

# Nipomo Community Services District Supplemental Water History

Updated April 30, 2013

## Chronology

- **1970's and 1980's**; Nipomo Community Services Board of Directors (District) expresses concern over groundwater resources in response to County approved development projects across the Nipomo Mesa, including Blacklake Golf Resort.
- **1991**; District customer's Vote to not participate in County led State Water Project. The vote is considered 'advisory' and NCSB Board moves forward with participation in the State Water project.
- **1992**; District customers demand and receive a binding vote regarding participation in the State Water project. Customers vote overwhelmingly to not participate in State Water.
- **1993**; Prolonged drought and failing wells leads to emergency annexation of the Summit Station area of the Nipomo Mesa into Nipomo CSD.
- **1994**; In the midst of continued drought conditions, the District commissions first study of alternatives for supplementing its groundwater only supply. *Evaluation of Alternative Supplemental Water Supplies, Bookman-Edmonston Engineering, Inc. Robert Beeby, Project Manager, July 15, 1994.* The report concludes/recommends: Construct turn-out in Nipomo on CCWA (State Water) pipeline; Negotiate for City of Santa Barbara Desal water; Negotiate for other sources of 'State Water'; Reclaim wastewater at South County Sanitation; Deep fractured rock wells; Groundwater Management District formation and leadership; Conservation.
- **1996**; District attempts, unsuccessfully, to get an 'Emergency Turnout' built on State Water line traversing Nipomo.
- **1997**; Santa Maria Valley Groundwater Litigation begins
- **2001**; District commissions an updated study of supplemental water alternatives. *Evaluation of Water Supply Alternatives, Kennedy/Jenks Consultants, October 2001.* Conclusions: Conservation; Intertie with City of Santa Maria; Refinery reclaim water; SLOCSB reclaim to offset agricultural pumping, and; Deep fractured rock wells. Direct connection to State Water is found to be too politically complicated to be viable any longer.
- **2004**; San Luis Obispo County consultant S.S. Papadopoulos & Associates completes the *Nipomo Mesa Groundwater Resource Capacity Study, March 2004.* Conclusion is the Mesa area groundwater is in overdraft.
- **2004**; District signs MOU with City of SM outlining the future purchase of City water by District. The cost of building an inter-tie connection is estimated at \$4 million based on conceptual river crossing approaches.
- **April 2005**; District completes *Waterline Feasibility Study, Santa Maria River Crossing Alternatives and Probable Cost Estimates, Cannon Associates, April & June 2005.* Conclusions – horizontal directional drill under the river is best crossing method. Crossing and connection estimated at \$10 million.
- **June 2005**; Groundwater Court files a settlement Stipulation agreed to by vast majority of litigants. Nipomo CSD–City of Santa Maria Intertie pipeline and supplemental water delivery is incorporated in to settlement as a 'Physical Solution' for the Nipomo Mesa Management Area (NMMA). The other three major municipal water purveyors within the NMMA stipulate to paying for paying for 33% of the first 2,500 Acre-feet of water delivered annually. Additionally, the Stipulation requires all new urban water demands within the NMMA are required to pay fee or delivery supplemental water.
- **August 2005**; District abandons deep well project in Nipomo Valley - \$400K loss

- **May 2006**; SLO County adopts Ordinance 3090 requiring new subdivisions within Nipomo Mesa Water Conservation Area to pay a supplemental water fee toward the Nipomo/CSM intertie. 3090 requires amendments to the General Plan which increase urban water demand to rely on imported or supplemental water – thereby holding amendments until supplemental water is delivered.
- **June 2006**; Preliminary Engineering Memorandum and Cost Estimate for intertie with Santa Maria; Boyle Engineers. – Cost opinion = \$25M, capacity 3000 AFY project. Board suspends work on design and orders a review of alternatives and costs.
- **June 26, 2006**; SLO County Board of Supervisors certify a Level of Severity III (most severe) for Nipomo Mesa water resource. Certification is based on the 2004 Resource Capacity Study.
- **2007**; District completes a series of Technical Memoranda (*Evaluation of Supplemental Water Alternatives, Boyle, June 2007; Evaluation of Desalination as a Source of Supplemental Supply, Boyle, September 2007; Evaluation of Water Supply from CCWA/State Water Pipeline, Boyle, November 2007*), evaluating alternatives for supplemental water supply – intertie with SM found most feasible and cost effective. Board directs intertie project design be restarted and completed as quickly as possible.
- **2007 – 2011**; District works to complete project design and construction cost detail. District works with County and project partners to define a funding approach for raising capital.
- **January 2008**; Superior Court of California, County of Santa Clara, issues *Final Judgment in Santa Maria Groundwater Litigation*. Court “... approves the Stipulation, orders the Stipulating Parties to comply with each and every term thereof, .... Case is appealed by non-stipulating parties.
- **October 2008**; SLO County adopts Ordinance 3160 based on findings of ‘overdraft’ of groundwater underlying Nipomo Mesa Water Conservation Area. Ordinance implements conservation measures such as toilet retrofits.
- **March 2009**; NCSO/City of Santa Maria waterline intertie project Environmental Impact Report certified.
- **January 2010**; District enters a Water Wholesale Agreement with City of Santa Maria – this agreement replaces/supersedes the 2004 sales memorandum.
- **January 2011**; intertie project is awarded \$2.3M grant of State water bond funds through County coordinated grant requests.
- **May 2012** Assessment District formation to fund \$19 million of the intertie pipeline infrastructure is defeated by property owners.
- **June 2012**, District revises policy and ceases processing of applications for new water service (Moratorium).
- **August 2012**, Board of Directors appoints an independent volunteer citizen’s committee (“Supplemental Water Alternatives Review Committee”) to conduct a fourth formal review of alternatives for supplemental water.
- **October 2012**, District approves feasibility study of a phased intertie pipeline with Santa Maria and authorizes design to proceed.
- **November 2012**, CA Court of Appeal, Sixth Appellate District, upholds the majority of the Superior Court original ruling. (Ruling filed 11/21/12). Non-stipulating parties petition CA Supreme court to review the case.
- **February 2013**; District receives Final report from citizen’s committee. The Committee ranks an intertie pipeline with City of Santa Maria as most feasible and cost effective near-term (5-

10) source of supplemental water. Committee recommends the District and other Mesa water users redouble efforts in conservation, educations, and groundwater basin management.

- **February 2013**; District approves funding plan for a \$14 Million Phase 1 intertie pipeline and authorizes staff to bid the construction project. Construction award is scheduled for end of April with a construction schedule of May 2013- September 2014.
- **February 2013**; Board reestablishes processing of applications for new water connections.
- **February 2013**; Supreme Court of CA denies appellants petition for review of Groundwater ruling effectively marking the end of sixteen-year adjudication.
- **March 2013**; Total of construction bid exceeds project cost estimate by 24%. Total project construction costs projected to be \$17.8 Million for Phase 1 project.
- **April 2013**; Board Meets to discuss revised projected costs and direct District Finance and Audit Committee to convene and consider a revised Financing Plan based on updated cost projections. Committee meets on April 17 and on April 24, Board approves a revised Financing Plan for the project.
- **May 2013**; The Board is scheduled to consider authorizing sale of Certificates of Participation to raise \$5M in project capital on May 8 and is scheduled to award project construction contracts on May 22.

Note: All referenced reports and additional information can be found on the District website (ncsd.ca.gov)

**Expenditure Summary (As of December March 2013)**

- District has expended ~\$4.6M developing an intertie project with the City of SM.
- District has expended ~\$3M representing itself in groundwater lawsuit.
- District has expended ~\$100K annually since 2006 maintaining a leadership role on the Groundwater court appointed Nipomo Mesa Management Area Technical Group and otherwise supporting implementation of the Court ordered settlement and development of basin management practices.

*These figures represent formal expenditures on intertie pipeline since 2004 and lawsuit since 1997. District staff time is not represented.*

**Phase 1 Project Cost Projection (based on preliminary bid analysis, 4/5/2013)**

Description	Projected Cost
Bid Package 1 - Santa Maria River Crossing	\$7,197,140
Bid Package 2 - Nipomo Area Pipeline Improvements	Not part of this Phase
Bid Package 3 - Blosser Road Waterline and Flow Meter	\$2,575,710
Bid Package 4 - Joshua Street Pump Station and Wellhead Systems	\$4,344,710
<b>Construction Subtotal</b>	<b>\$14,117,560</b>
Construction Contingency(5%)	\$706,000
<b>Estimated Construction Total</b>	<b>\$14,823,560</b>
Right-of-Way (ROW) Acquisition	\$250,000
Design Engineering	\$450,000
Construction Management	\$1,736,000
Non-Construction Subtotal	\$2,436,000
Non-Construction Contingency (10%)	\$243,600
<b>Estimated Total Non-Construction Costs</b>	<b>\$2,679,600</b>
<b>Estimated Total Cost</b>	<b>\$17,503,160</b>