

OCS D may take less state water

By Tom Friesen
Staff Writer

OCEANO — Now that formal contracts are being drawn up, state water is looking less attractive to directors of the Community Services District.

They indicated Wednesday that Oceano will likely reduce the amount of water previously requested from the proposed Coastal Branch, possibly by 30 percent.

After reviewing preliminary drafts of the state water contracts, the board was most concerned about the still-undetermined costs, an accelerated payment schedule and the

loss of local control over groundwater.

"I've always been pro-state water. But after looking at some of these items, I've got a lot of questions," said board President Bill Senna. "It doesn't sound as advantageous as it once did."

He was especially concerned that the contracts could force Oceano to offset possible groundwater overdrafts by recharging the basin with state water.

"It just scares me what we're getting into," he said. "I would hate to give up \$192-an-acre-foot water for

(Continued on back page)

Report takes issue with flier used in state water election

By Mike Hodgson
Assistant News Editor

NIPOMO — A state analysis of a flier opposing state water is little more than an attempt to minimize the issues with a "blue sky approach," the flier's author said this week.

But the president of Nipomo Community Services District said the state analysis proves the flier was filled with inaccuracies that the author can't substantiate.

The flier was distributed in Nipomo just before the November 1991 election, when voters in the Community Services District turned down participation in the Coastal

Branch of the State Water Project.

NCS D directors blamed the flier for the negative vote, saying it was filled with errors and inaccuracies, and overturned the binding vote by passing another ordinance which made the election non-binding.

Clint Milne, county engineer, forwarded the flier to the California Department of Water Resources for an analysis of its contentions.

That analysis was returned by David N. Kennedy, director of the state agency, and was received by NCS D on Jan. 24. The Five Cities Times-Press-Recorder obtained a copy of

(Continued on back page)

Contract talks raise questions about sta

(Continued from page 1)
\$600-an-acre-foot water."

According to Assistant County Counsel Jack Crawford, that scenario is "unlikely, but possible."

He said the draft contracts include a requirement that local jurisdictions in the state project come up with their own groundwater management plans. Those plans could include recharging overdrafted basins with state water.

The basin beneath Oceano is not considered to be in overdraft now, but it could be in the future, according to Craig Campbell, the district's engineer.

Oceano officials resent having to create a water plan that would be subject to county approval, but Crawford said it's still uncertain whether the county would have the right to make a final decision: "That's one of the things that will be discussed."

County Supervisor Bud Laurent said, "Groundwater management plans would include establishing prudent reserves for drought years. If a jurisdiction draws from groundwater that impacts native streams or wetlands, the management plan would also recognize the need to preserve the health of those wetlands."

"I also intend to suggest that language in the contracts be inserted in environmental impact reports for the Coastal Branch," he said. That would give private citizens the ability to act as watchdogs if conditions are not being met.

The county Board of Supervisors on March 25 is scheduled to make decisions on the final form of the agreements between the county and the local jurisdictions.

On Wednesday, OCSD legal counsel Jon Seitz explained how the contracts are arranged. One is between the county and the state for up to 25,000 acre-feet. An acre-foot or 326,000 gallons is enough to serve two families of three for a year.

Another contract is between the county and the Central Coast Water Association (CCWA), which is the joint powers authority created by the local water purveyors of Santa Barbara County.

The CCWA is subscribing for 47,000 acre-feet and will be the lead agency in building the Coastal Branch.

That contract, perhaps the most important, deals with facilities such as the pipelines through San Luis Obispo County and the treatment plant at Polonio Pass.

A third contract would be between OCSD and the county. It covers capital items such as pumps to transport the water to Oceano, and it ties the local jurisdiction into the contract between the county and state.

A fourth contract outlines the duties and responsibilities of all the agencies and will regulate each agency's specific water entitlements.

Seitz said the CCWA will be obligated to provide water to the Oceano turnout. If the state cannot

deliver full entitlement to the treatment plant, Oceano would get a pro-rated share of the amount that is delivered.

In order to get more, the district would have to show "an overwhelming need" to the county.

"There is no way to really determine costs," he said. The State Water Project as a whole has not been completed. There are plans for more reservoirs and pump stations.

"As those facilities are built, it will impact costs for local water purveyors," he said. "Thirty to 40 dollars an acre-foot would not be an outrageous guess." That amount would be added to the estimated \$600 cost.

Seitz said the project's fixed costs make up about 85 percent of the total. That amount would have to be paid no matter what amount of state water Oceano receives.

He said the individual purveyors

would also be required to fix water rates at 125 percent of the cost of state water in order to improve the rating of the bond issue for the project.

But according to Crawford, the requirement is actually that purveyors would have to commit to picking up 25 percent of the allotment of local jurisdictions who default on their obligations. However, the requirements are all subject to discussion.

He said the bond underwriters say that in order to get an attractive rate on the bonds, the financially weaker districts would have to be covered. Otherwise, "We would all end up paying more interest."

Seitz said the contracts would also obligate Oceano to build water storage facilities, if appropriate, and to get the county's "express permission" in order to sell any of its water.

"There's not going to be a lot of negotiations," he said. "What county will be handing us is a take or leave it."

Senna said he'd like a provision in the contract that would allow Oceano and the other local purveyors to form their own joint powers authority in the future rather than continue to be governed by San Luis Obispo County.

But Director Larry Baugh said there would be no point pursuing that option because the county would not agree.

"They're not going to bend that," he said. "They want to be in control and they will be in control."

District General Manager Bill Brannon told the board that "We just not going to be able to pay 1,000 acre-feet."

The directors had also expected a five-year period of gradually increasing costs before full payment.

Copy of document found at www.NoNewVipTax.com

Copy of document found at www.NoNewVipTax.com

Report takes issue with electi

(Continued from page 1)
the analysis this week.

David Manriquez, president of the NCSB board, said the state analysis was given to district directors as a report and is public information, but it has never been discussed in a public meeting of the board.

"It shows a lot of the stuff they

STATE OF CALIFORNIA—THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
1500 MARKET STREET, FLOOR 11100A
SACRAMENTO, CALIF. 95833-0001
916.445.3701

1992 WILSON, DANIEL

JAN 15 1992

Voter Info

There is an election being asked to decide what future to the State Water Project. This information has been prepared by Citizens' Action for the State Water Project. We are asking you to help you understand that this is a fraud. As you read from...

t talks raise questions about state water

The county Board of Supervisors on March 25 is scheduled to make decisions on the final form of the agreements between the county and the local jurisdictions.

On Wednesday, OCSD legal counsel Jon Seitz explained how the contracts are arranged. One is between the county and the state for up to 25,000 acre-feet. An acre-foot or 326,000 gallons is enough to serve two families of three for a year.

Another contract is between the county and the Central Coast Water Association (CCWA), which is the joint powers authority created by the local water purveyors of Santa Barbara County.

The CCWA is subscribing for 47,000 acre-feet and will be the lead agency in building the Coastal Branch.

That contract, perhaps the most important, deals with facilities such as the pipelines through San Luis Obispo County and the treatment plant at Polonio Pass.

A third contract would be between OCSD and the county. It covers capital items such as pumps to transport the water to Oceano, and it ties the local jurisdiction into the contract between the county and state.

A fourth contract outlines the duties and responsibilities of all the agencies and will regulate each agency's specific water entitlements.

Seitz said the CCWA will be obligated to provide water to the Oceano turnout. If the state cannot

deliver full entitlement to the treatment plant, Oceano would get a pro-rated share of the amount that is delivered.

In order to get more, the district would have to show "an overwhelming need" to the county.

"There is no way to really determine costs," he said. The State Water Project as a whole has not been completed. There are plans for more reservoirs and pump stations.

"As those facilities are built, it will impact costs for local water purveyors," he said. "Thirty to 40 dollars an acre-foot would not be an outrageous guess." That amount would be added to the estimated \$600 cost.

Seitz said the project's fixed costs make up about 85 percent of the total. That amount would have to be paid no matter what amount of state water Oceano receives.

He said the individual purveyors

would also be required to fix water rates at 125 percent of the cost of state water in order to improve the rating of the bond issue for the project.

But according to Crawford, the requirement is actually that purveyors would have to commit to picking up 25 percent of the allotment of local jurisdictions who default on their obligations. However, the requirements are all subject to discussion.

He said the bond underwriters say that in order to get an attractive rate on the bonds, the financially weaker districts would have to be covered. Otherwise, "We would all end up paying more interest."

Seitz said the contracts would also obligate Oceano to build water storage facilities, if appropriate, and to get the county's "express permission" in order to sell any of its water.

"There's not going to be a lot of negotiations," he said. "What the county will be handing us is a take it or leave it."

Senna said he'd like a provision in the contract that would allow Oceano and the other local purveyors to form their own joint powers authority in the future rather than continue to be governed by San Luis Obispo County.

But Director Larry Baughman said there would be no point pursuing that option because the county would not agree.

"They're not going to bend on that," he said. "They want to be in control and they will be in control."

District General Manager Berk Brannon told the board that "We're just not going to be able to pay for 1,000 acre-feet."

The directors had also expected a five-year period of gradually increasing costs before full payments

would be due on the project, but they learned Wednesday that the "ramp" will only be three years.

"The reason the directors are less enthusiastic about state water is uncertainty about what the county will do," Brannon said Thursday. "We don't know how much it will cost. It seems state water is increasing in cost."

Crawford agreed that "there are a lot of uncertainties in all this," but the uncertainty cuts both ways. The county still doesn't know which jurisdictions are in or out of the project.

Some local purveyors could see increases in their costs if neighboring jurisdictions on the same stretch of pipeline decide to opt out.

And Oceano's current consideration of a smaller amount of water adds to the uncertainty, according to Crawford. "Every time they make a decision like that, they're changing the size of the pipe."

Report takes issue with election flier

(Continued from page 1)

the analysis this week.

David Manriquez, president of the NCSB board, said the state analysis was given to district directors as a report and is public information, but it has never been discussed in a public meeting of the board.

"It shows a lot of the stuff they said (in the flier) was unsubstan-

STATE OF CALIFORNIA - THE RESOURCE AGENCY
DEPARTMENT OF WATER RESOURCES
1111 MARKET STREET, SUITE 1000
SACRAMENTO, CA 95833
916-445-2711

7777 WALTON, GARDEN

Voter Information: State Water Project - Nipomo
Tuesday, November 5, 1991 Vote!

There is an election on Tuesday in which you will be asked to decide whether Nipomo should be included in the State Water Project. This brochure has been prepared by Citizens' Planning Alliance and is intended to help you understand the State Water Project and the Citizens' Planning Alliance. It is a free service. As you read through this information, it is important that you understand that the State Water Project is a public utility. It is not a business. It is a public utility. It is a public utility. It is a public utility.

Nipomo Community Services District has requested a 3500 acre-foot per year allocation of State Water. California Cities has asked for 300 acre-foot per year. If State Water is approved, Nipomo water users will have to come up with 4000 additional dollars.

Information found at www.NoNewWipTax.com

JAN 15 1992