

NIPOMO COMMUNITY SERVICES DISTRICT

FEBRUARY 22, 2013

11:00 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 22, 2013, to order at 11:02 AM. At roll call, all Committee members were present.

2. REVIEW AND REVISE DRAFT REPORT

Chairman Nunley led the review of the administrative draft report. He noted that the draft base map was not included in the administrative draft report but will be submitted to the Committee members for review and incorporated in the draft final report.

Member Graue noted that some members included interview notes in the evaluations and others did not. Members Graue and Miller discussed getting permission from the people who were interviewed. Chairman Nunley said that the Committee members could reserve a page for the interview but not include it unless approved by that individual. Member Miller suggested each subcommittee should identify the key individuals who were contacted. Chairman Nunley asked that each subcommittee send him the list by Monday, February 25.

The Committee members discussed various formatting issues and edits that were addressed in the draft final report submitted to the District Board on February 27, 2013. Chairman Nunley said he would make edits to each of the alternative evaluation sections based on the discussion today and send each section back to each assigned subcommittee over the weekend. He requested that revised sections be sent back by Monday at close of business. Some of the more substantial changes are listed below:

- Move the Recommendations section forward in the report (after Introduction).
- Put the Recommendations first within the Executive Summary.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

- Include the scope of the recommended aquifer management study in the Recommendations section after the bulleted list of general recommendations. Member Graue said he would provide the text for this within 24 hours.
- Member Matsuyama said she would provide recommendations related to conservation for inclusion in the Recommendations section, as well.
- Add the variation titles and both identifiers (letter and number/abbreviation) to each subsection of the alternative evaluations.
- Provide consistent page numbers (1 through end).
- Include bylaws, reference documents, and member qualifications in the appendix.
- Expand the introduction section to include a brief history of the stipulation, expand the list of NMMA Technical Group members, discuss Committee formation, and refer to the appendices.
- In the evaluations, note which alternatives may not meet the specific language in the stipulation but are likely to be approved by all parties and the court.
- Chairman Nunley to contact Rich Haberman and Andy Romer to request their permission to include their interviews in the report.
- Revise the capital cost for the Pismo Beach Wastewater Treatment Plant alternative to include salt removal for a total treatment facility capital cost of \$8-10M and add the pipeline cost estimated for the Oceano CSD Intertie to the SSLOCSD Treatment Plant alternative.
- Add the pipeline cost estimated for the Oceano CSD Intertie to the SSLOCSD Treatment Plant alternative.
- Chairman Nunley to request input from NMMA Technical Group on the groundwater evaluation.
- Direct the Chairman which alternatives or major features to include on the map.
- Add banding to the matrix rows to make them more readable.

Member Miller said he had reviewed Chairman Nunley's draft scores based on the revised rubric and was in agreement with them. Member Saltoun said he and his subcommittee had also reviewed and accepted the Chairman's suggestions relative to their assigned alternatives. They had three other changes:

1. 01B-SW – 6200 AFY supply potential was revised to a score of 1
2. 04C – 1000 AFY supply potential was revised to 5.
3. 04C -- 1000 AFY milestone was increased from 1 to 2

Member Matsuyama said her other subcommittee had also reviewed Chairman Nunley's suggestions and accepted them.

Member Watson asked why court compliance (source) was assigned low scores for some of the recycled water options in Chairman Nunley's draft matrix. Chairman Nunley and other members noted these should be revised and a score of 10 should be assigned for these options since the supply comes from outside the NMMA, per the rubric.

Member Saltoun discussed options for assigning scores based on capital and operation & maintenance costs; a cost-benefit approach based on a ratio of available supply to delivery capacity; and a simple cost/AFY delivery capacity. He recommended assigning scores from 1 to 10 per the rubric, based on \$/AFY delivery capacity for capital cost and \$/AFY for operation & maintenance cost instead of costs to deliver 3000 AFY per the rubric. This would allow comparison of smaller alternatives that do not deliver 3000 AFY individually but could still be cost-effective for the amount of water they could deliver. If this is acceptable to the Committee, the rubric would be revised accordingly.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

Member Miller said he liked the cost-benefit approach and thought any approach the Committee follows should be explained and included in the appendix of the report.

Member Saltoun recommended using the simple cost/AFY approach since it would be more readily communicated to the public. Members Graue, Miller, Matsuyama, and Garson expressed support. Member Watson thought it would be helpful for the Committee to explain how the costs were evaluated and compared several different ways prior to selecting the preferred approach. Chairman Nunley asked Member Saltoun to draft the cost summary discussion and incorporate a brief discussion of the options considered.

Member Graue clarified that Chairman Nunley would send edited sections back to each Committee member by Saturday for their review and resubmittal on Monday (February 25). Chairman Nunley said he would send the Introduction, Recommendation, and Cost Summary sections to Members Watson, Graue, Matsuyama, and Saltoun without editing them. Chairman Nunley said he would like to include the base map in the draft report even if it is not complete. He also noted he would like to receive comments by Monday at 5 PM to be able to print the document on Tuesday.

Public Comment:

Ed Eby, Nipomo resident, said he is providing comments because he wanted to make sure the Committee puts out a defensible document and receives the least criticism. He recommended only showing a summary, comparative cost of alternatives that could deliver 2500 or 3000 AFY of water since projects that deliver lower quantities are not adequate to meet the District's needs. He suggested smaller delivery alternatives could be collected and shown elsewhere.

Mr. Eby said it is his understanding that the NMMA Technical Group is performing a study and the Committee should note which elements they are recommending that are already being done. Mr. Eby warned the Committee that if Member Graue submits his groundwater study recommendations to the Committee members it would be a violation of the Brown Act. Member Matsuyama clarified that Member Graue would be submitting the recommendation to Chairman Nunley for distribution. Mr. Eby also asked why 8 members were acknowledged in the draft report introduction and noted that Vice Chair Sevcik and Chairman Nunley were not voting members. Chairman Nunley responded that Director Armstrong had been a member prior to being elected to the Board.

Mr. Eby discussed State Water and the difference between drought buffer and Table A water. He noted that the ability to increase capacity of the State Water pipeline was addressed in a trial that Mr. Eby attended yesterday that involved a developer attempting to get State Water. He noted there was confusion at the trial about the different categories and labels of State Water and he suggested not including the specific terms in the report. Member Saltoun suggested any terms used in the report for different types of State Water could be defined.

Mr. Eby asked if taking water from the upper aquifer and reducing pumping from the lower aquifer would have any benefit. Member Graue said the NMMA Technical Group should address whether they are looking at this as a groundwater management option and whether there would be a benefit.

Member Graue said he liked Mr. Eby's idea of separating the cost summary table into projects that can and cannot deliver 3000 AFY, but scoring the alternatives based on

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

cost/AFY as suggested by Member Saltoun. Member Watson said he supports this idea. Member Saltoun said he could add a column to indicate which projects can deliver 3000 AFY in the matrix. Member Watson clarified that only the cost summary spreadsheet would need to be restructured according to delivery capacity. Chairman Nunley noted that the majority of the top alternatives do not change since the top few can all deliver 3000 AFY, even if the cost scoring methodology were to change based on delivery capacity.

The Committee members unanimously voted to assign scores based on cost per AFY for the capital cost criterion and cost per AF for the operation & maintenance cost criterion, in addition to separating the cost summary table into projects that can and cannot deliver 3000 AFY.

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

Chairman Nunley presented the item. Member Saltoun thought Member Watson would be the right person to provide the overview and he (Saltoun) could present the spreadsheet tools. Member Miller said he would attend the meeting but would prefer not to present.

Member Matsuyama asked how much time had been reserved by the Board. Chairman Nunley said it was his understanding that only 5 or 10 minutes of presentation would be expected by the Board. Member Matsuyama then asked if there would be a longer, future Board meeting after the Board has a chance to review the report. Chairman Nunley said the Committee could choose to do this, but he noted the Committee is not working for the Board and the General Manager had planned to collect any comments from the Board and provide them to the Committee for their consideration.

Member Woodson asked how public comment would be handled. Chairman Nunley said he would be at the meeting to help determine how to respond, if necessary.

The Committee voted unanimously (with Member Saltoun abstaining) to assign Member Watson to present the introduction and Member Saltoun to present the draft matrix.

Member Saltoun said a lot of what was presented on February 13th should be repeated at this Board meeting since it might be a different group of attendees.

4. SET NEXT COMMITTEE MEETING DATE AND TIME

The Committee voted unanimously to meet on March 12 at 1:00 PM.

5. ADJOURN

Chairman Nunley adjourned the meeting at 1:48 PM.

NOTE

Detailed edits and revisions from the meeting were incorporated into the Draft Final Report dated February 26, 2013.