NIPOMO COMMUNITY SERVICES DISTRICT

SEPTEMBER 5, 2012

1:30 P.M.

SPECIAL MEETING NOTICE & AGENDA

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

APPOINTED COMMITTEE MEMBERS
MICHAEL K. NUNLEY, CHAIRMAN (NON-VOTING)
PETER V. SEVCIK, VICE CHAIRMAN (NON-VOTING)
CRAIG ARMSTRONG (VOTING)
DAN GARSON (VOTING)
DENNIS GRAUE (VOTING)
KATHIE MATSUYAMA (VOTING)
ROBERT MILLER (VOTING)
DAVE WATSON (VOTING)
DAN WOODSON (VOTING)

PRINCIPAL STAFF
MICHAEL S. LEBRUN, **GENERAL MANAGER**
LISA BOGNUDA, **ASST GM/FINANCE DIRECTOR**

MEETING LOCATION - District Board Room
148 S. Wilson Street, Nipomo, California

1. **CALL TO ORDER, FLAG SALUTE AND ROLL CALL**

2. **REVIEW COMMITTEE PURPOSE, OBJECTIVES, AND PROCESS**

   RECOMMENDATION: Discuss the Committee's purpose and objectives. Review the process the Committee intends to follow to evaluate Supplemental Water alternatives and provide the results to the Board.

3. **INTRODUCTIONS BY COMMITTEE MEMBERS**

   RECOMMENDATION: Present a brief overview of each Committee member's background and relevance to the Committee's work.

4. **PRESENTATION OF COMMITTEE BYLAWS**

   RECOMMENDATION: Receive an overview of the Committee Bylaws from the Chairman. Discuss questions or comments.

5. **PRESENTATION OF BROWN ACT AND DISCUSSION OF COMMUNICATION PROTOCOL FOR COMMITTEE MEMBERS**

   RECOMMENDATION: Receive an overview of the Brown Act from the CSD General Manager. Receive direction regarding communication protocol for compliance with the Brown Act. Discuss questions or comments.

6. PRESENTATION OF THE HISTORY OF NIPOMO CSD SUPPLEMENTAL WATER PROJECTS

RECOMMENDATION: Receive a presentation of the history of Nipomo CSD supplemental water evaluations and projects from the Chairman. Discuss questions or comments.

7. DISCUSSION OF ASSIGNMENTS FOR NEXT MEETING

RECOMMENDATION: Direct each Committee member to review prior supplemental water studies and develop a list of four (4) alternatives to be evaluated by the Committee. Each member would consider which alternatives they would be best suited to evaluate. The list of alternatives would be presented by each Committee member at the next meeting.

8. SET NEXT COMMITTEE MEETING DATE AND TIME

9. ADJOURN

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN MKN

DATE: August 31, 2012

AGENDA ITEM #2

SEPTEMBER 5, 2012

REVIEW COMMITTEE PURPOSE, OBJECTIVES, AND PROCESS

ITEM

Discuss the Supplemental Water Alternatives Evaluation Committee's purpose and objectives. Review the process the Committee intends to follow to evaluate Supplemental Water alternatives and provide the results to the Board. [RECOMMENDATION: DISCUSS PURPOSE AND OBJECTIVES OF COMMITTEE AND REVIEW PROCESS FOR EVALUATING SUPPLEMENTAL WATER ALTERNATIVES]

BACKGROUND

On June 27, 2012, the Nipomo CSD Board of Directors (Board) approved Bylaws for the Supplemental Water Alternatives Evaluation Committee (Evaluation Committee). The purpose of the Evaluation Committee is to conduct an evaluation of alternatives for delivering supplemental water to the Nipomo Mesa Water Conservation Area and report findings to the Board. The Committee exists under the authority of the NCSD Board of Directors. The Committee and its members are not empowered to commit the NCSD to any action, participation, or financial involvement. In addition, the Committee is not authorized to take any legal action on behalf of the NCSD, or to legally bind the NCSD in any way.

On August 14, 2012, the Board held a Special Meeting to appoint members to the Evaluation Committee based on recommendations from a Nomination Committee. In accordance with the Bylaws, the Evaluation Committee has seven (7) voting members, a non-voting Chair, and Vice Chair. The voting members were selected to fill defined roles (e.g. Finance, Water Resources Engineering, Environmental, and Citizen at Large) and were nominated to the committee by a Nomination Committee that reviewed and considered applications for the voting seats. The Nomination Committee was a nine-member committee appointed by public officials and local water purveyors.

As stated in the Amended Bylaws (revised July 25, 2012), the purpose of the Committee is "to provide the NCSD Board of Directors a thorough, accurate, and objective analysis of means to provide supplemental water to the Nipomo Mesa region."

Section 3 of the Amended Bylaws defines the process that the Committee will follow for this evaluation. Note that the evaluation is intended to rank alternatives and present that ranking to the Board, not to develop a recommendation for implementation by the Board. The following process description is written in Section 3 of the Amended Bylaws:

a. *The Committee shall be responsible for performing analysis and evaluation for the Board of Directors, using the following process and sequence:*

   i. *The Committee shall develop a list of viable supplemental water alternatives that includes as a minimum:*
   - *AECOM-designed 3,000 AFY Santa Maria pipeline*
   - *AECOM-revised TBD AFY Santa Maria pipeline*

- *Interconnection with Central Coast Water Authority (CCWA) pipeline*
- *Seawater desalination*
- *Other alternative water supply /alternative treatment (including recycled water)*

ii. *The Committee shall assign the analysis and evaluation of each alternative to specific and identified Committee members.*

iii. *The Committee will develop a matrix of Pro's and Con's for each alternative, measured against the CONSTRAINTS and their ability to meet the SUPPLEMENTAL WATER GOALS:*

CONSTRAINTS:
As constraints, the Committee will consider:
- *2005 Stipulation and 2008 Court Order*
- *Annual delivered water volume and flow variation (availability)*
- *Cost*
- *Schedule*
- *Reliability of supply*
- *Effluent disposal requirements (if any)*
- *Environmental regulations and required approvals*
- *Permitting requirements of the California Coastal Commission, CA Department of Fish and Game, US Fish and Wildlife Services, Army Corps of Engineers, Environmental Protection Agency, Central Coast Regional Water Quality Control Board, County Planning, Building, and Public Utilities requirements in San Luis Obispo and Santa Barbara Counties.*

SUPPLEMENTAL WATER GOALS:
- *Deliver an uninterrupted supply of 3000 AFY of imported potable water to the Nipomo Mesa region, with the capability to increase the delivery to 6,200 AFY at minimum cost increase*
- *Provide initial water deliveries of+/- 1000 AFY by June 2015*
- *Lowest construction, system operation and maintenance, and delivered water cost*
- *Provide compliance with the 2008 Court Order*

iv. *The Committee will develop a numerical ranking for each alternative with reference to the CONSTRAINTS and their ability to meet the SUPPLEMENTAL WATER GOALS.*

b. *The Committee and its members shall conduct its meetings and discussions with respect to the diversity of opinions, to its members, and to all individuals from the public and other organizations.*

c. *The committee will seek technical input from the community and recognized authorities. The following documents will be used as the primary reference authorities in the analyses:*
- *2010 Santa Maria Urban Water Management Plan*
- *2010 NCSD Urban Water Management Plan*
- *2010 CCWA Urban Water Management Plan*
- *2007 Boyle Alternatives Analysis*
- *2011 NMMA TG Annual Report*
- *2009 NCSD Supplemental Water Project EIR*

- *2005 Stipulation*
- *2008 Court Order*

Other published technical analyses may be used if the SWAEC finds them to be rigorously accurate.

RECOMMENDATION

Recommend that the Committee receive this presentation and discuss questions or concerns regarding the objectives, purpose, and process defined in the Bylaws.

ATTACHMENT

None

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #3

SEPTEMBER 5, 2012

INTRODUCTION OF COMMITTEE MEMBERS

ITEM

Each Committee member will provide a brief introduction of themselves and their background. [RECOMMENDATION: PRESENT A BRIEF OVERVIEW OF EACH COMMITTEE MEMBER'S BACKGROUND AND RELEVANCE TO THE COMMITTEE'S WORK]

BACKGROUND

On August 14, 2012, the Board held a Special Meeting to appoint members to the Evaluation Committee based on recommendations from the Nomination Committee. The committee roster is provided below:

VOTING MEMBERS	SEAT
Armstrong, Craig	Finance
Garson, Dan	Citizen at Large
Graue, Dennis	Engineering
Matsuyama, Kathie	Environmental
Miller, Robert	Engineering
Watson, Dave	Finance
Woodson, Dan	Environmental
NON-VOTING MEMBERS	**SEAT**
Nunley, Michael	Chair
Sevcik, Peter	Vice Chair

It is requested that each member provide a brief discussion of their background relevant to their selection for the committee and for the discipline or profession they represent, as defined above.

RECOMMENDATION

Recommend that the Committee members present their backgrounds as an introduction to each other and to any members of the public attending the meeting.

ATTACHMENT

None

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #4

SEPTEMBER 5, 2012

PRESENTATION OF COMMITTEE BYLAWS

ITEM

The Committee Chairman will present an overview of the Bylaws (dated July 25, 2012). [RECOMMENDATION: RECEIVE PRESENTATION AND DISCUSS QUESTIONS OR COMMENTS]

BACKGROUND

The Nipomo Community Services District adopted revised bylaws for the Supplemental Water Alternatives Evaluation Committee on July 25, 2012. The purpose and objectives of the committee were addressed as part of Agenda Item #2. This item will review the other provisions of the Bylaws that are critical for operation of the committee.

RECOMMENDATION

Recommend that the committee members receive this presentation and discuss questions or concerns related to the Bylaws.

ATTACHMENT

Supplemental Water Alternatives Evaluation Committee Bylaws, dated July 25, 2012

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #5

SEPTEMBER 5, 2012

PRESENTATION OF BROWN ACT AND DISCUSSION OF COMMUNICATION PROTOCOL FOR COMMITTEE MEMBERS

ITEM

The General Manager of the NCSD will provide an overview of the Brown Act and of communication requirements for this Evaluation Committee related to the Brown Act. [RECOMMENDATION: RECEIVE PRESENTATION AND DISCUSS QUESTIONS OR COMMENTS]

BACKGROUND

The Board of Directors has required that the work of this Evaluation Committee be conducted in regular public meetings. The Brown Act (Government Code Section 54950 *et seq.*) is intended to ensure that actions are taken and decisions are made by public agencies in public meetings. It applies to "legislative bodies" that can place requirements on rate payers and customers such as the Nipomo CSD Board of Directors.

Although the Evaluation Committee is not empowered to set policy or commit any NCSD resources, the Board expects the evaluation process to comply with the intention of the Brown Act. The following expectations have been expressed by the Board:

- All Evaluation Committee meetings will be scheduled with 72 hours written notice and will be held at the District Board Room. The public is invited to attend these meetings.
- It is anticipated that subcommittees of 3 or fewer members will be formed to evaluate individual alternatives. These groups may have private "working meetings" prior to presenting their work to the full Committee at a public meeting.
- Emails and written correspondence by Committee members will not be sent by Committee members to the full Committee.
- Emails and written correspondence are allowed among subcommittee members and can be directed to or include the non-voting members (Chair and Vice Chair).

RECOMMENDATION

Recommend that the committee members receive this presentation and discuss questions or concerns related to the Brown Act or communication protocol requirements.

ATTACHMENT

None

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY MKN
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #6

SEPTEMBER 5, 2012

PRESENTATION OF THE HISTORY OF NIPOMO CSD SUPPLEMENTAL WATER PROJECTS

ITEM

The Committee Chairman will present an overview of the District's history in the evaluation and implementation of supplemental water projects. [RECOMMENDATION: RECEIVE PRESENTATION AND DISCUSS HISTORY OF PROJECTS]

BACKGROUND

Since the District's formation to provide safe, reliable drinking water in 1965, the District has been developing and refining a long-term water supply strategy. The slide presentation summarizes various milestones in water project development, as well as alternatives previously evaluated by the Board of Directors.

RECOMMENDATION

Recommend that the Evaluation Committee members receive the presentation and provide questions or comments regarding prior supplemental water projects undertaken by the District.

ATTACHMENT

HANDOUT OF SLIDE PRESENTATION

Overview of Nipomo CSD Supplemental Water Projects

Supplemental Water Alternatives Evaluation Committee

September 5, 2012

Nipomo Supplemental Water Timeline 1965-2002

2002 – CA DWR finds demands significantly exceed safe yield on Mesa

2001 – District completes second study of water supply alternatives

1997 – Santa Maria Groundwater Basin adjudication begins

1994 – District's first study of water supply alternatives

1991-1992 – NCSD customers decline State Water Project

1970-1980 – Nipomo Mesa development projects including Black Lake Golf Resort raise water supply concerns

1965 – NCSD FORMED

Nipomo Supplemental Water Timeline 2003-Present

August 2012 – NCSD Board forms SWAEC

May 2012 – Assessment vote occurs

2010 – District enters wholesale water agreement with City of Santa Maria

2009 – Project EIR certified

2007-May, 2012 – District works to complete project design and cost estimates and develop funding approach.

2007 – District completes third water supply study

2006 – Preliminary Design Memorandum presents project cost estimate in excess of $20M

2005 – Groundwater Settlement Stipulation includes project to "intertie" Nipomo CSD and City of Santa Maria water systems to facilitate water sale.

2005 – District invests $400k in well driven in hard rock. Attempt not successful.

2004 – County Water Resources Report finds "overdraft conditions" on Mesa. District enters MOU with City of Santa Maria to purchase water

1994 Evaluation of Alternative Supplemental Water Supplies

Alternatives

- State Water Project (SWP)
- Purchase of water from State Water Contractor
- Purchase of water from a Federal Central Valley Project Contractor
- Seawater desalination
- Wastewater reuse
- California Drought Water Bank
- Water from fractured rock

Recommendations

- Pursue turnout on SWP Coastal Branch and trade Santa Barbara treated seawater for CCWA water
- Pursue joint wastewater reuse with South SLO County Sanitation District (SSLOCSD)
- Investigate fractured rock as long-term water supply
- Take leadership in formation of a groundwater management district for the Nipomo Mesa
- Maximize water conservation

2001 Evaluation of Water Supply Alternatives

Alternatives

- SWP from SLO County, Oceano CSD, City of Solvang, or City of Santa Barbara
- Desalination
- Purchase of property with water rights
- Wastewater reuse
- Desalination of blowdown water from petroleum processor
- Oilfield production water
- Hard rock drilling
- Water conservation
- Transport using water bags

Recommendations (in order of priority)

- Water conservation
- Intertie with City of Santa Maria
- Desalination of refinery water
- Wastewater reuse
- Hard rock drilling

2007 Evaluation of Supplemental Water Alternatives

Alternatives

- Santa Maria Valley Groundwater
- SWP or Exchange through SWP Pipeline
- Desalination of seawater of brackish water
- Brackish water from Oso Flaco Lake
- Nacimiento Water Project
- Groundwater recharge with wastewater effluent
- Direct reuse of treated wastewater effluent in exchange for reduced groundwater pumping
- Intertie with City of Santa Maria

Recommendations

- Pursue intertie with City of Santa Maria
- Further evaluate SWP and desalination
  - Subsequent Technical Memoranda findings:
    - Intertie ranked higher than SWP
    - Seawater desalination could be pursued as long-term supply, but requires over a decade of planning/design and significantly higher cost compared with SWP

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #7

SEPTEMBER 5, 2012

DISCUSSION OF ASSIGNMENTS FOR NEXT MEETING

ITEM

The Committee Chairman will present an overview of the Bylaws (dated July 25, 2012). [RECOMMENDATION: DIRECT EACH COMMITTEE MEMBER TO REVIEW PRIOR SUPPLEMENTAL WATER STUDIES AND DEVELOP A LIST OF FOUR (4) ALTERNATIVES TO BE EVALUATED BY THE COMMITTEE.]

BACKGROUND

The Nipomo Community Services District adopted revised bylaws for the Supplemental Water Alternatives Evaluation Committee on July 25, 2012. The Bylaws mandate review of the following alternatives:

- AECOM-designed 3,000 AFY Santa Maria pipeline
- AECOM-revised phased Santa Maria pipeline
- Interconnection with Central Coast Water Authority (CCWA) pipeline
- Seawater desalination
- Other alternative water supply /alternative treatment (including recycled water)

The Committee members may have other water supply alternatives that they think should be considered by the Committee.

Section 3 of the Bylaws presents various water supply studies to serve as reference documents by the Committee. These can be used to identify alternatives. In particular, the 2007 Boyle Alternatives Evaluation presents the alternatives listed above, among others.

- *2010 Santa Maria Urban Water Management Plan*
- *2010 NCSD Urban Water Management Plan*
- *2010 CCWA Urban Water Management Plan*
- *2007 Boyle Alternatives Analysis*
- *2011 NMMA TG Annual Report*
- *2009 NCSD Supplemental Water Project EIR*
- *2005 Stipulation*
- *2008 Court Order*

Each of the above reports is available on the District's website under the "Resources" tab and in the "Documents" subcategory except the following:

2010 Santa Maria Urban Water Management Plan
2010 CCWA Urban Water Management Plan

These are available on the California Department of Water Resources website at:
http://www.water.ca.gov/urbanwatermanagement/UWMP2010.cfm

If the Committee votes to proceed with the recommendation, each Committee member would present a list of up to four (4) alternatives to be considered by the Committee at the next meeting. The list would include the member's opinion as to which alternative they would be best suited to evaluate. The Committee would assign alternatives to subcommittees based on each member's list.

RECOMMENDATION

Recommend that the Committee direct each member to review prior supplemental water studies, develop a list of four (4) alternatives that they are suited to evaluate and/or that should be reviewed by the Committee, and be prepared to present their list at the next Committee Meeting.

ATTACHMENT

None

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY MKN
CHAIRMAN

DATE: August 31, 2012

AGENDA ITEM #8

SEPTEMBER 5, 2012

SET NEXT COMMITTEE MEETING DATE AND TIME

ITEM

Committee members to set the next meeting date and time.

BACKGROUND

As directed by the Board, the Evaluation Committee is directed to meet as needed to perform the Supplemental Water Alternatives Evaluation in an efficient and thorough manner.

RECOMMENDATION

Recommend that the Committee members schedule the next meeting during the week of September 17th, if possible.

ATTACHMENT

None