

NIPOMO COMMUNITY SERVICES DISTRICT

FEBRUARY 4, 2013

1:00 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)
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

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 JANUARY 14, 2013, COMMITTEE MEETING

RECOMMENDATION: Provide revisions or corrections to meeting minutes from the January 14, 2013, Committee meeting. Accept minutes as revised.

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

RECOMMENDATION: Provide revisions or corrections to meeting minutes from the January 25, 2013, Committee meeting. Accept minutes as revised.

5. REVIEW SUBCOMMITTEE ASSIGNMENTS

RECOMMENDATION: Discuss subcommittee results and incorporate into ranking matrix. Discuss initial screening of Oceano CSD Intertie Alternative. Refine scoring rubric and ranking criteria. Assign weighting factors.

6. COORDINATE COMPLETION OF DRAFT REPORT AND BOARD PRESENTATION

RECOMMENDATION: Discuss status of subcommittee report sections. Identify additional information or data "gaps" needed to complete the report. Direct Chairman to coordinate with District Staff on a Staff Report and draft deliverable for February 13, 2013, presentation to District Board.

7. ASSIGN SPOKESPERSON TO PRESENT DRAFT REPORT TO THE BOARD

RECOMMENDATION: Nominate a voting member (or several members) of the committee to lead the presentation to the District Board.

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
CHAIRMAN *MKN*

DATE: February 4, 2013



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 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
CHAIRMAN



DATE: FEBRUARY 4, 2013



REVIEW DRAFT MINUTES FROM JANUARY 14, 2013, COMMITTEE MEETING

ITEM

Review the Draft Meeting Minutes from the January 14, 2013, 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 January 14, 2013, Committee meeting. Accept minutes as revised.

ATTACHMENT

DRAFT SWAEC Meeting Minutes – January 14, 2013

NIPOMO COMMUNITY SERVICES DISTRICT

JANUARY 14, 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)
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DAN WOODSON (VOTING)

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, ASST GM/FINANCE DIRECTOR

MEETING LOCATION - District Board Room
148 S. Wilson Street, Nipomo, California

1. **CALL TO ORDER, FLAG SALUTE AND ROLL CALL**

Chairman Nunley called the Special Meeting of January 14, 2013, to order at 1:00 PM. and led the flag salute. At roll call, all Committee members were present except Members Watson and Matsuyama who arrived during Agenda Items 2 and 3, respectively.

2. **GENERAL MANAGER'S REPORT**

General Manager Michael LeBrun provided an update to the Committee on items relevant to their work. He had received a call from Rick Sweet with the City of Santa Maria about a person named Bezmarevich who was contacting Central Coast Water Authority (CCWA) member agencies and attempting to negotiate water transfers between the agencies and District via a direct delivery from CCWA facilities. The General Manager assured Mr. Sweet that only District staff or Committee members would be engaging CCWA members to discuss water supply alternatives on behalf of the District.

Member Miller asked if there was any update from the County on the District's grant or the letter they had said they would issue requesting an update on the District's Supplemental Water Project. General Manager LeBrun responded there had been no new communication with the County and there was no update on the water supply analysis being conducted by Supervisor Texiera, which had been discussed by Director Blair at a prior Board meeting.

3. **REVIEW DRAFT MINUTES FROM DECEMBER 19, 2012, COMMITTEE MEETING**

Chairman Nunley introduced the item and presented the edits requested by Dr. Bradley Newton and Member Graue. The Committee voted unanimously to approve the draft minutes as revised (see attachment).

4. **DISCUSS RANKING PROCESS**

Chairman Nunley introduced the item. The draft ranking matrix was projected onscreen and draft scores were filled in as the Committee walked through the items.

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Member Woodson noted he had received the draft ranking matrix as a pdf file and asked if it was available as a spreadsheet. Chairman Nunley said he had provided this to the Committee members and would make sure Member Woodson gets a copy of the spreadsheet.

Member Garson said he was pleased with the thoroughness of the information (rubric, ranking, and other documents). Chairman Nunley noted Member Saltoun had put the spreadsheet together and Member Saltoun gave Member Watson credit for presenting the concept.

Member Miller said the water quality criterion should consider differences between high-quality, low-salinity supplies and those that are potable but have high salinity. He compared salinity of water from the Santa Maria Groundwater Basin (ex. 1000 ppm TDS for discussion) to State Water (say 300 ppm TDS) and asked how those would be scored in the rubric. Chairman Nunley suggested changing the criterion to salinity and scoring based on concentrations. Member Garson asked if agricultural reuse is sensitive to salinity. Chairman Nunley responded that it depends on the crop. Member Garson noted that other chemicals could affect use of water from agricultural operations. Member Matsuyama mentioned nitrates would be an issue. Member Miller thought water quality could be a criterion focused on quality of finished water and that cost should address treatment requirements to reach quality objectives. He suggested 300-500 ppm could earn a high score, 500 to 750 would earn a medium score, and over 750 would earn a low score. Chairman Nunley said it was assumed all supplies would be treated to be safe for their intended uses. He had attempted to capture risk in the rubric, as well. Member Garson asked how chloramination would be addressed in the rubric. Chairman Nunley responded that supplies requiring disinfection (such as chloramination) could still earn a high score in the rubric. Member Garson suggested the Committee look at Oso Flaco as an alternative to discuss as an example of how to handle the scoring. Member Miller noted the treatment process for that supply would produce a very high quality water (with respect to salinity) in order to remove other contaminants of concern. Therefore, it could score very high as opposed to a groundwater option that produces a high-salinity water supply of 800 ppm which would receive a lower score. Member Watson asked if two categories (one for potable and one for recycled water) should be considered since water quality goals and treatment requirements could differ significantly. Member Miller noted he would prefer using the single category with a footnote to discuss how the quality is appropriate for the intended use. Member Graue said it would be important to identify the intended use. Member Saltoun said treated water quality could have a very narrow range of scores, whereas raw water quality could have a very wide range, therefore it is important to clarify this. He said he thinks the raw water quality should be considered. He also noted the District does not have the distribution system to deliver two different levels of quality and he thinks considering raw water quality would allow the Committee to more distinctly rank the alternatives. A new category would not be required if this approach was pursued. He noted there are not two different distribution systems to deliver different water quality to users.

Member Garson said he thought potable water should rank higher in water quality than nonpotable water (for example, water that is only useful for agriculture). Member Graue noted this could make the alternatives difficult to rank since use of nonpotable water could reduce demand for potable water. Chairman Nunley said he had tried to tie both the intended use and treatment requirements to the water quality criterion and discussed the scoring rubric. He noted that reverse osmosis may be required (per the guidance documents) to treat wastewater plant effluent for use by Phillips 66, but it should rank higher than Oso Flaco since no pesticides or hazardous chemicals are present. State Water would score very high because very little treatment is required and the water has low hardness and

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salinity. He said he assumes some discussion will be required to justify many of the scores assigned in the matrix. Member Garson noted this is an area where weighting the scores could be beneficial – for example, potable supplies could be weighted higher than nonpotable supplies.

Member Woodson said he sees court compliance as a “go/no-go” issue, not as a criterion for scoring. Members Garson and Matsuyama discussed the importance of bringing some recommendations to the Board even if they do not comply directly with the court stipulation. Conservation measures and graywater were discussed as examples.

Member Saltoun said some of the criterion that defined only two options for scoring (1 or 10) should be reconsidered since there may be “shades of gray” between the two extremes. For example, if a supply can only meet 990 AFY would it get a score of 1 for ability to deliver 1000 AFY? Member Miller said he agreed with that perspective and weighting could be applied to assign importance to some of the criteria such as court compliance.

Member Miller asked when the weighting criteria should be considered. Chairman Nunley suggested the Committee begin assigning raw scores and see the preliminary results first. He noted there are two adjustment areas for scores – the rubric and the weighting process.

Subcommittees began lead the scoring discussion for each alternative and variation, based on the draft rubric.

State Water – Member Saltoun discussed the variations listed on the matrix. He noted the major challenge with acquiring water from San Luis Obispo County is that the County can only deliver 4830 AFY through the existing conveyance system. The District would need to acquire water from existing County purveyors. Oceano only has 750 AF of State Water and would only have a limited amount of that total to sell to the District. It appears that the District could never acquire 1000, 3000, or 6300 AFY. He noted County State Water customers had received their full entitlement even when statewide deliveries were at 40% of Table A quantities because of their excess entitlement.

Acquiring water from Santa Barbara County is more expensive since the communities are farther along the pipeline. Member Saltoun noted that Carpinteria had offered to sell 1000 AFY for \$5000 AFY. CCWA had said that Montecito and Solvang may have water to sell (perhaps 1700 AFY of Table A water) but the District would need to send a formal letter to see if they would be interested in selling. He also said State Water has a long-term reliability of 60% which would result in 600 AFY out of 1000 AFY of Table A water. Therefore, the Committee may want to assign a score of 6 to the 1000 AFY Delivery criterion. Member Watson said it looked like the scores could be 10, 1, and 1 for 1000, 3000, and 6200 AFY supply potential criteria (respectively) and reliability would be addressed separately in the matrix. Member Saltoun responded that no State Water participant regularly received their full Table A allocation and if that concept was applied, the Santa Barbara Desalination variation could receive scores of 10 and 10 for 1000 and 3000 AFY deliveries based only on production capacity even though the City would never sell the water. Member Miller suggested assigning a rank of 2 or 3 to the Santa Barbara County variation for the 3000 AFY Supply Potential criteria. Member Graue asked if a parallel pipeline or more pumps could deliver San Luis Obispo County’s Table A water to the District and, therefore, could rank higher for delivery. Member Saltoun discussed the excess capacity study recently conducted by CCWA and the County of San Luis Obispo that identified some pipeline capacity that is currently “unused” by project participants. Chairman Nunley said he would look at contracting as a feasibility issue and supply potential as a physical availability, with reliability also considered separately instead of trying to address all

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these issues within the Supply Potential criterion. Members Graue and Matsuyama noted that San Luis Obispo County has over 25,000 AFY of Table A water, so the supply potential scores could be 10 for all delivery goals. Member Miller expressed concern about defining projects too broadly and not considering the real constraints associated with each project when scoring and ranking them. Members Matsuyama and Watson discussed availability of Oceano water and the recent vote by the community against a sale of State Water. Member Watson noted that the comments and analyses that will be included behind the matrix will be important for explaining the assumptions behind assigning scores. Member Miller thought it would be prudent to increase the scores for San Luis Obispo County State Water since the County has some excess capacity and may be developing a strategy to transfer that water. Members Matsuyama and Saltoun discussed the first rights of refusal by current State Water customers for State Water sales in San Luis Obispo and Santa Barbara County, as well as the need for all State Water customers within a County to agree to a sale involving another County.

Chairman Nunley said he would be sending a draft of Member Saltoun's State Water Alternative report and recommends putting the final evaluation in this format. He proposed putting the information from the powerpoint status report files into this format. Member Miller expressed support for this concept. Member Saltoun said he considered the general public as an audience when he drafted this first section of the subcommittee's report. He asked if the District could only go to other agencies to request Table A water or if CCWA could be approached to sell water. Chairman Nunley responded that CCWA has no Table A water itself – SLO County and Santa Barbara County Flood Control & Water Conservation District are contractors with the state for Table A water. DWR has no additional Table A water. CCWA has State Water subcontractors as member agencies – it does not have its own Table A water, any water transfers must be developed with individual agencies and not CCWA. Member Saltoun asked if water that is not Table A water could be purchased and delivered via the CCWA facilities. Chairman Nunley noted all Table A water was already contracted by DWR – the District would need to buy water from another State Water customer. Member Saltoun asked if the District could buy State Water from SLO and/or Santa Barbara County and then negotiate with CCWA to purchase pipeline capacity. Member Miller said he considered this approach when recommending the scores discussed earlier. Members Miller and Watson discussed the need to confirm the 3000-5000 AFY excess capacity with San Luis Obispo County before finalizing the scores for the Supply Potential criteria. Members Matsuyama and Saltoun discussed the need for any negotiation involving a purchase of State Water, relying on delivery via the CCWA pipeline, to negotiate with Santa Barbara County State Water subcontractors.

Member Watson discussed connecting to Oceano CSD as an approach that would not require negotiation with all the Santa Barbara County State Water customers. Member Watson suggested the Oceano CSD service connection could be a separate variation. Member Saltoun had assumed this option was included with the first variation. Chairman Nunley noted that a connection to Oceano CSD for the purpose of transferring State Water would require environmental review, the quantity for sale is less than their 750 AFY Table "A" water, and the community had recently voted against selling State Water (based on a law or ordinance recently passed by the voters). Member Matsuyama said the Supply Potential criteria should be well-defined in the evaluation report. She also noted that the State Water draft analysis could develop a water supply that is close to 3000 AFY, so the 3000 AFY Supply Potential could be ranked fairly high.

Graywater and conservation were not discussed.

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Agricultural and Industrial Reuse – Member Matsuyama said the Committee could not evaluate the quantity of agricultural tailwater water available. Member Graue noted only 320 AFY is available from Phillips 66 and Member Saltoun acknowledge the challenges with convincing their company to reduce groundwater pumping or take treated effluent. Member Graue noted it would not be feasible to collect and condense Phillips 66's evaporated water and reuse it. He thought scores of 1, 1, and 1 would appropriate for 1000, 3000, and 6200 AFY supply potential for the Phillips 66 reuse variation. The PXP variation was scored as 10, 1, and 1 for 1000, 3000, and 6200 AFY supply potential.

Santa Maria Waterline Intertie Project – Member Miller said the Committee is waiting for input from the City of Santa Maria on a varied daily delivery strategy in order to increase the annual delivery to the District. Chairman Nunley suggested the Committee consider the phased Waterline Intertie Project in conjunction with the full Waterline Intertie Project without separating them. Member Saltoun thought a possible scenario would be completion of one phase of the Waterline Intertie Project then development of an additional water supply, therefore it could be analyzed separately from the full Waterline Intertie Project. Member Matsuyama thought breaking out the Phase I project would be easier to describe and present to the public as a separate variation. Members Miller and Garson discussed analyzing and presenting Phase I as a separate variation when it is just the initial phase of the full Waterline Intertie Project. Phases 2 and 3 could not be separate projects since they cannot stand alone without Phase I. Members Saltoun and Garson thought a combination of recommendations could be presented to the public for implementation, including only Phase I for example. Member Matsuyama said the Committee must review Phase I as directed in the Bylaws. Members Matsuyama, Garson, and Miller discussed scoring the Phase I and full Waterline Intertie Project as 10, 10, and 10 for the 1000, 3000, and 6200 AFY Supply Potential since the water is available from the City of Santa Maria. Chairman Nunley noted that Phase I would not be able to meet 3000 and 6300 AFY deliveries and would therefore score very low for these criteria. Member Woodson discussed how the Waterline Intertie Project could have different cost/benefit ratios for each phase. Members Miller, Nunley, and Matsuyama suggesting separating the phased and full Waterline Intertie Project and filling out as much of both variations as possible, but not trying to complete all categories for both projects. Member Garson suggesting assigning a score of 10 to all Supply Potential categories for both the Phased and full Waterline Intertie Project variations since the "pool" of supply is available.

Recycled Wastewater from Municipal Facilities – Member Miller suggested assigning a 10, 7, and 1 to the 1000, 3000, and 6200 AFY Supply Potential categories for the South San Luis Obispo County Sanitation District supply variation since it can deliver 2250 AFY of recycled water. The Pismo Beach supply variation can deliver approximately 1500 AFY, therefore it could be scored as 10, 5, and 1, respectively, for the Supply Potential categories.

Local Groundwater – Member Garson noted that after the Committee learned local groundwater was not new water, they stopped analyzing the supply potential. Member Miller suggested assigning a score of 1 to all the Supply Potential categories. Member Graue asked the Committee members to review the analysis he has drafted for this category and noted that Dr. Newton had said there was much about the NMMA that is not known. He recommends that the Committee advocate the need for a proper aquifer management study and it had hurt the District's credibility not to have this information. Member Garson said he agrees more research is needed and it should be stated in their recommendations.

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Surface Water Supplies:

Oso Flaco Lake – Members Matsuyama, Graue, and Garson discussed supply potential and Member Garson suggested assigning a score of 1 to all supply potential categories.

Santa Maria River – Member Miller recommended assigning a score of 1 to all supply potential categories.

Lopez Reservoir – Member Watson said the original concept behind this variation was to exchange Lopez reservoir water for recycled water. The reservoir releases 4200 AFY to satisfy downstream uses such as groundwater recharge and environmental needs. Chairman Nunley suggested Lopez water may not be new water since it is already considered in the NCMA water budget. Member Miller said exchanging recycled water for Lopez water should be included as a recycled water alternative and not a “new” Lopez water supply. Chairman Nunley and Member Miller suggested eliminating this variation from the Surface Water analysis and addressing it only in the Recycled Wastewater from Municipal Facilities analysis as part of the discussion of usage.

Seawater Desalination – Committee members agreed to assign scores of 10 to all supply potential categories. Chairman Nunley suggested eliminating solar distillation as a variation and consider it as an approach for desalinating seawater. Members Graue and Matsuyama discussed leaving the variation as a separate variation. Member Graue mentioned discussing solar distillation with Black & Veatch and Jim Vickers at Separation Processes and they had not known of any commercial-scale systems. He had contacted Coldwell Banker in order to determine land cost for a couple of sections to help assign costs to this variation. The Committee agreed to assign scores of 10 to supply potential categories for solar distillation.

VSEP Variation – Member Graue suggested removing this variation since the technology is not appropriate for potable use.

Liquid/Liquid Extraction – Member Graue noted this process had been invented about 7 years ago by a researcher at MIT but none of the professionals he contacted had heard of this technology. He suggested removing it from the analysis for now.

Chairman Nunley suggested skipping the O&M and Capital Cost discussion today. He asked how the Committee wants to handle O&M and Capital Cost and what units to use for the analysis (\$/AFY or total capital cost in \$MM). He proposed looking at total capital cost (not bonding costs, etc.) on a \$MM basis and looking at O&M cost (including power and chemicals) on a \$/AFY basis. Member Graue noted that Separation Processes said they tailor their cost opinions to the requests of their client, but they typically develop a total \$/AFY number based on profit (if a private entity is developing the project), O&M costs, debt service, and other considerations. Chairman Nunley said he could provide an example table for use at the next meeting. Member Matsuyama suggested using the table to assign scores based on the range of costs. Chairman Nunley said he had anticipated this when he put the rubric together. Member Graue noted he had put together 10 different delivery strategies. Chairman Nunley and Member Saltoun discussed selecting the most inexpensive strategy or assigning a range of costs to reflect this. Member Graue said he has typical efficiency numbers for treating the different supply alternatives. Treating seawater results in an efficiency of 50% and treating brackish water with an efficiency of 85% according to Separation Processes.

The Committee next discussed reliability.

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State Water - Member Saltoun suggested the reliability for the San Luis Obispo County variation to deliver 2400 AFY (80% of 3000 AFY) would be very low since the Table A water is not available from an existing customer. The members discussed aspects of feasibility (permitting & contracts) that should be considered for State Water. Chairman Nunley noted the County had told the Committee members that adding a new customer to the State Water project could result in reopening the entire environmental process. He thinks the project ranks very low on feasibility due to the requirement that multiple entities approve the transfer. He also said the San Luis Obispo County supply variation would rank higher for reliability than the Santa Barbara County supply variation since San Luis Obispo County has excess Table A water. Member Watson thinks 5 years for low score, 1-2 year for moderate, and 1-year for high score on feasibility would be appropriate. Member Matsuyama asked if the Phase I project has permits and approvals. Vice Chair Sevcik said the environmental review covered Phase I through the full project and a future delivery of 6200 AFY. Member Matsuyama asked if reliability includes drought and earthquake risk considerations and noted the rubric should be written to include these. Member Garson said he would rank PXP low on reliability since it is a short-term (10-12 year solution) as opposed to State Water which has a long-term contractual obligation. He also discussed Oceano's interest in a short-term sale or transfer of State Water (less than 12 years) and this would rank low for reliability as well. Member Miller said he would look at State Water from San Luis Obispo County as having higher reliability than State Water from Santa Barbara County due to the County's excess entitlement.

Vice Chair Sevcik noted that the State Water contracts will be renewed in 2035. The District's contract with Santa Maria is an 85-year contract with a clause to renegotiate the contract at 2035 and address new costs as a result of negotiations between State Water customers and the state. Member Watson does not view this as a reliability issue.

Members Miller and Garson said they think the seawater and recycled wastewater alternatives are very reliable.

Members Saltoun and Graue discussed the Santa Barbara desalination exchange option. They discussed the short-term nature of a water exchange of State Water for seawater desalination and that the City did not intend to sell their water.

Member Miller suggested modifying the reliability criteria to evaluate ability to regularly deliver 80% of design flows and removing the 3000 AFY requirement.

Agricultural and Industrial Reuse - Member Garson said he thinks the Phillips 66 variation could be considered reliable.

Various members discussed agricultural tailwater. While quantities are not known, Member Garson noted it does represent a steady supply of water.

Chairman Nunley said the Committee does not need to complete rankings for alternatives that have fatal flaws. Member Watson noted it was worthwhile to keep all the alternatives on the matrix even if some have fatal flaws.

Public Comment:

Ed Eby, Nipomo resident, said he does not think Phase I is a standalone alternative but is a phasing approach for implementing a waterline connection to Santa Maria. He noted the project will cost more for full delivery of 3000 AFY than \$26M due to phasing, but the full

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

project cannot be implemented since the funding was voted down. Member Matsuyama noted the Committee's Bylaws require analyzing both the phased and full Waterline Intertie Project.

Mr. Eby felt the water quality criterion represented water treatment requirements and these could be incorporated in project cost. He thought water quality should address TDS and nitrates of the delivered water. For example, seawater desalination would produce very high quality water and water from Santa Maria could vary over the year.

Mr. Eby noted that a dual distribution system must be addressed in the cost of any option requiring delivery of differing water quality.

He also said Twitchell Reservoir should be considered in the Surface Water evaluation, noted the weighting factors still need to be assigned, and thought the capacity at Polonio Pass WTP was related to capacity of the disinfection system.

He also discussed the recent vote in Oceano against selling State Water. Member Graue asked if this vote was limited to water or if it affected their wastewater as well and Mr. Eby responded that it only applied to their State Water. Mr. Eby noted any cost for transferring water from Oceano to the District must include all costs to deliver that water into the Nipomo system, such as any pressure mitigation requirements and possibly a pipeline directly to the District's tanks. He did not understand the benefit of a phasing column since phasing was a delivery strategy, not an attribute in itself.

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

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

The Committee voted unanimously to defer this item until a future meeting.

6. DISCUSS NEED FOR SPOKESPERSON TO PROVIDE UPDATE TO THE BOARD

The Committee voted unanimously to defer this item until a future meeting.

7. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

The Committee voted unanimously to defer this item until a future meeting.

8. SET NEXT COMMITTEE MEETING DATE AND TIME

The Committee voted unanimously to schedule the next meeting for January 25 at 9:30 AM to 12:30 PM. There was no public comment.

9. ADJOURN

Chairman Nunley adjourned the meeting at 3:57 PM.

ATTACHMENTS

Revised December 19, 2012, Meeting Notes

Draft Matrix

NIPOMO COMMUNITY SERVICES DISTRICT

DECEMBER 19, 2012

1:00 P.M.

MEETING MINUTES

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

APPOINTED COMMITTEE MEMBERS

MICHAEL K. NUNLEY, CHAIRMAN (NON-VOTING)
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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 December 19, 2012, to order at 1:00 PM. and led the flag salute. At roll call, all Committee members were present except Members Matsuyama and Watson who arrived during Agenda Item 2.

2. PRESENTATION BY DR. BRADLEY NEWTON

Chairman Nunley presented the item and introduced Dr. Newton, who responded to comments and questions from the Committee and the public.

Member Garson asked Dr. Newton to provide a brief overview of the health and status of the groundwater basin and to discuss studies that have been conducted in the past. Dr. Newton responded that documents had been produced representing a wide range of objectives and scientific quality (from scientific research documents such as those produced by USGS to planning documents). He discussed the development of the geology within the Santa Maria river watershed through natural deposition, riverine erosion, and other processes. He noted that various groundwater elevation records indicate water levels within the Nipomo Mesa Management Area (NMMA) of the basin are approximately 20 feet lower than were identified in the 1960's. Seawater intrusion is the most significant threat anticipated by the NMMA Technical Group (TG) – once contaminated by seawater, future use of groundwater (that portion of the aquifer) is limited without significant flushing or other mitigation measures. Contamination from the surface by nitrogen and other compounds related to agriculture could also occur.

Member Garson asked if health and status of the basin are debatable or are in dispute. Dr. Newton described the management area boundaries developed within the 2005 Court Stipulation, and the requirement that technical groups within each management submit reports summarizing groundwater data. These reports must be unanimously approved by all parties within a technical group and can be disputed but as of yet, none have been disputed in the past four years of submittal to the court.

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Member Garson asked if there was evidence that the groundwater basin volume has been in decline. Dr. Newton said records indicate that groundwater elevations have been in decline in some locations, and water volumes could have decreased in these areas but could be higher in others to offset that impact. The court recognized that areas of the groundwater basin can go through wet and dry cycles and the overall water volume has not been calculated. Cross sections have been prepared and the NMMA continues to develop cross sections using available well logs in order to determine groundwater flow. By quantifying flow and other parameters such as rainfall and usage for a series of years, the NMMA TG may be able to estimate the native safe yield.

Member Watson asked if an opinion had been developed for the range of native safe yield. Dr. Newton responded that the NMMA TG had prepared a Key Well Index that reflects drought conditions in the late 80's/early 90's as well as the wet period in late 90's/early 2000's but may be less reliable in the earlier periods of the 70's and 80's since less data is available from that period. Over the past 5 years, the NCSD has developed a Groundwater Index (GWI) from 45 wells which behaves similarly to the Key Well Index (KWI). This indicates the Key Well Index is robust. Dr. Newton stated that there have been no catastrophic results of past groundwater usage but there is no detail regarding the location of the seawater/groundwater interface. Member Matsuyama asked if monitoring wells could be installed to identify this interface and Dr. Newton noted this would be very challenging and very costly. USGS and DWR had installed a series of sentinel wells close to the coastline from Pismo Beach through Guadalupe in the 1950's/60's to allow early recognition of seawater intrusion. Monitoring of a couple of the sentinel wells has indicated seawater intrusion. A well near Oceano had experienced seawater intrusion. In response, the Five Cities water agencies stopped pumping groundwater by importing Lopez and State Water. This stopped seawater intrusion and has allowed groundwater salts concentrations to recover.

Director Bob Blair asked about the Oceano Community Services District (OCSD) well that the OCSD had claimed was contaminated by surface water. Dr. Newton noted that well 30N02 was not the same well, and 30N02 had indicated seawater intrusion had occurred.

Member Graue asked if the KWI represented only part of the groundwater basin since the basin extends to Rancho Sisquoc. Dr. Newton responded that the KWI covers only the NMMA. Each management area collects its own data. Member Garson asked if the NMMA Technical Group looks at data from the other management area and Dr. Newton answered that they do. However, Santa Barbara County collects their data at a different time of year than the NMMA TG. This complicates the comparison of data, although the NMMA TG has found ways to interpret seasonal data for comparison purposes. NMMA data is not collected throughout the year, only a couple of times per year, and therefore it may not capture groundwater behavior during certain high rainfall periods or other short-term events.

Member Saltoun asked if the 20-foot groundwater elevation decline was limited to a small area or representative of the entire basin. Dr. Newton noted this only represented groundwater elevations in the NMMA. He said that DWR did not report the wells used to generate their contours so this interpretation is based on general groundwater levels from DWR contours and not individual wells. Member Saltoun asked if water from surrounding agricultural areas could flow into the cone of depression within the NMMA and Dr. Newton responded that it could. Member Saltoun further asked if a bypass or similar strategy was required to move water into the depressed area to prevent further depression of groundwater levels. Dr. Newton said that provided seawater intrusion did not occur, the impact of continuing to pump water from the depression could not be determined. However,

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the NMMA is connected to the other management areas and impacts in one will affect the others. Member Saltoun discussed the opinion among some in the community that there is no groundwater problem. Dr. Newton discussed the community's reliance on groundwater and hypothetically asked how the District would respond if seawater intrusion or another event reduces usage of groundwater. Member Saltoun asked if seawater could find a channel to contaminate groundwater without being observed in the sentinel wells and Dr. Newton indicated this could happen. However, there is no evidence of old channels that could allow seawater to flow preferentially into one part of the fresh groundwater basin. This presents a challenge since predicting where seawater intrusion could occur is more difficult than areas with old channels. Member Matsuyama asked if Blacklake Canyon could present an opportunity for seawater intrusion and Dr. Newton responded that it did not appear to present the right conditions due to presence of an underlying clay layer. This condition also results in various lakes holding surface and shallow groundwater.

Member Woodson asked if evidence of subsidence or reduced groundwater storage capacity had been observed. Dr. Newton and Member Woodson discussed observance of this in the western San Joaquin Valley. Dr. Newton had no knowledge of observances of this within the NMMA.

Member Watson asked what techniques could be effective for reducing seawater intrusion. He discussed regional water interties and recycled water among other concepts. Dr. Newton cited examples in the Los Angeles area (Orange County, Huntington Beach, and West Basin) where recycled water was injected to prevent seawater intrusion and noted this was very expensive and was an ongoing cost. Cooperation among groundwater users to manage the interface would be a cost-effective and beneficial solution. Challenges include the number of individuals who would need to agree to cooperate, who have different positions on the issues and have no desire or interest in cooperating or have pumping agreements that allow them to produce water without regard to current groundwater conditions. Member Watson also asked if surface percolation of recycled wastewater could prevent seawater intrusion. Dr. Newton said it would depend on the confining layers between the surface and the aquifer and this information would be necessary to determine if injection wells or percolation ponds could be effective. He noted that reducing extractions would have a more direct impact on reducing risk of seawater intrusion.

Member Garson noted that there would be benefit to developing a groundwater model to address some of the challenges being discussed and referenced the subcommittee meeting with Dr. Newton and the related discussion. Member Matsuyama added that she was surprised there had been multiple, competing models but not one definitive model developed in conjunction with the District's prior planning efforts. Dr. Newton responded that different questions require different models, and this is the reason multiple models had been developed and some did not agree. He also discussed the disparity between modeling and reality. He thinks a model could be constructed of the Santa Maria groundwater basin that would help plan to prevent seawater intrusion. He mentioned the major challenge in developing the model would be the initial data acquisition and organization. He also discussed the benefit to understanding the groundwater basin that would arise from the County's \$200,000 grant to study nutrient and salt issues.

Member Garson compared the \$26M cost to construct a water supply project to the hundreds of thousands that would be required to develop a groundwater model. Member Matsuyama noted the public was not convinced there was a seawater intrusion problem and this was critical to the public understanding and supporting the Board's actions to import water.

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Director Blair noted there may be areas with groundwater depressions but some other areas may have adequate water. He discussed the availability of water in the Summit Station area and also stated that an emergency connection was constructed on the Central Coast Water Authority's (CCWA's) pipeline for District use. He expressed surprise that some people who had been involved with District's water issues for a long time did not understand as much as he did.

Member Saltoun asked if developing a model would just show what the District has already seen in the KWI and other monitoring data. Dr. Newton responded this was correct and a numerical model can only replicate history. The challenge is using historical observations with model-based analysis to predict future conditions. There is no guarantee that future rainfall events, etc., will be similar to historical observations.

Chairman Nunley asked if a model is required to indicate there is a problem, if there was already evidence of seawater intrusion and formation of a depression. Dr. Newton said this was a management question, but from the technical perspective a model may not be able to predict seawater intrusion if it happens in a way not represented in the model. A model will help with management decisions but will not replace importation of water, if that is required to address the need for water.

Member Saltoun stated that a model would help with wellfield management but would not change what is observed today. Dr. Newton agreed and said wellfield management would be very beneficial and has been a focus of the NMMA TG.

Member Saltoun asked if difference in gradients results in uncontrolled flow into the NMMA and if there is a danger associated with water quality contamination through neighboring agricultural activities. Dr. Newton said that in the early 1950's, Worts had identified a thick clay layer that caps the Paso Robles Formation, which is the primary water producing zone. On top of the layer is sediment and the Mesa. The water in the shallow zone around Oso Flaco Lake, which lies above the clay layer, has been contaminated by agricultural activities. The shallow water levels can rise over time and tiles are used in some places to protect crops from waterlogged conditions. The geographic limits of this confining layer condition around the Mesa are unknown. Some shallow water wells are very productive in certain areas of the Mesa, but they have significant water quality concerns.

Member Saltoun asked if there had been evidence of communication or estimate of flow between the shallow and deep zones. Dr. Newton noted that Santa Maria River flow from Twitchell Dam releases were part of the recharge of shallow water to the deeper zones and this can be observed when reviewing groundwater contours.

Public Comment:

Bob Hensier, Nipomo resident, asked if satellite imagery including infrared and other technologies could help assess groundwater conditions. Dr. Newton responded that long-wave ground penetrating radar can be used and discussed examples, but the presence of vegetation and other land cover in the Nipomo area would prevent its use on the Mesa.

Bob Blair, District Director, said he was elected because people do not believe what is being discussed today. He wants to find a better solution than the \$26M water project because people are upset.

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Ed Eby, Nipomo resident, was concerned about the amount of money and time required to collect the data needed for the modeling effort, in addition to the effort to develop the model. The time factor was a primary concern because of the risk of seawater intrusion.

General Manager Michael LeBrun said the Board focused the Committee's effort on evaluating water supply options since the groundwater situation is very complicated and modeling would not result in addressing the need for new water on the Mesa. He noted the Nipomo CSD is the only water purveyor in the Santa Maria Groundwater Basin that has not participated in a supplemental water project to reduce groundwater pumping – all others have participated in reservoir projects or similar solutions. The District is charged with delivering water to 4300 connections. They have limited ability to prevent future groundwater production across the Mesa since they only pump approximately 15% of the total production. The District has a "junior" right to pumping the water that is lower priority than the agricultural users and other overlying landowners. As the Mesa has been developed and groundwater extraction has increased by golf courses and urban users, the District has had very limited control over pumping. The District intends to import supplemental water and has specified the quantity and schedule, and it is valuable that the Committee understands the background of local groundwater issues but its purpose is to evaluate supply alternatives. The Board plans to consider releasing bids on February 13th in conjunction with the Committee's findings. The District had an opportunity 20 years ago to participate in State Water and the Board is concerned about missing the opportunity to participate in the Santa Maria project.

Dr. Newton noted there is an ongoing cost to maintain and run the model, in response to questions about the modeling effort.

John Sonksen, Nipomo resident, noted OCSD had written a letter denying the conclusion that saltwater intrusion had been observed in a well and asked if Dr. Newton had a response to this. Dr. Newton noted that sentinel well 30N02, which yielded evidence of seawater intrusion, was not the same well discussed in the OCSD letter. The sample from 30N02 was collected and analyzed properly according to the records. Member Matsuyama asked how often the well was sampled and Dr. Newton said he thought it was collected monthly. He noted the well information was submitted in the Northern Cities Management Area Technical Group report and the TG had concluded the event had occurred. Dr. Newton did not have an opinion on the well discussed in the letter from OCSD.

3. GENERAL MANAGER'S REPORT

General Manager Michael LeBrun provided an update to the Committee on items relevant to their work. The Board met on December 12th and received a status update on the Committee's work from Member Watson. They ratified Mr. Saltoun as a member to the Committee. District staff provided updated contact information for all the Committee members. The Board had heard in November that Supervisor Teixeira had been working on a supplemental water solution but the Board had not received an update on this. District staff has been keeping the Supervisor and the Supervisor's staff informed of Committee meetings and progress. The General Manager asked the Committee to please let staff know prior to the meeting day if hard copies of the Staff Report were desired.

Bob Blair, Director, said he and Supervisor Teixeira had met with ConocoPhillips and they would like to help the District with their water supply issues. Under Title 32, they need to reduce their carbon footprint. They also want to expand their refinery. They produce 3 to 4 acre-feet of water per year. They may be interested building a pipeline to bring water in from the South SLO County wastewater treatment plant. It is the only refinery he knows that

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relies on groundwater. He will provide an update after the holidays when he gets a chance to talk to the Supervisor.

4. REVIEW DRAFT MINUTES FROM DECEMBER 7, 2012, COMMITTEE MEETING

Chairman Nunley introduced the item. The Committee voted to approve the draft minutes with no changes.

5. DISCUSS SUBCOMMITTEE PROGRESS

Chairman Nunley introduced the item. He noted he will continue to add meeting minutes and information provided by the Committee to the powerpoint file after each meeting. Member Woodson asked if the February 25th date to finalize the report was in conflict with the District's release of bids. Chairman Nunley responded that releasing bids would not require a commitment to build the project by the District, but if the Committee could present their report in rough draft form on February 11th, this would inform the Board's decision whether or not to release the bids. Member Matsuyama asked if the Board's plan was to go to bid in the middle of February and the General Manager responded they would authorize bidding on February 13th knowing the Committee's final report would come after that. He thinks the timelines are well synchronized between the Board and the Committee.

Member Watson asked what the cost would be to go out to bid. The General Manager responded it would not be expensive relative to the design cost. Chairman Nunley noted this was not a separate contract authorization and there is no expenditure of new funds to release bids. Member Watson asked if the Board needed a report prior to releasing requests for bids. The General Manager said the Board would like the Committee's input. Member Miller noted each bidder would spend tens of thousands to prepare their bids and a request for bids should be taken seriously. Member Matsuyama asked if the District is prepared to release a request for bids now and if the Board is just waiting for the Committee. General Manager LeBrun noted the District would not be ready until February and the Committee's work is not causing a delay.

Chairman Nunley asked if Member Saltoun would fill Mr. Armstrong's seat on the subcommittees for desalination, agricultural/industrial reuse, and State Water. Member Matsuyama expressed support for this but would leave it up to Mr. Saltoun, and noted his input would be valuable for other subcommittees as well. Member Saltoun said he would serve wherever he would be best utilized. Member Graue said Member Saltoun had already been asked to participate in their subcommittee.

State Water - Chairman Nunley provided a review of items added to the State Water progress report. Member Matsuyama asked for a definition of chloramination in the report.

Director Blair stated that the City of Santa Maria removes chloramines from their State Water with carbon filters.

Member Garson asked if there was an emergency connection to the CCWA pipeline. Chairman Nunley stated it was his understanding there was no connection. Director Blair said there was a concrete bunker where the connection was constructed. Former General Manager Doug Jones had led the effort to construct this connection and the District had paid for it. They were the only community who did this, according to Director Blair. General Manager LeBrun noted there were many challenges (not just physical) to connecting to the CCWA pipeline and there were no agreements in place for this. Member Garson clarified that even if there is a connection, it cannot be used. Chairman Nunley said he would talk to CCWA to determine the location of this connection.

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Demand Management (Conservation/Graywater) – Chairman Nunley said the subcommittee will be meeting with Ron Munds, City of San Luis Obispo Conservation Manager, tomorrow. Member Matsuyama will provide her slides before Christmas and will provide her report to the Chairman to incorporate in the presentation.

Agricultural/Industrial Reuse - Member Matsuyama provided a written agricultural/industrial reuse report including completion of their agricultural tailwater analysis to be included in the overall progress report. The subcommittee had concluded agricultural tailwater would not meet the District's objectives. Member Saltoun noted that not all of the 220 AFY from Phillips 66 would be available for use, maybe 85% or so. Member Miller asked if the refinery's use of recycled water had been included in this analysis or another section. Chairman Nunley noted this was included in the Recycled Wastewater from Municipal Facilities report.

Santa Maria Waterline Intertie Project – Member Miller noted the City of Santa Maria was looking at a nighttime/daytime varied flow in their hydraulic model to determine if this would be acceptable. It would increase total Phase I delivery. Member Garson asked to explain what the City's issues or concerns would be with varying delivery. Member Miller said the City had some reservations related to operational concerns but he noted the volume requested by the District was small relative to their overall demands, in his opinion, and Chairman Nunley said the City would want constant deliveries all the time ideally. Varying the deliveries throughout the day would allow the District to ramp up initial deliveries more quickly since they could deliver more water than planned in the Phase I capital cost. Chairman Nunley noted capital costs would be the same but the \$/AFY would be lower if varied deliveries were acceptable to the City.

Recycled Wastewater from Municipal Facilities - Member Garson asked if there are pipelines between Oceano and the District distribution system. Director Blair said there was a pipeline from the refinery and it could possibly be sliplined. Members Watson and Miller noted the use of this pipeline alignment had been addressed in the various recycled water studies for the Five Cities agencies. Member Miller asked for a placeholder for the quantity of water that could be used by Phillips 66. Member Watson noted Phillips 66 future water needs should be requested. Chairman Nunley said he would contact Phillips 66 to request this information. Member Miller noted it would be approximately \$4000/AF to treat and deliver water from SSLOCSD WWTF to the refinery based on the SSLOCSD Recycled Water study. He said Pismo WWTF effluent would also need to have similar treatment if that water was used by the refinery. Member Miller asked the Chairman to acquire any information on the capacity of the Phillips 66 outfall. Member Graue noted the outfall can be buried during some times of the year. Members Saltoun and Miller said the current discharge limit is permit-based but Member Miller was curious about the actual physical capacity, including how adding pumps could increase capacity. Chairman Nunley noted that discharging reverse osmosis brine through the outfall could be viewed favorably by regulatory agencies. Member Matsuyama said the outfall was 2500 feet long and 16 feet deep according to her notes and was rated for 300 gpm. Chairman Nunley will request this information and will send a copy of the email to the subcommittee.

Member Garson asked if the presence of an existing pipeline would reduce delivery cost to the Phillips 66 refinery. Member Miller noted the estimates from the Pismo Beach and SSLOCSD studies included the pipeline cost to deliver water to the refinery. If an existing pipeline could be rehabilitated or reused, it could reduce cost from estimates quoted in the study. Member Miller noted he could look into the possible cost reduction if a pipeline is reused or rehabilitated. Member Saltoun said the condition of the pipeline would be a

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significant factor in determining rehabilitation costs. Director Blair said he thought it would be cheaper to build a pipeline from Oceano than from Santa Maria.

Local Groundwater – Member Graue noted the subcommittee is working on a revision to this progress report. He said using the Dana wells instead of the Blacklake wells could help reduce the gradient. Member Miller stated some of the recommendations from the Committee should be provided to the Board even if they do not result in importing new water. Director Blair noted there was a new well site near the Santa Maria River. General Manager LeBrun said there was a well site near Riverside Road that was given by the County to the District. Their water resources attorney said they could not produce water from this location since they did not have the right to pump water from a different management area such as where this well is located. Member Graue added that he thought he had seen this opinion in the Boyle Constraints Analysis.

Member Garson asked if the Dana wells had the same issue. General Manager LeBrun responded that the Dana wells were pump-tested over 20 years ago and were very small (in the neighborhood of 300 gpm total). It would not resolve the overall problem since the wells are not in a high-producing water zone.

Member Matsuyama asked if the District still has only 3 agricultural customers. General Manager LeBrun responded there had been no change in the number of agricultural customers.

Member Saltoun asked if there were water quality issues related to different wells in the NMMA. The General Manager responded there were water quality differences among the wells.

Member Graue asked if the Dana wells should be redrilled horizontally to produce more water and General Manager LeBrun responded it was his understanding that this would not significantly increase production since the wells are not located over a productive zone of the aquifer.

Member Graue will provide the updated report to the Chairman. The subcommittee is planning to meet later this week to work on their report.

Seawater – Chairman Nunley noted the Seawater subcommittee would be participating in a conference call with San Diego County Water Authority to discuss the Carlsbad desalter. Member Graue had met with Black & Veatch to request cost information on desalination projects. Chairman Nunley noted that Member Graue would be talking with Separation Processes, as well.

Ranking – Chairman Nunley presented the updated ranking information. Member Watson asked if compliance with the court order and also the total volume should be considered. Member Miller noted that the draft definition of reliability in a prior Staff Report had included total volume that could be reliably produced. Chairman Nunley said the bylaws require the Committee only look at alternatives that comply with the court order. He directed the Committee to review the summary ranking table prepared by Member Watson which had been provided in the updated progress report. Chairman Nunley will email the file in Excel format to the Committee members as requested by Member Miller. Member Garson asked how this table would be completed. Member Watson said he had envisioned a numerical ranking would be applied, and the columns could be arranged to prioritize the more important ranking criteria from left to right. Various members discussed how weighting could be applied. Member Miller suggested the summary table could be shown with and without

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ranking criteria – two different ways. Members and Matsuyama discussed including “compliance with the court order” as part of the feasibility criterion. Member Watson noted that another way to use this column would be to identify that some alternatives may not directly meet the court order, but could still be useful to the Board. Various members discussed how this criterion could be applied relative to feasibility. Member Garson supported including the “compliance with court order” column separately from feasibility.

Member Saltoun suggested that the court may allow the District to use a different alternative if it meets the quantities required in the stipulation.

General Manager LeBrun said the Court and Board would likely consider any alternative that meets the requirements of the stipulation (“new” or imported water, delivery of 2500 AFY, and other provisions) even if it is not the Santa Maria Waterline Intertie Project.

Chairman Nunley noted the Committee could produce both the ranking and a “white paper” or discussion of recommendations that may not directly address the Court stipulation. Member Saltoun said he thought the court may be amenable to other water supply alternatives that meet the required quantity of imported water even if they are not the Santa Maria Waterline Intertie Project.

Member Watson said it may be possible to organize several of the criteria to address the District’s “long-term” concerns in addition to the need to import water on a short-term basis.

Member Garson noted it may be beneficial to take two of the alternatives to walk through the analysis in order to better consider an appropriate weighting approach.

Member Saltoun said there could be a row of weighting factors across the top of the table and a column across the right that multiplies the ranking by the weight and provides a total for each alternative.

Member Miller suggested that the Chairman or Member Saltoun come back with a spreadsheet with this functionality.

Various members expressed support for an upcoming meeting that would walk through the numerical ranking process.

Member Matsuyama noted that definitions of the criteria were needed to help with the ranking.

Member Garson suggested the next meeting focus on walking through the numerical ranking process with less emphasis on the other typical agenda items.

Member Miller said the Chairman could draft a scoring rubric and send to the Committee for consideration.

Public Comment:

Bob Blair, Director, noted that Oso Flaco does not have adequate water quality and Santa Maria River water is needed to percolate into the groundwater basin so these supplies may not be appropriate. He said OCSD has State Water available and would bring back more information on this. He noted a heat source is needed for desalination and Phillips 66 has a heat source. He thinks it should be looked at since they must comply with Title 32 and they may be willing to fund part of a project.

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Member Miller said the progress report should be updated to reflect conclusions such as these.

Member Saltoun noted that there are other ways to desalinate water without a heat source. Member Graue said there is an optimal temperature for membrane desalination processes.

The Committee voted (with Member Saltoun abstaining) to accept Member Saltoun in place of Member Armstrong on the subcommittee for State Water, Seawater, and Agricultural/Industrial Reuse. All members then voted unanimously to approve a second motion to direct the Chairman to bring back a written description of ranking criteria and range of scoring and incorporate input from Committee members into a revised ranking worksheet for consideration at the next meeting.

6. DISCUSS NEED FOR SPOKESPERSON TO PROVIDE UPDATE TO THE BOARD

Chairman Nunley presented the item. There was no public comment. The Committee had no action on this item.

7. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

Chairman Nunley presented this item. There was no public comment. The Committee had no action on this item.

8. SET NEXT COMMITTEE MEETING DATE AND TIME

The Committee voted unanimously to schedule the next meeting for January 14 at 1:00 PM. There was no public comment.

9. ADJOURN

Chairman Nunley adjourned the meeting at 4:06 PM.

DRAFT - SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE RANKING MATRIX - DRAFT																	DATE: 1/24/2013		SHOW RANKINGS	
MAJOR ALTERNATIVES	VARIATIONS	CRITERIA															FINAL SCORE	RANK		
		SUPPLY POTENTIAL			COST CONSIDERATIONS		COURT COMPLIANCE	CRITICAL MILESTONES FOR DELIVERY			RELIABILITY	PHASING	QUALITY	FEAS-ABILITY	SUSTAIN-ABILITY	PUBLIC SUPPORT			RAW SCORES	
		1,000 AFY	3,000 AFY	6,200 AFY	CAPITAL	O&M		1,000 BY 2015	3,000 BY 2020	6,200 (Future)										
		6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	100.0%			
SW	State Water Project	01-SW	Acquire Unused or Excess Table A Allocation from SLO County	10	10	1						8						29		
		02-SW	Acquire Unused or Excess Table A Allocation from SB County	10	8	1						5						24		
		03-SW	Reactivate Desal Plant in SB / Exchange for SWP Supplies	10	10	1						1						22		
C	Demand Management / Conservation / Graywater	04-C	Conservation Programs (Current and Future)																	
		05-C	Graywater Programs																	
AIR	Agricultural and Industrial Reuse	06-AIR	Agricultural Tailwater Reuse									1						1		
		07-AIR	Phillips 66 Refinery Process Water Reuse	3	1	1						8						13		
		08-AIR	Phillips 66 Refinery Thermal Waste Recapture	1	1	1						1						4		
		09-AIR	PXP Arroyo Grande Production Wastewater Reuse	9	1	1						1						12		
SM	Santa Maria Waterline Intertie Project	10-SM	Phase I only	10	10	10						10						40		
		10A-SM	Full Project	10	10	10						10						40		
RWW	Recycled Water Supplies	11-RWW	Acquire Supply from South SLO County Sanitary District	10	7	1						10						28		
		12-RWW	Acquire Supply from Pismo Beach	10	5	1						10						26		
LG	Local Groundwater	13-LG	Local Shallow Aquifer	1	1	1												3		
		14-LG	Dana Wells	1	1	1												3		
		15-LG	Riverside Wells	1	1	1												3		
SFW	Surface Water	16-SFW	Oso Flaco Lake	1	1	1												3		
		17-SFW	Santa Maria River	1	1	1												3		
SEA	Seawater / Brackish / Other Desalination Options	19-SEA	Seawater Desalination Project	10	10	10						10						40		
		20-SEA	Solar Distillation of Seawater	10	10	10						10						40		

TO: EVALUATION COMMITTEE

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

DATE: FEBRUARY 4, 2013



REVIEW DRAFT MINUTES FROM JANUARY 25, 2013, COMMITTEE MEETING

ITEM

Review the Draft Meeting Minutes from the January 25, 2013, 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 January 25, 2013, Committee meeting. Accept minutes as revised.

ATTACHMENT

DRAFT SWAEC Meeting Minutes – January 25, 2013

NIPOMO COMMUNITY SERVICES DISTRICT

JANUARY 25, 2013

9:30 A.M.

MEETING MINUTES

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

APPOINTED COMMITTEE MEMBERS

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

PRINCIPAL STAFF

MICHAEL S. LEBRUN, GENERAL MANAGER
LISA BOGNUDA, ASST GM/FINANCE DIRECTOR

MEETING LOCATION - District Board Room
148 S. Wilson Street, Nipomo, California

1. CALL TO ORDER, FLAG SALUTE AND ROLL CALL

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

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

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

There was no public comment.

3. DISCUSS RANKING PROCESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There was no public comment.

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

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

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

There was no public comment.

SUPPLEMENTAL WATER ALTERNATIVES EVALUATION COMMITTEE

6. PRESENT REFERENCE DOCUMENTS FOR REVIEW AND ACCEPTANCE

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

There was no public comment.

7. SET NEXT COMMITTEE MEETING DATE AND TIME

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

8. ADJOURN

Chairman Nunley adjourned the meeting at 12:20 PM.

ATTACHMENTS

Draft Matrix

Draft Rubric (provided at meeting)

DRAFT

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

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

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

MKN

DATE: February 4, 2013

AGENDA ITEM

#5

FEBRUARY 4, 2013

REVIEW SUBCOMMITTEE ASSIGNMENTS

ITEM

Committee to discuss subcommittee assignments from January 25, 2013, meeting.

BACKGROUND

At the January 25, 2013, Committee meeting, the subcommittees were directed to perform the following:

- Review assigned alternatives and apply scores using the draft evaluation criteria and scoring rubric developed in prior meetings;
- Recommend any revisions or refinements to the evaluation criteria and rubric; and
- Present ranking results to the full Committee for discussion.

In addition, the Chairman asked Committee members to provide weighting recommendations to emphasize the most important evaluation criteria.

The Miller/Watson/Woodson subcommittee was directed to develop an initial screening evaluation of a proposed connection to the Oceano Community Services District (OCSD) as presented by the OCSD General Manager, Tom Geaslen, at the January 25, 2013, meeting.

RECOMMENDATION

Discuss subcommittee results and incorporate into ranking matrix. Discuss initial screening of Oceano CSD Intertie Alternative. Refine scoring rubric and ranking criteria. Assign weighting factors.

ATTACHMENTS

Draft Scoring Rubric

Draft Weighting Calculation Worksheet

SWAEC SCORING RUBRIC

2/3/2013

SCORING CATEGORIES	POINT ASSIGNMENT		
	1-3	4-7	8-10
Supply Potential: 1000 AFY	Alternative can deliver up to 350 AFY	Alternative can deliver 350 to 750 AFY	Alternative can deliver 750 to 1000 AFY
Supply Potential: 3000 AFY	Alternative can deliver up to 1050 AFY	Alternative can deliver 1050 to 2250 AFY	Alternative can deliver 2250 to 3000 AFY
Supply Potential: 6200 AFY	Alternative can deliver up to 2170 AFY	Alternative can deliver 2170 to 4650 AFY	Alternative can deliver 4650 to 6200 AFY
Cost Considerations: Capital	Three alternatives with the highest capital costs (most expensive capital costs) to deliver 3000 AFY	"Middle" capital costs to deliver 3000 AFY	Three alternatives with the lowest capital costs to deliver 3000 AFY
Cost Considerations: Operation & Maintenance	Three alternatives with the highest O&M costs (most expensive O&M) for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.	"Middle" O&M costs for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.	Three alternatives with the lowest O&M costs for 3000 AFY. Alternatives with energy or chemical costs that are less likely to fluctuate in the future will score higher.
Court Compliance: Method	1 Point - Does not import water via connection to the City of Santa Maria	--	10 Points - Imports water via connection to the City of Santa Maria
Court Compliance: Source	1 Point - Does not import water to the Mesa	--	10 Points - Imports water to the Mesa
Court Compliance: Quantity	1 Point - Does not deliver 2500 AFY	--	10 Points - Delivers 2500 AFY
Critical Milestones for Delivery: 1000 AFY by 2015	1 Point - Cannot deliver 1000 AFY by Jun 2015	--	10 Points - Can deliver 1000 AFY by Jun 2015
Critical Milestones for Delivery: 3000 AFY by 2020	1 Point - Cannot deliver 3000 AFY by 2020	--	10 Points - Can deliver 3000 AFY by 2020
Critical Milestones for Delivery: 6200 AFY (Future)	1 Point - Cannot ultimately deliver 6200 AFY in future (past 2030)	--	10 Points - Can ultimately deliver 6200 AFY in future (past 2030)

SWAEC SCORING RUBRIC

2/3/2013

SCORING CATEGORIES	POINT ASSIGNMENT		
	1-3	4-7	8-10
Reliability	Considered not reliable (<80%) on a long-term basis based on historic performance or availability of "design flow". Projects may not be able to produce at least 80% of "design flow" or may not be able to do so reliably.	Considered moderately reliable (80%+) on a long-term basis based on historic performance or availability of "design flow" (ex. only 80% of "design flow" may be available at some times). Subject to seasonal limitations or fluctuations that would impact supplies available to District.	Considered highly reliable on a long-term basis based on historic performance or availability of 80% of "design flow". Not subject to seasonal limitations or fluctuations that would impact supplies available to District.
Feasibility	Permitting is expected to represent a significant hurdle - either adding five (5)+ years to project implementation for delivery of "design flow", or may be opposed by resource agencies or in conflict with their policies. May require significant contract negotiations with multiple outside entities that are expected to challenge the project. May have a "fatal flaw".	May require CEQA permitting and some contract negotiation with an outside entity, but negotiation is not expected to be challenged by outside entities or to take longer than 2-5 years.	Can be accomplished without new CEQA or additional "major" resource agency permits (CDFG, NOAA Fisheries, CA Coastal Commission, etc.) or can acquire permits/authorizations within 1-2 years. Can be accomplished with minor effort to update existing contracts or without any contract modifications requiring more than 1-2 years to finalize.
Phasing	Project either cannot be upgraded from 1000 to 3000 AFY or will require more than 100% of the initial (1000 AFY) capital cost	Project can be upgraded from 1000 to 3000 AFY but will require 60 to 80% of the initial (1000 AFY) capital cost	Project can be upgraded from 1000 to 3000 AFY without requiring more than 50% of the initial (1000 AFY) capital cost
Water Quality: Raw	Requires "high" level of treatment - reverse osmosis or similar desalination - for intended use, or has significant health/safety concerns or risks	Requires "moderate" level of treatment - basic filtration & disinfection - for intended use	Requires minor chemical addition (disinfection) or no treatment for intended use
Water Quality: Finished	Total dissolved solids (TDS) concentrations greater than 750 mg/L	TDS concentrations of 500-750 mg/L	TDS concentrations less than 500 mg/L
Sustainability	Significant negative environmental impact due to energy usage, carbon footprint, greenhouse gas emissions, or other similar measures.	Some environmental impact with an increase in carbon footprint, greenhouse gas emissions, or other similar measures.	Positive environmental impact or no increase in carbon footprint, greenhouse gas emissions, or other similar measures.
Public Support	Opposition is anticipated	Indifferent	Positive

DRAFT - WEIGHTING CALCULATIONS - DRAFT

DATE: 1/28/2013

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	0.0 : 1	POINTS (0-1000)	0	0	0	310	484	869	642	211	944	246	149	891	923	443	340	637	527	156	7772
		%	0.00%	0.00%	0.00%	3.99%	6.23%	11.18%	8.26%	2.71%	12.15%	3.17%	1.92%	11.46%	11.88%	5.70%	4.37%	8.20%	6.78%	2.01%	100.00%
Graue, Dennis	1.0 : 1	RANK (1-18)	18	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	171
		%	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%
Matsuyama, Kathie	1.5 : 1	RANK (1-18)	17	18	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	171
		%	4.58%	4.44%	6.67%	6.54%	6.41%	6.27%	6.14%	6.01%	5.88%	5.75%	5.62%	5.49%	5.36%	5.23%	5.10%	4.97%	4.84%	4.71%	100.00%
Miller, Robert	2.0 : 1	RANK (1-18)	16	17	18	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	171
		%	4.14%	3.92%	3.70%	7.41%	7.19%	6.97%	6.75%	6.54%	6.32%	6.10%	5.88%	5.66%	5.45%	5.23%	5.01%	4.79%	4.58%	4.36%	100.00%
Saltoun, Sam	5.0 : 1	RANK (1-18)	15	16	17	18	1	2	3	4	5	6	7	8	9	10	11	12	13	14	171
		%	3.16%	2.72%	2.29%	1.85%	9.26%	8.82%	8.39%	7.95%	7.52%	7.08%	6.64%	6.21%	5.77%	5.34%	4.90%	4.47%	4.03%	3.59%	100.00%
Watson, Dave	10.0 : 1	RANK (1-18)	14	15	16	17	18	1	2	3	4	5	6	7	8	9	10	11	12	13	171
		%	3.15%	2.61%	2.08%	1.54%	1.01%	10.10%	9.57%	9.03%	8.50%	7.96%	7.43%	6.89%	6.36%	5.82%	5.29%	4.75%	4.22%	3.68%	100.00%
Woodson, Dan	0.0 : 1	POINTS (0-1000)	0	0	0	315	251	744	701	701	911	167	219	840	461	641	171	744	791	696	8353
		%	0.00%	0.00%	0.00%	3.77%	3.00%	8.91%	8.39%	8.39%	10.91%	2.00%	2.62%	10.06%	5.52%	7.67%	2.05%	8.91%	9.47%	8.33%	100.00%
AVERAGE WEIGHTING		%	2.94%	2.75%	2.90%	4.38%	5.52%	8.26%	7.58%	6.60%	8.12%	5.37%	5.10%	7.33%	6.56%	5.79%	4.61%	5.95%	5.64%	4.61%	100.00%
		RANK	16	18	17	15	10	1	3	5	2	11	12	4	6	8	13	7	9	14	

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:
 $RATIO = \frac{(RATIO - 1) \times (RANK - 1)}{(\# \text{ OF CRITERIA} - 1)}$

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

MKN

DATE: February 4, 2013

AGENDA ITEM

#6

FEBRUARY 4, 2013

COORDINATE COMPLETION OF DRAFT REPORT AND BOARD PRESENTATION

ITEM

Committee to discuss progress of draft report and preparation of a draft deliverable for presentation at the February 13, 2013, District Board meeting.

BACKGROUND

As discussed at prior meetings, the Committee has been planning to provide preliminary findings from their evaluation process at the February 13, 2013, District Board meeting. The Committee may choose to present the draft ranking worksheet and discuss any major findings or recommendations.

It is anticipated that the Committee's final report would include the ranking worksheet, a cost summary table, an introductory section describing the process and approach, and a separate section for each alternative evaluated by the various subcommittees. The draft outline of a typical section is attached. According to the Committee's schedule, a final deliverable would be completed by the end of February. It is suggested that all the subcommittees forward their sections to the Chairman by February 11 for assembly of an administrative draft report. The Chairman is available to help with formatting or with compiling draft sections from prior working files as requested by the subcommittees.

RECOMMENDATION

Discuss status of subcommittee report sections. Identify additional information or data "gaps" needed to complete the report. Direct Chairman to coordinate with District Staff on a Staff Report and draft deliverable for February 13, 2013, presentation to District Board.

ATTACHMENTS

Draft outline of a typical report section.

ALTERNATIVE ANALYSIS – XXXXXXX (XX)

XX – ALTERNATIVES

XX-XX: **XXX**

Major actions required:

- XXX
- XXX

XX-XX: **XXX**

Major actions required:

- XXX
- XXX

XX-XX: **XXX**

Major actions required:

- XXX
- XXX

XX – CRITERIA

Supply Potential:

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Cost Considerations:

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Court Compliance (Method, Quantity, & Source):

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Critical Milestones for Delivery:

XX-XX: 1,000 AFY by 2015:
 3,000 AFY by 2020:
 6,200 AFY total:

XX-XX: 1,000 AFY by 2015:
 3,000 AFY by 2020:
 6,200 AFY total:

XX-XX: 1,000 AFY by 2015:

3,000 AFY by 2020:

6,200 AFY total:

Reliability:

XX-XX: XXX
XXX

XX-XX: XXX
XXX

XX-XX: XXX
XXX

Phasing:

XX-XX: XXX
XXX

XX-XX: XXX
XXX

XX-XX: XXX
XXX

Water Quality (Raw and Finished):

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Feasibility:

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Sustainability:

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

Public Support:

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX-XX: XXX
 XXX

XX – NOTES

Note 1: XXX

Note 2: XXX

TO: EVALUATION COMMITTEE

FROM: MICHAEL K. NUNLEY, PE
CHAIRMAN

DATE: February 4, 2013

AGENDA ITEM

#7

FEBRUARY 4, 2013

ASSIGN SPOKESPERSON TO PROVIDE DRAFT REPORT TO THE BOARD

ITEM

Identify and select members of the Committee to present preliminary findings from 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.

At the September 24, 2012, Committee meeting, the Committee decided to select a spokesperson on an "as-needed" basis, depending on whether an update should be provided to the Board at an upcoming meeting. A different Spokesperson could be selected for each update or presentation, if desired. This discussion and selection will be a standing item at each Committee meeting.

The Committee intends to present draft ranking of alternatives to the Board at their February 13, 2013, meeting. In addition, the Board should be informed as to which members are evaluating the Oceano CSD Intertie alternative per the Bylaws.

RECOMMENDATION

Nominate voting members of the Committee to lead the presentation to the District Board on February 13, 2013.

ATTACHMENT

NONE

TO: EVALUATION COMMITTEE

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

DATE: February 4, 2013

AGENDA ITEM

#8

FEBRUARY 4, 2013

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 NCS D Urban Water Management Plan*
- *2010 CCWA Urban Water Management Plan*
- *2007 Boyle Alternatives Analysis*
- *2011 NMMA TG Annual Report*
- *2009 NCS D 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." The list was amended at prior Committee meetings to include the following documents:

- *2011 Northern Cities Management Area Monitoring Report*
- *2011 Santa Maria Valley Management Area Monitoring Report*
- *Final Supplemental Water Project Phasing Study (August 8, 2012)*
- *Nipomo CSD Water Conservation Program (February, 2008)*
- *City of Arroyo Grande Recycled Water Distribution System Conceptual Plan – City of Pismo Beach WWTP (Wallace Group - June, 2010)*
- *City of Arroyo Grande Recycled Water Distribution System Conceptual Plan – South SLO County Sanitation District WWTP (Wallace Group - June, 2010)*
- *South SLO County Sanitation District Water Recycling Update Report (Wallace Group - January, 2009)*
- *Sweetwater Authority Groundwater Desalination Facility Brochures (provided by Director Eby at November 1, 2012, Committee Meeting)*
- *San Luis Obispo County Master Water Plan – May 2012*
- *San Luis Obispo County Conservation Manual*
- *Appellate Court Ruling (November 21, 2012)*
- *Capacity Assessment of the Coastal Branch, Chorro Valley, and Lopez Pipelines (WSC – November, 2011)*

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
CHAIRMAN *MKN*

DATE: February 4, 2013



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 February 11, if possible.

ATTACHMENT

NONE