

NIPOMO COMMUNITY SERVICES DISTRICT

SEPTEMBER 24, 2012

1:30 P.M.

SPECIAL MEETING NOTICE & AGENDA

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

APPOINTED COMMITTEE MEMBERS

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

2. GENERAL MANAGER'S REPORT

RECOMMENDATION: Receive updates and reports from the General Manager on items relevant to the Committee's work.

3. REVIEW DRAFT MINUTES FROM SEPTEMBER 5, 2012, COMMITTEE MEETING

RECOMMENDATION: Provide revisions or corrections to meeting minutes from the September 5, 2012, Committee meeting. Accept meeting notes as revised.

4. DISCUSS PROPOSED EVALUATION PROCESS

RECOMMENDATION: Discuss major tasks in the evaluation process. Refine and approve the process for implementation by the Committee.

5. IDENTIFY SUPPLEMENTAL WATER ALTERNATIVES FOR INCLUSION IN THE EVALUATION

RECOMMENDATION: Discuss alternatives identified by voting Committee members and by the public. Determine which projects should be screened for inclusion in the evaluation, based on their capacity to meet the goals and constraints established in the Bylaws.

6. DEVELOP ROUGH SCREENING PROCESS (IF NEEDED)

RECOMMENDATION: Determine if a rough screening process is needed. If a process is deemed necessary by the Committee, discuss and establish the selection criteria for refining

**SPECIAL MEETING AGENDA
SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE**

the list of project alternatives to be included in the evaluation. Direct Committee members to use these criteria to rank each project prior to the next meeting.

7. NOMINATE SPOKESPERSON FOR THE COMMITTEE

RECOMMENDATION: Discuss the need for a Committee member to regularly report progress at Board meetings. Nominate a voting member of the committee to serve as spokesperson.

8. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

RECOMMENDATION: Identify and propose reference documents to be used by Committee members in the evaluation. Approve or reject these documents as acceptable reference materials for conducting the evaluation.

9. SET NEXT COMMITTEE MEETING DATE AND TIME

10. ADJOURN

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE *MKN*
CHAIRMAN

DATE: September 19, 2012



GENERAL MANAGER'S REPORT

ITEM

Nipomo CSD General Manager, Michael LeBrun, will provide an update to the Committee on activities relevant to the Committee's work.

BACKGROUND

The General Manager will present updates relevant to the Committee's work and will also respond to questions posed by the Committee to District staff at prior meetings. This is anticipated to be a standing item for each Committee meeting.

RECOMMENDATION

Receive the report from the General Manager

ATTACHMENT

NONE

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE *MKN*
CHAIRMAN

DATE: September 19, 2012



**REVIEW DRAFT MINUTES FROM SEPTEMBER 5, 2012,
COMMITTEE MEETING**

ITEM

Review the Meeting Minutes from the September 5, 2012, Supplemental Water Alternatives Evaluation Committee (Committee) meeting.

BACKGROUND

According to the Bylaws, the Committee must approve the meeting minutes. Draft minutes are to be posted online. If revised by the Committee during the approval process, final minutes will be posted to replace the draft minutes.

RECOMMENDATION

Provide revisions or corrections to the meeting minutes from the September 5, 2012, Committee meeting. Accept minutes as revised.

ATTACHMENT

SWAEC Meeting Minutes – September 5, 2012

SEPTEMBER 24, 2012

ITEM 3

ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT

Wednesday, September 5, 2012

1:30 P.M.

SPECIAL MEETING MINUTES **SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE**

APPOINTED COMMITTEE MEMBERS

MICHAEL K. NUNLEY, CHAIRMAN (NON-VOTING)
PETER V. SEVCIK, VICE CHAIRMAN (NON-VOTING)
CRAIG ARMSTRONG (VOTING)
DAN GARSON (VOTING)
DENNIS GRAUE (VOTING)
KATHIE MATSUYAMA (VOTING)
ROBERT MILLER (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 September 4, 2012, to order at 1:30 p.m. and led the flag salute. At roll call, all committee members were present except member Matsuyama who joined the meeting during the discussion of Item 2.

2. REVIEW COMMITTEE PURPOSE, GOALS, AND PROCESS

Chairman Nunley introduced the item and gave an overview of the purpose, goals, and process as described in the Bylaws. There was no public comment.

Member Watson asked Vice Chair Sevcik to describe the "TBD AFY Phased Pipeline" identified in the Committee Bylaws as one of the projects to be evaluated. Mr. Sevcik stated that it was a modification of the Supplemental Water Project that would deliver a lower initial flow during the first project phase and allow less initial investment.

Member Graue asked the District to review Committee members' protection against liability. General Manager LeBrun said he would talk to District Counsel and respond to the Committee.

3. INTRODUCTIONS BY COMMITTEE MEMBERS

All committee members gave a brief introduction of themselves and described their backgrounds. There was no public comment.

4. PRESENTATION OF COMMITTEE BYLAWS

Chairman Nunley provided an overview of the Committee Bylaws, and particularly those sections not addressed in Item 2 above.

Member Miller asked if ranking and discussion of all alternatives by subcommittees or working groups would be brought back to the full Committee. Chairman Nunley said it would.

5. PRESENTATION OF BROWN ACT AND DISCUSSION OF COMMUNICATION PROTOCOL FOR COMMITTEE MEMBERS

General Manager LeBrun provided an overview of the Brown Act and discussed the communication protocol to be followed by Committee members. Working subcommittees will be established with no more than 3 members so that a majority (4 of 7) Committee members is not meeting without public notification and involvement. No emails or written correspondence should be directed from Committee members to all the other Committee members. However, emails or written correspondence can be directed to the non-voting Committee members. Mr. LeBrun advised Committee members to include SWAEC in the subject line of their emails to protect their other personal emails against possible public records requests in the future.

Member Watson asked if any special disclosures or filings would be required by Committee members. Mr. LeBrun stated he would ask District Counsel.

Public Comment:

Ed Eby, Nipomo CSD Board of Directors, asked the General Manager to look into any punitive issues if Committee members inadvertently violate the Brown Act.

Bill Kengel, Nipomo resident, said he had applied to the Committee and asked to stay in touch with the Committee. He asked if talking to each Committee member would violate the Brown Act. Mr. LeBrun responded that it would not violate the Brown Act.

6. PRESENTATION OF THE HISTORY OF NIPOMO CSD SUPPLEMENTAL WATER PROJECTS

Chairman Nunley presented a brief overview of prior Nipomo CSD supplemental water studies and major project milestones. Members discussed the range and type of alternatives that could be brought back to the Committee for consideration. Member Garson asked if the committee will select the alternatives to be evaluated, and whether projects such as reuse of petroleum refinery water could be reconsidered even though they had been previously evaluated. Chairman Nunley noted they could all be reconsidered. Member Matsuyama asked if new alternatives, beyond those previously reviewed, could be evaluated and Chairman Nunley answered they could. Member Matsuyama also requested clarification as to whether the Committee will be bringing back alternatives in addition to those in the Bylaws and the Chairman responded that they would.

Public Comment:

Bill Kengel, Nipomo resident, said he had an alternative that had not been considered previously. He asked how to incorporate them. Chairman Nunley asked Mr. Kengel to provide his information and the Chairman would determine how to get it to the Committee. (Following the meeting, the General Manager directed Mr. Kengel to bring the information to the next Committee meeting.)

Margaret Lange, Nipomo resident, asked if all previously-reviewed alternatives (including those that had not been considered preferred alternatives) are on the table. Chairman Nunley responded that they were.

7. DISCUSSION OF ASSIGNMENTS FOR NEXT MEETING

The Committee discussed the assignment for next meeting: Each member would develop a list of alternatives to be evaluated by the Committee. An initial limit of 4 alternatives was presented in the Staff Report for this Item.

Various members discussed a preference to expand the list of alternatives beyond 4 per member. Member Miller asked how alternatives would be analyzed if they had not been

considered before and original analytical work would be required. Chairman Nunley responded that it would depend on the alternative and what original work would be required to properly analyze it. General Manager LeBrun referred the Committee back to the Bylaws for guiding the analytical approach, and stated that many alternatives had been reviewed in the past and significant information is available for many alternatives.

Member Graue asked how to bring back reference documents to the Committee for use in the evaluation, other than those listed in the Bylaws. Chairman Nunley suggested the members bring the documents to the meetings for review and discussion by the Committee prior to incorporating them as approved reference materials. Chairman Nunley noted that any documents could be used for identifying alternatives – not just the documents identified in the Bylaws. The documents referenced in the Bylaws can be considered reliable information sources for performing the actual evaluation.

Member Woodson asked about grant issues associated with the current project. General Manager LeBrun noted the District had received a \$2.3M grant from the Proposition 84 Integrated Regional Water Management Plan program for the Supplemental Water Project, and the District was working with the County to determine impact of project changes on the ability of the District to use that grant. The Committee will not be responsible for considering the grant funding or timeline in their analysis.

Member Watson asked if resource documents for the phased Supplemental Water Project and the technical reports for the Nipomo Mesa Management Area, Santa Maria Valley technical group, and Northern Cities Management Area could be provided. General Manager LeBrun stated that access would be provided through the District's website.

Member Watson suggested that the list of alternatives not be limited, and noted that he would like the Committee to look at connecting the Five Cities distribution system(s) to Nipomo as an alternative. The Committee discussed expanding the list of alternatives beyond 4 per member and inviting the public to bring alternatives as well.

Public Comment:

Tom Rinn, Arroyo Grande area resident, asked if target dates had been established for completing the analysis. Chairman Nunley said they had not, and timing would depend on the number of alternatives and type of alternatives, but the Committee would move as quickly as possible.

Bill Kengel, Nipomo resident, asked how the working subcommittees would be formed to perform the analysis so the different disciplines would work together (financial, engineering, environmental, etc.) Chairman Nunley stated that it was the intention of the Board of Directors that the Committee would have balanced teams reviewing each alternative – all disciplines should be represented in these working groups to the extent possible.

Greg Nester, Nipomo resident, suggested the Committee and Board of Directors look at different methods to finance the project. He noted that he serves on the San Luis Obispo County Water Resources Advisory Committee and that many agencies are competing for the County's share of the Proposition 84 grant money, including Nipomo's grant for the Supplemental Water Project. In his opinion, the grant money could be unavailable by next month.

Margaret Lange, Nipomo resident, asked if it would be possible to combine alternatives to create projects. Chairman Nunley replied that any projects that meet the goals and constraints could qualify even if there are multiple components.

The Committee voted to direct the Committee members to review prior supplemental water studies, the Northern Cities Management Area technical reports, Santa Maria Valley technical reports, and phased Supplemental Water Project report; and develop a list of supplemental water alternatives for discussion at the next Committee meeting, prior to establishing the list of alternatives to be evaluated by the Committee.

8. **SET NEXT WATER RESOURCES POLICY COMMITTEE MEETING**
The Committee tentatively set Monday September 24, 1:30 PM, as next meeting.
9. **ADJOURN**
Chairman Nunley adjourned the meeting at 3:13 PM.

DRAFT

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN *MKN*

DATE: September 19, 2012



DISCUSS PROPOSED EVALUATION PROCESS

ITEM

The Committee Chairman and General Manager will present an overview of the District's long-term water supply strategy, the relationship of the Committee's work to the overall strategy, and a possible evaluation approach for review, modification, and consideration by the Committee.

BACKGROUND

The District Board of Directors (Board) has been developing and implementing a long-term water supply strategy since the inception of the District in 1965. The General Manager will describe various, active water supply development and management efforts including the following:

- Conservation
- Regional groundwater management and cooperation with partnering entities
- Long-term work plan for desalination

The evaluation process being undertaken by the Committee is to address a shorter-term reliability component of this overall water supply program. As described in the Revised Bylaws (July 25, 2012), the Supplemental Water Projects being considered by the Committee must meet the following goals:

- *Deliver an uninterrupted supply of 3000 AFY of imported potable water to the Nipomo Mesa region, with the capability to increase the delivery to 6,200 AFY at minimum cost increase*
- *Provide initial water deliveries of +/- 1000 AFY by June 2015*
- *Lowest construction, system operation and maintenance, and delivered water cost*
- *Provide compliance with the 2008 Court Order*

The Chairman will provide an overview of a draft evaluation process for review, consideration, and modification by the Committee based on requirements in the Bylaws. The final evaluation process will be developed and approved by the Committee and must meet the requirements in the Bylaws.

RECOMMENDATION

Discuss the major tasks in the evaluation process as drafted below, and modify or revise as directed by the Committee:

- Task 1 - Identification and selection of alternatives to be evaluated (by Committee – Item 4 for today's meeting), including additional subtask for rough screening (Item 5 for today's meeting) if deemed necessary by the Committee – to be determined during Item 5 discussion

- Task 2 - Evaluation of each selected alternative (by Subcommittees)
- Task 3 - Ranking of alternatives (by Committee)
- Task 4 - Compilation of the report and presentation to the Board (by Committee)

ATTACHMENT

HANDOUT OF PRESENTATION

SEPTEMBER 24, 2012

ITEM 4

ATTACHMENT A

Evaluation Process

Supplemental Water Alternatives
Evaluation Committee
September 24, 2012



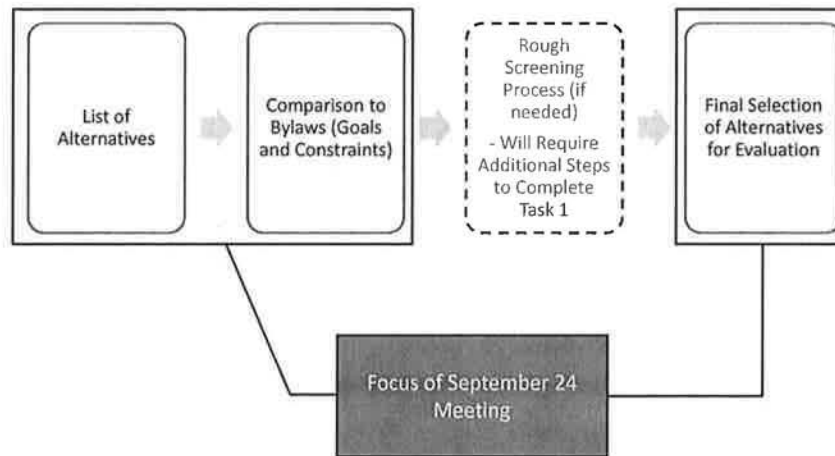
District Long-Term Water Supply Program

- Water Conservation
- Regional Groundwater Management and Cooperation with Partners
- Desalination Work Plan
- **Supplemental Water (Focus of SWAEC)**
 - **Address short-term reliability concerns**
 - **1000 AFY by June 2015**

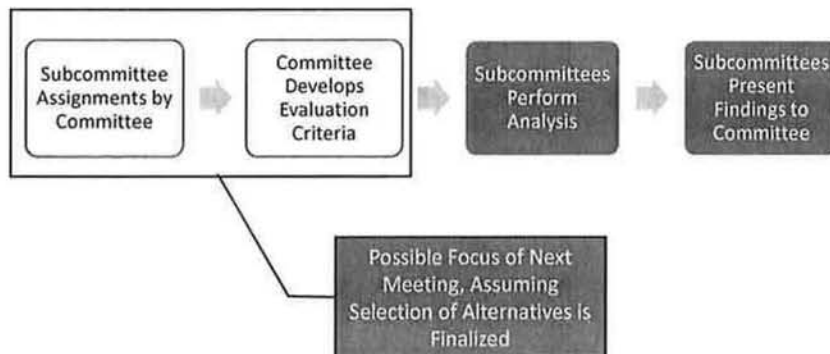
Proposed Evaluation Process



Task 1 - Selection of Alternatives



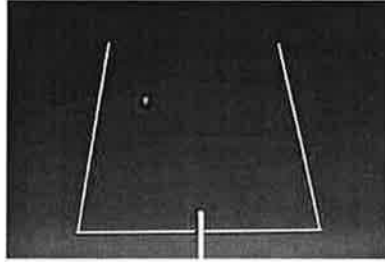
Task 2 - Evaluation of Alternatives



Task 3 - Ranking of Alternatives



Task 4 – Report and Board Presentation



TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

DATE: September 19, 2012



IDENTIFY SUPPLEMENTAL WATER ALTERNATIVES FOR INCLUSION IN THE EVALUATION

ITEM

Committee members are to present supplemental water alternatives for inclusion in the evaluation.

BACKGROUND

As directed by the Committee in the September 5, 2012, meeting, the Committee members were to research and identify supplemental water projects for consideration during the evaluation. As described in the Bylaws, the Supplemental Water Projects being considered by the Committee must meet the following goals:

- *Deliver an uninterrupted supply of 3000 AFY of imported potable water to the Nipomo Mesa region, with the capability to increase the delivery to 6,200 AFY at minimum cost increase*
- *Provide initial water deliveries of +/- 1000 AFY by June 2015*
- *Lowest construction, system operation and maintenance, and delivered water cost*
- *Provide compliance with the 2008 Court Order*

During the meeting, the Committee also requested that the public bring alternatives for consideration by the Committee. The following projects must be evaluated by the Committee as established in the Bylaws. Therefore, they are not open for reconsideration in this project list:

- *AECOM-designed 3,000 AFY Santa Maria pipeline*
- *AECOM-revised TBD AFY Santa Maria pipeline*
- *Interconnection with Central Coast Water Authority (CCWA) pipeline*
- *Seawater desalination*

RECOMMENDATION

Direct Committee members and the public to present alternatives for consideration in the evaluation. Determine which projects meet the goals established in the Bylaws. Develop a project list that meets these criteria.

ATTACHMENT

HANDOUT OF MATRIX FOR USE IN COMPARING IDENTIFIED PROJECTS TO GOALS FROM BYLAWS

SEPTEMBER 24, 2012

ITEM 5

ATTACHMENT A

Comparison to Bylaw Requirements

Supplemental Water Alternatives
Evaluation Committee
September 24, 2012



Alternatives

Compliance with Court									
Lowest Cost									
1000 AFY by 6/15									
Import 3000 to 6300 AFY									
Name									

Alternatives

Compliance with Court											
Lowest Cost											
1000 AFY by 6/15											
Import 3000 to 6300 AFY											
Name											

Alternatives

Compliance with Court
Lowest Cost
1000 AFY by 6/15
Import 3000 to 6300 AFY
Name

Alternatives

Name	Import 3000 to 6300 AFY	1000 AFY by 6/15	Lowest Cost	Compliance with Court

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN *MKN*

DATE: September 19, 2012



DEVELOP ROUGH SCREENING PROCESS (IF NEEDED)

ITEM

Committee will discuss the project list developed in Item #5 and determine if a rough screening process is needed prior to assigning subcommittees and beginning the evaluation process.

BACKGROUND

In Item #5, the Committee identified supplemental water projects for consideration during the evaluation. As described in the Bylaws, the Supplemental Water Projects being considered by the Committee must meet the following goals:

- *Deliver an uninterrupted supply of 3000 AFY of imported potable water to the Nipomo Mesa region, with the capability to increase the delivery to 6,200 AFY at minimum cost increase*
- *Provide initial water deliveries of +/- 1000 AFY by June 2015*
- *Lowest construction, system operation and maintenance, and delivered water cost*
- *Provide compliance with the 2008 Court Order*

Depending on the number of alternatives presented in the list, their relationship to each other, and uncertainty as to whether they meet the criteria stated above, the Committee may wish to perform a rough screening analysis prior to defining the final list of projects to be included in the evaluation. However, it is expected that the Committee may elect to proceed with the full list developed in Item #5 as long as the projects comply with the goals from the Bylaws.

It is assumed the screening criteria will be based on the goals stated above. However, the Committee will discuss these criteria and determine which additional considerations should be incorporated in the rough screening analysis.

Since this project list is critical to the evaluation process, the Committee should carefully consider whether the full list should be reviewed by each member and brought back to the next meeting for discussion. Another option would be to establish subcommittees to review subsets of these projects.

RECOMMENDATION

Discuss the need for a rough screening process. Define the criteria, in addition to those in the Bylaws, that should be applied by the Committee members to the list from Item #5. Direct each Committee member to review the project list and evaluate which projects meet these criteria and should be considered in the evaluation.

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

MKN

DATE: September 19, 2012



NOMINATE SPOKESPERSON FOR THE COMMITTEE

ITEM

Discuss and select a member of the Committee to serve as a spokesperson for the Committee.

BACKGROUND

Paragraph 7A of the Bylaws requires that "The Committee will provide written reports and oral presentations to the NCSD Board of Directors". The Chairman's and Vice Chair's responsibilities do not include regular reporting and correspondence with the Board. The Committee can select a Spokesperson from among the voting members to represent them before the Board. The Spokesperson's responsibilities may include:

- Providing updates to the Board of Directors at major milestones in the evaluation process; and
- Leading the presentation of the findings of the Committee.

RECOMMENDATION

Nominate candidates for Committee Spokesperson and vote for the position.

ATTACHMENT

NONE

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE *MKN*
CHAIRMAN

DATE: September 19, 2012



PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

ITEM

Identify and propose reference documents to be used by Committee members in the evaluation.

BACKGROUND

The Bylaws list the following "primary" reference documents to be used in the Committee evaluation:

- 2010 Santa Maria Urban Water Management Plan
- 2010 NCSD Urban Water Management Plan
- 2010 CCWA Urban Water Management Plan
- 2007 Boyle Alternatives Analysis
- 2011 NMMA TG Annual Report
- 2009 NCSD Supplemental Water Project EIR
- 2005 Stipulation
- 2008 Court Order

The Bylaws also state that, "*Other published technical analyses may be used if the SWAEC finds them to be rigorously accurate.*"

As discussed in our September 5, 2012, meeting, Committee members are encouraged to bring documents to Committee meetings for their consideration as additional reference documents. The Committee would need to determine that the documents are "rigorously accurate" as required in the Bylaws.

It is assumed this will be a standing item for each Committee meeting.

RECOMMENDATION

Identify, discuss, and vote on documents presented by Committee members for use as reference materials in the Committee's evaluation.

ATTACHMENT

NONE

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY *MKN*
CHAIRMAN

DATE: September 19, 2012



SET NEXT COMMITTEE MEETING DATE AND TIME

ITEM

Committee members to set the next meeting date and time.

BACKGROUND

As directed by the Board, the Committee is directed to meet as needed to perform the Supplemental Water Alternatives Evaluation in an efficient and thorough manner.

RECOMMENDATION

Recommend that the Committee members schedule the next meeting during the week of October 7th, if possible.

ATTACHMENT

NONE