

## **To be fair, before anyone has to make a decision on parcel benefit units:**

NCSD needs to provide a clear explanation of the current estimate/draft of the following information in one document:

- The project cost
- The Bond amount for each of the 4 areas
- The Bond finance costs for each of the 4 areas
- The bond interest rate for each of the 4 areas

- The list of owners, parcels and Benefit Units (BU's) for each of the 4 areas
- A sheet that details the assignment of BU's for each of the 4 areas

So each owner can see their parcel is the same as other parcels like theirs.

NCSD needs to provide a clear explanation of why the Rural assessment interest rate is at 18%

NCSD needs to provide a clear explanation of why the exact same undeveloped parcel would have an unfairly different assessment rate if it is in a different area.

NCSD needs to provide a clear explanation and accounting of the water rate increases needed in each of the 4 areas for the planned 2000 AF/Y.

NCSD needs to provide a clear explanation and accounting of the water rate increases needed in each of the 4 areas if the NMMA TG decides the amount must be 3000 AF/Y.

NCSD needs to provide a clear explanation of the amount of profit going to Santa Maria as part of this project.

NCSD needs to provide a clear explanation of how NCSD can buy water from Santa Maria and have NCSD customers pay \$88 Bi-Monthly less for the exact same amount of water as Santa Maria customers.

NCSD needs to provide a clear explanation of the conflict between the claim "We are pumping twice the dependable yield" and "Expert" [Brad Newton's](#) Fall 2011 "Groundwater in Storage" numbers.

NCSD needs to provide a clear explanation of how the water will not be used to support new growth leading to a future "existing shortage" again requiring existing customers to bail them out again.

NCSD needs to provide a clear explanation of why "The district will go back to the court and say we have one source of water; we have given our best effort to supplement it" is a problem

All references, almost all documents, audio and video from all meetings can be found at:

[www.NoNewWipTax.com](http://www.NoNewWipTax.com)

[No New Water Intertie Project or "Wip" Tax]

To be fair NCSD should provide all the cost information before anyone has to make a decision on parcel benefit units.

How do the draft Parcel Assessments and Water Rate increases compare in the 4 areas?

**1/23/12 NCSD handout side 1: Rural Water Company Basis of Assessment**

Group	Sub Group	Land Use Category	Description	Parcel Sizes Included (acres)	Basis of Assessment
1	A	Residential with 1 unit (RSF, RMF, RR, RS, RL)	All residential parcels with one unit	<= to 0.35	1.00 Equiv. BU
	>0.35 & <= 0.65			1.60 BU	
	>0.65			2.00 BU	
2	A	Residential with 2 units	Second Unit on a residential property	<=1.00	0.00 BU
	>1.00			0.30 BU for 2nd unit	
3	A	Commercial (CS, OP, CR)	Commercial Services, Office Professional, Commercial Retail	<= to 0.35	1.0 BU
	>0.35 & <= 0.65			1.60 BU	
	>0.65 & <= 2.00			3.00 BU	
	>2.00			6.00 BU	
4	A	Hotel	Hotel or Bed & Breakfast	All Parcel Sizes	0.40 BU/room
5	A	School	School	<= to 0.35	1.00 BU
	>0.35 & <= 0.65			1.60 BU	
	>0.65 & <= 2.00			3.00 BU	
	>2.00			3.00 BU plus 1.0 BU for every acre above 2.0 acres	
6	A	Recreational	Parks, Fields, etc	All Parcel Sizes	1.00 BU per acre
7	A	Public Facilities w/ No Irrigation	Public Facilities with no irrigation (i.e. wells, tanks, lift stations)	All Parcel Sizes	0.00 BU
8	A	Public Facilities w/ Irrigation	Public Facilities with irrigation	All Parcel Sizes	1.00 BU/acre
9	A	Open Space w/ No Irrigation	Open Space w/ no irrigation (i.e. medians, parking lots, etc)	All Parcel Sizes	0.00 BU
10	A	Open Space w/ Irrigation	Open Space w/ existing irrigation	All Parcel Sizes	1.00 BU/acre
11	A	WWTP	Wastewater Treatment Plant		1.00 BU
12	A	Exempted Parcels	Parcels with their own water source	All Parcel Sizes	0.00 BU

[www.NoNewWipTax.com](http://www.NoNewWipTax.com)

### Calculations of resulting Interest Rate:

Calculation of Finance Cost and Interest based on 1/23/12 NCSD handout	Handout numbers
Max 1 BU, if paid up front	\$1,090
1 BU cost	\$1,340
Maximum Bond Finance costs in \$	\$250
Bond Finance cost in (250/1340)%	<b>22.9%</b>
1 BU Cost Financed amount	\$1,340
Number of year Terms	30
Maximum 1 Bu, payment per year	\$240
Maximum Total Interest & Principle payments	\$7,200
Maximum Interest rate per year	<b>17.8%</b>

**Is NCSD really prepared to proceed with this project at a 22.9% bond cost and an 18% interest rate for RWC customers?**

How can an identical undeveloped parcel in different areas have different assessments?

### Property Owner Assessment Worksheet for Rural Water Company Customers

(Approximate Current **ESTIMATE**)

1/23/12 NCSD handout side 2:

**1 Total Assessment** (Example)

a. Enter your Benefit Units \_\_\_\_\_ 1.0

b. Multiply a. by \$1,348 \_\_\_\_\_ 1.0 X \$1,348 = \$1,348

c. Multiply a. by \$1,090 \_\_\_\_\_ 1.0 X \$1,090 = \$1,090  
if prepayment is made

↑  
This is your Total Assessment

**2 Yearly Payment** (Example)

a. Enter your Benefit Units \_\_\_\_\_ 1.0

b. Multiply a. by \$240 \_\_\_\_\_ 1.0 X \$240 = \$240

This is your estimated Yearly Payment on your Property Tax Bill

## Independent comparisons of Approximate rate increases.

(Woodlands not provided because of no data on Woodlands operations or connections, Woodlands costs are 2x RWC)

How can we vote without an explanation of the water costs?

The News reported “The average increase in a NCSD customer’s monthly bill was previously estimated at about \$12, but LeBrun said that number likely will be closer to \$8.” SMT 12/18/2011

NCSD has been unwilling to provide the water rates calculation of an increase of \$8 per month for NCSD’s area that the news reported. NCSD letter 11/13/11

NCSD has not provided a current estimate of the cost of other area water rate increases.

How can we vote without an explanation of how the estimate went from “Based on serving 4,100 customers, bimonthly water bills would rise by ... \$142 for Santa Maria water ..” to \$8 per month? 12/13/07 SMT NCSD to renegotiate SM water purchase

Who gets to use the water that RWC pays for but can’t use because they don’t have a connection?

The costs are not limited to just 2000 AF/Y of water.

- NCSD is claiming it will bring in 2000 af/y but the pipe allows 3000 af/y now and 6200 af/y later with additional pipe and pumps.  
[www.NoNewWipTax.com](http://www.NoNewWipTax.com)

<b>Estimated NCSD Water Rates</b>		
Amount of Water required by NMMA TG	<b>If 2000 AF/Y</b>	<b>If 3000 AF/Y</b>
NCSD %	66.68%	72.00%
NCSD AF/Y of water	1333.6	2160
Water cost \$/AF (Lebrun 8/23/11) (not including pumping and maintenance)	\$1,450	\$1,450
NCSD payment to Santa Maria	\$1,933,720	\$3,132,000
NCSD electric cost	\$525,000	\$525,000
NCSD water use (2010)	2370	2370
Free Rural Water share	166.6	210
Cost savings will be 1334 + 166 / 2370 af amount	\$332,323	\$525,000
NCSD new money needed	\$1,601,397	\$2,607,000
2010 connections	4148	4148
Average amount per connection per year	\$386	\$628
Average amount per connection bimonthly	<b>\$64</b>	<b>\$105</b>
Average amount per connection monthly	<b>\$32</b>	<b>\$52</b>

<b>Estimated GSWC Water Rates</b>		
Amount of Water required by NMMA TG	<b>If 2000 AF/Y</b>	<b>If 3000 AF/Y</b>
GSWC %	8.33%	7.00%
GSWC AF/Y of water	166.6	210
Water cost (Lebrun 8/23/11) ( not including pumping & maintenance)	\$1,450	\$1,450
GSWC payment to Santa Maria	\$241,570	\$304,500
GSWC electric cost (assume same per af as NCSD)	\$222	\$222
GSWC 166 af of water pumping saved (assume water is taken)	166.6	166.6
Cost savings will be	\$36,905	\$279
GSWC new money needed	\$204,665	\$304,221
GSWC customers	13200	13200
Average amount per connection per year	\$16	\$23
Average amount per connection bimonthly	<b>\$3</b>	<b>\$4</b>
Average amount per connection monthly	<b>\$1</b>	<b>\$2</b>

<b>Estimated RWC Water Rates</b>		
Amount of Water required by NMMA TG	<b>If 2000 AF/Y</b>	<b>If 3000 AF/Y</b>
RWC %	8.33%	7.00%
RWC paid for but not received AF	166.6	210
Water cost (Lebrun 8/23/11) (not including pumping and maintenance)	\$1,450	\$1,450
RWC payment to Santa Maria	\$241,570	\$304,500
2010 connections	921	921
Average amount per connection per year	\$262	\$331
Average amount per connection bimonthly	<b>\$44</b>	<b>\$55</b>
Average amount per connection monthly	<b>\$22</b>	<b>\$28</b>

- 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, GSWC and WMWC have pre-agreed to pay what ever the NMMA TG requires. RWC has no representation on the NMMA TG. In any case GSWC and RWC represent the company and do not represent the actual customers.
- **Mike Lebrun**, "It will be the basin management committee, **there's no limitation of the amount of supplemental water we might actually have to bring in**, in order to protect and maintain the basin health. In the stipulation there is a 2500 Af number then it's a more or less as the basin management committee defines or requires and that will be based on monitoring, actual water levels, **It is important for us to understand that.**" 7/27/2005 E-3)  
Supplemental Water Policy Discussion

This project is very unusual in that it has a profit going to a public agency, Santa Maria why?

“Fiscal Considerations: Based on fiscal projections, the sale of supplemental water to the NCSD will be revenue neutral in the worst case scenario and generate revenue under most scenarios” 1/5/10  
Santa Maria City Council Report

“Revenues from the sales will be used for public services, a legal requirement, said Councilwoman Hilda Zacarias.” 1/6/10 Santa Maria Times

Under most scenarios how much will Santa Maria be making off Nipomo each year?

How can we compare our numbers to be sure all our neighbors are paying their share?

NCSD released an early draft list of Owners, APN's and BU's for GSWC, RWC and Woodlands water company so there is no legal problem releasing the current drafts now.  
9/9/09 board packet item E2 draft

NCSD has refused to release the current draft list of Owners, APN's and BU's that the letters sent to homeowners was based on. NCSD letter 1/23/11

Mistakes work both ways, if I have “undeveloped potential” and there is a mistake and the BU's that is lower then it should be, will that prevent me from building that potential in the future? Why? Do GSWC, RWC and WMWC owners have to go before the NCSD board, of which they have no vote for the board members, to request changes?

**Monitor first, build if and when actually needed.**

1/28/12 NCSD presentation Comments by John Snyder

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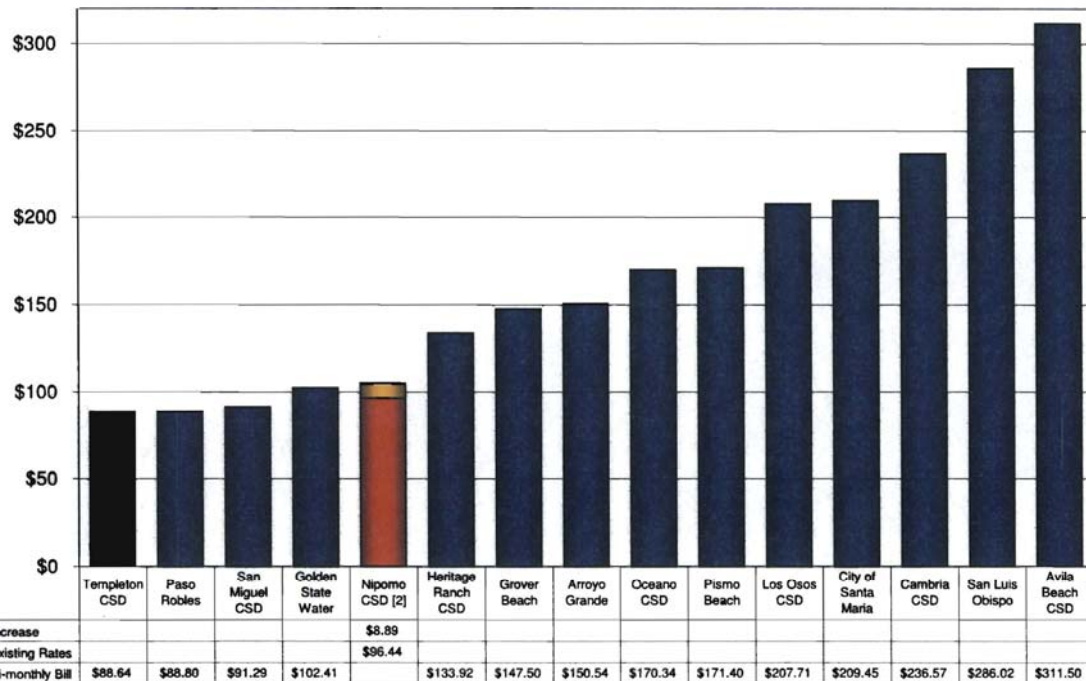
[No New Water Intertie Project or “Wip” Tax]

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<sup>[1]</sup>  
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,

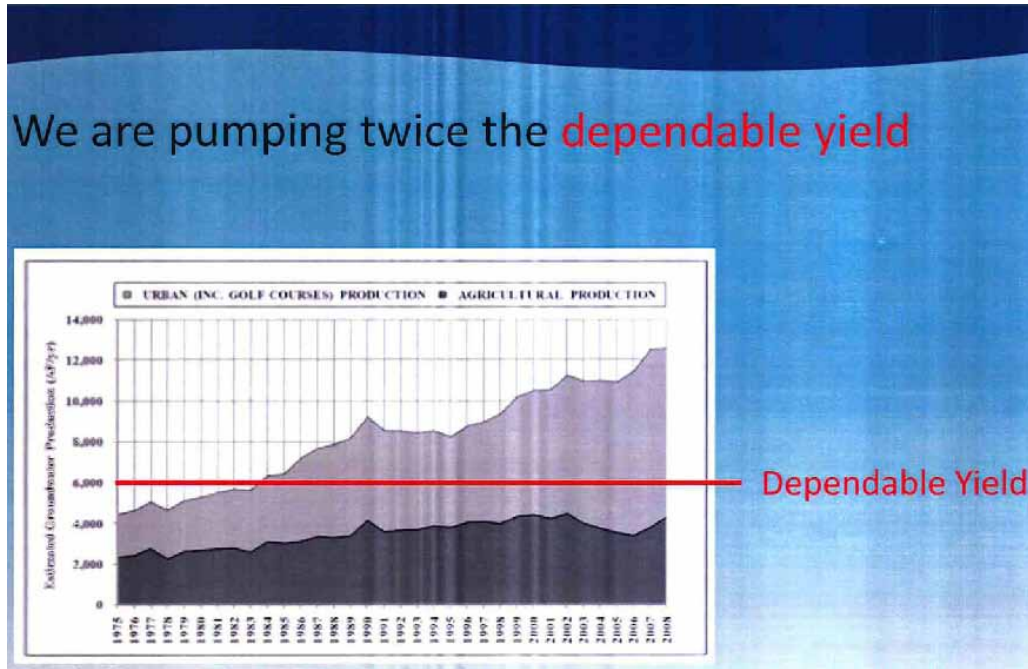
Can an NCSD customer pay \$88 less ( \$209.45 - (\$105.33 + \$16) ) then someone in Santa Maria for the exact same amount of water?

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 each year \$10 (10% on \$100 dollars) and Santa Maria increases it’s rates each year \$10 (at 5% on \$200 dollars) the \$100 dollar difference remains the same in the future.

NCSO supplemental water misrepresentation:

NCSO presentations on 8/23 and 11/9, claimed Nipomo is pumping twice the dependable yield (or supply): [NCSO presentation 8/23/11 slide #23](#):



Year	Production AF (eyed)	NCSO yield AF	28 Year Shortage AF
1975	4500	6000	
1976	4750	6000	
1977	5000	6000	
1978	4750	6000	
1979	5100	6000	
1980	5300	6000	
1981	5500	6000	
1982	5800	6000	
1983	5750	6000	
1984	6200	6000	-200
1985	6400	6000	-400
1986	7100	6000	-1100
1987	7750	6000	-1750
1988	7900	6000	-1900
1989	8100	6000	-2100
1990	9200	6000	-3200
1991	8700	6000	-2700
1992	8700	6000	-2700
1993	8500	6000	-2500
1994	8700	6000	-2700
1995	8300	6000	-2300
1996	8900	6000	-2900
1997	9000	6000	-3000
1998	9300	6000	-3300
1999	10100	6000	-4100
2000	10500	6000	-4500
2001	10500	6000	-4500
2002	11200	6000	-5200
2003	11000	6000	-5000
2004	11000	6000	-5000
2005	11000	6000	-5000
2006	11500	6000	-5500
2007	12500	6000	-6500
2008	12500	6000	-6500
2009	12100	6000	-6100
2010	12100	6000	-6100
2011	12100	6000	-6100
Total AF Shortage:			-102850

NCSO claims “experts say” and show a “photo-shopped” slide which shows one expert’s Production (pumping) vs. a second experts Supply numbers with an implied shortage for the last 27 years of 100,000 AF.

NCSO own "Expert" [Brad Newton's](#) Fall 2011 "Groundwater in Storage" does not show the claimed shortage.

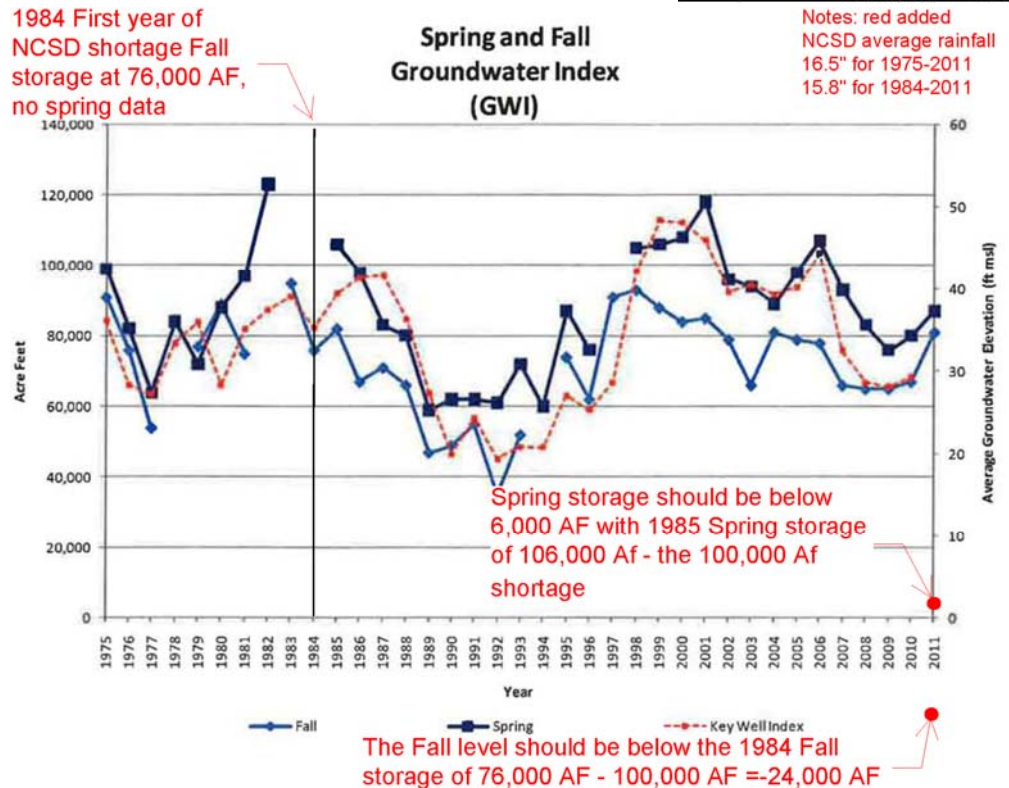
A accumulated shortage of 100,000 AF would result in a groundwater in storage that is 100,000 AF less than the start of the shortage in 1984.

1984 Fall level of 76,000 AF - 100,000 AF = - 24,000 AF

During the same time there has been below average rainfall of 15.8” out of a 16.5” average.

Clearly the water levels and water in storage are about the same as 1984 and do not show the shortage NCSO claims.

In short the NCSO data does not show the alleged 100,000 AF shortage.



## **NCSD has not talked about what if we vote no, what happens?**

What can be done between now and NCSD's prediction of Armageddon?

11/7/11, KVEC News Talk 920 Dave Congalton Podcasts

Dave Congalton, So what happens if you lose the vote? ....

NCSD, Lebrun, it's often asked. If we lose the vote then my board of directors will have to step back and make a policy decision if we want to come forward try to raise our rates and fund the entire project on rates and if we try to do that it will result in another vote. **The district will go back to the court and say we have one source of water; we have given our best effort to supplement it.**

Dave, why bother with the vote? Just raise the rates?

NCSD, Lebrun, Both rising the rates and a property tax require a vote of the public. (note not the same vote) ..... if we are ultimately unsuccessful in securing the vote we need to get the financing in place and build this project then the district will wait for water Armageddon, with one source of water.

.....

**Dave, How much time do we have before this water Armageddon arrives?**

NCSD, **Eby, We can't predict that**

Dave, 2 years, 5 years 10 years

NCSD, Eby, I would say it's less than 10, it depends, if we had three bad years of drought it would bring it a lot quicker.

### **Things that need to be done before such an expensive project could be approved:**

0. Provide open and complete information on all aspects of the issue.
1. Resolve the conflicting information between NCSD's claim of pumping "twice the supply" and NCSD's water in storage data that does not show the loss that would have occurred over the 27 years of shortage.
2. Be able to predict when seawater will be a problem by Properly monitoring for seawater:
  - A. Dig out the 3 missing monitoring wells along the beach. (Oso Flaco, AG Creek, Grand Avenue)
  - B. Change seawater monitor in the wells from 2 to 12 times per year.
3. Fix monitoring problems between Nipomo and the valley to determine water flows north.
4. Proceed with the NMMA TG alternative plan (created to cover use if the WIP is voted down) and determine it's effect in reducing the "existing 2,500 AF shortage"
5. Build on the 27% conservation Mike Winn talked about in the 8/23/11 presentation.
6. Drill a "horizontal" well to find the location of the sea water in the offshore aquifer.
7. When NCSD has that information, look at how much the "existing 2,500 AF shortage" has been reduced that needs to be covered by "existing connections"
8. See what options are to resolve the remaining problem.
9. Openly Report status to the court which has the ultimate obligation to protect the basin.

It has the authority to prevent seawater intrusion by reducing pumping at any time.
10. **We will never have seawater intrusion.** NCSD has spent around 3 million on the Water Intertie Project (Wip) and completed all the approvals except funding. The contracts are based on a completion time of "as soon as possible". Santa Maria may get a profit but Nipomo gets to decide when it is "possible". When and if there is a real indication of seawater, and there are no better options. NCSD can get a second vote on a scaled down "existing customer" portion of this project. Because it can be built in two years there is no question it will be in time to prevent seawater intrusion.