

**Different views with an open Question and Answer will be provided in a
“Water” work shop, by John Snyder**

**On Wednesday 1/25/12, 6:30 pm to 8:30 pm
At the Nipomo Library
918 West Tefft Street, Nipomo, CA**

Good Questions for the 1/23/12 NCSD meeting:

On the cost of water:

How did NCSD come up with a water cost of \$8 per month more for NCSD customers?

Did NCSD assume it would use the water Rural Water customers paid for, for free?

What about the water GSWC and Woodlands customers paid for, who get's to use that?

One of the main factors for the costs for Rural Water Company customers is the amount used for the “existing shortage” of 2,500 Acre feet. Given the water levels are the same as they were 23 years ago and rain fall has been average over the same time (see related information on why there is not a shortage), and Mike Winn claims the NCSD has conserved 27%.

How can you justify still using the 2,500 Acre foot number as the basis of the assessment for existing customers?

The second important factor is the percentage that Rural Water Company customers have to pay for of 8.33%. The customers had no representation during the settlement, the lawyer that did the negotiating represented the Golden State Water Company.

What is the basis for the 8.33% for existing customers water rates?

What is the basis for the 8.33% for undeveloped parcels?

Why is a undeveloped parcel in RWC different then one in NCSD?

1/23/12 Comments by John Snyder

For more details and source of all numbers see www.NoNewWipTax.com

Estimated Rural Water Company Water Rate increase:

Each year NCSD plans to Pipe over a total amount of water in Acre feet of	2000
RWC's share is	8.33%
For a total amount of water in Acre feet of	166
On 8/23/11 Lebrun said the water cost per Acre foot would be (does not include pumping or maintenance costs)	\$1,450
The total RWC payment to Santa Maria the first year would be (No Money will be saved each year by RWC because NCSD will take all the water)	\$241,570
In 2010 the total connections were listed as	921
Per year the average cost per connection will be:	\$262
Monthly that would be:	\$22

NCSD is claiming it will bring in 2000 af/y but the pipe allows 3000 af/y.

The NMMA TG controls the actual amount required to be piped in. It can change it to the maximum at any time. If Ed Eby's claim that we are over-pumping by 6000 afy is true, then as soon as the project is approved we should expect the NMMA TG will increase the requirement to the full 3000 afy if not more.

The NMMA TG has had no public hearing, No public input, No Brown act, No conflict of interest obligations. RWC has pre-agreed and has no representation on the NMMA TG. In any case RWC does not represent the actual RWC customers.

With a NMMA TG requirement at 3000 afy rates would jump to:

Per year the average cost per connection will be:	\$393
Monthly that would be:	\$33

Estimated Golden State Water Company Water rate increase:

For 2000 af of water, Doing the same calculation for GSWC, but the cost of water is spreading over all the 13,200 customers in Nipomo and Orcutt (because it's all one Santa Maria Customer Service Area)

Per year the average cost per connection will be:	\$16
Monthly that would be:	\$1

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NCSD's website <http://ncsd.ca.gov/cm/Home.html> does not have any real details on costs or how they come up with the NCSD number of \$8 per month.

Estimated NCSD Water Rate increase:

NCS

D has not been very good with math; the capital cost has gone from 6 to 26 million. So pardon us for questioning NCSD's math (It is not supported by any documents on their web site)

Simple math does not add up to \$8 more per month
for NCS

D customers that the 11/18/11 Tribune quoted from Mr. Lebrun.

Each year NCSD plans to Pipe over a total amount of water in Acre feet (ay)of	2000
NCSD's share is	66.68%
For a total amount of water in Acre feet of	1334
On 8/23/11 Lebrun said the water cost per Acre foot would be	\$1,450
The total NCSD payment to Santa Maria the first year would be	\$1,933,720

Money saved because NCS

D will not have to pump as much water groundwater:

In 2010 NCSD used a total amount of water in Acre feet of	2370
The 2011/2012 Water budget for Electricity to pump water was	\$525,000
The savings will be $1334 + 166 / 2370$ afy of that amount or <i>(The 166 is the Rural water NCS</i> D gets for free because it can't be used by RWC).	\$322,323

So each year a new total of

In 2010 the total connections were

Per year the average cost per connection will be	\$386
Bi Monthly that would be	\$64
Monthly that would be	\$32

With a NMMA TG requirement at 3000 afy rates would jump to:

Per year the average cost per connection will be	\$386
Bi Monthly that would be	\$64
Monthly that would be	\$32

For comparison NCS

D uses a connection that uses 40 ccf as an average person, the above calculations uses a cost averaged over all NCSD connections.

We know a small number of connections are large which would lower the number for 40 ccf users but the \$8 number is way too low and NCS

D needs to support it before it can expect people to vote yes because it can't be right.

NCS

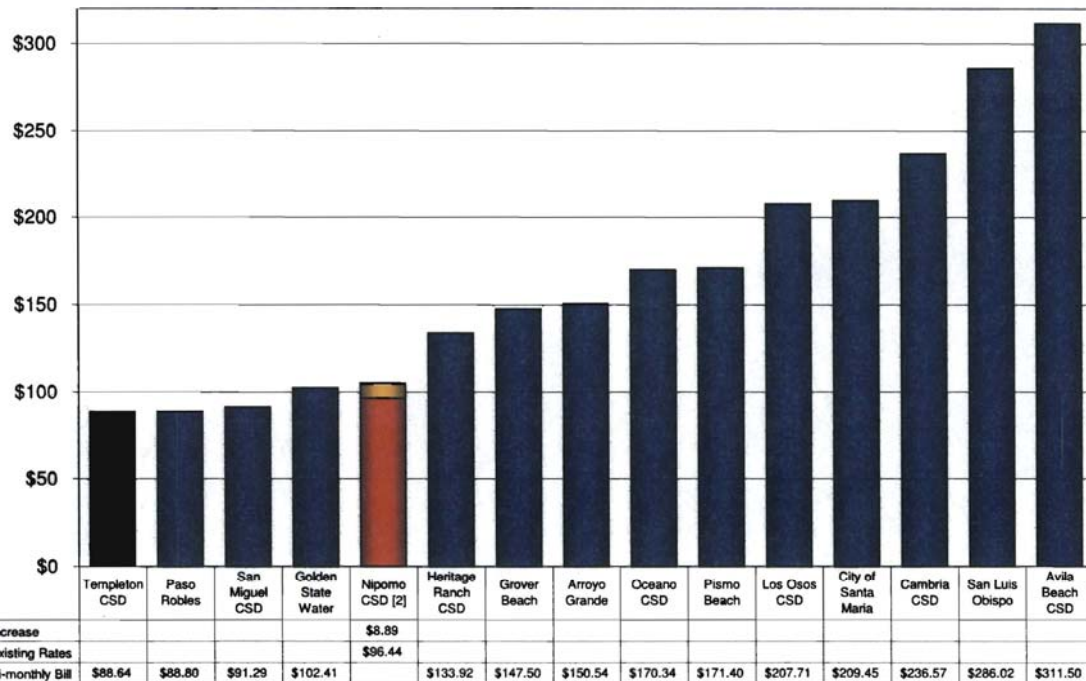
D needs to provide a full accounting for the \$8 number before anyone votes.

Second Reality check on the cost of water:

NCSD 10/12/11 Item E1 page 4 updated from July 2010 to July 2011, source 1/23/12 NCSD office

Chart ES-1
Selected Local Water Agencies

**Comparison of Single-family Residential Bi-monthly Water Bills^[1]
at 40 Ccf Bi-monthly**



[1] For rates in effect July 2011.
[2] Total bi-monthly bill is \$105.33.

NCSD has shown the following chart that shows the current cost of water for NCSD and Santa Maria for 40 Ccf Bi-Monthly (the lowest tier 1 rate that NCSD will be getting)

As of 7/1/11 It shows someone in Santa Maria paying \$209.45 Bi-monthly NCSD paying \$105.33 Bi-monthly

Santa Maria’s water system is an “Enterprise fund” where revenue must equal costs.

NCSD expects us to believe that:

Santa Maria will provide the water and intends to make an unknown amount of profit at the same time (or “revenue generation”).

Then NCSD will buy water at the tier 1 rate,

- add the cost of pumping the water into the NCSD system,
- add the cost of maintaining 26 million dollars of capital equipment,
- add the cost of funding the replacement of the capital over about 40 years.

And it will only cost \$8 a month or \$16 Bi-monthly more ?

Even if NCSD gets Rural Water Company’s water for free and reduces their electric costs,


Can an NCSD customer pay \$88 less (\$209.45 - (\$105.33 + \$16)) then someone in Santa Maria for the exact same amount of water?

NCSD has implemented an aggressive 10% increase unrelated to the cost of Santa Maria water.

That will not fix the problem, If NCSD increases it’s rates 10% on \$100 dollars and Santa Maria increases it’s rates at 5% on \$200 dollars the \$100 dollar difference remains in the future.

NCSD has not been very good with math; the capital cost has gone from 6 to 26 million. NCSD claimed, in the 11/9/11 presentation that the water from Santa Maria is 90%+ state water:

Santa Maria Pipeline
Most Cost-Effective Near-Term Solution

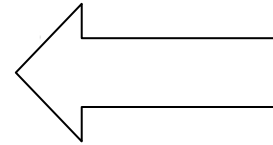


This is NEW water to NIPOMO

Currently, Santa Maria's water includes 90%+ State water

This water source is **never** less than 50% State water

Any groundwater in the mix will come from wells south of Santa Maria, and wouldn't flow to Nipomo without the pipeline – it would flow directly out to the ocean



Copy of document found at www.NoNewWipTax.com

Look at Santa Maria's actual numbers from the SM and CCWA Urban water management plan

Year	State water af	Groundwater af	Total water af	Percent State Water
2006	13128	543	13671	96%
2007	11711	2550	14261	82%
2008	7792	6626	14418	54%
2009	7779	6610	14389	54%
2010	13366	3044	16410	81%

Future projections in the Page 25 Table 3-4 CCWA 2010 Urban water management plan show 10,000 to 11,000 af of state water in the future for Santa Maria, if NCSD use adds 3000 af and Santa Maria grows a bit. In the future the use will be 50% state water.

There will be NO "new water"

So pardon us for questioning NCSD's math (It is not supported by any documents on their web site)

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