Water Tie Project (WIP) (renamed supplemental water) Information: <u>WWW.NoNewWipTax.com</u>

NCSD is forced to present a onesided analysis

Because of their agreement to support the WIP Page 22 Section VI. A. 3.:

"The Stipulating Parties (NCSD) agree to support (and, conversely, not to oppose in any way or to encourage or assist any other Person or party in opposing or challenging) the implementation of the MOU, which includes environmental and regulatory permits and approvals, the approval of a wholesale water supply agreement between Santa Maria and NCSD, and the alignment and construction of a pipeline and related infrastructure necessary to deliver the Nipomo Supplemental Water from Santa Maria to the NMMA"

The alleged problems and solution do not add up:

The NCSD board members state two conflicting problems: 2500 AF/Y existing shortage. (used as the basis of the costs for "existing customers") 6000 AF/Y more Pumping then Supply (Ed Eby calculation)

The proposed solution is only 2000 AF/Y:

Design a pipe for 6200 AF/Y to Santa Maria (paid for) Down grade some of the pumps and pipes so what's left can move 3000 AF/Y of water. Buy water from "SM", 2000 AF/Y for the first 10 years then 2500 for the next 10 years and 3000 for the next 10 years

The 2000 AF/Y WIP will not solve the 6000 AF/Y Problem:

If it was true that sea water intrusion is a nearterm threat, as NCSD claimed in 10 years from now, then the WIP will only change that to 15 years using NCSD's own numbers. If the threat is in more then 10 years then we have time to build the lower cost alternatives.

NCSD documents show the WIP is not the lowest cost solution, for example:

NCSD's <u>5/20/09 board packet Item B</u> last page, the chart shows:

"Unit Cost" of Intertie Project Supply is \$26,644 per AF "Unit Cost" of Desalinization Project is \$14,063 per AF

NCSD falsely claims: Our Community has only one source of water:

NCSD Board member, Mike Winn claims NCSD has had conservation 27% (8/23/11 meeting) How much can GSWC, RWC, WMWC customers conserve?

GSWC customers in Nipomo are paying for ~1000 AF/Y of the Settlement's "Twitchell Water"

GSWC customers in Nipomo have paid for ~55 AF/Y of state water.

GSWC customers in Nipomo have paid for ability to access State Water in future.

All landowners in Nipomo pay property taxes for the unallocated State Water.

NCSD owns well sites in the Santa Maria Valley.

Result: Without the WIP "Nipomo" has access to Groundwater; Twitchell Reservoir; and the State Water Pipeline. The total amount of water is around 2000 AF/Y

Lower cost solution #1: Monitor and Wait for the court to order cutbacks to prevent seawater intrusion.

Monitor the water levels at the coast and then build a solution when needed.

Change from bi-yearly to monthly monitoring of existing wells

Find three lost monitoring wells or build replacements (less then 100K per well)

Drill a horizontal well to actually find the location off shore of the sea water (cost \$500K may save 20 years)

Benefit: save about \$6 million for every year of delay, everyone will know their "share" of cutbacks.

Lower cost solution #2: Take credit for what has been done to reduce "existing customer costs"

Determine Conservation / increase conservation.
Have GSWC connect to state water pipeline, Access SLO water and unused pipe line capacity when it is not being used by others to the maximum extent.
Use GSWC "Twitchell Water" (it's paid for)
Buy "Farmer" "Twitchell Water" for ~1/10 the cost of "SM" Water
Develop the Riverside, Bonita road or Oso Flaco/Hyw 1 well sites

Lower cost solution #3: Build 2/3's of proposed desal plant

Build a desal plant Take advantage of 50% return flow credit (4000 AF/Y desal = 6000 AF/Y of "SM" water.) Take advantage of being able to not run desal in wet years (the bad part of the contract for "SM" Water is it has a profit and it must be paid for every year needed or not)

Lower cost solution #4, the 100% reliable and most Affordable Plan: Transition to desal

Use solution 1 and 2 to the maximum first.

Review existing desal plan and update (\$1.3 million is in budget of the rate increase just passed) Build pipe from Willow to the Oso Flaco area along Highway 1 Install needed Wells in lower aquifer, Pump as needed until the court orders pumping restrictions. Buy Farmer "Twitchell Water" for 1/10 the cost of "SM" Water, until more is needed Buy GSWC "Twitchell Water" for 1/10 the cost of "SM" Water, until more is needed Buy SM "Twitchell Water", until more is needed Buy SM "Return flows", until more is needed

Drill a well in the upper aquifer and Pump until the court orders pumping restrictions. May need "brackish" water desal (at a fraction of sea water desal costs) Develop brine discharge (Old oil well or ocean) as needed.

Drill horizontal intake well out towards ocean and Pump from the sea water/fresh water interface as court allowed. Will need more "brackish" water desal.

Then when those are used at the maximum install a sea water intake and desal as much sea water as needed.

The backup plan, that can be used to prevent seawater anytime if actual seawater is detected:

NCSD customers and Nipomo development have paid \$3 million to design the pipe to SM. It can be built in less then 2 years if there is a future court ordered cutback to prevent seawater intrusion.

Comments by John Snyder