

Who are the Mesa water users?

| water use III AF7 yr | |
|--|-------|
| • Nipomo Community Services District (NCSD) | 2,560 |
| Woodlands Mutual Water Company | 810 |
| Golden State Water Company | 1,290 |
| Rural Water Company | 880 |
| Conoco Phillips | 1,200 |
| • Private wells – both agriculture and households | 5,500 |
| Total water used in 2009 12,240 Acre feet/year | |
| | |

What is the Waterline Intertie Project?

- Construction of a pipeline to connect the City of Santa Maria water system to NCSD water system
- Plan is to import 2,000 3,000 acre feet/year
- Nipomo Community Services District pushed the plan in aquifer water litigation that began in 1997
- Plan is binding on signers to the 2005 Stipulation Agreement and <u>commits signers to support the WIP</u>
- Stipulation provides for cancellation if not feasible

What is the total 30-year cost?

Total \$400 Million

- \$ 80 M Capital Costs (pipeline, bond costs, interest)
- \$ 52 M Operation & Maintenance to Santa Maria

• \$268 M Water cost to Santa Maria (includes 5%/yr increase) Source: Capital and 0&M Costs are based on a Wallace Group report to NCSD on September 9, 2009

Water cost is based on City of Santa Maria charge of 1,443/acre foot in 2011 with 5% projected increase each year

How will we pay costs?

- NCSD asked the County to establish an assessment district that includes the four Mesa water companies. If approved, <u>bonds would be sold to pay capital costs over 30 years</u>. The total cost of the project will be charged to those who use less than half of the water
- Water and maintenance costs will be added to monthly or bimonthly water bills
- Homeowners will be mailed a weighted ballot to approve or disapprove the project this fall or in 2012
- If 50% plus 1 of the returned ballots approve the bond, the proposal will pass

What will Rural customers pay?

| Average 30-year cost/customer | \$42,100 |
|-------------------------------|----------|
| Rural Co profit @ 21.7%* | 5.7 M |
| Water costs* | 22.3 M |
| Operation & Maintenance* | 4.3 M |
| Capital cost (property tax) | \$6.6 M |

*Costs added to monthly water bills for 924 customers

Who will use the WIP water?

- NCSD will use ALL the water imported and will decrease the amount of water pumped by its wells
- Rural water customers will PAY for the construction and the water but Rural is the only company with NO connection to the NCSD system and the WIP pipeline

How did we get here?

The Story of Water Litigation and our Aquifer OR

"Whiskey is for drinking, water is for fighting"

Why was there water litigation?

- In 1997, major lawsuit was filed to determine water rights within the Santa Maria water basin
- 100s of litigants including all Mesa water companies
- Santa Clara Superior Court heard 6+ years of testimony from water experts
- 2008 Judgment affirmed overlying water rights and approved the 2005 Stipulation Agreement
- The Court determined that the basin was NOT in overdraft now or at any time in the past

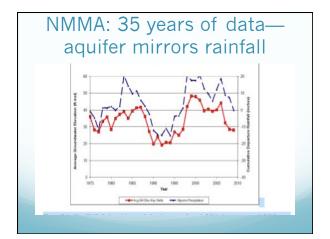
What were the results of the litigation?

- The Court set up 3 basin management areas: Santa Maria, Nipomo Mesa (NMMA), Northern Cities (NCMA)
- A majority of the litigants signed the Stipulation including all of the Mesa water companies. Others, including long-time area growers, are still litigating
- Each area must submit an annual report to the Court regarding the health of the water supply



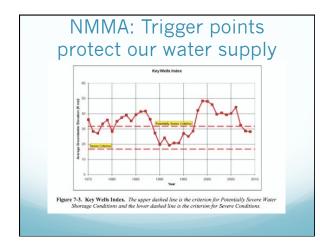
Who protects the MESA water?

- The Stipulation established the Nipomo Mesa Management Area (NMMA) and a technical committee of experts from the four suppliers plus Conoco Phillips to monitor and analyze water conditions on the Mesa
- All 3 management areas have prepared and submitted reports for 2008 and 2009. The 2010 reports are in process or have been submitted
- The Mesa has very specific criteria to protect our water supply, based on work by this technical group





- Over 35 years the level of water in the key wells on the Mesa correlates closely with rainfall
- Although water usage has steadily increased from 4,000 acre/feet/year in 1975 to 12,000 acre feet/ year in 2010, the increased usage does not appear to affect the key wells levels
- There is no study or research that suggests the WIP will have any effect on the key well index
- The key well index is the basis for trigger points that protect our water supply



What is NCSD's justification for the WIP?

NCSD claims seawater intrusion is imminent

However, a 2004 study commissioned by SLO County states:

"associated potential impact such as seawater intrusion ... is not an imminent threat ... a time lag of many decades is likely before heavy groundwater pumping... results in evidence of seawater intrusion near the coastline"

Underlining has been added

Will the WIP HELP our water supply?

- The Waterline Intertie Project will NOT guarantee a good reliable source of supplemental water to the Mesa in times of drought
- Extended drought will also affect Santa Maria and State Water Project water supply inhibiting water delivery
- Pumping and transporting water that will flow north anyway may deplete the Mesa's normal flow, especially in times of drought
- We have time to explore better options: rainfall doubled the average this past winter and will keep our aquifer strong for quite a while

Final thoughts

The MCA committee suggests the following:

- In 2011 our basin is healthy
- The Court (through its technical groups) is monitoring the basin conditions to ensure the basin remains healthy and to protect our water supply from sea water intrusion and over-pumping
- There are better alternatives than the WIP -- use the NMMA technical group expertise to evaluate the merits of all proposed water projects on the Mesa
- For the future, the County needs to establish regional planning efforts to develop cost-effective solutions that are fair to ALL present and future Mesa residents

PLEASE SIGN our petition

- Asks SLO County to file a brief with the Santa Clara Court to remove Section VI A that describes the pipeline project in the Stipulation because the cost of the WIP is unreasonable, does not improve the health of the Basin, and will not provide protection from inadequate water supplies or seawater intrusion.
- Petitions will be presented to the SLO Board of Supervisors