

NIPOMO COMMUNITY SERVICES DISTRICT

FEBRUARY 4, 2013

1:00 P.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 February 4, 2013, to order at 1:00 PM and led the flag salute. At roll call, all Committee members were present.

2. GENERAL MANAGER'S REPORT

General Manager Michael LeBrun met with Tom Geaslen on Friday but did not have anything in writing or further update on Oceano CSD's good faith offer to provide water to Nipomo CSD. In the meeting, Mr. Geaslen said he would provide additional information today and that his next step would be to provide a term sheet.

General Manager LeBrun and the Board are excited about the Committee's progress and look forward to getting an update at the Board meeting on February 13th. The Board is working hard on a parallel path to implement the phased Supplemental Water Project which could begin construction this spring.

Member Garson asked about the recent request for an abatement of the water service moratorium. General Manager LeBrun said at the Board meeting on January 23rd, a developer had requested that the Board rescind the moratorium for a specific development project and another group had requested the moratorium be rescinded for the Jim O. Miller Community Park that would be built near the District office. Both requests were denied by a 3-1 vote with the Board President dissenting. It was recommended that both proponents return in April when a Supplemental Water Project may be underway.

Member Garson asked if any projects had been approved since the Board had issued the moratorium. General Manager LeBrun responded no new applications after June 2012 had been reviewed, but some that had already been submitted were being processed. He said that some applicants were already in the approval process prior to that date and some of their approvals had already been perfected.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Member Garson asked if Santa Maria Vista had been issued will-serves. General Manager LeBrun said that development project had been issued will-serves that were not transferable. A development agreement has been approved with the new owner. About 10 meters have been placed in that development.

Member Garson asked about the status of the Dana Wells. General Manager LeBrun noted the casings and a developer-installed pump were installed but the wells were never completed or activated. The pumps have been sitting in the well so long they are considered past their useful life. Some additional infrastructure would be required to tie them into the District system and the well equipment would need to be replaced.

Member Matsuyama asked if this status applied to all the wells and General Manager LeBrun responded this only applied to the Cheyenne and Mandy wells (the 2 "Dana Wells"). They are located off the west side of Camino Cabello. They are on the lower-producing side of the Oceano fault trace.

Member Garson asked if the Dana Wells could be tied into an 8-inch line that was installed as part of the development and if that pipeline is going to be used for the initial phase of the Supplemental Water Project. The General Manager explained that the wells are not located near the Maria Vista Estates development and there is a 12-inch waterline between Maria Vista Estates and the rest of the District distribution system along Orchard Road. There is also a sewer pipeline to convey wastewater from the development to the District wastewater system. The Orchard Road pipeline is a key component for delivering water from the Supplemental Water Project to the District. Member Garson asked if it was originally intended to deliver to Maria Vista Estates and is now being used to convey supplemental water in the opposite direction. General Manager LeBrun said this is accurate if water is provided from the City of Santa Maria. Chairman Nunley asked if the District had already accepted the waterline from the developer and the General Manager responded that it was accepted and now owned and operated by the District. Member Garson asked if Phase I of the Supplemental Water Project would tie into the 12-inch waterline and the General Manager said it would. Chairman Nunley asked the General Manager to show where the Dana Wells are located on a map. Chairman Nunley clarified that the Dana Wells are not in the Maria Vista development. Member Garson asked if the 12-inch waterline would be increased in future. The General Manager responded that the project would require pumps, new mains between the waterline and Tefft Street water mains, and that ultimately 6200 AFY delivery may require direct connection to the District's water tanks.

There was no public comment.

3. REVIEW DRAFT MINUTES FROM JANUARY 14, 2013, COMMITTEE MEETING

The Committee voted unanimously to approve the draft notes.

There was no public comment.

4. REVIEW DRAFT MINUTES FROM JANUARY 25, 2013, COMMITTEE MEETING

The Committee voted unanimously to defer review and approval of the notes until the next meeting.

Public Comment:

Julie Tacker (non-resident of Nipomo) recommended that the item be deferred since the minutes were not available on the website until today and it appears the Committee has not had a chance to review them.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

5. REVIEW SUBCOMMITTEE ASSIGNMENTS

Chairman Nunley introduced the item and expressed the District's appreciation for the Committee's meetings, conference calls, and hard work. He projected the Committee members' weighting recommendations on the screen, and noted he had received numbers from Members Woodson, Graue, Watson, Saltoun, and Matsuyama and all their information is displayed on the screen.

Member Graue said he felt it was worthwhile to document all the considerations incorporated in the alternative evaluation. However, there is a fair amount of repetition and redundancy among the 18 categories and this makes the weighting important. In order to develop a ranking, he thought the four important criteria were feasibility, cost, public support, and court compliance. He gave 30% to feasibility and cost, and 20% to public support and court compliance, respectively.

Member Saltoun agreed there are a lot of criteria that overlap. For example, 7 of the 18 are directed at supply and he discussed some examples of overlap and duplication that may skew the ranking outside of the intent of the bylaws. He noted he agreed with Member Graue that it was important to analyze all of the categories when performing their evaluation, however.

Chairman Nunley said he liked the tool that Member Saltoun had prepared for weighting since each member could apply their own ranking, and all would be averaged together instead of all members needing to agree on one set of weighting criteria. He also noted there are several criteria not included in the bylaws. Member Garson said the Committee respected the bylaws, but felt there were issues that should be evaluated that are not included in the bylaws and had identified evaluation criteria accordingly. He agreed there were several criteria related to each other and noted there could be a concern with weighting one set of criteria (such as supply) more heavily.

Member Miller asked Member Saltoun to discuss his weighting recommendations. Member Saltoun said the 3000 AFY supply category had been assigned zero points because it had been repeated three times in the matrix. Member Miller noted Member Saltoun had not narrowed the number of criteria as much as had Member Graue.

Member Watson said he had assigned the same weighting to all the criteria since he thought weighting assigned a second level of subjectivity to the analysis, and also felt this would require a second level of explanation to the public and it might divert attention away from the analysis itself.

Member Miller said there could be benefits to seeing how the raw rankings progress and putting them into different weighting models to see how the results compare. He would like to see all the criteria have some consideration and would favor a broader look similar to what Mr. Saltoun has done.

Member Matsuyama felt there were too many categories and was concerned it would be difficult to explain the Committee's work to the community. In addition, a couple of Committee meetings have been spent on weighting instead of the alternatives themselves where the time should be spent.

Member Woodson said it looked like the purpose of the spreadsheet is to develop an aggregate weighting system from all the Committee members' recommendations.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Member Graue noted he did not want the list of evaluation criteria used in the ranking process to be so long that the Committee could not clearly identify which alternatives were preferred.

Member Watson said the Committee might need to explain why some of the higher cost items may be ranked very high, and weighting the criteria could complicate the Committee's ability to explain the ranking results in that case.

Member Garson thought the Committee may want to run through the raw scores and then look at weighting if the results do not make sense.

Chairman Nunley asked the subcommittees to present the scores for their alternatives.

Member Matsuyama said the subcommittee was collapsing graywater into the Conservation alternative analysis and provided scores. She read the subcommittees' scores for Conservation, Local Shallow Groundwater, and Dana Wells. (See attached matrix with full scores from the subcommittees.) She asked to add "Not feasible due to legal opinion" to the Riverside Wells title.

Member Miller presented subcommittee scores for Santa Maria Intertie Phase I, Full Project, Recycled Water Supplies, and Surface Water. He said he can provide a preliminary analysis of the Oceano option and the Chairman suggested he provide it at the end of the ranking discussion.

Chairman Nunley read the raw total scores and said he thought the Local Shallow Groundwater score looked high. Member Miller noted that while the Committee knows shallow groundwater is rising in some areas, it is difficult to estimate the quantity. He thought 1000 AFY was a safe assumption but reliability could vary widely at higher flows. Member Graue said a study is required to determine this. Member Garson asked how it could be scored in the absence of data. Member Miller said we know the shallow groundwater does not exist everywhere on the Mesa – it is present at Woodlands but not at Rural Water Company or Cypress. He thought 6200 AFY would be a stretch but thought a 10 implied a high level of certainty in supply, like seawater. Member Graue asked where the shallow groundwater exists and noted it had never been mapped according to Brad Newton. Member Miller said we know where it exists based on some well information and we know it is present above 300 feet in the Woodlands. It varies in production and quality from the lower aquifer. Member Graue said he was not clear this limited definition is what the subcommittee had in mind. Member Matsuyama said they felt this alternative required a study and could be used to emphasize the need for this work. Member Garson asked if Member Miller had worked with the subcommittee on scoring the alternatives based on his experience in the area, would the subcommittee have scored these the same? Chairman Nunley said the Committee did not need to use scoring to make a point with the Board, and they can have recommendations highlighting the need for a groundwater study without ranking it artificially high.

Member Matsuyama said the Committee could include a list of the major findings or a summary at the start of the alternative evaluations, and each of these major findings could be part of the executive summary. Member Saltoun said the comment column in the summary matrix could also include this information.

Member Watson asked if based on the numbers, there is a realistic chance to acquire 6200 AFY. Members Graue and Matsuyama said there is not enough information to confirm that for this analysis or for some of the conclusions in the other evaluations, but there could be

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

enough water. Chairman Nunley said we could put numbers to some of the alternatives such as State Water because we know more about them, and is concerned about assigning artificially high numbers to an alternative to make a point. Member Garson said the subcommittee had not intended to score the criteria to make a point and they had tried to determine how much water shallow wells could provide, for example, but felt they could reconsider the scoring based on new information. Member Saltoun said the description of the variation in the ranking matrix could include a requirement for the aquifer study similar to the pilot testing reference for the solar distillation variation.

Member Miller said he had some data that could be provided about shallow groundwater that would help refine the supply-related scores. Chairman Nunley and Member Miller suggested having the Committee send some questions to the NMMA Technical Group members to get their input on whether the shallow groundwater supply is independent from deeper supply. Member Graue asked how we knew if the supplies were independent. Member Miller said there is some information based on water quality and Member Graue said Brad Newton had noted there was no information available on connectivity in December when he met with the Committee. Member Miller said this information is new. Chairman Nunley proposed that the Committee put a list of groundwater questions together. Member Saltoun suggested Member Graue could put the list together.

Chairman Nunley suggested that he take the weighted scores provided by the Committee members and apply the weights to the matrix, then provide this to the Committee for their consideration. He proposed presenting the raw scores on February 13th as a progress submittal to the Board along with some of the Committee's key findings. Member Garson agreed with the approach and felt the raw scores were the best information available at the time, and felt the Committee should bring their recommendations to the Board for consideration even though they are not related to the ranking process.

Member Garson felt the Oceano alternative should be part of what is presented to the Board even if it cannot be ranked yet. Member Saltoun suggested adding Oceano intertie as an alternative or as a variation to Santa Maria intertie alternative. Chairman Nunley thought the Oceano alternative could be a separate alternative instead of a variation of the Santa Maria alternative. Member Matsuyama said she agreed with Member Saltoun's suggestion and thought the Santa Maria alternative could be renamed Regional Waterline Projects and the Santa Maria and Oceano options could have a common theme. The Committee would like to encourage regional cooperation. Member Woodson asked if the Oceano alternative should be evaluated if it can only produce about 500 AFY. Member Graue noted that combinations should be considered, since several alternatives do not meet 3000 AFY individually but together could be significant. Member Matsuyama agreed. Member Graue noted that combining the South SLOCSD effluent and Oceano alternatives could yield several thousand AFY.

Member Miller gave a brief overview of findings. He noted the project would need to connect to the District system at Willow Rd and Hwy 1 according to Vice Chair Sevcik. Also, there is an alignment that is approximately 6 milesⁱ, though right of way may be very challenging. Costs are summarized below.

- Pipeline: \$7.8M to \$10.2M
- Booster Pump and Storage: \$1M to \$2M
- Chloramination: \$0.5M
- Design, environmental, admin, right of way, other non-construction costs: \$3M to \$4M

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

The bottom line is that it will cost about \$13-14M, the same as Phase 1 of the Santa Maria project. The project would be constrained at considerably less flow than Santa Maria. Unit cost for purchasing the water is not clear at this time. Member Miller suggested the Fee Schedule for the Santa Maria Intertie be included in the list of approved documents. In 2013 dollars, Santa Maria water is about \$1570/AF and it increases annually. He noted Oceano's cost according to the last meeting was about \$1500/AF, so he would expect the costs would be similar but we do not know how it would escalate or how much markup OCSD would need to charge NCSD. He said it looks like Santa Maria is the more viable option due to similar capital costs, similar O&M costs, and more available supply. Member Saltoun noted the temporary nature of this water deal. Member Miller said Rural Water uses about 700 AFY and they are closer to OCSD than NCSD. However, even if all the water was able to be transferred to them, the other participants in the Supplemental Water Project would want to receive this water directly and would not be satisfied with all the water going to Rural Water Company. Member Garson asked how much Rural Water Company pays for their water. Member Miller said they only use groundwater and it is probably about \$150-200/AF including energy and other considerations. Member Garson said Rural Water Company would probably not have any incentive to pay for this water. Member Miller said the District should never close the door to an opportunity, but the small volume of water results in lower scores for this option. Chairman Nunley noted that time-related cost escalation (due to permitting & design timeline) would result in a higher capital cost for OCSD. Member Miller did not include an analysis of the use of the CCWA pipeline to convey the water to Nipomo since this had been addressed in other work by the Committee.

Member Saltoun said cost and supply are objective criteria unlike some of the more subjective ones, and the subcommittees had assigned numbers from 1 to 10 for cost without performing a full comparison of all alternatives per the rubric. Chairman Nunley said he had provided an administrative draft cost table to the Committee for their comment. Member Miller asked if it had been populated to the extent possible and Chairman Nunley said he would take another look and see if he could fill out more information.

Public Comment:

Vincent McCarthy, Nipomo resident, said he would have no idea what the graph meant if he were a member of the public. He asked how the Committee would know about any of this stuff and a hydrology study would be needed to establish any numbers. He asked if there was a specific definition of many of the categories and he felt this was far too complicated. He said people would look at their pocketbooks first and some would not be able to afford it. By 2015, 1000 AFY of water would be \$1.8M. He thought local groundwater could be used to supplement water supply if a study were performed.

Julie Tacker (non- resident of Nipomo) said the Committee had been on her radar. She said there was a quote from Mr. Geaslen about the OCSD Board authorizing a water offer. She had no knowledge of this being discussed at any of the District's public meetings, felt the Board had not given authorization at any public meetings, and felt the Committee should not consider this alternative until the Oceano public had considered it. She said OCSD had considered a water sale of \$2.0M for 100 AFY for transfer to Pismo Beach several years ago and the Oceano ratepayers had agreed to accept a rate increase instead of selling their water. She recommended the General Manager get a statement from the OCSD Board allowing this discussion to continue before they investigate this option further.

Lynn Hill (non-resident of Nipomo) property owner in Oceano and wife of former OCSD Board Member said her tenants in Oceano had received three rate increases and no infrastructure had been fixed. She follows the OCSD meetings and said she had not seen

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

any evidence that the Board had authorized developing a water deal, and she recommended the Committee not spend time analyzing this alternative until they had confirmed the Board was interested.

Ed Eby, Nipomo resident, said he did not think that shallow groundwater is considered supplemental water, unlike State Water, Santa Maria, Nacimiento, or OCSD water. Water taken out of the aquifer here does not help the solution to declining water levels. He thought it should be assigned the same rank as Santa Maria riverside wells. If the Court revisited this option, he did not think it would consider it helpful to addressing the problem.

He said the Santa Maria pipeline is ready to go out to bid in a month or two, whereas it will be many years to implement the OCSD intertie. This should be considered in the evaluation. He felt everyone agrees that time is of the essence due to the threat of seawater intrusion. He thought the weighting is a little complicated and he is not sure the Committee can assign relevant weightings to all the categories. A 100% weighting range assigns a false level of precision.

Julie Tacker asked if Member Miller had considered reusing oil pipelines in his analysis.

Member Saltoun said he thought there is a way to categorize the 18 criteria into supply, cost, and feasibility groups. Columns for each related criteria can be grouped together. He summarized conference calls with Andy Romer (senior pipeline engineer at AECOM and winner of the Bechtel pipeline award from ASCE last year) and Rich Haberman, a former District manager for CDPH. Romer had said it is expensive to evaluate oil pipeline condition and toxicity of hydrocarbons is nearly impossible to remove and requires flushing and then disposal of the flushing fluid. There is no lining that can be applied that is impermeable to hydrocarbons. Soil around old pipelines is probably contaminated and there are associated liability issues since the soil must be handled as a hazardous material. It is unclear if the liability goes to the new owner of the pipeline or the previous owner. Even putting a brand new pipe in a right-of-way of an abandoned oil pipeline still presents contaminated material handling concerns. Delivering any water for nonpotable uses through the abandoned pipelines results in air quality concerns and requires separation of any hydrocarbons at the end of the pipe. Rich Haberman said there are stringent legal requirements for separation between waterlines and other utility corridors, and material requirements that would prevent reuse of oil pipelines for potable water. There is concern that oil pipelines reused to convey recycled water could be mistakenly connected to potable water mains.

Chairman Nunley said the Committee had established 18 criteria to capture the Bylaw requirements and some criteria have very subtle differences. He said the Committee did not need to develop a weighting scheme or that all eighteen criteria be added to calculate a total raw score. The Committee will communicate their analysis, explain the issues, and total scores could even be removed from the matrix if desired and if weighting becomes a distraction.

Member Miller said he thought aggregating the criteria into a summary table and having the broad categories with the detailed information to back it up would be an informative exercise. Member Saltoun said the Graue/Matsuyama/Saltoun could take a look at aggregating the criteria into broad categories and provide a draft to the Committee for consideration. Chairman Nunley said he would take another look at the cost summary table and see how much he could fill in and then send to the Committee for review.

Member Watson felt the detailed evaluation should be in an Appendix and the matrix should be collapsed into a simplified presentation.

SPECIAL MEETING MINUTES
SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Chairman Nunley said a simplified matrix could be included in the executive summary and the more detailed matrix could be included in the body of the report.

Member Woodson supports using the current matrix and keeping it to one page if possible.

Member Saltoun quoted sections from the bylaws on the Committee's requirements for their work product. He said the full matrix is the work product per the bylaws, and a simplified version could be added to this.

Chairman Nunley summarized the action items for the Committee:

- direct the Chairman to update the cost summary table and circulate it to the Committee;
- add Oceano intertie to the evaluation and to the matrix as a Regional Waterline Intertie Project; and
- add a summary matrix for the executive summary.

Member Graue suggested highlighting the key points in the executive summary. Member Watson recommended including a short description at the top of each evaluation writeup to explain the alternative. Member Miller said he would like to include a map in the report. Chairman Nunley said he would be sending a draft base map with his markups to the Committee. It will include neighboring water companies, backbone water distribution system mains, District service area, NMMA boundary, Phillips 66, and other information.

Member Saltoun said Mr. Eby had mentioned the Nacimiento Water Supply Project and asked if the Committee should include it. Member Miller said the Committee could list it and say why they did not evaluate it. Member Saltoun felt it would be relatively straight-forward. Chairman Nunley said it had been evaluated in the 2007 Constraints Analysis and is mainly the cost for a pipeline. Member Saltoun added that treatment is also required since it is a raw water supply.

Member Watson asked if Nacimiento should be included in the Regional Intertie category.

The Committee voted unanimously to direct the Chairman to update the cost table; and direct the Committee to add the Oceano and Nacimiento intertie projects; develop a map; and direct the Graue/Matsuyama/Saltoun subcommittee to develop a draft summary matrix.

6. COORDINATE COMPLETION OF DRAFT REPORT AND BOARD PRESENTATION

Chairman Nunley presented the item. Member Watson said he did not think it would be difficult for the Committee to include the Oceano alternative in the matrix and discuss which alternatives rise to the top today based on raw scores. Member Matsuyama noted there was a pretty clear break between the top tier of projects and the next tier. She felt the Committee could rank categories of projects now. Member Miller asked if there would be another meeting between today and February 13. Chairman Nunley said he thought the Committee could meet late next week or the following week to focus on the draft report. He added a row to the draft matrix and the Committee walked through draft scores for each of the 18 evaluation criteria.

Member Watson said his subcommittee had approached the court compliance category as a scale of 1 to 10 whereas the rubric had only allowed scores of 1 or 10 for court compliance. Member Saltoun said the Committee should reevaluate the rubric, if necessary, so all Committee members use the same guidance. Member Miller said he felt the Oceano option could be considered similar to the Santa Maria intertie by the court, but had not been

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

specifically approved so it should rank slightly lower for court compliance. Member Saltoun felt it would be challenging to evaluate how the court would view these alternatives since multiple parties are involved in the stipulation. Various members discussed the need to reevaluate the rubric for court compliance.

Member Garson noted that subcommittees performing rankings alone will result in scores that vary from what the full Committee may decide together.

Member Watson said he thought some of the alternatives that may not deliver water directly to the District, but still result in offsetting groundwater pumping, could be viewed favorably by the Court. Members Graue and Saltoun said the Court had specified the water must come from Santa Maria.

Chairman Nunley suggested the Graue/Matsuyama/Saltoun subcommittee look at where to include court compliance when regrouping the evaluation categories in the draft summary matrix.

Member Graue asked how public support could be ranked so high for the Santa Maria Intertie variations when the project had been voted down. Chairman Nunley responded that the assessment vote concerned project financing.

Member Matsuyama said the Committee could look at projects below a score of 100 as not being preferred. Member Saltoun noted some alternatives, such as reuse of Phillips 66 wastewater, scored low due to quantity but would be a great project. He thought the recommendations could include many smaller alternatives and strategies and not just one preferred project.

Member Watson noted the County and other regional entities are pursuing various water supply strategies such as recycled water, and these could be pursued concurrently with some of the top-ranked alternatives.

Chairman Nunley said he would send the weighted scores, based on the Committees' weighting recommendations, to the Committee for their consideration.

Member Miller clarified raw scores would be provided to the Board on February 13th. Chairman Nunley added that the Committee should include their recommendations, as well, apart from the matrix. He said the Committee can walk into that meeting with their recommendations and the matrix without submitting something in advance.

Member Saltoun asked for Vice Chair Sevcik's input. Vice Chair Sevcik noted the Santa Maria Waterline Intertie had ranked first, followed by local groundwater which has not risen to the top of other District planning efforts, then followed by desalination and State Water and then recycled water. The Committee's work further supports the District's efforts to continue looking at recycled water after the Southland WWTF upgrade is completed and to pursue desalination. The District certainly wants to be involved with desalination but may not be the right agency to lead that effort. There is an opportunity to work together with the Northern Cities on various efforts including desalination. He felt the Committee's work was providing good guidance to the District for years to come.

Public Comment:

Ed Eby, Nipomo resident, said only about 4-5 pages of the 30 to 50-page stipulation addresses the intertie project. He said the 4 purveyors on the Mesa, Conoco Phillips, and a

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

landowner group worked out the solution for a supply to be imported to the Mesa. If the District did not comply with any provision of the stipulation, the first step would be to get agreement from all the entities in the stipulation and then it would go back to the Court. He noted everyone (Twitchell Reservoir owners, City of Santa Maria, and others) would need to approve a different project and Santa Maria would likely prefer the District get water directly from them. It is uncertain whether a different imported water supply would be approved by them, so court compliance scores should be a little lower (perhaps 8 out of 10) for Oceano. He noted you really needed to satisfy the stipulators instead of the Court. He added that Santa Maria did not want Nipomo to draw water from the CCWA pipeline and wanted them to get water directly from the City instead. He thought importing other water would not be opposed by the Mesa stipulators, but might be opposed by others if it is not the Santa Maria Intertie.

Member Garson said he thought stipulating parties could come back to the court for reconsideration of supply alternatives. Mr. Eby said he thought this was the case, but you still needed to get agreement from the stipulators first and the Court wouldn't amend the order without approval from the stipulating parties or a separate lawsuit.

Mr. Eby asked which "public" is being considered in scoring the Public Support criteria in the Oceano option. He doubted there would be much support from the Oceano community for this project. He looked at prior OCSD agendas and could find no agenda item to present a water offer to NCSD. He thought there needed to be some scrutiny of the authority to make an offer to NCSD.

Member Matsuyama asked if the OCSD General Manager had come to the Board to present the offer. Vice Chair Sevcik said General Manager LeBrun had met with Mr. Geaslen last Friday to request a term sheet but none had been submitted yet and there had been no other contact.

Member Miller asked if Member Saltoun would consider giving the presentation on Wednesday. Members Garson and Matsuyama expressed support and Member Saltoun said he would be willing. Member Saltoun asked if the reorganization and summary of the matrix would be included. Chairman Nunley said only the raw scores and talking points or recommendations would be presented. Member Garson asked who was preparing the talking points. He and various members collaboratively identified the following recommendations:

- More scientific study
- Regional approach
- Better public education and outreach, including specifically the Santa Maria Intertie
- Consideration of alternatives that individually do not meet supply goals, but can meet them together
- Conservation should be part of every project
- Inclusion of non-stipulating parties (well owners and agricultural users) in the solution

Chairman Nunley said he would draft these and email them to the Committee for consideration.

The Committee unanimously voted to assign Member Saltoun to present the matrix and recommendations to the Board on February 13th.

7. ASSIGN SPOKESPERSON TO PRESENT DRAFT REPORT TO THE BOARD

The Committee addressed this in Item 6.

SPECIAL MEETING MINUTES
SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

There was no public comment.

8. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

This item was deferred.

9. SET NEXT COMMITTEE MEETING DATE AND TIME

The Committee unanimously voted to meet at February 15 at 9:00 AM.

10. ADJOURN

Chairman Nunley adjourned the meeting at 3:52 PM.

ATTACHMENTS

Draft Matrix

Draft Weighting Worksheet

ⁱ 8 miles was stated at the meeting but corrected in notes from Member Miller after the meeting.

WORKING DRAFT - SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE RANKING MATRIX - WORKING DRAFT

DATE: 2/4/2013

SHOW RANKINGS

MAJOR ALTERNATIVES	VARIATIONS	CRITERIA																		FINAL SCORE	RANK			
		SUPPLY POTENTIAL			COST CONSIDERATIONS		COURT COMPLIANCE			CRITICAL MILESTONES FOR DELIVERY			RELI-ABILITY	PHASING	QUALITY		FEAS-ABILITY	SUSTAIN-ABILITY	PUBLIC SUPPORT			RAW SCORES		
		1,000 AFY	3,000 AFY	6,200 AFY	CAPITAL	O&M	Method	Quantity	Source	1,000 BY 2015	3,000 BY 2020	6,200 (Future)			Raw	Finished								
																				0.0%				
SW State Water Project	01A-SW	Acquire Unused Table A Allocation from SLOFCWCD		10	10	10	1	7	1	10	10	1	1	1	2	10	10	10	1	10	1	106		
	01B-SW	Acquire Excess Table A Allocation identified by CCWA & SLOFCWCD		10	10	1	2	7	1	10	10	1	5	1	2	10	10	10	2	10	1	103		
	02-SW	Purchase Unused Table A Allocation from SWP Participants & Buy-into CCWA Pipeline		10	3	1	8	1	1	1	10	10	1	1	2	1	10	10	3	10	1	84		
	03-SW	Reactivate Desal Plant in SB / Exchange for SWP Supplies - NOT FEASIBLE PER CITY OF SB		10	10	1	8	1	1	1	10	10	10	10	1	5	10	1	10	2	6	1	107	
C Demand Management / Conservation /	04-C	Conservation Programs (Current and Future)		1	1	1	10	10	1	1	10	1	1	1	10	1	10	10	10	10	10	99		
AIR Agricultural and Industrial Reuse	06-AIR	Agricultural Tailwater Reuse		3	1	1	1	1	1	1	1	1	1	5	1	1	10	3	10	5	48			
	07-AIR	Phillips 66 Refinery Process Water Reuse		1	1	1	4	8	1	1	10	1	1	1	8	1	5	10	8	10	10	82		
	08-AIR	Phillips 66 Refinery Thermal Waste Recapture - NOT FEASIBLE PER P66																						
	09-AIR	PXP Arroyo Grande Production Wastewater Reuse		9	1	1	5	3	1	1	10	10	1	1	10	1	10	10	7	5	3	89		
SM Regional Waterline Intertie Projects	10A-SM	Santa Maria Intertie - Phase 1		10	10	10	8	8	10	10	10	10	10	5	9	8	9	7	10	5	5	154		
	10B-SM	Santa Maria Intertie (Full)		10	10	10	8	8	10	10	10	10	10	5	9	8	9	7	10	5	5	154		
	10C	OCSD Intertie		5	2	1	4	7	1	1	10	1	1	1	5	3	9	7	5	4	4	71		
RWW Recycled Water Supplies	11-RWW	Acquire Supply from South SLO County Sanitary District		10	7	1	7	7	6	7	5	2	5	1	10	5	5	9	7	8	8	110		
	12-RWW	Acquire Supply from Pismo Beach		10	5	1	7	7	6	3	5	2	4	1	10	5	5	9	7	8	8	103		
LG Local Groundwater	13-LG	Local Shallow Aquifer		10	10	10	10	10	1	10	1	10	10	10	5	3	7	5	5	5	8	130		
	14-LG	Dana Wells		1	1	1	1	1	1	1	1	1	1	1	3	1	5	5	9	5	8	47		
	15-LG	Riverside Wells - NOT FEASIBLE PER LEGAL OPINION																						
SFW Surface Water	16-SFW	Oso Flaco Lake		1	1	1	2	2	1	3	1	1	1	1	3	2	1	9	1	3	3	37		
	17-SFW	Santa Maria River - NOT FEASIBLE PER LEGAL OPINION																						
SEA Seawater / Brackish / Other Desalination Options	19A-SEA	Seawater Desalination - P66 Outfall		10	10	10	2	9	1	10	10	1	1	10	10	10	1	10	3	9	5	122		
	19B-SEA	Seawater Desalination - New Outfall		10	10	10	2	9	1	10	10	1	1	10	10	10	1	10	3	9	5	122		
	19C-SEA	Brackish Water Desalination		10	10	10	2	9	1	10	10	1	1	10	10	10	3	10	3	9	5	124		
	20A-SEA	Solar Distillation - Inland (Pilot Project Required)		10	10	10	1	10	1	10	10	1	1	10	10	9	3	10	3	10	6	125		
	20B-SEA	Solar Distillation - Coastal (Pilot Project Required)		10	10	10	3	10	1	10	10	1	1	10	10	9	3	10	2	10	8	128		

DRAFT - WEIGHTING CALCULATIONS - DRAFT

DATE: 2/4/2013

MEMBER	RATIO HIGHEST TO LOWEST SCORE (SEE NOTES)	RANK	CRITERIA (USING RANK: HIGHEST 1 THRU LOWEST 18) (USING POINTS: WHOLE NUMBER FROM ZERO TO 1000)																	TOTAL		
			SUPPLY 1,000 AFY	SUPPLY 3,000 AFY	SUPPLY 6,200 AFY	COST CAPITAL	COST O&M	COURT COMPLIANCE METHOD	COURT COMPLIANCE QUANTITY	COURT COMPLIANCE SOURCE	MILESTONE 1,000 BY 2015	MILESTONE 3,000 BY 2020	MILESTONE 6,200 (FUTURE)	RELIABILITY	PHASING	QUALITY RAW	QUALITY FINISHED	FEASIBILITY	SUSTAIN-ABILITY		PUBLIC SUPPORT	
Garson, Dan	1.0 : 1	RANK (1-18)																				
		%																				
Graue, Dennis	0.0 : 1	POINTS (0-1000)				500	500	222	222	222									1000		666	3332
		%	0.00%	0.00%	0.00%	15.01%	15.01%	6.66%	6.66%	6.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.01%	0.00%	19.99%	100.00%	
Matsuyama, Kathie	0.0 : 1	POINTS (0-1000)	0	0	4	7	6	0	0	2	0	0	0	9	0	0	3	1	8	5	45	
		%	0.00%	0.00%	8.89%	15.56%	13.33%	0.00%	0.00%	4.44%	0.00%	0.00%	0.00%	20.00%	0.00%	0.00%	6.67%	2.22%	17.78%	11.11%	100.00%	
Miller, Robert	1.0 : 1	RANK (1-18)																				
		%																				
Saltoun, Sam	0.0 : 1	POINTS (0-1000)	1000	0	1000	1000	1000	250	1000	750	1000	250	750	1000	500	1000	0	1000	0	1000	12500	
		%	8.00%	0.00%	8.00%	8.00%	8.00%	2.00%	8.00%	6.00%	8.00%	2.00%	6.00%	8.00%	4.00%	8.00%	0.00%	8.00%	0.00%	8.00%	100.00%	
Watson, Dave	0.0 : 1	POINTS (0-1000)	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	18000	
		%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	5.56%	100.00%	
Woodson, Dan	0.0 : 1	POINTS (0-1000)	913	830	240	673	719	620	959	980	887	797	0	937	860	557	760	1000	380	480	12592	
		%	7.25%	6.59%	1.91%	5.34%	5.71%	4.92%	7.62%	7.78%	7.04%	6.33%	0.00%	7.44%	6.83%	4.42%	6.04%	7.94%	3.02%	3.81%	100.00%	
AVERAGE WEIGHTING		%																			0.00%	
		RANK																				

NOTES:

- EXAMPLES OF RATIOS:
 - 1:1 WEIGHTS ARE DISTRIBUTED EQUALLY TO ALL CRITERIA.
 - 1.5:1 WEIGHTS ARE DISTRIBUTED WITH THE NUMBER ONE RANKED CRITERIA WEIGHTED 1.5 TIMES MORE THAN 18.
 - 5:1 WEIGHTS ARE DISTRIBUTED WITH THE NUMBER ONE RANKED CRITERIA WEIGHTED 5 TIMES MORE THAN 18.
- TO BYPASS WEIGHT DISTRIBUTION BY RANK, ENTER A ZERO RATIO (0 : 1). THEN ASSIGN POINTS TO EACH CRITERION USING ANY WHOLE NUMBERS FROM ZERO TO 1000.
- ALGORITHM USED FOR WEIGHT DISTRIBUTION CALCULATION:
 $RATIO = [(RATIO - 1) \times (RANK - 1)] / (\# \text{ OF CRITERIA} - 1)$