013	Press Release	In Face of Lawsuit Board Delays Approval of Bond Sale and Schedules Special Meeting	Complete	5/9/2013
5/10/2013	Press Release	Board Sets June 12, 2013 for Adoption of 2013-2014 Budget and Directs Staff to Increase Budgeted Legal Fees	Complete	5/10/2013
5/10/2013	Press Release	Board Approves Supplemental Water Project Alternative Financing Plan	Complete	5/10/2013
4/4/2013	District Newsletter	Second quarter newsletter for May 15th distribution	Complete	5/15/2013

MINOR MADNESS

COLLEGE BOOST: Seniors receive AAUW scholarships



Four graduating South County services recently received scholarships from the AAUV Fine Clies-Porne Beach Branch. On hard for the presentation were, from left, AAUV Scholarship Committee Co-charveman Judy Locorura, Abgall Sandquat and Jaanev Crandial of Arraya Grande High School, Allosia Cruz and Courtney Cazck of Njormo-Hig School and Schlarship Committee Co-chairvenam Mashyn Crory.

Four students headed for higher education

Graduating senior girls at Nipomo and Arroyo Cravide high achools received scholarships from the American Association of University Women's Five Girlss - Pismo Beach Branch at the organization's April Struedting, Seniors Alixia Cruz and Court ney Cuzikof Nipomo High School and Abigail Sandquist and Journe

Crandall of Arroyo Grande High each received \$1,000

attend colleges and univer-sities.
The students were ser-lected for the scholarships besed on their applications, backers recommenda-tions, plans for higher edu-cation and third-views with committee members, said AdJW member Sharon Lowell.
AdJW nises money for the annual scholarships through fundaising events through fundaising events through fundaising events

Lowell said.
The next big fundraiser will be the 18th annual book sale set for 9 a.m. to 2 p.m. Saturday, May 18, in the parking lot at Kmart on West Branch Street in Arrown Crange.

West Branch Street in Ar-royo Crande. In addition to books, the sale will include a variety of sudio-visual materials, AAUW members are still accepting donations of books for the sale. Tu do-nate books, call 481-3844 or 544-7149,

Middle-schoolers race for glory at Rotary Relays

Almost 400 middle school students from five schools converged on the track at Ar-royo Grande High School for the 43rd annual Rotary Re-

the 4-stranmula kotury ke-lays.
This year, the Arroyo Grande Rotary Club perma-nently changed the name of the competition to the Kaz Reda Rotary Relays in mem-ory of a longtime clob mem-ber and youth sports sup-porter.

The control of the co

to the winners,
"The relays have always
been a gift from the club for
these kids who are pursuing and broadening their athletic abilities in track and field," DePue said.



Mesa Middle School eighth-grade teammates hand off the baton in the boys 400 relay at the 43rd annual Rotary Relays, sponsored by the Arroyo Grande Rotary Club.



Paulding Middle School eighth-grader Matthew Still jumps over a hurdle in the boys 100 hurdles.

YOUTHBRIEF

Dates set for annual Camp Melodrama

The Great American Melo-drama has scheduled its Camp Melodrama performing arts program for Monckey, July 22, through Monday, Aug. 12. Ceured baward ages 7 to 17, the carmy will beach students many aspects of the creative

many aspects of the creative process through classwork and professional guest artists. Students also will partici-pate lambansals as they per-pent to shown as their work in performances for family and the public at 1 p.m. Sunday, Aug. 11, and 7 p.m., Monday, Aug. 12.

Aug. 12. Creative drumatics, stage movement, improvisation, singing, musical interpreta-tion and dance are all part of

tionand dance are all part of the curriculum. Provious guest artists have also taught mask work, stage-craft, pagging and stage-com-but. Students can strengthen

their self-discipline and improved beit cooperation is well seem shared their content of the seem and their self-discovered their seems and their self-discovered their self-discovered their seems and their self-discovered their self-discovered

communication and confi-dence.
The camp will take place from 9 a.m. to 1 p.m., with a 30-minute bunch or snack break, Monday through Pri-day at the Great American Melodrama & Vandevilleon Historican in desembles.

Highway Lin downtown Oceano, The cost is \$450 for first-time students and \$425 for a

at registration, with the b ance due June 1. A Camp Melodarma T-shirt is in-

cluded.

For a registration form,
visit www.americannelodean. visit www.aniscanneousping com and click on "camp brochure" in the blue ribbon at top right. For more information, call. 489-2499.



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TUESDAY, MAY 14, 2013
Rad 286
420 Alisel Road, Scholing

WEDNESDAY, MAY 15, 2013
Radisson Road

ASS Skyrey Orlin, Sasta Marie

THURSDAY, MAY 16, 2013

THURSDAY, MAY 16, 2013

Compact Valley Chamber of Commerce
11 South 1 System Lampoc
11 South 1 System Lampoc



Three presentations to choose from at each location*: 8:30am * 11:30am*3:00pm

- FREE ADMISSION FOR SMALL-BUSINESS OWNERS - REVP REQUIRED - SPACE IS LIMITED - REGISTER TODAY!

[Thrike brings a trikgue perspective his her med val-vead workshope, teaching less empore have to bring hard level and of the fast invoids legitims to yield hydror product margins for all historieum lypes. Level milyon on his of the effective on IV, and a, mode derkine, sound media and involgageous. Her entitude and what are well worth the net haur meethered by out them. You work? I want to miles this.

To reserve your seat please call Sara Edwards at 805-739-2150 or email sedwards seepy of decument found



As AWWA's Drinking Water Week comes to an end, let's remember the value of water service.

Tap water delivers so many things that no other water can deliver.

Public health protection

The first obligation of Nipamo Community Services District is to provide water that is safe for consumption.

NCSD morniors for more than 50 contaminates and must meet several regulations for water safety and quality. Water supplies are tested every day.

A well-mainlained water system is critical in protecting our community from the ever-present threat of fire.

A water system that provides reliable water at a high pressure and volume can be the difference between a manageable fire and an interna.

Support for the economy
 A sale, reliable water supply is central to the economic success of our community.

Top water is critical to the day-to-day operations of existing businesses and to the viability of new commercial enterprises or residential developments.

· Quality of life

Tap water is more than a convenience, it is central to our everyday lives Any measure of a successful society – law mortality rates, economic diversity, productivity, public safety – is in some way related to access to safe water.

When you consider the critical needs addressed by water service, tap water will always be a tremendous value. To learn more, please visit www.ncsd.ca.gov or www.drinktap.org



Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Published	Date PR Published						
1/10/2013	Board Authorizes Purchase of New Service Truck	1/10/2013	1/10/2013	Times Press	1/18/2013						
1/10/2013	Board Ratifies Committee Assignments for 2013	1/10/2013	1/10/2013								
1/10/2013	Board to Consider Revision of District's Bill Payment Policy	1/10/2013	1/10/2013	SM Times	1/18/2013	Adobe	1/18/2013	Times Press	1/25/2013	Univision	1/18/2013
1/10/2013	Board Authorizes Representation for Nipomo Mesa Management Area Technical Group	1/10/2013	1/10/2013								
1/24/2013	Board Commends District's Finance Director for Twenty Years of Outstanding Service	1/24/2013	1/25/2013	Adobe	2/1/2013	SM Times	2/24/2013				
1/24/2013	Board Awards Contract for Blacklake Sewer Master Plan to Michael K. Nunley & Associates	1/24/2013	1/25/2013	Adobe	2/1/2013						
1/24/2013	Board Considers Requests for New Water Service at Jim Miller Park and New Development	1/24/2013	1/25/2013	Tribune	1/31/2013	Adobe	2/1/2013	SM Times	2/4/2013		

Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Published	Date PR Published						
2/5/2013	Committee Develops Initial Ranking of Supplemental Water Alternatives	2/5/2013	2/6/2013	Adobe	2/8/2013	SM Times	2/10/2013	KCOY On Air	2/13/2013		
2/14/2013	Board Authorizes Bidding for Supplemental Water Project Phase 1	2/15/2013	2/15/2013	SM Times	2/16/2013	Tribune	2/18/2013	Adobe	2/22/2013	Sun & New Times	2/27/2013
2/14/2013	Board Approves Financing Plan for Supplemental Water Pipeline Project	2/15/2013	2/15/2013	SM Times	2/16/2013	Tribune	2/18/2013	Adobe	2/22/2013	Sun & New Times	2/27/2013
2/14/2013	Committee Presents Preliminary Findings on Supplemental Water Alternatives	2/15/2013	2/15/2013	SM Times	2/16/2013	Tribune	2/18/2013	Adobe	2/22/2013		
2/14/2013	Board Approves an Increase to District Trash Rates	2/15/2013	2/15/2013	Adobe	2/22/2013						
2/14/2013	Board Awards Contract for Auditing Services to The Crosby Company	2/15/2013	2/15/2013								
2/14/2013	Board Considers Revising Policy on New Water Service Applications	2/15/2013	2/15/2013	Tribune	2/18/2013	Adobe	2/22/2013	SM Times	2/25/2013		
2/25/2013	District Suspects Illegal Dumping In Sewer System	2/26/2013	2/26/2013	ксоу	2/26/2013	SM Times	2/27/2013	Tribune	2/28/2013	Adobe	3/1/2013

Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Published	Date PR Published						
2/28/2013	Committee Presents Draft-Final Report on Supplemental Water Alternatives	2/28/2013	2/28/2013	Tribune	2/28/2013						
2/28/2013	District Utilities Superintendent Provides Summary of 2012 Operational Highlights	2/28/2013	2/28/2013								
2/28/2013	Board Initiates Process to Allow Applications for New Water Service	2/28/2013	2/28/2013	Adobe	3/8/2013	SM Times	3/10/2013				
2/28/2013	Board Initiates Process to Allow Relief to Customers with High Water Bills Caused by Leaks	2/28/2013	2/28/2013								
2/28/2013	District Awards Contract for Well Repairs to Sansone Company, Inc.	2/28/2013	2/28/2013								
3/14/2013	Board Allows Applications for New Water Service	Sent by MSL 3/13/13	3/18/2013	Tribune	3/13/2013	Sun	3/27/2013	New Times	3/27/2013		
3/14/2013	District Awards Grant Funds for Solid Waste Removal to Nipomo Chamber of Commerce	Sent by MSL 3/13/13	3/18/2013								

Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Published	Date PR Published						
3/14/2013	Customers with High	Sent by MSL 3/13/13	3/18/2013								
3/28/2013	Board Recommends Forming Solid Waste Committee	3/28/2013	3/29/2013								
3/28/2013	Board Presents Resolution of Appreciation to Supplemental Water Alternatives Evaluation Committee	3/28/2013	3/29/2013								
4/4/2013	Nipomo Community Services District Hires Assistant Engineer	4/5/2013	4/5/2013								
4/25/2013	Board Accepts Completion of SCADA System Upgrade	4/25/2013	4/26/2013								
4/25/2013	Board Approves Funding Plan for Phase I of Supplemental Water Project	4/25/2013	4/26/2013	Tribune	4/29/2013	Adobe	5/3/2013				
4/25/2013	Board Approves Wholesale Water Supply Agreement with Santa Maria	4/25/2013	4/26/2013	SM Times	4/28/2013						

Date of PR	Title	Date Sent to Media	Date Placed On Website	Media Published	Date PR Published	Media Published	Date PR Published	Media Published	Date PR Published	Media Published	Date PR Published
5/3/2013	Law Suit Challenges District Water Project Financing Plan	5/3/2013	5/7/2013	SM Times	5/4/2013	Tribune	5/5/2013	Sun	5/9/2013	Adobe	5/10/2013
5/9/2013	In Face of Lawsuit Board Delays Approval of Bond Sale and Schedules Special Meeting	5/9/2013	5/9/2013	KCOY On Air	5/10/2013						
5/10/2013	Board Sets June 12, 2013 for Adoption of 2013-2014 Budget and Directs Staff to Increase Budgeted Legal Fees	5/10/2013	5/10/2013								
5/10/2013	Board Approves Supplemental Water Project Alternative Financing Plan	5/10/2013	5/10/2013	SM Times & Central Coast News	5/11/2013	Tribune	5/10/2013	KSBY	5/11/2013	Sun & New Times	5/15/2013



FOR IMMEDIATE RELEASE

Date: May 3, 2013

Contact: Michael S. LeBrun, General Manager

Nipomo Community Services District 148 S. Wilson St., Nipomo, CA 93444

Phone: (805) 929-1133 - Email: mlebrun@ncsd.ca.gov

Law Suit Challenges District Water Project Financing Plan

On May 3, 2013, the Mesa Community Alliance served a lawsuit on the Nipomo Community Services District challenging the District's financing plan for building a \$17.5 million water line project. MCA's lawsuit challenges the District's use of water reserve funds to pay a portion of the District's most important water supply project of the past 30 years. The District's project is designed to provide a needed supplement to the area's groundwater-only supply, and address environmental issues associated with continued excessive groundwater extraction across the Nipomo Mesa. The project is intended to both extend the life of existing wells and provide additional water supply decreasing the need for new and replacement groundwater wells and increasing long-term supply dependability.

Further, the District's project specifically is ordered by the Final Judgment in the Santa Maria Groundwater Basin adjudication.

District counsel states the Board is well within authority to use District water reserves to provide a portion of project funding. Should the project not move ahead in a timely fashion, \$2.2 million in State grant funds could be lost and the timeline for completing the proposed project will become highly uncertain. In light of the lawsuit, the expense of carrying out the Court Ordered supplemental water project is likely to increase.

Next Scheduled Board Meeting: Wednesday, May 08, 2013, 9AM, District Board Room 148 South Wilson, Nipomo

For more information, please contact the Nipomo Community Services District at 929-1133 or visit www.ncsd.ca.gov.

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FOR IMMEDIATE RELEASE

Date: May 9, 2013

Contact: Michael S. LeBrun, General Manager

Nipomo Community Services District 148 S. Wilson St., Nipomo, CA 93444

Phone: (805) 929-1133 - Email: mlebrun@ncsd.ca.gov

In Face of Lawsuit Board Delays Approval of Bond Sale and Schedules Special Meeting

At the May 8, 2013 Regular Meeting of Nipomo Community Services District Board of Directors, the Board announced it would delay consideration of authorizing a bond sale to raise funds for the District's \$17.5M supplemental water project to a future meeting.

The Board will conduct a Special Meeting on May 10, 2013 at 9AM in the District Board Room at 148 South Wilson, Nipomo. At the Special Meeting, the Board will consider approving an Alternative Financing Plan for Supplemental Water Project Phase 1.

The delay and need to consider additional funding alternatives for the project are the direct result of a lawsuit filed by a small group of citizens calling themselves the Mesa Community Alliance.

While the District is confident that the group's lawsuit has no merit, filing the suit is preventing the District from selling bonds to finance a portion of the project since investors who would buy the bonds would likely shy away or drive bond pricing significantly higher resulting in additional cost to the District and its customers.

While the MCA does not divulge membership or funding sources, they purport to be acting in the best interest of the community. A single member of the group and the group's legal counsel, along with one resident of the Mesa who is not a District customer, have been the only persons to address the Board of Directors in opposition to the project in the past months. District General Manager Michael LeBrun stated; "Staff have received no phone calls, emails or other contacts from District customers voicing objection or concern for the District's proposed project for numerous months now. We have received testimony, calls, and had contact from customers expressing support for the project and concern over the motivation of project opponents."

Continued project delay threatens to push the supplemental water pipeline construction project to next year, pushing off the delivery of water to supplement the area's overburdened groundwater-only supply by at least another year. Further, the Project would need to be re-bid and the favorable building and borrowing climates currently enjoyed may be lost, each adding significant costs to the Project.

A Citizen's committee recently concluded that an intertie pipeline between Nipomo CSD and the City of Santa Maria is the best alternative for meeting the court ordered requirement that the four largest urban water providers on the Mesa, led by the District, import water to offset over pumping of the area groundwater.

Urban water providers north and south of the Mesa, who use the same groundwater resources and have all participated in at least one 'developed water project' to supplement groundwater, continue to voice concern that Mesa purveyors have yet to supplement their supply in accordance with the Court Order issued back in 2008.

Other Supplemental Water Project Phase 1 related news:

On May 7, the District received approval of a License Agreement from Santa Barbara County Board of Supervisors that allows District access across the Santa Maria River Flood Control levee to facilitate pipeline construction under the levee and river.

Also on May 7, the District received approval of a Wholesale Agreement from the City of Santa Maria City Council that governs the sale of water from the City to the District.

Next Scheduled Regular Board Meeting: Wednesday, May 22, 2013, 9AM, District Board Room 148 South Wilson, Nipomo

For more information, please contact the Nipomo Community Services District at 929-1133 or visit www.ncsd.ca.gov.

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FOR IMMEDIATE RELEASE

Date: May 10, 2013

Contact: Michael S. LeBrun, General Manager

Nipomo Community Services District 148 S. Wilson St., Nipomo, CA 93444

Phone: (805) 929-1133 - Email: mlebrun@ncsd.ca.gov

BOARD SETS JUNE 12, 2013 FOR ADOPTION OF 2013-2014 BUDGET AND DIRECTS STAFF TO INCREASE BUDGETED LEGAL FEES

On May 8, 2013 Nipomo Community Services District conducted a budget development workshop concurrent with its Regular Meeting. The workshop commenced at 1pm.

The Districts draft 2013-2014 Budget, as considered at the workshop, projects \$7.85 million in total revenue and \$7.76 million in total expenditures. The draft budget is posted on the District's website within the May 8 meeting Agenda materials.

At the workshop, the Board reversed previous direction to staff and directed staff to amend the draft budget to include income from the Litigation Charge which has been applied to customer water bills since 2000. The Litigation Charge offsets a portion of costs the District incurs related to the Santa Maria Groundwater Basin lawsuit. Staff reported the charge (\$6.32 bi-monthly for a 1" water meter) generates approximately \$170,000 annually.

The Board had previously intended to consider removing the charge since the CA Supreme Court recently denied a petition to hear the case, effectively bringing the 15-year litigation to an end and a supplemental water project — ordered by the Final Judgment in the case — would soon be under construction. However, Directors voiced concern regarding recent groundwater case filings by three members of the Northern Cities Management Area (City of Arroyo Grande, City of Grover Beach, Oceano CSD) which claim the District's Supplemental Water Project Phase 1 pipeline is inadequate. Directors also stated concern for getting the pipeline under construction in the face of litigation filed by a local citizen's group.

The Board set June 12, 2013 as the date for an adoption hearing on the budget and directed staff to include revenue from the Litigation Charge and increase budgeted legal fees in an equal amount (\$170,000).

Next Scheduled Regular Board Meeting: Wednesday, May 22, 2013, 9AM, District Board Room 148 South Wilson, Nipomo

For more information, please contact the Nipomo Community Services District at 929-1133 or visit <u>www.ncsd.ca.gov</u>.



FOR IMMEDIATE RELEASE

Date: May 10, 2013

Contact: Michael S. LeBrun, General Manager

Nipomo Community Services District 148 S. Wilson St., Nipomo, CA 93444

Phone: (805) 929-1133 - Email: mlebrun@ncsd.ca.gov

BOARD APPROVES SUPPLEMENTAL WATER PROJECT ALTERNATIVE FINANCING PLAN

On May 10, 2013, Nipomo Community Services District held a Special Meeting and considered an alternative plan for financing the \$17.5M pipeline project that would connect the District's water system with the City of Santa Maria and deliver supplemental water to the Nipomo Mesa.

The approved alternative financing plan will rely on an additional \$4M in borrowing to replace reserve funds which were designated for use in the prior financing plan.

The use of reserve funds for the project has been challenged in a lawsuit filed by a local group of citizens. While the District remains confident that using reserve funds to build the project is allowable and appropriate, addressing the lawsuit in the courts will take weeks or months – time the District does not have if the long awaited project is to be built this year.

By addressing the lawsuit's main alleged issue, the District hopes the litigants will drop the case or the Court will strike the group's request to stop the entire project so financing can be secured and contracts awarded.

If the District is unable to award construction contracts by June 26, the project will need to be delayed until next year. A year delay would incur ~\$100,000 additional engineering cost to rebid the project and legal fees to address the lawsuit. Depending on what the labor and lending markets look like next year, substantially more cost may be added.

Board President Jim Harrison remarked; "We need to get this project done so we can supplement our groundwater-only supply. Groundwater is recharged by rain, and in case no one has noticed, this is the worst rain year on record for our area. We need supplemental water!"

Next Scheduled Regular Board Meeting: Wednesday, May 22, 2013, 9AM, District Board Room 148 South Wilson, Nipomo

For more information, please contact the Nipomo Community Services District at 929-1133 or visit <u>www.ncsd.ca.gov</u>.



Pipeline opponents sue NCSD

Group claims funding plan violates state law

MAY 04, 2013 12:40 AM • BY MIKE HODGSON/ASSOCIATE EDITOR/MHODGSON@SANTAMARIATIMES.COM

An organization of Nipomo Mesa residents opposed to a pipeline to deliver supplemental water from the city of Santa Maria has filed suit against Nipomo Community Services District.

Mesa Community Alliance attorney Babak Naficy filed the lawsuit Friday, and NCSD was served with the suit late that afternoon, said Michael LeBrun, district general manager.

The lawsuit asks the court to set aside an NCSD's approval of the project and the resolution that authorized using \$4 million from the "funded replacement" water fund as part of a plan to cover the \$17.5 million cost of the pipeline.

In the complaint, the Mesa Community Alliance claims NCSD directors' decision to use money from that fund violates a state code that bars community services districts from using money from a designated reserve fund for anything other than for the purpose it was created.

The suit accuses NCSD directors of overstepping their authority in authorizing the use of those funds, failing to give the public adequate notice of its plan and failing to provide a link between the use of the replacement fund and the water project.

Naficy and members of the Nipomo Community Alliance could not be reached by press time Friday.

But LeBrun said the lawsuit could end up jeopardizing other funding for the project, delay construction indefinitely and increase the project's cost when it does move forward.

"It's already cost the district's customers money," LeBrun said of the lawsuit.

He said members of the Mesa Community Alliance and Naficy have been threatening to sue the district over the financing plan for weeks.

That plan includes issuing \$5 million in certificates of participation — essentially bonds — and using a \$2.2 million grant from the California Department of Water Resources.

"We went from a competitive sale bond issue to a negotiated sale bond issue to insulate (that funding) from a lawsuit," LeBrun said.

"That will cost the district's customers \$100,000 over the life of the bonds," he said. "Now we expect the costs to increase again."

LeBrun said if the project doesn't stay on track, the district is in danger of losing the \$2.2 million Proposition 84 grant.

"We're down to the wire here," LeBrun said. "This threatens the entire project. It's very hard for me to understand at this point."

The "funded replacement" water fund holds money in reserve to replace infrastructure for water service. A similar fund exists for the Town Division sewer system.

"It's a discretionary fund," LeBrun said. "Districts are not required by law to have one, but this district does."

He said the resolution to use \$4 million of the \$5 million fund makes the finding that as a discretionary fund, the money can be used at the board's discretion.

"We can reassign where the funds are spent, we can borrow from them, at the board's discretion," LeBrun said.

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Officers killed in line of duty are honored at SLO memorial service

Nipomo Mesa residents sue over proposed water pipeline

Published: May 5, 2013

Mesa Community Alliance's lawsuit against Nipomo Community Services District seeks to block a water link from Santa Maria

By Cynthia Lambert — clambert@thetribunenews.com

A group of residents has filed a lawsuit challenging the Nipomo Community Services District's plan to use some district money to pay for construction of a pipeline to bring water to the community from Santa Maria.

The Mesa Community Alliance, comprised of residents who live within the Nipomo district and surrounding areas, filed the civil lawsuit Friday in San Luis Obispo Superior Court against the services district and its board of directors.

At issue is \$4 million the district plans to use from a reserve fund created to repair and replace "existing capital assets."

District officials say use of the money is appropriate because the pipeline will reduce the district's need to repair and refurbish its wells, and will prolong their use. The first phase of the project is estimated to cost \$17.5 million.

But the Mesa Community Alliance argues the district does not have the discretion to use the money because the fund is specifically intended for "replacement of capital assets," according to the lawsuit filed by San Luis Obispo-based attorney Babak Naficy.

Mesa Community Alliance is asking the court to stop the Nipomo services district from taking any further action on the project, including awarding a construction contract, and to void previous district board actions approving the first phase of the project and authorizing the use of \$4 million.

The group is also asking for an award of costs and attorney's fees. A case management conference has been set for June 20 in front of Judge Martin J. Tangeman.

Nipomo district General Manager Michael LeBrun said discussions will be held next week to determine how the lawsuit could affect the project.

Added district counsel Michael Seitz: "Nothing in what's occurred to date will affect the board's ability to move forward. The district feels like it has acted appropriately and will succeed in any court case that's happened thus far."

District officials said the pipeline is necessary for the Mesa to reduce its dependency on an underground aquifer, which is the area's only source of water.

Last May, Nipomo-area property owners rejected a plan to fund construction of a \$26 million pipeline by raising property taxes through an assessment district.

The board's approval of the phased pipeline project, the Mesa Community Alliance lawsuit states, must be rejected "as it amounts to an end-run around the vote and will of the people."

Copy of document found at www.NoNewWipTax.com

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5/16/13 Printable Version

Nipomo CSD sued over water pipeline funding

By Mike Hodgson/Associate Editor

A group of Nipomo Mesa residents opposed to a pipeline to deliver supplemental water from the city of Santa Maria has filed suit against Nipomo Community Services District.

Mesa Community Alliance attorney Babak Naficy filed the lawsuit Friday, May 3, and NCSD was served with the suit late that afternoon, said Michael LeBrun, district general manager.

The lawsuit asks the court to set aside NCSD's approval of the project and the board's resolution authorizing the use of \$4 million from the "funded replacement" water fund to cover part of the \$17.5 million cost.

In the complaint, Mesa Community Alliance claims NCSD

directors' decision to use money from that fund violates state code.

The suit says the code bars community services districts from using money from a designated reserve fund for anything other than the purpose for which it was created.

"Their financing scheme for this Phase 1 project relies on essentially getting money from all the funds they've collected, including taking \$4 million from reserve funds for maintaining and replacing the water system, and the government code says you can't do that," said Bill Petrick, secretary for Mesa Community Alliance.

"It looks like what's going to happen is they're going to approve contracts and issue bonds using money they shouldn't have access to," he said.

"Once you issue contracts and start construction, it's very difficult to turn that boat around."

Petrick said Naficy has told the district he believes the financing plan violates state code, but the NCSD legal counsel disagrees.

"So it's purely a legal question for a judge," Petrick said.

A Mesa Community Alliance statement says NCSD is building the pipeline "without approval of the NCSD ratepayers who will ultimately be responsible for keeping the district solvent."

But LeBrun said the lawsuit could end up jeopardizing other funding for the project and will increase the project's eventual cost.

"It's already cost the district's customers money," LeBrun said of the lawsuit.

He said Mesa Community Alliance and Naficy have threatened to sue the district over the financing plan that includes issuing \$5 million in certificates of participation — essentially bonds.

"We went from a competitive sale bond issue to a negotiated sale bond issue to insulate (that funding) from a lawsuit," LeBrun said.

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"That will cost the district's customers \$100,000 over the life of the bonds," he said. "Now we expect the costs to increase again."

The financing plan also relies on a \$2.2 million California Department of Water Resources grant that hinges on the project moving forward now.

LeBrun said if the project doesn't stay on track, the district could lose the grant.

"We're down to the wire here," LeBrun said. "This threatens the entire project."

The "funded replacement" water fund holds money in reserve to replace water service infrastructure, LeBrun said.

"It's a discretionary fund," he said. "Districts are not required by law to have one, but this district does."

He said the resolution to use \$4 million of the \$5 million fund makes the finding that the money can be used at the board's discretion.

"We can reassign where the funds are spent (or) we can borrow from them at the board's discretion," LeBrun said.

Petrick said the district's phased project and financing plan represent "an end run" around Proposition 218, which requires affected citizens to vote on any new or higher taxes or fees.

The previously proposed pipeline to deliver 3,000 acre-feet annually was derailed last year when NCSD property owners rejected an assessment district to pay for the project.

Mesa Community Alliance says the phased approach is an attempt to resurrect a project that residents and property owners opposed when they voted against the assessment.

"Technically, yes, it was a vote against a tax assessment," Petrick said. "But I think in a lot of people's minds, it was, 'Why tax my property again for something I don't agree to?""

LeBrun planned to meet with a team of attorneys Monday, May 6, to explore the district's options.

He also expected NCSD directors to reorder the Wednesday, May 8, meeting agenda to immediately go into a closed session to discuss the lawsuit before considering the certificates of participation in open session.

Results of that meeting were not available at press time Wednesday.

Posted Friday May 10, 2013

Santa Maria Sun / News

The following articles were printed from Santa Maria Sun [santamariasun.com] - Volume 14, Issue 9 Share:

Lawsuit questions Nipomo water project funding

BY CAMILLIA LANHAM

The Mesa Community Alliance has loudly voiced its opposition to the Nipomo Community Services District water pipeline project. After last year's vote defeated a \$26 million version of the proposed project, which would have essentially created a tax district to finance construction, the alliance went into hibernation. But now they're back and armed with a lawsuit.

"When they resurrected a new way of financing it, which we think is illegal, we sort of dusted off our papers," said Bill Petrick, secretary of the Mesa Community Alliance. "And [we're] trying to make ourselves heard again."

Petrick said the issue at hand is simple: One of the project's proposed funding sources is a district water reserve fund that exists for repair and replacement of capital assets—or water wells and the infrastructure that goes with them. The district wants to use \$4 million from the fund to pay for part of the recently approved \$17.5 million water line project to bring 650- to 900-acre feet a year of water to Nipomo from Santa Maria. Petrick said the alliance filed a lawsuit because the group believes that using that money to partially finance a new project is an illegal use of the reserve fund.

District legal counsel Mike Seitz said the district believes it's well within its rights to use money from the reserve fund to finance a project like the pipeline. There are two theories surrounding that belief.

"It reduces the cost of well maintenance and reduces the need for future wells," Seitz said. "We believe it's within the scope of those funds."

Seitz said installing the pipeline would decrease wear and tear on existing water wells, causing the reserve funds to serve their purpose in a roundabout way.

The second theory is that a four-fifths vote from the district board is needed to change the purpose of the reserve funds. Because the board approved revised financing for the water project 4-1 in April, Seitz said the district did in fact vote to change the funds' purpose.

"We're comfortable legally," Seitz said. "I believe there's a good shot that the project will move forward unaffected."

A water pipeline would bring a much-needed additional source of water to Nipomo, an area that's been locked in a water war since the state handed out its final judgment for water rights in the Santa Maria Groundwater Basin in the mid-'90s. The state mandated the district to buy 2,500 acre-feet of water a year from the city of Santa Maria.

Until the district figures out where to get more water, development and applications for new water rights are stalled in Nipomo because the community is at its water maximum.

Seitz said the district doesn't believe the lawsuit has any merit, but just in case, the board is probably going to meet in a closed session meeting on May 3 to discuss some potential alternatives to reserve fund money. The district's next regularly scheduled board meeting is May 22 at 9 a.m. in the boardroom at 148 S. Wilson St. in Nipomo.

Share:



Services Monday for Jon Seitz

MAY 10, 2013 12:30 AM · MIKE HODGSON/MHODGSON@SANTAMARIATIMES.COM

A funeral service for Jon Steven Seitz, who served as legal counsel for numerous Central Coast special districts, is set for 11 a.m. Monday at Reis Family Mortuary in San Luis Obispo.

The Grover Beach resident died in his sleep, surrounded by his family, Saturday in Palo Alto from complications arising from his year-long battle with leukemia. He was 66.

A specialist in government law, Seitz was instrumental in the formation of and served as legal counsel for several special districts throughout San Luis Obispo and northern Santa Barbara counties.

He was legal counsel for Nipomo Community Services District for about 20 years, and NCSD General Manager Michael LeBrun credited Seitz with helping make the district well-run and stable.

"It's been very hard for us all around here the last few days," LeBrun said Thursday. "Jon was a great guy and a good friend."

Seitz also taught other lawyers and government officials about implementing the Brown Act, the state's open meeting law.

A native of Santa Clara, Seitz graduated from San Luis Obispo High School in 1965 and was in the first class to attend Cuesta College.

He then attended California State University, Chico, before volunteering for the U.S. Army.

He served several tours of duty in Vietnam as a combat tracker, participated in incursions into Cambodia and Laos and was awarded the Bronze Star.

After his discharge, Seitz returned to complete his studies at Chico, where he met and married Rosanne Turkovich.

The couple taught school in Rio Linda, and Seitz earned his law degree from the University of the Pacific, McGeorge School of Law, by attending night classes while teaching part-time during the day.

In 1986, he returned to San Luis Obispo County with his family and joined the Shipsey and Seitz law firm founded by his father, John L. Seitz, and Gerald W. Shipsey.

He was known for his love of music, camping, hiking and surfing and taught his sons, nieces and nephews to surf.

LeBrun said Seitz was diagnosed with leukemia about a year ago and received a transplant of

bone marrow from his brother, Mike.

His bone marrow began producing red and white blood cells as it should, LeBrun said, but his immune system never recovered from the pretransplant treatments.

His survivors include his wife, artist Rosanne Seitz; his son, Ben, daughter-in-law, Fran, and grandson, Henry Seitz; daughters Roslyn Seitz and Natalie Seitz; his mother, Jean B. Seitz; and brothers Ronald Seitz of Ventura and Michael Seitz of San Luis Obispo.

Following the funeral, a reception will take place at 12:30 p.m. at the Madonna Inn, San Luis Obispo.

In lieu of flowers, memorials may be sent to Friends of Carrizo Plain, HCR69 Box 3078, Santa Margarita, CA 93453 or the San Luis Obispo Lions Club, Eye Exam Program, P.O. Box 3052, San Luis Obispo, CA 93403.

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Officers killed in line of duty are honored at SLO memorial service

Nipomo CSD may borrow more money to build water pipeline

Published: May 9, 2013

By Cynthia Lambert — clambert@thetribunenews.com

The Nipomo Community Services District may borrow additional money to finance construction of a pipeline to bring water to the community from Santa Maria.

The district board will consider an alternative financing plan for its \$17.5 million pipeline project at a special meeting Friday. If approved, the district would avoid using money from a specific reserve fund, which has become the focal point of a lawsuit filed by a group of local residents opposed to the pipeline project.

On Wednesday, the district board postponed an action to authorize a bond sale to obtain funding for the project, citing the lawsuit filed last week by the Mesa Community Alliance as the reason for the delay.

In a news release, district officials said the lawsuit prevents the district from selling bonds to finance a portion of the project because investors might be dissuaded or could "drive bond pricing significantly higher resulting in additional cost to the district and its customers."

Meanwhile, Mesa Community Alliance members say the Nipomo district is trying to "resurrect the same project under the guise of a 'phased' approach" without approval from ratepayers "who will ultimately be responsible for keeping the district solvent."

The first phase of the \$17.5 million project would connect a pipeline to Santa Maria's water system, install it across the Santa Maria River and connect to the community's water system. Two other phases are planned to increase the pipeline's capacity.

The Mesa Community Alliance, a self-described group of "unpaid community volunteers from downtown Nipomo, Blacklake, Trilogy, and Cypress Ridge," is challenging the use of \$4 million from a specific reserve fund.

In its civil lawsuit, the group argued the district does not have the discretion to use the money because the reserve fund is specifically intended for "replacement of capital assets."

District officials say use of the money is appropriate because the pipeline will reduce the district's need to repair and refurbish its wells, and will prolong their use. They say the Santa Maria water is necessary for the Mesa to reduce its dependency on an underground aguifer, the area's only source of water.

Friday's special meeting starts at 9 a.m.; for more information go to http://nipomocsd.com.

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Cambria senior living project can move ahead, with added conditions



Nipomo Community Services District Holds Meeting in Response to Lawsuit

Posted: May 10, 2013 4:31 PM PDT Updated: May 10, 2013 4:31 PM PDT

By Christian Hartnett - email

NIPOMO, Calif. - The water war continues. The Nipomo Community Services District held a special meeting this morning to discuss financing a water pipeline project in the midst of a lawsuit.

Water has become a heated topic in Nipomo. Last year, homeowners rejected a tax measure that would help pay for a water pipeline connecting Nipomo to Santa Maria. So instead, the Nipomo Community Services District is moving forward with a scaled-down version which will be built in phases.

A community member-driven group filed a lawsuit against the district. That lawsuit is threatening to make plans of construction starting this year go down the drain.

The lawsuit filed by the Mesa Community Alliance prevents the district from using \$4 million of reserve funds for Phase 1 of the pipeline, which is expected to cost over \$17 million.

The district met earlier today to discuss an alternative financing plan, and agreed to not use the \$4 million dollar reserve money. But they will have to increase borrowing. But district general manager Michael LeBrun says more borrowing is a tall order with the looming lawsuit.

"The lawsuit is still impacting our ability to borrow money and has investors worried," says LeBrun.

I spoke with a member of the Mesa Community Alliance over the phone, and he defended the lawsuit against the district, saying it isn't the best option for the community.

Both will be in court next week to find out when court proceedings begin. For now, LeBrun says an extended legal battle could force the district to shut down the project until next year.

"We'll find out in the next two weeks as to how much of a bump in the road this has caused," says LeBrun.

And the Nipomo Community Services District says best case scenario construction will begin on Phase 1 next month.

worldnow

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Officers killed in line of duty are honored at SLO memorial service

Nipomo CSD votes to borrow \$4 million more for water pipeline

Published: May 10, 2013

By Cynthia Lambert — clambert@thetribunenews.com

The Nipomo Community Services District plans to borrow an additional \$4 million to move ahead plans to construct a pipeline to bring water to the community from Santa Maria.

The district board voted unanimously to approve an alternative financing plan for its \$17.5 million pipeline project at a special meeting Friday. Board member Bob Blair was absent.

The new plan will allow the district to avoid drawing \$4 million from a specific reserve fund — the use of which has been challenged by a group of local residents who filed a lawsuit against the district a week ago.

The first phase of the \$17.5 million project would connect a pipeline to Santa Maria's water system, install it across the Santa Maria River and connect to the community's water system. Two other phases are planned to increase the pipeline's capacity.

The district had planned to use \$4 million from a reserve fund created to repair and replace "existing capital assets."

But the Mesa Community Alliance, a self-described group of "unpaid community volunteers from downtown Nipomo, Blacklake, Trilogy, and Cypress Ridge," filed a civil lawsuit challenging the use of the money.

The group argued the district does not have the discretion to use the money because the reserve fund is specifically intended for "replacement of capital assets."

District officials countered that use of the money is appropriate because the pipeline will reduce the district's need to repair and refurbish its wells, and will prolong their use.

In a news release, district officials said the project would need to be delayed if construction contracts aren't awarded by June 26. The district has a permit from the California Department of Fish and Wildlife to drill under the Santa Maria River, but the work must be done by Oct. 31.

"If we can't get in and out of the river within the constraints of our Fish and Wildlife permit then we'd have to delay until next year," LeBrun said.

If the project is delayed, the district may also lose \$2.2 million in state grant funds.

"We need to get this project done so we can supplement our groundwater-only supply," board President Jim Harrison said in a news release.

Meanwhile, Mesa Community Alliance members say the Nipomo district is trying to "resurrect the same project under the guise of a 'phased' approach" without approval from ratepayers "who will ultimately be responsible for keeping the district solvent."

Last May, Nipomo-area property owners rejected a plan to fund construction of a \$26 million pipeline by raising property taxes through an assessment district.

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NIPOMO

Nipomo votes to borrow \$4M to build water pipeline

CALIFORNIA REPUBLIC

SAN LUIS OBISPO, Calif. (AP) - Nipomo community leaders plan to borrow \$4 million more dollars to move forward with the construction of a water pipeline for area residents, after a lawsuit was filed contesting drawing the money from a reserve fund.

The Tribune of San Luis Obispo reports (http://bit.ly/18BESEH) district leaders who were present at a special meeting Friday voted unanimously to approve the financing plan for the \$17.5 million project.

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The Mesa Community Alliance, a group of local residents, filed a lawsuit a week ago to stop Nipomo leaders from drawing from the fund reserved for repair and replacement of existing assets.

District officials had argued the project would reduce costs of repairing and refurbishing wells

Project operators face an Oct. 31 deadline to finish drilling under the Santa Maria River. (Copyright 2013 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.)

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NCSD OKs alternative financing for pipeline

Opponents say decision won't affect lawsuit

MAY 11, 2013 12:55 AM • MIKE HODGSON/MHODGSON@SANTAMARIATIMES.COM

An alternative financing plan for a supplemental water pipeline from Santa Maria was approved Friday by Nipomo Community Services District directors.

The board voted 4-0, with Director Bob Blair absent, to OK the alternative plan as a fallback measure if a lawsuit over the initial financing plan goes forward.

The Mesa Community Alliance lawsuit filed last week charges the district's plan to use \$4 million from the "funded replacement" water fund violates the government code and asks the court to halt the project.

Under the alternative plan, the district would not use "funded replacement" money but instead would increase the amount it's borrowing from \$5 million to \$9 million.

District officials are concerned that if the project stalls, it could jeopardize a \$2.2 million California Department of Water Resources grant that hinges on the pipeline moving forward.

NCSD General Manager Michael LeBrun said the district will seek an accelerated hearing schedule Monday and will ask the judge to set aside the pleadings that seek to halt the project.

"If those pleadings are not set aside, we will move forward with borrowing \$4 million more, keeping that \$4 million in the fund earning a flaming one-quarter-percent interest while we borrow \$9 million at

4 percent interest," LeBrun said.

He said that could end up costing the district \$350,000 more over the 30-year life of the certificates of participation, which are essentially bonds.

Babak Naficy, attorney for Mesa Community Alliance, didn't know about the board's decision until contacted by a reporter Friday afternoon.

But he said the approval of the alternative plan probably won't affect the lawsuit.

"They're not saying they're not going to use the money from the capital replacement fund," Naficy said. "It seems what they've done here is say, 'This is an alternative."

Naficy also said he had just filed a request for a temporary restraining order seeking to bar NCSD from spending any of the money.

"The idea is we want to stop them from entering into contracts or selling bonds before the outcome of the case is decided," he said.

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Mesa Community Alliance wants to avoid a situation like that involving the sewage treatment plant in Los Osos, where the financing fell through and that district owed on contracts it had already signed.

"I think that clearly they want this project and, clearly, they're taking the threat of this litigation seriously," Naficy said.

"Despite what they're saying about 'we will prevail,' we think they're taking seriously the possibility they might lose, and we think that's a great possibility."

But LeBrun has said the issue for the district is the loss of the \$2.2 million state grant.

He said just the earlier threats of a lawsuit forced NCSD to reformat the sale of the certificates of participation, increasing the cost by \$100,000.

Borrowing another

\$4 million rather than using funds in hand will likely increase the cost to \$350,000.

But he said the bond cost could decrease if the court allows the district to use the "funded replacement" money.

"Once we defend our right and authority to use the reserves in this manner, we will pay off (the \$4 million) bonds early," LeBrun said.

However, another pressing issue for the district is getting additional water flowing to Nipomo as soon as possible.

"We are 100 percent dependent on groundwater here, and groundwater is 100 percent dependent on rainfall," LeBrun said. "This year, we're at an all-time low — if not the all-time low, at least one of the three worst rainfall years ever."

LeBrun said if the judge sets aside the pleadings to halt the project or if Mesa Community Alliance drops its lawsuit, the district could award a contract for the pipeline as early as June 26

If neither of those happens, the project could be pushed back at least a year, he said, and that means the \$2.2 million grant would almost certainly be lost.





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Nipomo board votes to borrow \$4 million for pipeline

May 11, 2013

Nipomo Community Services District Board members voted unanimously for a plan to borrow an additional \$4 million for the construction of a water pipeline from Santa Maria, shortly after a lawsuit was filed contesting drawing the money from a reserve fund. [Tribune]

On Friday, a week after the Mesa Community Alliance filed a lawsuit to stop the board from drawing from the fund reserved for repair and replacement of existing assets, district leaders voted to approve the financing plan for the \$17.5 million project.

Last May, Nipomo-area property owners voted against a plan to fund the construction of a \$26 million pipeline by raising property taxes through an assessment district.

Opponents of drawing money from the reserve for the pipeline claim Nipomo officials are trying to resurrect the same project without approval from ratepayers.

Santa Maria Sun / News

The following articles were printed from Santa Maria Sun [santamariasun.com] - Volume 14, Issue 10 Share:

Lawsuit forces Nipomo district's financial hand

BY CAMILLIA LANHAM

Perhaps everything was legit as far as the April-approved Nipomo water pipeline financing proposal was concerned, but when faced with a lawsuit, the Nipomo Community Services District decided to go the safe route and find an alternative to finance \$4 million of the \$17.5-million project.

The financing in question is a portion of the proposal that allocates \$4 million from the district's water reserve funds—money specifically designated for maintenance and repair of existing infrastructure—to pay for the project. The Mesa Community Alliance filed a lawsuit against the district because the group believes taking money from the reserve fund to pay for new infrastructure is illegal.

The alternative financing plan approved by the district's board on May 10 has the district borrowing an additional \$4 million to replace those reserve funds.

District General Manager Michael LeBrun said the district believes the initial proposal is legal, but decided to go the alternative route to move the project along. LeBrun said the lawsuit has the potential to hold up the project, which is already up against hard deadlines. By removing the crux of the lawsuit, the district is hoping the suit's request to stall the project will be denied.

The water pipeline would bring a much-needed additional source of water to Nipomo, an area that's been locked in a water war since the court handed out its final judgment for water rights in the Santa Maria Groundwater Basin in the mid-'90s. The court mandated that the district buy 2,500 acre-feet of water a year from the city of Santa Maria.

The recently approved project would bring Nipomo 650 to 900 acre-feet of water a year from Santa Maria, and is considered phase one of a larger three-phase water project.

LeBrun said the permit Nipomo has with the California Department of Fish and Wildlife only gives access to the Santa Maria riverbed from April 15 to Oct. 31.

"We won't want to enter the river unless we can complete the work before the Oct. 31 date," LeBrun said. "If our project slips another year, we could lose our \$2.2 million [state] grant."

The district needs to award a construction contract by June 26, or the project could also lose another year.

On May 13, the district went to the initial hearing for the lawsuit and was awarded a hearing date for later in the month. The next regularly scheduled board meeting is May 22 at 9 a.m. in the District Board Room at 148 South Wilson in Nipomo.

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Week	Visits	Unique Visitors	Pageviews	Pages/Visit	Avg. Visit Duration	Bounce Rate	% New Visits	Highest Traffic Day	Significant Actions During the Week Possibly Contributing to Traffic
12/31/12 - 1/6/13	300	250	696	2.32	0:02:01	60.33%	66.00%	Wed 1/2	
1/7/13 - 1/13/13	325	262	742	2.28	0:02:16	56.31%	62.15%	Thu 1/10	Board Meeting 1/9; 4 Press Releases (incl bill payment policy)
1/14/13 - 1/20/13	311	240	676	2.17	0:02:20	54.98%	55.63%	Fri 1/18	Adobe b&w consv ad 1/18
1/21/13 - 1/27/13	414	327	906	2.19	0:02:26	64.25%	56.76%	Tue 1/22, Wed 1/23	Board Meeting 1/23 3 Press Releases (incl New Water Svc) Adobe color consv ad 1/25
1/28/13 - 2/3/13	417	334	988	2.37	0:02:34	63.31%	62.35%	Thu 1/31	Adobe color consv ad 1/25
2/4/13 - 2/10/13	382	285	826	2.16	0:01:51	50.79%	54.19%	Wed 2/6	SWAEC Press Release
2/11/13 - 2/17/13	407	314	889	2.18	0:02:04	56.27%	54.30%	Wed 2/13	Board Meeting 2/13 KCOY On-Air Story 2/13 6 Press Releases (incl Supp Water, Trash, New Water Service)
2/18/13 - 2/24/13	521	381	1179	2.26	0:02:48	54.51%	55.85%	Wed 2/20	Newsletter Mailing (rcd 2/19) Adobe Manager's Column 2/22
2/25/13 - 3/3/13	470	319	1133	2.41	0:02:38	52.77%	52.34%	Fri 3/1	Board Meeting 2/27 KCOY On-Air Story 2/26 Press Release on Illegal Dumping
3/4/13 - 3/10/13	493	387	1233	2.5	0:02:19	49.29%	62.47%	Mon 3/4	Illegal Dumping newspaper articles
3/11/13 - 3/17/13	462	369	1147	2.48	0:02:08	46.75%	65.15%	Mon 3/11	Board Meeting 3/13 3 Press Releases (incl New Water Service and Bill Relief) Fix A Leak Week Ad in Adobe 3/15
3/18/13 - 3/24/13	474	390	1222	2.58	0:02:23	50.84%	64.35%	Wed 3/20	WWS Recruitment Fix A Leak Week Ad in Adobe 3/15 Fix A Leak Week Ad in Adobe 3/22
3/25/13 - 3/31/13	432	346	1115	2.58	0:02:33	49.07%	63.89%	Tue 3/26	WWS Recruitment Fix A Leak Week Ad in Adobe 3/22 Board Meeting 3/27 Manager's Column in Adobe 3/29
4/1/13 - 4/7/13	395	312	993	2.51	0:02:26	52.15%	58.23%	Fri 4/5	New Washer Rebate banners hung
4/8/13 - 4/14/13	353	256	892	2.53	0:02:51	51.56%	52.97%	Tue 4/9	Board Meeting 4/10 Clean-up Week ad in Adobe pub 4/12

2013 Website Traffic Summary

Week	Visits	Unique Visitors	Pageviews	Pages/Visit	Avg. Visit Duration	Bounce Rate	% New Visits	Highest Traffic Day	Significant Actions During the Week Possibly Contributing to Traffic
4/15/13 - 4/21/13	404	323	835	2.07	0:01:30	66.34%	61.39%	Fri 4/19	Clean-up Week ad in Adobe pub 4/19
4/22/13 - 4/28/13	431	331	834	1.94	0:01:47	63.81%	58.70%	Tue 4/23	Clean-up Week ad in Adobe pub 4/19 Board Meeting 4/24 3 Press Releases (incl Supp Water) SWWTF Story Manager's Column Chipping Event ad in Adobe pub 4/26
4/29/13 - 5/5/13	401	275	884	2.2	0:02:08	65.34%	48.63%	Tue 4/30	Chipping Event ad in Adobe pub 4/26 SWP Articles in SMTimes, Tribune, Adobe Lawsuit press release AWWA Water Week ad in Adobe pub 5/3 Website Tech Difficulties (possible decreased traffic)
5/6/13 - 5/12/13	334	237	644	1.93	0:01:58	67.07%	50.90%	Tue 5/7 Thu 5/9	AWWA Water Week ad in Adobe pub 5/10 Board meeting 5/8 Follow-up lawsuit press releases News story on KCOY 5/10 Website Tech Difficulties (possible decreased traffic)