



Water deal interpretation

Posted: Sunday, January 31, 2010 12:00 am

The Santa Maria City Council voted to sell water to Nipomo, more water than is needed to correct the ground water basin problem.

Nipomo needed 2,000 to 2,500 acre-feet a year to prevent salt water from intruding into the ground water basin. But the city agreed to sell up to 6,200 acre-feet a year. The extra water is to accommodate new development in Nipomo.

Nipomo can then sell the water to any other water purveyor, at whatever price it chooses.

The city may have to buy more water on the spot market at high cost in order to meet state requirements that the water quality has lower total dissolved solids — minerals. If there is any profit generated from this sale of water, the proceeds are to go into the city's General Fund.

However, in reading the resolution passed by the City Council and the attached Exhibit B, it looks like the city ratepayers may benefit after all.

Exhibit B states that balanced against the environmental damage associated with the project, the city finds that the project has the following economic, social and legal benefits: The project would serve the economic goals of allowing the city to recoup money for the ratepayers through sale of supplemental water that exceeds current needs of its customers.

As I read this, it means the revenue generated from the sale of water to Nipomo would go into the Water Fund. How else could it benefit ratepayers?

Since the council passed the resolution and exhibits, it looks to me like the Water Fund will benefit.

Joan Leon

Santa Maria