

# NIPOMO COMMUNITY SERVICES DISTRICT

JANUARY 25, 2013

9:30 A.M.

## MEETING MINUTES

### SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

#### APPOINTED COMMITTEE MEMBERS

MICHAEL K. NUNLEY, CHAIRMAN (NON-VOTING)  
PETER V. SEVCIK, VICE CHAIRMAN (NON-VOTING)  
DAN GARSON (VOTING)  
DENNIS GRAUE (VOTING)  
KATHIE MATSUYAMA (VOTING)  
ROBERT MILLER (VOTING)  
SAM SALTOUN (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**

Chairman Nunley called the Special Meeting of January 25, 2013, to order at 9:32 AM and led the flag salute. At roll call, all Committee members were present except Member Watson who arrived during Agenda Item 2.

**2. REVIEW DRAFT MINUTES FROM JANUARY 14, 2013, COMMITTEE MEETING**

Chairman Nunley introduced the item and noted the Committee members had received the draft notes on the evening of January 24<sup>th</sup>, therefore the members may not have had an adequate amount of time to review them for discussion this morning. The Committee voted unanimously to defer review and approval of the notes until the next meeting.

There was no public comment.

**3. DISCUSS RANKING PROCESS**

Chairman Nunley introduced the item and noted that he had provided a revised draft scoring rubric for the ranking matrix. The supply potential and reliability categories had been revised as discussed at the prior meeting. The proposed scoring rubric for supply categories is a 1 to 10 scale that is based on percentage of delivery goal (1000, 3000, or 6200 AFY). The reliability category now refers to ability to deliver an unspecified "design flow" (since some alternatives will produce less than 3000 AFY) on a long-term basis instead of 3000 AFY. The water quality category was not adjusted in the rubric since no conclusions had been reached regarding any revisions. The draft ranking matrix was projected onscreen and draft scores were filled in as the Committee walked through the alternatives and variations.

Member Graue said he thought he had sent an email to the Chairman describing 9 desalination scenarios. He noted operation & maintenance costs for all 9 had been summarized on the administrative draft cost summary sheet. He said it is worth documenting that they had all been considered and not throw out the higher cost alternatives. Chairman Nunley noted that footnotes could be provided in the cost column

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

and more details could be provided in the appropriate section of the report. Member Graue said different variations could have different supply potential.

Member Saltoun said his subcommittee had met yesterday and had thought the current list of alternatives was inadequate to describe all the variations that had been identified during the evaluation process. For example, 01-SW should be divided into 2 different variations – one for unused and the other for excess State Water. He said the Committee might risk ranking alternatives that do not reflect the final list included in the report. Member Matsuyama suggested ranking of some of the alternatives could be deferred until a future meeting if more variations were needed to fully represent the alternative. Chairman Nunley said he would look for a recommendation from the Committee on how to proceed.

Member Watson said he agrees with Member Matsuyama and discussed the different pathways that the Committee had identified for acquiring State Water through San Luis Obispo County and Santa Barbara County. He said the Committee could focus on the most feasible approach and handle it distinctly from the other variations. This alternative may not be considered two discrete alternatives since it is clear that something would be required from each County to successfully acquire State Water. Member Saltoun noted pursuing excess and unused capacity were very different alternatives although they are currently combined for San Luis Obispo County, so it would be difficult to combine them into one alternative. Chairman Nunley asked which alternatives would be most affected by the need to split them into additional variations and Members Matsuyama and Graue responded that the seawater (19-SEA) and State Water alternatives would be most affected by these proposed changes. Chairman Nunley asked if there was one variation of seawater that had a better track record than others or if all are similar. Member Matsuyama said she thought it was valuable to break it into more variations since there were many questions from the community about it and Member Graue had put together a detailed evaluation of different approaches. Member Graue said treating seawater was more expensive than treating brackish water, and both are more expensive than treating wastewater. Wastewater quantities are limited whereas seawater quantities are not. Treating wastewater with reverse osmosis would satisfy smaller quantities required now but not larger quantities required later. Chairman Nunley noted that costs for reverse osmosis had already been included in some of the recycled wastewater variations, so breaking out new variations to address desalination of various source waters may be redundant. He said it would be valuable to share Member Graue's technology research with the other subcommittees. Chairman Nunley asked if brackish water included the interface of groundwater and seawater and Member Graue said his analysis could apply to any brackish water. He described the bathymetry along the coast and thought that acquiring brackish water through well drilling may require going out several miles. Chairman Nunley asked if the groundwater component may already be included in the Nipomo Mesa Management Area's (NMMA's) water budget and Member Graue said he thought it would be difficult to prevent the freshwater from going out to the ocean.

Member Saltoun said he had attended a meeting in Cambria regarding desalination and had observed that many people had developed their own ideas about desalination and were asking if various options had been pursued. Because of the public's interest in desalination, he suggested including a list of all the desalination variations that had been considered somewhere in the report (executive summary at least), even if it was not included in the matrix. Chairman Nunley said he wanted to make sure the Committee separates the discussion of treatment technologies from supplies. For example, using reverse osmosis for wastewater should be addressed in the recycled wastewater alternative analysis. He thought the list of alternatives was comprehensive so the Committee should consider where the various technologies and options researched by Member Graue should fit. He and

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Member Miller discussed a suggestion that the subcommittees expand the list of variations under their assigned alternatives, then attempt to fill out the matrix and bring it back to the full committee.

Members Matsuyama and Saltoun suggested displaying the feasibility column first on the rubric. Member Woodson thought feasibility and court compliance could be viewed as screening criteria. Member Garson asked if court compliance was being discussed as a component of feasibility and Member Woodson said it could be used as a screening element for evaluating project feasibility.

Chairman Nunley reviewed the draft rubric's description and score ranges for feasibility.

State Water - Member Saltoun said the SW-1A would utilize the County's unused capacity. There is none within the 4830 AFY being applied by SLO County users. Utilizing the County's unused capacity would require a new pipeline from Devil's Den Pumping Plant to the Nipomo community and would not be feasible. SW-1B would apply the excess pipeline capacity. In 2011, SLOCFCWCD led a reassessment of system capacity and found the Coastal Branch has excess hydraulic capacity of up to 9000 AFY, with about 5500 if everything south of Lopez was isolated. It would require buying in and some of the lead agencies in CCWA may oppose. Buy-in costs may be \$50M, would require a vote to buy into the system, and the District is not likely to be able to acquire all the water they need. This variation would score low on feasibility. Member Miller discussed differences between cost and feasibility and Member Saltoun felt feasibility was low without considering cost (ex. contract coordination is required with multiple agencies). Chairman Nunley mentioned the first rights of refusal of existing State Water customers for any excess water. Member Matsuyama suggested assigning a score of 1. Member Watson thinks it is worth showing a State Water alternative in the final matrix and thinks the parallel pipeline is not a realistic alternative. The excess capacity scenario appears to be the variation that could be the most feasible. Member Saltoun agreed that 1B-SW is the most feasible. Chairman Nunley said he thought expanding the matrix to include 1A-SW and 1B-SW is important to explain the issues with State Water and would not see a challenge with displaying and scoring them separately. He suggested SW-1A have a score of 1 and water from Santa Barbara County (CCWA) have a score of 2. Member Saltoun suggested a score of 1 for 1A-SW and 2 for qb-SW. Regarding 2-SW, Member Saltoun said the maximum entitlement available from Carpinteria is 1000 AFY, and with a long-term reliability of 60% this would result in 600 AFY. There could be another 1000 AFY available from Montecito and Solvang but this has not been pursued. The most the District might get on a long-term average basis is 1500-1700 AFY. This is slightly more feasible so a score of 3 is recommended. First right of refusal is an issue with this method of acquiring water as well. Member Saltoun speculated that the cost may be a reason the Carpinteria water has not sold yet. Variation 03-SW would provide 3000 AFY but seller is not willing to release the water. If it were released, first rights of refusal would affect the ability of the District to acquire the water. He suggested a score of 2 for 03-SW.

Conservation & Graywater were deferred. Chairman Nunley suggested there would be recommendations for adding program elements and may not need to have a "feasibility" score.

Agricultural and Industrial Reuse – Member Matsuyama suggested a score of 3 for reuse of agricultural tailwater. Member Miller confirmed that Phillips 66's possible reuse of municipal wastewater treatment plant effluent was being evaluated as part of the Recycled Wastewater from Municipal Facilities alternative. Member Saltoun said an inventory of possible agricultural dischargers must be performed and it must be confirmed that the water

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

leaves the Mesa for it to be considered "supplemental water". Chairman Nunley said it would be difficult to get CDPH approval for agricultural tailwater as a water supply due to risk of hazardous substances. Member Matsuyama asked if Chairman Nunley had included the quote about efficiency of agricultural users and the lack of excess water that would be discharged from fields in the powerpoint file. Member Garson asked if there would be an inspection or approval required to release or approve this water for use as a water supply. Chairman Nunley said CDPH approval would fall under the feasibility category since it is an "outside agency". Member Watson said the Committee would need to estimate a volume to evaluate this variation and he still sees permitting and timing as the primary issues with feasibility. Member Matsuyama said she would look into available resources for volume estimates. Member Miller discussed the CCAMP monitoring program and noted there may be information available there. Member Woodson noted that RWQCB may have some information since they've started to regulate agricultural tailwater.

Member Matsuyama discussed reuse of Phillips 66 process water and thought it is fairly feasible, possibly earning a score of 6 or 7, and Member Miller expressed agreement. He thought project would be favorably viewed and may deserve a 7 or 8. Chairman Nunley said the quantity of 3000 AFY could be replaced with "design flow" in the feasibility rubric and several Committee members expressed support. Member Watson suggested revising the rubric for a high feasibility score to reflect a 1-2 year process for CEQA compliance. Members Matsuyama and Miller expressed approval. Member Watson suggested a 2-5 year process for the middle scores (4-7). Member Woodson noted that mitigation is also a significant component of project feasibility related to CEQA. Member Miller suggested a score of 8. Member Matsuyama suggested a score of 1 for thermal waste recapture. Member Graue discussed comments from Jim Anderson about the complications in capturing the water. Member Watson asked if this is related to permitting, timing, or volume available and Member Graue noted he thought the major challenge was technical difficulties in designing a system to collect the water. Member Miller said this could also be considered an issue with outside agency acceptance since the outside agency, Phillips 66, did not think it could be done. Member Garson said this would be revising the definition of feasibility since it had been focused on permitting and project approvals. Chairman Nunley suggested adding presence of a "fatal flaw" as another issue associated with a low feasibility score.

Member Matsuyama discussed an approach for 09-AIR that her subcommittee had analyzed that would rely on trucking the water from PXP to Nipomo CSD and would require no permits. She thought the feasibility score could be as high as 10. She asked if there was a reason the water from PXP was currently being discharged to a creek. Member Watson said they could not store the water on site so they needed to discharge it. He did not know that there was any requirement from an environmental perspective to discharge this water. He noted the water was treated with reverse osmosis and PXP had been looking at other alternatives to tie in the supply to other community systems. Member Woodson asked if the trucking analysis would address pounds of carbon emissions. Member Saltoun noted this would not be an environmentally-preferred alternative. He said the subcommittee had looked at use of an existing oil pipeline, construction of a new pipeline, and trucking water as ways to convey this water to the District. Trucking would require vehicle access and storage/transfer facilities at both ends and 100 stainless steel double-trailer tanker trucks per day. Chairman Nunley said he thought 100 truck trips per day presented a fatal flaw. Member Matsuyama said it would require truck traffic 24 hours per day through the local communities at both ends. Member Watson suggested constructing a pipe approximately 2 miles to the Pismo Beach WWTP outfall and exchanging PXP water for recycled wastewater would be a more feasible project. He thought there would be a regional project in the future to move recycled water around Pismo Beach and South County. He said there were times of the year when PXP cannot discharge water to the

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

creek so they need storage. Member Saltoun asked if the District could acquire access to the outfall pipeline for 10 years or if there is another alternative to temporarily convey this water. Member Watson said this could be one component of a larger regional water program, along with utilization of groundwater aquifers and recycled water exchanges, which could include Nipomo as a partner. Member Saltoun said he thought it should rank as a 10. Chairman Nunley said he thought there would be permits required for this, due at least to truck traffic. Member Matsuyama noted there would be storage facilities required at both ends but she had spoken to her husband, a Caltrans employee, and he had noted that truck haulers have permits to cover this sort of transportation. Member Garson said he thought an EIR would be required to cover the storage facilities, at least, as well as the other project elements and adding 100 trucks per day to the roads would have a traffic impact. Chairman Nunley asked if CDPH approval was ever any issue with using this as a water supply. Member Watson had not heard this was an issue. Member Matsuyama said she thought it was being treated to drinking water standards. Member Watson noted it was his understanding that the water was very high quality and could be substituted for nonpotable uses (agricultural use and cooling water for example), at a minimum, even if potable uses were restricted by CDPH. Member Matsuyama asked if the water must be retained in the ground for 1 year before it is reused. Member Watson said groundwater recharge is doable but requires significant monitoring and study before it can be approved. Chairman Nunley noted that some construction for percolation ponds or other facilities would be required for the use or percolation of this water. Member Watson thought a couple of years to 3-4 years of environmental analysis may be required. He thought trucking the water could require an EIR. He suggested a score closer to 7 since the source is available and the owner wants to get rid of the water. Member Saltoun felt cost could be in the neighborhood of \$6000/AF. Member Graue thought it could be cheaper if there is a rail site at either end, or if it could be constructed. There may be a railway that could be used.

Santa Maria Intertie – Member Miller suggested a 10 since CEQA is completed. Member Matsuyama asked if all permits for Phase 1 was in place and Member Miller asked about permits for the full project. Vice Chair Sevcik noted the key permit was the river crossing for Phase 1, which was authorized in May 2012, and the Caltrans permit for the future phase may expire if future phases are deferred but all permits for the full project are currently in hand. Member Miller suggested assigning a score of 10. Member Miller and Vice Chair Sevcik said the Caltrans permit is relatively easy to get.

Recycled Wastewater from Municipal Facilities – Member Watson noted permitting and a full design package would be required for the South County options and would require 3-5 years for implementation. Member Miller thought there would be environmental review on the pipeline, with less review for sliplining or reuse of an existing pipeline, but could be viewed very positively by various agencies and thought a score of 7 would be appropriate.

Member Watson thought the timing of the various interrelated projects was a factor in implementation schedule. He noted that Pismo Beach is planning to add tertiary treatment to their WWTP. Member Woodson asked if this was associated with the Spanish Springs project and if it relied on availability of State Water for project approval. Member Watson said Pismo Beach was acquiring additional drought buffer from the County but other than that, the existing water supplies and development of a City recycling program would be adequate for addressing the developers' water supply impacts. Member Miller suggested a score of 7 for the Pismo Beach variation. He noted the County has an RFP out for development of a countywide recycled water study. Member Graue asked if these were both reverse osmosis projects that would use the Boyle Site 1 scheme to convey water to the Mesa. Member Watson said the end use would determine the treatment level, and cost would be based on treatment level. He thought the cost opinions may want to assume

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

reverse osmosis to reflect groundwater recharge. Member Miller noted this would be very low-pressure, high-recovery reverse osmosis.

Local Groundwater – Member Garson thought acquiring a permit to use local shallow groundwater could have other challenges but a recent exploratory well at the Woodlands required only 2 weeks for acquiring a permit. He noted it would not be considered a new water supply and may rank very low with respect to other criteria but would be worthwhile to include in the analysis to address questions or issues raised by the public. Member Watson said permitting a test well was not usually a big deal to the County, but drilling a production well would require a lengthier process. Member Miller said the presence of rising levels and higher nitrates in the shallow aquifer could result in permitting of this supply being a non-issue. He and Member Garson discussed that this variation is feasible but is not new water and water supply quantities would be limiting. Member Miller suggested a 9. Member Graue thought the Dana Wells should have a similar score. Member Garson thought the riverside wells would have jurisdictional or ownership challenges. Member Matsuyama thought court compliance would be ranked low for this alternative. Member Graue asked if there was a legal opinion that the District could not drill water from this location. Chairman Nunley thought ownership of the water was the challenge. He suggested a 1 with an asterisk and Member Matsuyama asked Vice Chair Sevcik to get more information on the legal issues with this variation.

Surface Water – Member Matsuyama thought many agency approvals would be required to acquire water from surface water supplies. Member Woodson suggested a score of 1 for these alternatives.

Seawater Desalination – Member Graue thought the time required for permitting was around 10 years or more, but as a long-term water supply this would not eliminate this alternative from consideration. Chairman Nunley noted reliability was high. Member Graue thought feasibility should be a 3. Chairman Nunley said the permitting for solar distillation could be longer since such a large land area would be affected. Member Graue thought land costs in the Suey Canyon area could be \$2500/AC and would not be restrictive, but timeline for implementation would be a problem. Member Woodson asked about additional facilities required for this alternative. Member Graue noted that brine discharge and pipelines would be required. Chairman Nunley thought the size of land area would require more time and suggested a score of 2. Member Saltoun suggested a pilot study would be required and a grant may be available for that.

The Chairman directed the Committee to walk through the court compliance criterion for each alternative.

State Water – Chairman Nunley described the rubric and suggested this alternative receive a score of 10 since it would represent importation of new water onto the Mesa.

Member Matsuyama suggested expanding the rubric to discuss two issues related to court compliance – both quantity and whether imported or not imported. Member Watson suggested that court compliance be discussed as part of each alternative evaluation to better explain the score. Chairman Nunley suggested all the alternative evaluations should explain why scores were assigned for each of the criteria and any challenges or issues with assigning a score should be explained there. Member Saltoun suggested expanding this criterion into 2 criteria: one for source and the other for quantity. Member Watson said he thought there may be alternatives to improve the groundwater situation by participating in regional projects such as recycled water that might be applied outside District or NMMA boundaries, but could be presented to the judge to determine if they comply with the intent

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

of the stipulation since they affect the Santa Maria groundwater basin as a whole. Member Saltoun suggested a 1 for method and 10 for quantity.

Member Garson asked if the committee could get some feedback from the public at this time and Member Miller supported the suggestion

Public Comment:

Tom Geaslen, General Manager of the Oceano Community Services District (OCSD) and Nipomo CSD ratepayer, commended the committee on their work and was attending on behalf of OCSD. The District has 303 AFY of surface water at Lopez, 750 AFY of State Water, and a safe yield of groundwater of 900 AFY. This is just under 2000 AFY total and OCSD uses only about 50% of this, including temporary water sales to Canyon Crest and City of Arroyo Grande. OCSD would like to discuss a sale or transfer of possibly 500 AFY to NCSD and would like the Committee to review this alternative. Mr. Geaslen has permission from his Board to present this concept to NCSD.

OCSD is a member of South SLO County Sanitation District which discharges 3 MG of water to the ocean and the member agencies feel this is a waste.

OCSD has gone back to the County to request additional State Water and would like to take advantage of the extra capacity in the State Water pipeline facilities. There was a ballot initiative to prevent a permanent water sale but OCSD has options for temporary sales similar to what they have with Arroyo Grande which is a 5-year sale with multiple 5-year options. He is authorized to offer a 10-year temporary sale with multiple 5-year options. He noted that regional recycled water plans and water management are being promoted by the state and he feels solutions such as he has proposed would be encouraged by the state. This alternative could allow the District to buy time for some of their long-term water supply solutions while complying with the Court stipulation.

Member Matsuyama asked if there was a range of cost available to discuss. Mr. Geaslen said it would likely be a cost plus a percentage. This would include maintenance and capital improvements which change every year. He has a 5-year budget he would review but he thinks it would be considerably less than the Santa Maria water. He said the NCMA is considered a model of water management.

Chairman Nunley asked if District staff had been approached to discuss this alternative. Mr. Geaslen said they had not but he wanted to present this to the Committee to be considered as an alternative. OCSD has had preliminary discussions with the County to acquire more State Water.

Member Garson asked if there is a capital component or mechanism required to deliver water from Oceano to NCSD, in addition to the ongoing or purchase costs. Mr. Geaslen responded that the State Water pipeline could be used to wheel water or the Oceano turnout could be used. He said he and Paavo Ogren would be meeting with CCWA to discuss this. Mr. Geaslen noted he had written a \$600k check for water deliveries this week. His cost per AF for Lopez and State Water was approximately \$1505/AF. The agencies had surplus Lopez water which was not charged this year and OCSD sold it to Arroyo Grande.

Mr. Geaslen said he has permission from NCMA to discuss this with NCSD.

Member Watson asked if Mr. Geaslen could provide a range of costs in his discussions with NCSD staff. Mr. Geaslen said it would be a fair cost-plus offer and he will put together that

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

number. Member Watson asked about potential for a permanent sale. Mr. Geaslen said this would require a vote but a temporary transfer would not require a vote.

OCSD is a disadvantaged community and does not need to meet the 20 by 2020 water conservation requirements.

Member Watson said OCSD was already being considered as a water supply alternative under some of the broader water supply categories such as State Water. Mr. Geaslen said the District has multiple water sources in addition to State Water that could be provided to NCSD. He thinks the Court will be encouraged by the Districts working together on a water supply project and thinks there must be better alternatives than the Santa Maria pipeline project. Chairman Nunley noted this would be a "municipal mix" similar to what is being offered by Santa Maria. Mr. Geaslen said OCSD includes the Halcyon area so it is relatively close to Rural Water and could tie in there. OCSD is also looking at transferring water through oil pipelines. He thinks this alternative would score as a "10" and would not have significant hurdles.

Member Miller asked if the meeting with CCWA would happen within 2 weeks and Mr. Geaslen said it would. Member Miller noted that the use of the pipeline would require multiple agencies to agree and a vote in Nipomo may be required. Mr. Geaslen said this would only apply if the supply was purely State Water. He would apply OCSD's political expertise to negotiate with Department of Water Resources (DWR) to facilitate this transfer. He thinks this would be a win for OCSD & NCSD. He is working on options including use of oil pipelines to transfer water.

Member Matsuyama asked if Mr. Geaslen had talked to Supervisors Teixeira or Hill and Mr. Geaslen responded he had talked with Supervisor Teixeira. He said OCSD is the lead agency for the Integrated Regional Water Management Plan for South County and OCSD would be engaging NCMA and NMMA members in regional planning.

Mr. Geaslen said there is a big push on the east coast for water companies to consolidate together and this could be considered as well. In addition, OCSD qualifies for various grants and has opportunities through Lois Capps' office and federal agencies to receive financial aid.

Member Saltoun said the Committee could address reasonable alternatives when they are identified. He thought the State Water pipeline would only allow the District to receive 750 AFY, or OCSD's Table A amount, but this has not been reduced due to San Luis Obispo County's ~25K AFY of excess entitlement. He discussed the current State Water customers' first rights of refusal for any of this water and also that construction of a new turnout would require full CEQA analysis similar to the original State Water Project, in addition to a ballot initiative. There are several constraints even if there is a willing seller and a willing buyer as discussed today. A separate connector between the distribution systems would be interesting.

Member Miller said it would be good to identify where the systems could be connected and Mr. Geaslen said he is looking at it. Member Woodson noted pipe size would be a consideration in selecting a tie-in location.

Mr. Geaslen said this could be a justifiable solution to deliver water on a short-term basis to NCSD so they can develop long-term water supply plans and OCSD would welcome the additional revenue stream.



## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Bob Blair, Director, said he had hired water expert Bob Beeby and a water attorney when he was previously on the District. He said Mr. Beeby had testified in court that NCSD would take over 15 years to use all their groundwater if there was no rainfall. He urged the Committee to look at the Oceano alternative. He said the Supervisor was on board for this and Mr. Geaslen has political connections. He had constructed the valve on the CCWA pipeline because he thought someone would use it some day. He said the farmers have 10 AFY of water and could use this water as well, if Nipomo can build a turnout. He thought NCSD should not be a customer of Santa Maria.

Ed Eby, Nipomo resident, suggested splitting the court compliance column into method, quantity, and source. He noted that wells on the Mesa, conservation, and recycled water from Southland WWTF are not supplemental water.

Chairman Nunley said he thought the Oceano alternative was different from the Santa Maria Intertie alternative, but had similar regulatory and agency coordination issues. He suggested the Miller/Watson/Woodson committee perform an initial screening and bring back findings to a future meeting. Member Miller said the Committee would like to get cost information in the next few weeks but based on his initial comments, it seemed the cost range would be similar to Santa Maria water. Member Matsuyama said Mr. Geaslen had stated it would be less expensive than Santa Maria water so the Committee could start there with a cost comparison. Member Miller said the subcommittee would start working on developing cost estimates. Members Watson and Matsuyama noted the Oceano alternative sounded like a blended water supply. Member Matsuyama asked if there would be similar institutional constraints for conveying blended water through the CCWA pipeline as had been discussed for State Water. Member Saltoun said he would expect the same need for multiple agency approvals regardless of the water being conveyed through the pipeline. Chairman Nunley said it looked like there were two variations of the Oceano alternative – one is the 1A-SW with OCSD as the entity selling State Water through the CCWA pipeline to NCSD; and the other as a direct connection to deliver blended water from the OCSD system to NCSD. 1A-SW has been analyzed but this OCSD option should be detailed. Member Garson said the OCSD sale of State Water has already been considered but conveying OCSD blended water should be the focus for the Committee's analysis. He thought magnitude of water purchase cost should be similar to Santa Maria. Member Matsuyama noted OCSD is motivated since they need the revenue. She asked if there is still a first right of refusal by other State Water customers if NCSD receives blended water from the OCSD system and various Committee members responded that it is OCSD's water when it enters their distribution system so they have full rights to it. Member Woodson asked if a long-term water partnership, beyond the 10-year contract period, should be viewed in light of OCSD's past financial and institutional challenges. Members Watson and Garson discussed opportunity to build a long-term relationship with either agency, beyond the short-term water supply needs. Member Saltoun noted connecting to the south would meet all the supply goals. Member Matsuyama asked if disadvantaged agencies get preference with respect to State Water deliveries. Member Miller and Chairman Nunley responded that they do not, but they could get grant funding for capital projects. Member Watson said the advantage to connecting a waterline to Oceano could be that it would facilitate construction of a recycled water pipeline as well, and would be the first steps toward a regional network of interconnections between the Five Cities and Nipomo systems. Chairman Nunley said the Committee would need to look at tying into the large mains on Tefft St and the elevation difference will require pumping. Storage will also be required. Hydraulic constraints in both systems must be analyzed since it is a relatively large flow for the OCSD system. The Santa Maria Intertie project required a mile and half water main on Blosser Road to connect to the backbone of the Santa Maria system. It would be difficult to determine the hydraulics in the OCSD system. Member Matsuyama noted Arroyo Grande and Los Berros Creek

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

would need to be crossed presenting regulatory challenges . Member Graue said this would be an expensive project to build for 500 AFY when you have a similar distance to convey 2250 AFY from South County Sanitation District WWTP. Chairman Nunley and Member Miller responded that the recycled wastewater could not be discharged into the Nipomo CSD distribution system since it is illegal to have direct potable reuse of wastewater in California. Member Matsuyama responded that the water could be used for groundwater recharge. Member Saltoun suggested a recycled water and potable water main could be installed in the same trench and Member Miller noted that the two pipelines must have separate trenches according to state law.

Member Watson asked if OCSD's water could be delivered to a neighboring water agency and wheeled to NCSD. Member Miller noted that Rural Water Company has no connection to other water agencies but Woodlands has a connection to the NCSD system. Member Garson said an option could be for Woodlands to take water from OCSD and stop pumping groundwater. He said Woodlands Mutual Water Company would consider this an interesting idea.

Chairman Nunley expressed appreciate for Mr. Geaslen attending the meeting today and said he hopes Mr. Geaslen will follow up with the General Manager. Member Saltoun recommended including the OCSD intertie as an additional alternative as a 10C-SM. Chairman Nunley suggested including it as a separate alternative since it may be analyzed at a different level of detail than the other alternatives. The Committee understands that time is of the essence.

Member Matsuyama asked if the grant can be reassigned to an intertie with OCSD. Member Miller said it might require an action from the Board of Supervisors and Chairman Nunley responded that the Integrated Regional Water Management Plan grants are tied to a specific project directly from DWR. They track the list of projects awarded through the plan.

Chairman Nunley noted the February 13 Board meeting is scheduled for release of the bid requests for a component of the Santa Maria Intertie.

Chairman Nunley asked the subcommittees to review their list of variations and determine if the list on the matrix should be updated and bring back their ranking to the full Committee at the next meeting. He would like to see how the Oceano alternative compares to the other alternatives and develop some draft recommendations for the Board even if the full analysis is not complete. Member Miller asked for the Chairman to coordinate with OCSD to provide cost and hydraulic information for the Committee's evaluation. Member Watson asked who is performing engineering services for OCSD and Member Miller noted that Wallace Group no longer performed this service for the District and he did not know who was working for the District. Chairman Nunley said he would put a list of items together to present to General Manager LeBrun for his discussions with the District and would forward to the subcommittee for their review.

The Committee unanimously voted to schedule the next meeting for February 4, 2013 at 1 PM; to assign the Miller/Watson/Woodson subcommittee to perform an initial screening of the OCSD intertie alternative; and to direct the subcommittees to review and assign scores to the variations of their alternatives.

See the attached draft matrix for a summary of draft scores.

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

**4. OVERVIEW OF DISTRICT'S 2010 UWMP DEMAND AND SUPPLY PROJECTIONS**

Vice Chair Sevcik presented the summary table provided in the Staff Report, which is based on the District's 2010 Urban Water Management Plan (UWMP). He noted the wholesale demand included Rural Water Company and Golden State Water Company. At the time the UWMP was drafted it was assumed that Woodlands would not be taking direct delivery of water but the District would be reducing groundwater pumping instead.

Member Miller said it is likely that Woodlands would take "wet" water directly from the District system now. He noted the increase in District demand looked like it included approximately 500 AFY of infill development, which could increase more slowly than shown due to water conservation and the slow rate of private development. Vice Chair Sevcik said the demands were based on the District meeting their 2020 goal of reduction of 20% water demand. The District used growth projections were provided by SLOCOG which were much lower than used to estimate 2005 water demand. Even using these projections, the water demand is nearly flat. He said the District has held a demand of 2500 +/- 100 AFY for the past several years.

Member Matsuyama asked if the Board had voted to lift the moratorium on new water service at the January 23<sup>rd</sup> Board meeting and Vice Chair Sevcik said the request, which had been made by two citizens, had been denied. The Board directed the citizens to return with their request after a new water supply project is being implemented. Until there is a water supply project underway, the District intends to keep the moratorium in place but the Board revisits it twice a year.

Member Miller asked if there was a retrofit offset program required by the County for new growth in Nipomo and noted it was applied in Los Osos and a retrofit program also helped keep water demands constant for years in San Luis Obispo.

Member Matsuyama asked Vice Chair Sevcik to explain the water loss numbers. Vice Chair Sevcik responded that this was the difference between metered well production and customer meter records. Member Miller said this was a very low loss number compared to most water providers. Vice Chair Sevcik noted the District was planning to calibrate their well meters in the near future.

Member Watson asked if the "flat" water demand over the past several years was due to conservation or lack of growth. Member Matsuyama said she thought lack of growth was a factor. Vice Chair Sevcik discussed the four-tier water rate and foreclosures in the community.

Member Watson asked Vice Chair Sevcik to explain the 6200 AFY future demand being addressed by the Committee. Vice Chair Sevcik said this number was estimated in the 2007 Water Master Plan and is based on current zoning of the LAFCO-designed Sphere of Influence (SOI), in addition to the District's service area. Member Matsuyama asked if this is the same as the Urban Reserve Line. Vice Chair Sevcik said it was the area the District could serve within a 20-year horizon according to LAFCO rules. Chairman Nunley said the land use was developed by San Luis Obispo County and the District has no control over zoning or land use.

Member Watson asked if supplemental water would completely replace groundwater use and if the future supplies shown in the UWMP chart are sustainable flows. Vice Chair Sevcik said the District would like to continue using as much groundwater as possible because it is a good source and less expensive than other supplies. He said the goal would be approximately 1500 AFY in the long-term based on the UWMP and this goal was applied

## SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

to develop the purchase schedule with City of Santa Maria. Member Graue asked if the 1500 AFY was a scientific number or a guess and Vice Chair Sevcik responded it was probably as scientific as the 2500 AFY number.

Member Watson asked if 6200 AFY is a "buildout" or maximum potential number, then if 1500 AFY groundwater is subtracted, then it would be reasonable to say the District may need 4700 AFY in the future which is beyond the Santa Maria Intertie capacity. Vice Chair Sevcik said this was assumed in the UWMP and is one of the reasons the District is interested in pursuing desalination long-term. Member Watson said many agencies plan for a water supply buffer in their planning and asked if the District was incorporating a buffer in their planning process. Vice Chair Sevcik said the District needs some buffer and relying only on groundwater, the District has no buffer. Chairman Nunley said particularly if seawater intrusion occurs, water would need to be trucked into the community if there is no other water supply. Vice Chair Sevcik said the partnership with Santa Maria would help address this since they have planned for multiple sources of water and this would be a strategic move for the Nipomo community. Member Watson said the community needs understand that having more supplies is advantageous. Member Matsuyama asked if the Committee should suggest a planning buffer in their final report. Member Watson responded that it is difficult to work with static numbers in reference to water supply and demand since the numbers vary each year, and it is important to have redundant supplies to provide reliability.

Member Graue asked if DWR had developed a study to show long-term reliability or evaluate risk to the water supply and help communities plan and address these issues. Chairman Nunley said there is a reliability report DWR publishes every few years that is used by water agencies to evaluate their own supply reliability. He described the UWMP required for all communities over 3000 connections and mentioned that CCWA completes one as well, and they use the DWR reliability studies for their own analysis. Vice Chair Sevcik said the UWMP looked at reliability of Santa Maria water and incorporated that into the District's UWMP as required by DWR, and could be addressed in a separate discussion.

There was no public comment.

Member Watson suggested the Committee review the table from the UWMP and use it to determine the targets for future water supplies being evaluated. He said it looks like the community needs 4700 AFY in addition to 1500 AFY to meet future demands. Member Miller asked if the 2007 Water Master Plan included 4700 AFY of supplemental water in addition to 1500 AFY of groundwater. Vice Chair Sevcik said that given the level of accuracy of the 6200 AFY demand, it was assumed this was an appropriate numerical goal for future water supplies. Chairman Nunley said it makes sense to plan for the full 6200 AFY to provide redundancy, and Member Miller added that this particularly makes sense if it is relatively inexpensive to increase the supply capacity to that delivery rate.

**5. DISCUSS NEED FOR SPOKESPERSON TO PROVIDE UPDATE TO THE BOARD**

Member Miller asked if this item would be revisited on February 4 in time for the Board presentation and Chairman Nunley said the Committee could do that. Chairman Nunley said the Committee would also need to tell the Board which members were analyzing the Oceano intertie alternative per the Bylaws.

There was no public comment.

SPECIAL MEETING MINUTES  
SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

**6. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE**

Member Miller said more reports may be identified as the Oceano intertie alternative is evaluated. The Committee voted unanimously to add the capacity study of the Coastal Branch Pipeline completed in December 2011 by San Luis Obispo County and Central Coast Water Authority. The Chairman said he would send the Committee members a link to the online report.

There was no public comment.

**7. SET NEXT COMMITTEE MEETING DATE AND TIME**

The Committee set a new date and time at the end of the Item 4 discussion (February 4 at 1:00 PM).

**8. ADJOURN**

Chairman Nunley adjourned the meeting at 12:20 PM.

**ATTACHMENTS**

Draft Matrix

Draft Rubric (provided at meeting)

MAJOR ALTERNATIVES	VARIATIONS	CRITERIA															FINAL SCORE	RANK	
		SUPPLY POTENTIAL			COST CONSIDERATIONS		COURT COMPLIANCE	CRITICAL MILESTONES FOR DELIVERY			RELIABILITY	PHASING	QUALITY	FEAS-ABILITY	SUSTAIN-ABILITY	PUBLIC SUPPORT			RAW SCORES
		1,000 AFY	3,000 AFY	6,200 AFY	CAPITAL	O&M		1,000 BY 2015	3,000 BY 2020	6,200 (Future)									
		6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	100.0%		
SW State Water Project	01-SW Acquire Unused or Excess Table A Allocation from SLO County	10	10	1			M1,Q10				8			A 1,B 2			29		
	02-SW Acquire Unused or Excess Table A Allocation from SB County	10	8	1							5			3			27		
	03-SW Reactivate Desal Plant in SB / Exchange for SWP Supplies	10	10	1							1			2			24		
C Demand Management / Conservation / Graywater	04-C Conservation Programs (Current and Future)																		
	05-C Graywater Programs																		
AIR Agricultural and Industrial Reuse	06-AIR Agricultural Tailwater Reuse										1			3			4		
	07-AIR Phillips 66 Refinery Process Water Reuse	3	1	1							8			8			21		
	08-AIR Phillips 66 Refinery Thermal Waste Recapture	1	1	1							1			1			5		
	09-AIR PXP Arroyo Grande Production Wastewater Reuse	9	1	1							1			7			19		
SM Santa Maria Waterline Intertie Project	10-SM Phase I only	10	10	10							10			10			50		
	10A-SM Full Project	10	10	10							10			10			50		
RWW Recycled Water Supplies	11-RWW Acquire Supply from South SLO County Sanitary District	10	7	1							10			7			35		
	12-RWW Acquire Supply from Pismo Beach	10	5	1							10			7			33		
LG Local Groundwater	13-LG Local Shallow Aquifer	1	1	1										9			12		
	14-LG Dana Wells	1	1	1										9			12		
	15-LG Riverside Wells	1	1	1										1*			3		
SFW Surface Water	16-SFW Oso Flaco Lake	1	1	1										1			4		
	17-SFW Santa Maria River	1	1	1										1			4		
SEA Seawater / Brackish / Other Desalination Options	19-SEA Seawater Desalination Project	10	10	10							10			3			43		
	20-SEA Solar Distillation of Seawater	10	10	10							10			2			42		

DRAFT SCORING RUBRIC			1/25/2013
SCORING CATEGORIES	POINT ASSIGNMENT		
	1-3	4-7	8-10
<b>Supply Potential: 1000 AFY</b>	Alternative can deliver up to 350 AFY	Alternative can deliver 350 to 750 AFY	Alternative can deliver 750 to 1000 AFY
<b>Supply Potential: 3000 AFY</b>	Alternative can deliver up to 1050 AFY	Alternative can deliver 1050 to 2250 AFY	Alternative can deliver 2250 to 3000 AFY
<b>Supply Potential: 6200 AFY</b>	Alternative can deliver up to 2170 AFY	Alternative can deliver 2170 to 4650 AFY	Alternative can deliver 4650 to 6200 AFY
<b>Cost Considerations: Capital</b>	Three alternatives with the highest capital costs (most expensive capital costs) to deliver 3000 AFY	"Middle" capital costs to deliver 3000 AFY	Three alternatives with the lowest capital costs to deliver 3000 AFY
<b>Cost Considerations: Operation &amp; Maintenance</b>	Three alternatives with the highest O&M costs (most expensive O&M) for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.	"Middle" O&M costs for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.	Three alternatives with the lowest O&M costs for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.
<b>Court Compliance</b>	1 Point - Is in conflict with Stipulation or does not import water to the Mesa	--	10 Points - Imports water to the Mesa and complies with the Stipulation
<b>Critical Milestones for Delivery: 1000 AFY by 2015</b>	1 Point - Cannot deliver 1000 AFY by Jun 2015	--	10 Points - Can deliver 1000 AFY by Jun 2015
<b>Critical Milestones for Delivery: 3000 AFY by 2020</b>	1 Point - Cannot deliver 3000 AFY by 2020	--	10 Points - Can deliver 3000 AFY by 2020
<b>Critical Milestones for Delivery: 6200 AFY (Future)</b>	1 Point - Cannot ultimately deliver 6200 AFY in future (past 2030)	--	10 Points - Can ultimately deliver 6200 AFY in future (past 2030)
<b>Reliability</b>	Considered not reliable (<80%) on a long-term basis based on historic performance or availability of "design flow". Projects may not be able to produce at least 80% of "design flow" or may not be able to do so reliably.	Considered moderately reliable (80%+) on a long-term basis based on historic performance or availability of "design flow" (ex. only 80% of "design flow" may be available at some times). Subject to seasonal limitations or fluctuations that would impact supplies available to District.	Considered highly reliable on a long-term basis based on historic performance or availability of 80% of "design flow". Not subject to seasonal limitations or fluctuations that would impact supplies available to District
<b>Feasibility</b>	Permitting is expected to represent a significant hurdle - either adding five (5)+ years to project implementation for 3000 AFY delivery, or may be opposed by resource agencies or in conflict with their policies. May require significant contract negotiations with multiple outside entities that are expected to challenge the project.	May require CEQA permitting and some contract negotiation with an outside entity, but negotiation is not expected to be challenged by outside entities or to take longer than 1-2 years.	Can be accomplished without new CEQA or additional "major" resource agency permits (CDFG, NOAA Fisheries, CA Coastal Commission, etc.) or can acquire permits/authorizations within 1 year. Can be accomplished with minor effort to update existing contracts or without any contract modifications requiring more than 1 year to finalize.
<b>Phasing</b>	Project either cannot be upgraded from 1000 to 3000 AFY or will require more than 100% of the initial (1000 AFY) capital cost	Project can be upgraded from 1000 to 3000 AFY but will require 60 to 80% of the initial (1000 AFY) capital cost	Project can be upgraded from 1000 to 3000 AFY without requiring more than 50% of the initial (1000 AFY) capital cost
<b>Water Quality</b>	Requires "high" level of treatment - reverse osmosis or similar desalination - for intended use, or has significant health/safety concerns or risks	Requires "moderate" level of treatment - basic filtration & disinfection - for intended use	Requires minor chemical addition (disinfection) or no treatment for intended use
<b>Sustainability</b>	Significant negative environmental impact due to energy usage, carbon footprint, greenhouse gas emissions, or other similar measures.	Some environmental impact with an increase in carbon footprint, greenhouse gas emissions, or other similar measures.	Positive environmental impact or no increase in carbon footprint, greenhouse gas emissions, or other similar measures.
<b>Public Support</b>	Opposition is anticipated	Indifferent	Positive