

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 3, 2013; Mesa Community Alliance (MCA) files a law suit in San Luis Obispo County Superior Court raising concerns over the District's plan to use \$4M in Water Replacement funds to finance the project. The Board schedule for consideration of issuing public financing on May 12 is continued.

May 10, 2013; In a Special Meeting, Board approves a revised project financing plan that relies on borrowing \$9M and avoids using Water Replacement funds.

May 29 and June 5, 2013; The court gives favorable initial rulings regarding the scope of the lawsuit filed by MCA which allow the District to move forward with revised alternate funding plan.

June 12, 2013; Board authorizes sale of up to \$10.5M in bonds as part of project financing plan.

June 19, 2013; Bond sale commences and bonds are priced.

June 20, 2013; In a Special Meeting, the Board approves award of the three project construction contracts contingent on successful bond sale.

June 21, 2013; Bond sale closes and Notice of Award is sent to all three contractors prior to the expiration of bid price guarantees (bids set to expire on June 24 and 26).

July 10, 2013; Construction contracts signed. Phase 1 Notice to Proceed issued to ARB for horizontal directional drill phase of project.

November 16, 2013; Pipeline Installed under Santa Maria River using horizontal direction drill technology.

July 2013 – July 2015; pipeline and Joshua Road pump station construction.

July 2, 2015; Initial deliveries of water begin! 400 gallons per minute, 645 AF scheduled delivery for year one.

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

Nipomo Community Services District Supplemental Water History

Updated July 2, 2015

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 NCS D 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; SLOCSD 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 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 deliver 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; NCSA/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.