

NIPOMO COMMUNITY SERVICES DISTRICT

FEBRUARY 15, 2013

9:00 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 February 15, 2013, to order at 9:02 AM and led the flag salute. At roll call, all Committee members were present.

2. GENERAL MANAGER'S REPORT

NCSD General Manager, Michael LeBrun, said the Committee's report to the NCSD Board of Directors on Wednesday was exceptional and was well-done. The Board expresses great thanks and looks forward to the draft final report which will be presented on February 27th at the next Board meeting.

On Wednesday, the District Board directed staff to authorize release of the request for bids for the first Phase 1 Santa Maria Intertie Project bid package (Santa Maria River crossing). The Board plans to make a final decision on April 24th to award the construction contract after bids are received. The Phase 1 Santa Maria Intertie Project would be an important first component of the District's Supplemental Water Program and would allow the Board to import water by the middle of 2015.

Member Miller asked how the Directors voted on the decision to release the request for bids. General Manager LeBrun said that the vote was 4 to 1 in favor of releasing bids, with Director Blair disapproving of the action. The General Manager noted that Director Blair had been looking into water supplies in the Oso Flaco area, at the Phillips 66 Refinery, and from the SSLOCSD Wastewater Treatment Facility. Mr. LeBrun said he reminded the Director that the Committee was looking at all these alternatives.

Member Matsuyama asked if there was public comment about release of the request for bids. Mr. LeBrun responded that the development community and others expressed support. Two individuals had spoken against the project and one had opined that the assessment vote represented a vote by the community against the Supplemental Water Project. The

opinion was countered by the Board and staff who noted that when a funding plan falls apart on a project, it does not mean the project falls apart.

Member Garson asked if Director Blair was looking into any alternatives that are not being evaluated by the Committee and Mr. LeBrun said he was not.

Member Miller thanked Member Saltoun for presenting to the Board. Chairman Nunley noted Members Graue, Woodson, and Matsuyama had attended and he thanked them. He said all the Board members had expressed appreciation for all the time and technical expertise that had been donated by the Committee.

Member Matsuyama said she was surprised by Director Blair's alternatives since they had been reviewed and largely considered not feasible by the Committee, and particularly since he is talking about them this late in the process.

Member Saltoun said he hopes the public will review the report when it is published and it could change the way people view the alternatives.

Member Saltoun and General Manager LeBrun discussed cloud-seeding. Mr. LeBrun said cloud-seeding has taken place in the Twitchell Reservoir watershed. Member Graue asked if it had been effective and Mr. LeBrun said he did not know.

Member Garson asked if Oceano CSD (OCSO) had formalized their offer to the District. Mr. LeBrun said there had been no further information. He followed up with Tom Geaslen, the OCSO General Manager, but had no additional information. Member Garson asked if additional action was required from the Committee on this alternative. Member Miller said he thought the Committee had performed their due diligence on the alternative based on the information at hand, and Member Saltoun agreed this was similar to how other alternatives had been approached by the Committee.

Chairman Nunley said there could be several alternatives the Board may want to evaluate in more detail after the report is finished, and if OCSO continues to contact the District the Board could continue evaluating this alternative.

There was no public comment.

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

Chairman Nunley said he would give the Committee several days to review the February 4 meeting minutes prior to requesting revision or approval at the next meeting. The Committee voted unanimously to accept the January 25 minutes with no changes.

4. REVIEW RANKING MATRIX

Chairman Nunley introduced the item and mentioned raw scores had been presented to the Board of Directors at their February 13 meeting.

Member Graue presented the summary ranking matrix that his subcommittee had developed. He said he felt that totaling the raw scores would not be a measure of what the Committee thought was important because some of the columns are redundant, among other reasons. He felt the proposed scheme would help emphasize the criteria the Committee feels are most important for ranking alternatives.

Member Garson said he thought the simplified matrix was effective in simplifying the 18 evaluation criteria and would be a good summary of the Committee's work product. He felt

the weighting could be contested. He thought reliability and a long project life could be very important, although they are not the highest-weighted criteria, and other Committee members could have similar concerns based on what they felt was most important. Member Saltoun said he thought Member Watson's suggestion to weight criteria evenly was appropriate, and had just level-weighted the major categories in the draft document. Member Garson said the Committee would need to make sure they were comfortable with that. Member Saltoun said he thought it was important to agree on which criteria go into which category. For instance, several criteria could be related to the cost category. Member Garson agreed the group would need to reach consensus on how to group the criteria. Member Miller said he likes the way the categories were approached and likes that cost has a high weighting in the categorized matrix. He would like to revisit how the rubric is applied.

Chairman Nunley noted the Committee had applied a few different weighting methods as well as calculating unweighted raw scores, but it did not significantly affect which alternatives ranked highest. Member Garson said he thought local groundwater should be recalculated based on Member Miller's input given his design experience with wells in the area and other information the subcommittee had heard. He thought the Committee should tighten these scores as a group. Member Watson said he thought it is valuable to revisit scores & the rubric and he felt it would be difficult to explain two levels of ranking or weighting to the public. He said he had been considering how the Committee would present the ranking results and then also develop recommendations for how the Board should proceed. For example, he was pleasantly surprised at how the desalination options rose to the top and it made him think about how the Committee should look at those alternatives that are longer-term solutions versus those that are shorter-term solutions. Member Matsuyama said she thought the Committee was spending too much time worrying about scoring and weighting, and the Committee had looked at numbers in different formats and different ways and had found the same results. She also felt the Committee was spending too much time thinking about how to explain the ranking analysis and results to the public whereas the Committee should be spending more time detailing and packaging the projects. She said the first public commenter at the Wednesday meeting had noted the Committee's ranking process was subjective and she agreed and she felt the Committee's work should be focused on the projects.

Members Watson asked where the matrix should be presented in the report. Member Matsuyama suggested the more detailed matrix should be included with the technical evaluations in the back of the report so they don't become the focus of the report. Chairman Nunley said he had envisioned an Executive Summary that would be a brief intro, discussion of process, and recommendations. The matrix could be the next page and all the other work products would go in the report. He noted the detailed matrix provides sufficient information to allow the District to take some of the alternatives like recycled water that may have ranked lower in the matrix, but could be considered more attractive when viewed as part of the County's pending regional recycled water study. The matrix provides enough information for the Board and staff to reconsider these alternatives if new information or opportunities are identified. Member Miller said the snapshot summary was important for the public based on his experience. Member Saltoun said the summary matrix spreadsheet tool could be placed on the website for use or review by the public. Member Woodson suggested adding patterns to the color so it would print black & white and could be reviewed by folks who are colorblind.

Member Watson asked if alternatives should be separated into categories in the report based on which the Committee would recommend pursuing. Chairman Nunley responded that the summary matrix allows sorting by rank. Member Garson said he thought the

executive summary should sort the alternatives by rank and he did not favor splitting the project list into categories.

Chairman Nunley asked Director Armstrong to provide an opinion on the presentation of the ranking matrix. Director Armstrong said he would be inclined to put the lowest-ranked alternatives in the appendix instead of the executive summary. Member Matsuyama and Chairman Nunley expressed support for including all the alternatives in the summary matrix since the public may not read much farther. Member Saltoun said there could be hyperlinks between the summary matrix entries and the detailed evaluation sections.

Member Watson suggested assigning each alternative with a single number in the matrix. Chairman Nunley suggested assigning letters so there would not be confusion with numerical rankings. Member Saltoun said it would be simple to do this in the matrix. Chairman Nunley expressed support for assigning patterns as well as colors to the summary matrix scores.

Chairman Nunley asked how the Committee members felt about grouping all 18 criteria into broad categories, the category assignments themselves; and weighting each broad category the same. He said he thought assigning the highest weighting to each cost category was appropriate. Member Miller expressed support for the proposed categories and weighting. Member Watson asked if buy-in cost should be a third cost criterion for consideration. Member Saltoun said he thought State Water would be the only alternative with a "buy-in" cost and that cost was included in the capital cost for those variations. Chairman Nunley noted that buy-in was broken out in the detailed evaluations. Member Woodson said engineering alternatives often group capital and operation & maintenance costs for a single cost in order to simplify an analysis. Member Watson said he thought this would prevent emphasizing some important differences between cost categories. Member Saltoun said buy-in cost could be added as a separate column. Chairman Nunley noted he thought buy-in cost would be difficult to explain to the public, given the subjectivity, especially in one cell of a spreadsheet. Member Garson asked if adding buy-in cost would affect the rankings. Member Saltoun said scoring this as a new criteria and evenly weighting it within the cost category could affect the ranking.

Director Armstrong suggested showing the cost per acre foot (including amortized capital cost) would be a simpler way to present cost alternatives. Various members discussed useful life of different project components that would be used for amortizing the capital costs.

Member Saltoun reminded the group that a public commenter had suggested breaking the capital and operation & maintenance costs into separate columns at a past meeting in order to prevent developing financing, lifecycle, or amortization assumptions. He felt taking the wide range of costs and combining them into a single number would not be meaningful. Member Graue said he likes the single number approach which is the standard way that desalination companies present their numbers. Chairman Nunley noted that debt service can vary widely and recognized that the desalination industry commonly presents estimates this way. He thought that not all the reports being used for cost opinions will have sufficient information to develop amortized costs per AF. He noted that the desalination studies are comparing similar facilities with similar design lives and financing periods so it would be easier to compare them on a cost per AF basis. Member Watson said he felt that the alternative costs could be presented relatively simply with some assumptions. Member Graue said it would be nice to help the ratepayers understand what impact different projects would have on their monthly rates. Director Armstrong asked if some of the costs from studies would be escalated between the year of the study and today. Chairman Nunley said

it could be done. Member Garson asked that the Committee reconsider the initial question about including buy-in cost as a separate criterion. He felt the Committee should not try to provide a detailed financial assessment nor is it their task. Chairman Nunley said he did not think there was sufficient value in adding buy-in cost as a separate column (since it is already included in capital cost). Member Miller said he supported “staying the course” and letting the Board determine rate impacts after the Committee has completed their work and the Board has decided how to move forward. Chairman Nunley said he thought making financing assumptions could risk weakening the entire analysis if the Board goes a different direction with financing than what the Board had assumed. Members Matsuyama and Saltoun quoted the introductory paragraph from the cost section of their State Water alternative evaluation. Chairman Nunley suggested including this paragraph in the overall cost summary section.

Member Miller asked if the other Committee members agreed that the summary matrix should be in the executive summary with the more detailed work and ranking matrix in the appendix of the report.

Chairman Nunley asked if the Committee members would like to reconsider the rubric in order to make sure all members are applying the same approach to scoring the alternatives. Member Garson expressed support for the Committee members reviewing the rubric and scoring methodology. Member Miller asked if there were other criteria than court compliance that should be revisited. Members Watson and Garson discussed going through the full matrix one cell at a time. Vice Chair Sevcik asked for the Committee to reconsider the 6200 AF supply potential criteria and the score of 5 assigned to the Santa Maria Intertie alternatives whereas local groundwater had been assigned a score of 10.

Member Garson said the committee has assumed that 8 wells could deliver 1000 AFY but based on discussion with Member Miller, they recognized that shallow groundwater would not be available across the Mesa. Member Garson asked if 22 wells could be located to deliver 3000 AFY. Members Miller and Garson agreed on a score of 1 for 6200 AFY supply potential. Member Miller thought it was unlikely that 22 wells could be located across the Mesa to collect shallow groundwater in the most promising areas without interfering with each other. Member Graue said the Committee could only have a “gut feel” about yield. Member Miller felt there was probably a significant source of supply in shallow groundwater but not 3000 AFY. Member Garson asked how many wells could be constructed. Member Miller responded that he thought that 10 or 12 could be installed. Member Garson said he accepted the logic and a 5 sounded appropriate for the 3000 AFY supply potential criterion. Member Saltoun said he thought the Committee was discussing collecting some of the flow going to the ocean instead of installing wells on the Mesa. Member Miller said the shallow groundwater withdrawal could be water flowing to the ocean or water on the Mesa, and does not need to be an “either/or” choice. Member Saltoun said outflow to the ocean was about 1000 AFY from the Mesa but the flow picks up considerably farther south according to the Papadopoulos report. Chairman Nunley said a purveyor on the Mesa cannot drill wells in another management area. Member Matsuyama said a member of the public had approached the Committee and had asked about the legal opinion that had prevented purveyors on the Mesa from acquiring water from other management areas. Chairman Nunley discussed the riverside wells, and noted that the concern is based on a letter from Santa Maria Valley Water Conservation District (SMVWCD) admonishing the NCSD not to withdraw water for which SMVWCD has rights from the river underflow. He also noted that a legal opinion on this had been issued by the District’s attorney, Jim Markman, who had also reviewed the analysis of this alternative in the 2007 Boyle Constraints Analysis. Chairman Nunley said based on the percentage of supply potential, at 1500 AFY it appeared the scores for 1000, 3000, and 6200 AFY supply potential should be

10, 5, and 1. Delivery milestones for 1000, 3000, and 6200 AFY should be 10, 1, and 1 per Member Graue.

Member Miller discussed the court compliance criteria and said in his experience, projects that can be mutually agreed upon by all parties and that are not in direct conflict with a court order can be accepted by the court. He felt assigning a 10 or 1, based on court compliance or non-compliance, was too restrictive. Member Matsuyama said it may be difficult to get all the stipulating parties to agree upon a project. Member Miller said alternative projects can be presented to the court and an opportunity is provided for stipulating parties to oppose the proposal, but the proposer does not need to ask all individual parties for their approval prior to presenting it to the court.

Chairman Nunley said the Bylaws require the Committee to evaluate only alternatives that comply with the court stipulation, and the Committee had incorporated that requirement by creating a category for it. Vice Chair Sevcik said he agreed with Member Miller that the Court would likely accept other imported water options even if they are lower than the 2500 AFY requirement. Member Saltoun asked if Ed Eby, who was in the audience, could speak to the court compliance issue.

Public Comment:

Ed Eby, Nipomo resident, said when the Bylaws were written that the Board had only considered compliance and non-compliance, but he thought there could be “shades of gray”. For example, water from OCSD could meet the spirit of the stipulation but would require approval from all the parties and the court. It would likely take over a year. The stipulation was signed in 2005 and the court order was 2 years later. He asked hypothetically, “Would you hold off on any project until you have the court order, or risk proceeding without court approval?” Also there is a risk that someone could oppose the project since it would not have received court approval, if it had not been received prior to moving forward.

Mr. Eby suggested using a lifecycle cost instead of individual capital and operation & maintenance cost. He said many customers would not see a lot of project capital costs, for example from the Phase I Santa Maria Intertie Project, in their bill because NCSD would apply budget toward this project instead of another effort. He also wondered if the cost for the different options was based on 1000, 3000, or 6200 AFY deliveries. He thought it could be cleaner to evaluate cost to deliver water based on the court order. Member Saltoun said his committee had evaluated the cost to deliver the maximum amount of water (up to 6200 AFY) that could be supplied by a particular source. Mr. Eby said this should be reconsidered since it could be very expensive to get from 3000 to 6200 AFY. For example, it appears the Santa Maria Intertie Project would cost an additional \$30M to deliver 6200 AFY versus 3000 AFY.

Mr. Eby said costs for an array of wells across Santa Barbara and San Luis Obispo Counties must consider length of pipeline and spacing of wells. He said 3000 AFY delivery would duplicate the District’s well system and would be a very expensive project and feasibility should be reconsidered. He said the shallow groundwater could be considered a seawater barrier and extracting large quantities of that water could be a risk to intrusion. He thought the cost would be much higher than a score of 10 suggests.

Mr. Eby said he thought the Santa Maria Intertie could be phased as well as desalination and could not see why they were scored differently for phasing. He thought the SSLOCSD Wastewater Treatment option could provide approximately 3000 AFY and if all that water could be reclaimed, a pipeline would be required and a 30-year commitment would be

needed. He thought several entities would want that water if it became available, and public reaction within Five Cities would be negative if it were offered for to NCSO for a long period of time.

He thought carrying the final scores to four decimal points was too precise.

Member Miller thought from a technical standpoint, shallow wells would be located in SLO County but the groundwater study would need to incorporate or consider Santa Barbara County. He agreed with Mr. Eby that maintaining water levels along the coast was important to prevent seawater intrusion, but shallow water levels are much higher than needed to prevent seawater intrusion. There must always be an outflow to the ocean but some water may still be available. He thinks, however, it is a very limited supply. If the source can be delivered close to point of use, the cost could be low. He did not feel strongly about the phasing score for the Santa Maria Intertie. He thought desalination may be a little more readily phased and Members Saltoun, Matsuyama, and Graue discussed.

Chairman Nunley suggested reviewing the rubric. He thought finalizing the report should proceed concurrently with finalizing scores. It would take a couple of days to get the administrative draft together but would be good to agree on the rubric now.

Member Matsuyama pointed out that only 4 projects did not assign scores of 1 or 10 to Court Compliance.

Chairman Nunley read several components of the rubric and discussed his concern about adding lifecycle cost or other items to the matrix, given the schedule and the need to report findings to the Board to inform their decisions soon. Member Miller said he did not think there should be any changes to the cost criteria in the matrix and Member Matsuyama said there was sufficient detail in the evaluations to address concerns about buy-in or other costs.

Member Miller suggested assigning scores of 1 to 3 under court compliance for projects that are substantially non-conforming with the court order and middle scores for those that could be acceptable by the court and stipulating parties but would require approval. Various members discussed how to score this criterion. Member Saltoun suggested that the court compliance quantity criterion could have scores of 8 to 10 if 2000 to 2500 AFY could be delivered. Members Woodson, Miller, and Watson discussed assigning a score of 5 if a project is expected to be viewed favorably by the court (under the source criteria). Member Saltoun said method and quantity are both defined explicitly in the stipulation, whereas the supply (City of Santa Maria) is inferred by the method and language.

Chairman Nunley noted the court compliance – method criteria accounts for 3% of the total score and court compliance is one of the evaluation criteria require in the bylaws. He said it sounds like the Committee will assign a 1 or 10 for method and a 1, 5, or 10 for source. Member Saltoun discussed the Committee having a conversation in the past that the court may be more open to a different method than a different quantity. Member Saltoun suggested 1 point if it does not comply; 5 points if it is likely to be approved; and 10 points if it is in compliance (both method & source). Member Matsuyama and Chairman Nunley discussed the history of splitting the original court compliance criterion into multiple criteria.

The Committee members voted unanimously to assign a score of 1, 5, or 10 for method and source; and scale of 1-10 for quantity, varying by amount proportional to 2500 AFY.

There was no public comment on the motion.

Member Miller asked Chairman Nunley to adjust scores based on the motion.

The Committee next discussed critical milestones for delivery. Under 6200 AFY milestone, Member Saltoun suggested noting a date for delivery. Chairman Nunley responded that the rubric identifies the schedule as “past 2030” and Member Saltoun suggested adding 2030 to the criterion title.

The Committee unanimously voted to accept the rubric for critical milestones for delivery and to ask that the rubric be revised to emphasize the 2030 date for 6200 AFY delivery. They also voted to direct the Chairman to apply these changes to all the scores for review by the full Committee.

Member Miller suggested revising the desalination score for phasing to match the score for the Santa Maria Intertie project.

Chairman Nunley suggested that he create a draft version of the matrix based on applying the rubric and circulate it to the Committee for consideration. Member Saltoun expressed support since the Chairman had been the only person who had seen all the alternative evaluations. Member Graue specified this would be focused on the court compliance areas and phasing as discussed. Members Watson and Miller asked that any changes be highlighted with notes.

Public Comment:

Ed Eby noted that all desalination projects would require pilot testing so that note should be assigned consistently. Member Graue asked if pilot testing would be required for reverse osmosis. Mr. Eby responded that wells and other components would require testing. Chairman Nunley said piloting would be required for developing beach wells and for nailing down pretreatment requirements. Member Miller clarified that the technology for solar distillation would need to be piloted.

The Committee voted unanimously to direct the Chairman to look at scores already entered; look at the narrative analysis submitted by subcommittees; look at the rubric; show revised scoring for the entire matrix; and send it out to the subcommittees for consideration and modification.

Member Watson asked if local shallow groundwater would refer to wells inside the NMMA or outside the NMMA. He asked for clarification since the description in the matrix identifies the need for a groundwater study in SLO and Santa Barbara Counties. Member Matsuyama said her subcommittee would clarify this item.

Chairman Nunley said pipeline costs would be important to capture since multiple wells would be required and tying them together could be a significant cost. He also said the subcommittee should consider water quality. Member Miller said that water for use by golf courses or process water for Phillips 66 would not likely require treatment although this could change over time; for instance, nitrate concentrations are currently below maximum contaminant levels but could change.

Chairman Nunley said he thought the facility costs for solar distillation, due to the size of the land area, could be understated since pipeline costs, roads, and supporting facilities could be significant. Member Graue said the costs were very preliminary at this stage anyway, except for pipelines to and from the site. Chairman Nunley said he thought the power cost

appeared to be appropriate but capital costs could be significantly higher than reverse osmosis. Member Graue said he had used 2 liters/sq meter/day but efficiency could have a large impact on land area required.

Member Saltoun said the statement “pilot testing required for proof of concept” should be applied to the solar distillation descriptions in the matrix and Members Matsuyama and Graue expressed support.

Member Saltoun suggested “regional basinwide aquifer study and modeling in SLO and Santa Barbara Counties required” should be added to the local shallow groundwater description in the matrix. Member Matsuyama asked Member Saltoun to take the background color off of the matrix so it will be more readable. She also suggested that the cost criteria titles note that this is the cost to deliver 3000 AFY. Chairman Nunley said the rubric could be modified to note that costs were developed for either 3000 AFY or for the “design flow”. Member Matsuyama said the cost titles could reference the rubric for definition.

Member Saltoun suggested adjusting the court compliance titles to include “part 1” and “part 2” since they are separated across different major categories.

Member Saltoun said the subcommittee had preliminarily determined which criteria should go in which category, and the Committee should agree or modify the categories.

The Committee unanimously voted to accept the draft categories as proposed by Member Saltoun’s subcommittee.

5. COORDINATE COMPLETION OF DRAFT REPORT AND BOARD PRESENTATION

Chairman Nunley presented the item. Member Matsuyama asked if the Board needs a draft report in advance of the Board meeting on February 27. Chairman Nunley said he had assumed he would send out the full administrative draft today for comments by the subcommittee, and then make any changes early next week. He asked the Vice Chair if the draft report could be walked into the next meeting. Member Matsuyama asked if the Committee would go back to the Board in 2 weeks to respond to comments in order to allow time for review. She thought this would give the public the same opportunity. Chairman Nunley said the draft final report represents the Committee’s complete analysis and all work has been performed in public. He would not see making major adjustments after the draft final is submitted based on comments from the Board or the public. Member Garson said the value with presenting the draft would be for the Committee to be able to address any major problems if they are identified by the Board.

Chairman Nunley said he thought he should send the revised matrix and rubric out to the subcommittees by Monday. He said the Committee members will be looking at the introduction (drafted by Member Watson), recommendations, and other subcommittees’ work for the first time. Member Miller thought the Committee may want to have another meeting next Friday so the full Committee could approve the report as a draft with edits based on their discussion. That would allow a few days early the following week to make copies and distribute by Wednesday, February 27th. Otherwise, trying to provide the report in the Board packet would not allow sufficient time to resolve any conflicting comments from Committee members.

Member Garson said it would appear the goal of the next meeting would be to debate or discuss any changes, then edit or correct items. This would be the sole purpose of the next meeting.

Vice Chair Sevcik said he has safety training next Friday and cannot make the meeting. He said he is comfortable with the Committee meeting that day since it appeared there was not another good day or time for the Committee members to meet again. He felt the discussion by the Committee on resolving the rubric and scores had addressed some of his concerns.

Member Matsuyama said she would provide a revised conservation section by Monday. Member Graue noted Chairman Nunley would send the groundwater section to the NMMA Technical Group for comments. Chairman Nunley noted he was working with a subcommittee on the surface water, recycled wastewater, and regional intertie sections. Member Saltoun noted his subcommittee would take another look at capital costs for solar distillation. The Graue/Matsuyama/Saltoun subcommittee said they would provide a revised agricultural and industrial reuse evaluation on Monday.

Member Saltoun asked the Committee to confirm that the weightings were acceptable as proposed and various members noted that the last motion captured weightings as well as categories. He also asked the Committee to confirm that letters would be added to identify each alternative and variation. Member Saltoun asked if the comment column should be removed from the summary matrix and various members agreed this should be removed.

Member Matsuyama asked if the GIS map would be completed by the Board meeting. Chairman Nunley said he would provide a board if the map can be completed by then. Chairman Nunley suggested a PowerPoint file for the presentation could include the bulleted recommendations, the summary matrix, and the cost summary table.

Member Saltoun said he would have all the edits compiled in the matrix and supporting sheets so the Chairman can send his suggested scores on the update matrix.

The Committee voted unanimously to send revised sections to the Chairman on Monday; schedule the next meeting on February 22 at 11 AM to review the draft report; and present the report findings and provide the draft report to the Board on February 27.

Member Graue asked the Chairman to provide hard copies of the draft report as early as possible, prior to the meeting on the 22nd, and the Chairman said he would make copies available for members at the District office.

Member Saltoun suggested some additional wording for the recommendations based on discussions he had with members of the public following the last Board presentation by the Committee. Member Graue felt the proposed wording of the aquifer management study would address some of the concerns expressed by Paavo Ogren. Member Matsuyama said she would be including suggestions in the conservation section to help low-income users. She mentioned PG&E's programs to ensure low-income customers have heat during the winter. Chairman Nunley noted that unlike PG&E, NCSD is a non-profit so the community would need to decide to take on more burden to support these customers. Member Miller said SLO County is looking into Community Development Block Grant (CDBG) funds for these types of issues so there may be some creative solutions out there. Members Woodson and Matsuyama said they would like to see NCSD maximize opportunities like that. Member Garson and Chairman Nunley discussed opening this recommendation to all water users and all stipulated parties on the Mesa. Member Watson discussed recommending the District and other parties minimize impact of water rate adjustments on

all users, and in particular low-income customers. Member Graue asked if this statement implied that the District is not already doing this, and Member Watson responded that he did not think that was the case but just wanted to emphasize the importance of minimizing ratepayer impacts.

The Committee unanimously voted to accept changes to the recommendations as modified during the discussion. See below:

Add an introduction to the Recommendations as underlined:

Nipomo Community Services District, stipulated partners, and all water users in the Nipomo Mesa Management Area are encouraged to:

Make the following changes (as underlined):

1. Press for a complete aquifer management study to develop a unified model covering the full extent of the Santa Maria Groundwater Basin and analyze the optional development schemes for use of the water in the Santa Maria Groundwater Basin, considering rainfall and users' pumping plans.
4. Consider solutions that may provide less supplemental water individually, but together can help meet the Nipomo Mesa region's needs.

Add Recommendation 7: Pursue opportunities to minimize the impact of water rate adjustments on all users, and in particular low-income customers.

Chairman Nunley asked if the Committee would want to expand the recommendations and, if so, who should be assigned to do so. Members Garson, Watson, and Miller expressed support for keeping the recommendations as bullet points.

There was no public comment for this motion.

6. ASSIGN COMMITTEE MEMBERS TO PRESENT DRAFT REPORT TO THE BOARD

This item was deferred.

7. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

This item was deferred.

8. SET NEXT COMMITTEE MEETING DATE AND TIME

The Committee unanimously voted to meet on February 22 at 11:00 during the Item 5 discussion.

9. ADJOURN

Chairman Nunley adjourned the meeting at 12:08 PM.

ATTACHMENTS

Draft Matrix

VARIATIONS	SUPPLY CRITERIA											COST CRITERIA			FEASIBILITY CRITERIA								RAW SCORE	WEIGHTED FINAL SCORE	RANK		
	SUPPLY POTENTIAL			CRITICAL MILESTONES FOR DELIVERY			COURT ORDER (1)		RELI-ABILITY	WEIGHTED AVERAGE SUPPLY SCORE	COST CONSIDERATIONS		WEIGHTED AVERAGE COST SCORE	COURT ORDER (2) METHOD	PHASING	QUALITY		FEAS-IBILITY	SUSTAIN-ABILITY	PUBLIC SUPPORT	WEIGHTED AVG FEAS-IBILITY SCORE						
	1,000 AFY	3,000 AFY	6,200 AFY	1,000 BY 2015	3,000 BY 2020	6,200 (FUTURE)	QUANTITY	SOURCE			CAPITAL	O&M				RAW	FINISHED										
	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	33.33%	16.67%	16.67%	33.33%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	33.33%				100.0%	
01A-SW	Acquire Unused Table A Allocation from SLOFCWCD	10	10	10	1	1	10	10	10	2	2.37	1	7	1.33	1	10	10	10	1	10	1	2.05	115	5.7513	13		
01B-SW	Acquire Excess Table A Allocation identified by CCWA & SLOFCWCD	10	10	6	1	10	1	10	10	2	2.22	2	7	1.50	1	10	10	10	2	10	1	2.10	113	5.8175	12		
02-SW	Purchase Unused Table A Allocation from SWP Participants & Buy-into CCWA Pipeline	10	3	1	10	1	1	1	10	2	1.44	8	1	1.50	1	1	10	10	3	10	1	1.71	84	4.6587	15		
04-C	Conservation Programs (Current and Future)	1	1	1	1	1	1	10	10	10	1.00	10	10	3.33	1	1	10	10	10	10	10	2.48	99	6.8095	4		
06-AIR	Agricultural Water Reuse	3	1	1	1	1	1	1	1	5	0.56	1	1	0.33	1	1	1	10	3	10	5	1.48	48	2.3651	19		
07-AIR	Phillips 66 Refinery Process Water Reuse	1	1	1	1	1	1	10	8	0.93	4	8	2.00	1	1	5	10	8	10	10	2.14	82	5.0688	14			
09-AIR	PXP Arroyo Grande Production Wastewater Reuse	9	1	1	10	1	1	10	8	1.56	5	3	1.33	1	1	10	10	7	5	3	1.76	87	4.6508	16			
10A-RWI	Santa Maria Intertie - Phase 1	10	10	10	10	10	5	10	10	9	3.11	8	8	2.67	10	8	9	7	10	5	5	2.57	154	8.3492	1		
10B-RWI	Santa Maria Intertie - Full	10	10	10	10	10	5	10	10	9	3.11	8	8	2.67	10	8	9	7	10	5	5	2.57	154	8.3492	1		
10C-RWI	Oceano Intertie	5	2	1	1	1	1	10	5	1.00	4	7	1.83	1	3	9	7	5	4	4	1.57	71	4.4048	17			
10D-RWI	Nacimiento Water Project Intertie	10	7	1	1	1	1	8	10	9	1.78	1	6	1.17	1	6	2	7	2	8	1	1.29	82	4.2302	18		
11-RWW	Acquire Supply from South SLO County Sanitary District	10	7	1	2	5	1	7	5	10	1.78	7	7	2.33	6	5	5	9	7	8	8	2.29	110	6.3968	8		
12-RWW	Acquire Supply from Pismo Beach	10	5	1	2	4	1	3	5	10	1.52	7	7	2.33	6	5	5	9	7	8	8	2.29	103	6.1376	11		
13-LG	Local Shallow Aquifer (Regional Basin-wide Aquifer Study is Required in SLO and SB Counties)	10	5	1	10	1	1	10	1	5	1.63	10	10	3.33	1	3	7	5	5	5	8	1.62	98	6.5820	5		
14-LG	Dana Wells	1	1	1	1	1	1	1	1	3	0.41	1	1	0.33	1	1	5	5	9	5	8	1.62	47	2.3598	20		
16-SFW	Oso Flaco Lake	1	1	1	1	1	1	3	1	3	0.48	2	2	0.67	1	2	1	9	1	3	3	0.95	37	2.1005	21		
19A-SEA	Seawater Desalination - P66 Outfall	10	10	10	1	1	10	10	10	10	2.67	2	9	1.83	1	10	1	10	3	9	5	1.86	122	6.3571	9		
19B-SEA	Seawater Desalination - New Outfall	10	10	10	1	1	10	10	10	10	2.67	2	9	1.83	1	10	1	10	3	9	5	1.86	122	6.3571	9		
19C-SEA	Brackish Water Desalination	10	10	10	1	1	10	10	10	10	2.67	2	9	1.83	1	10	3	10	3	9	5	1.95	124	6.4524	7		
20A-SEA	Solar Distillation - Inland (Pilot Project Required)	10	10	10	1	1	10	10	10	10	2.67	1	10	1.83	1	9	3	10	3	10	6	2.00	125	6.5000	6		
20B-SEA	Solar Distillation - Coastal (Pilot Project Required)	10	10	10	1	1	10	10	10	10	2.67	3	10	2.17	1	9	3	10	2	10	8	2.05	128	6.8810	3		
REMOVED FROM CONSIDERATION		SUPPLY STATISTICS											COST STATISTICS				FEASIBILITY STATISTICS										
03-SW	Reactivate Desal Plant in SB / Exchange for SWP Supplies -NOT FEASIBLE PER CITY OF SB Graywater Programs - ALTERNATIVE	HIGHEST SCORE											3.11	HIGHEST SCORE				3.33	HIGHEST SCORE								2.57
05-C	ADDRESSED IN 04-C AS AN ELEMENT OF CONSERVATION	LOWEST SCORE											0.41	LOWEST SCORE				0.33	LOWEST SCORE								0.95
08-AIR	Phillips 66 Refinery Thermal Waste Recapture - NOT FEASIBLE PER P66	AVERAGE SCORE											1.82	AVERAGE SCORE				1.82	AVERAGE SCORE								1.91
15-LG	Riverside Wells - NOT FEASIBLE PER LEGAL OPINION	MEDIAN SCORE											1.78	MEDIAN SCORE				1.83	MEDIAN SCORE								1.95
17-SFW	Santa Maria River - NOT FEASIBLE PER LEGAL OPINION	TOP QUINTILE >											2.57	TOP QUINTILE >				2.73	TOP QUINTILE >								2.25
18-SFW	Lopez Reservoir ALTERNATIVE ADDRESSED IN RWW	4TH QUINTILE >											2.03	4TH QUINTILE >				2.13	4TH QUINTILE >								1.92
21-SEA	Enhanced Reverse Osmosis (VSEP) Circuit Oil Fields NOT APPROPRIATE FOR POTABLE USE	3RD QUINTILE >											1.49	3RD QUINTILE >				1.53	3RD QUINTILE >								1.60
22-SEA	Liquid-Liquid Extraction of Brine EVOLVING TECHNOLOGY NOT IN USE	BOTTOM TWO QUINTILE >											0.95	BOTTOM TWO QUINTILE >				0.93	BOTTOM TWO QUINTILE >								1.28