

The District chose the newspaper and journal articles presented within Appendix C from the hundreds written on the Nacimiento Water Project based on the articles' support of the Nacimiento Water Project's entry for the ASCE Outstanding Civil Engineering Achievement Award. The selection of articles was made to coincide best with the judging criteria for the 2011 Award Program, and does not include articles that did not support the judging criteria. The Project has been very newsworthy both during the past seven years as the District implemented the Project, and throughout its history going back to the 1960's. The District saved a large collection of articles and is happy to share those with anyone interested in reviewing a more comprehensive set of articles.



** The Tribune 7-18-04*

Design work on the Nacimiento Water Project could begin by the end of the year as local cities and agencies approve formal contracts

Pipeline moving forward

By ADAM JARMAN
THE TRIBUNE

After decades of debate, designing the actual pipeline that would carry water from Nacimiento Lake to faucets throughout San Luis Obispo County is expected to begin by year's end.

The estimated \$150 million Nacimiento Water Project would consist of a 45-mile-long pipeline from the lake to San Luis Obispo, delivering water to communities along the way.

The city of San Luis Obispo and the Atascadero Mutual Water Co. have already approved their formal contracts to use — and help pay for — the water project. The Paso Robles City Council will consider its agreement Tuesday and the Templeton Community Services District will take up its contract July 27.

Meanwhile, a private group is working on preliminary plans to build a \$90-million desalination plant that could be used instead of, or in addition to, the pipeline

Please see NACIMIENTO, A14

MORE INSIDE
Utility manager resigns
Supervisor of pipeline project may return as a consultant **A14**
Your questions answered
A Q&A on the Nacimiento Water Project **A14**

THE NACIMIENTO WATER PROJECT

Where Nacimiento's water could go

The Nacimiento Water Project would deliver lake water to communities between Nacimiento Lake and San Luis Obispo. The 45-mile pipeline is estimated to cost \$150 million and would not be fully operational until 2009 or 2010. It would have the capacity to deliver about 16,000 acre-feet of water each year. On average, an acre-foot can serve two or three families for a year. The three biggest potential users — Atascadero, Paso Robles and San Luis Obispo — would use more than 60 percent. A handful of private property owners and smaller agencies have also indicated interest in the project. Here's a look at some of the communities along the proposed pipeline route:

San Miguel
The San Miguel Community Services District has waited for the larger agencies to make their decisions before considering the project. The board could discuss the project in September.
Amount of water requested per year: 300 acre-feet
Approximate share of construction costs: unknown

Paso Robles
The City Council has previously voted in support of the project and is expected to consider the final contract Tuesday.
Amount of water requested per year: 4,000 acre-feet
Approximate share of construction costs: \$51 million

Templeton
The Templeton Community Services District Board of Directors is expected to consider a final contract at its July 27 meeting.
Amount of water requested per year: 250 acre-feet
Approximate share of construction costs: \$3.6 million

Atascadero
The Atascadero Mutual Water Company approved a final contract July 7.
Amount of water requested per year: 2,000 acre-feet
Approximate share of construction costs: \$30 million

Santa Margarita
The county manages water service in Santa Margarita. It is currently evaluating whether that community should use the pipeline or connect to the State Water Project. The state system is the preferred option at this point.
Amount of water requested per year: 100 acre-feet for the community and 200 acre-feet for the Santa Margarita Ranch
Approximate share of construction costs: unknown

San Luis Obispo
The City Council approved a final contract June 29.
Amount of water requested per year: 3,380 acre-feet
Approximate share of construction costs: \$64 million

SOURCE: TRIBUNE RESEARCH TRIBUNE MAP BY JOE TARICA





Nacimiento

From Page A1

from the lake. Local officials say that could be a source of water in the future, but there aren't enough details yet on a desal plant to justify halting the pipeline.

Where to go from here

As each agency signs the pipeline contract, it appoints members to the Nacimiento Commission, which will oversee the project, said Christine Ferrara, who was the county's utilities manager until Friday. (She will likely continue with the project as a consultant).

Its first major project, Ferrara said, would be to develop the documents needed to hire design firms. Requests for those proposals are expected to go out by the end of the year.

After bids come in and the Board of Supervisors approves a contract, it could take another two years to design the project.

If bids for the project come in over the \$150 million estimate, water agencies have the option to back out, said Paavo Ogren, the county's deputy director of public works.

At any time, the agencies can collectively agree to drop the project. With the agreements being signed now, individual agencies can only pull out separately if the costs are more than expected.

The construction bidding process would then begin around late 2006. It would take two to four years to build the pipeline. The project could be completed around 2009 or 2010.

For the most part, construction crews will start at the lake and work their way south, so it's possible that Paso Robles would get water before it's available to San Luis Obispo.

"And meanwhile, we hope it rains," Ferrara said of the current drought conditions that exist around the county.

Impact at the lake

After water starts being drawn from the lake, the diversions should only be noticeable during drought years, officials said.

The county has studied lake levels since the 1940s, Ferrara said. When the county and Nacimiento aren't in drought conditions, the research showed, the pipeline's impact on lake levels would be small.

"During average years," Ferrara explained, "the impact on the lake was almost indiscernible — mere inches."

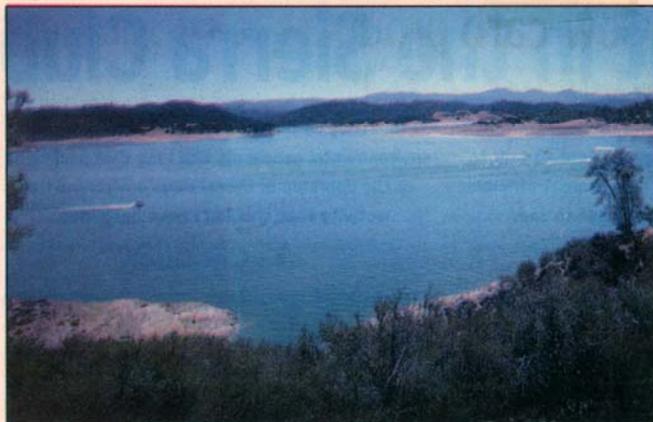
But some residents like Mike Weber of Paso Robles aren't convinced lake water will always be available.

"It won't be there when you need it," he said. He'd rather officials look more closely at desalination than going forward with the Nacimiento project.

"We're not in a water drought, desperate situation," he said. "We have time."

According to the environmental impact report released last summer for the project, the pipeline could contribute to the lake's level falling below 748 feet — the acceptable level needed for recreation.

Even so, the Nacimiento



TRIBUNE PHOTO BY LAURA DICKINSON

San Luis Obispo County holds an entitlement to 17,500 acre-feet of Nacimiento Lake water.

Regional Water Management Advisory Committee has not spoken out about the project. That group has vocally opposed Monterey County projects that would affect lake levels and strongly advocates for recreational interests at the lake.

"Our group has not objected to that pipeline because it's not going to affect that much on the lake," said Dan Miroballi, vice president of the group, which represents property owners.

Another option?

While the pipeline project proceeds, a private consortium of firms is working on preliminary plans to build a desalination plant near Morro Bay and pump the water to the North County.

Proponents of that project say it would be better environmentally and cheaper than the Nacimiento pipeline. But county officials disagree and say the group's plans are too preliminary to reach those conclusions.

The private plan is being led by DesalNATE of Woodland Hills, said James Jensen of Parson Brinckerhoff, an international engineering firm working on the desalination project. A plant could either be run privately or sold to a public agency, he said.

"Desalination is drought-proof," said Dan Johnson of DesalNATE. "The ocean is not going to dry up."

At a public workshop in Paso Robles on Wednesday, he advocated for putting the pipeline on hold while his project is given more consideration.

Jensen said an existing oil facility and pipeline from Estero Bay to Atascadero would be modified to transport the water. Ogren disagrees that it's that simple.

A desalination facility requires a host of permits from federal and state agencies.

State law requires that alternatives to desalination be considered before such a facility is given approval by the California Coastal Commission, according to a March report by the Coastal Commission.

Ogren said it would be difficult to prove desalination is a good idea for the North County since the county has a right to

lake water.

"For (desalination) to succeed, Nacimiento would have to die," Ogren said.

But Jensen said it could be feasible in addition to the Nacimiento pipeline. He thinks the plant could be operational by 2008. An environmental review of that project could begin in the next few months.

Both the city of San Luis Obispo and the Atascadero Mutual Water Co. considered desalination but rejected it when

they agreed to the Nacimiento project.

"Someday, we will probably be looking at desal in this county," said John Moss, the utilities director for San Luis Obispo. "Nacimiento is here. It is now."

Chevron/Texaco, which owns the Estero Bay terminal, has not committed to selling the facility to DesalNATE, said terminal manager Joe Gonzalez.

"Nothing's firm," he said. "We've been open to discussion."





A2 Paso Robles Gazette • July 23, 2004

Paso makes historic decision to sign pipeline contract

Anne Quinn
PASO ROBLES GAZETTE

In a moment that officials called "historic" the Paso Robles City Council voted unanimously to approve the Nacimiento Project water delivery entitlement contract Tuesday and secured a reliable new local source of water for the City.

"I think the minute that this water is available we will use every bit of it," said City Council Member George Finigan.

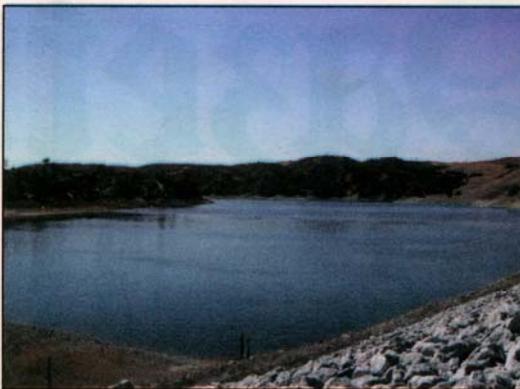
Fresh water is needed to improve the quality of the water piped to Paso Robles water users and to replenish the aquifer the city uses, according to City Manager Jim App. The quantity of water the city committed to, 4,000 acre feet a year, will also provide the

resources to support growth in the City from 28,000 residents today to 44,000 by 2025, as called for by the new General Plan approved by the Council last December.

One reason Council Member Duane Picanco said he voted yes was to make sure that that San Luis Obispo County's rights to water from Lake Nacimiento, granted per a 1959 agreement with Monterey County, weren't in fact a mirage.

"We've had rights to this water for over 45 years. If we don't use it, we'll lose it. We must act now while the other cities are in agreement," Picanco said.

Dave Romero, mayor of the City of San Luis Obispo, told the Paso Robles City Council on



July 20 that another reason that Tuesday's decision to commit to a regional water project is "an historic occasion," is that it is result of a 16-year collaboration by four municipalities, Paso Robles, Atascadero, Templeton and the City of San Luis Obispo. In the beginning representatives of these cities were not in agreement.

"This is a historic day," said Romero. "For the first time in history, our two cities have an opportunity to join in a project. When the SLO City Council voted for the Nacimiento Project, I thought, 'We have finally put the water wars behind us.'"

In the 1980s, Atascadero Mutual Water Company, which owns the original

water rights claimed by founder E.G. Lewis in 1915, sued the City of Paso Robles over rights to the ground water basin, the large natural aquifer that lies under the North County. Using detailed geologic studies, Atascadero was able to prove in court that the Atascadero water supply came from a separate, basin underground.

In the early 1990s, the City of Paso Robles, a key player, threatened to pull out of the pipeline project because the then-proposed pipeline route was directly down Vine Street and would have torn up the town's Historic District.

Christine Ferrara, project manager for the County of San Luis Obispo, said that made the group reconsider the route and now the pipeline will come through Camp Roberts to the Salinas River and follow the river south to

Templeton and Atascadero.

"I challenge anybody to show me another water project out there that has the collaboration of this one," Mayor Frank R. Mecham said Tuesday.

Just before the project was to be voted on, proponents of building a desalination plant to create a new water source from the ocean pushed hard to get the Paso Robles City

Council to abandon the 16-year project and instead study a new alternative, desalination.

Mike Weber who said he has desalinated ocean water on Marine vessels told the City Council that, "I think you haven't given all the

new technology their fair share."

"This is a historic day. For the first time in history, our two cities have an opportunity to join in a project."

DAVE ROMERO
SAN LUIS OBISPO
CITY MAYOR

Proponents of desalination claim that it would be much cheaper, \$60 to \$80 million as opposed to the \$150 million cost of the Nacimiento Pipeline, but no detailed financial studies were made available.

During the public comment, period Paso Robles resident Matt Thomas, who said he works for the Regional Water Quality Control Board, said that while "desalination presents a strong promise for the future," the cost of providing desalinated water would result in the highest water rates in the county. "If you don't believe me, just ask the City of Morro

Bay," Thomas said.

By comparison, City Manager Jim App said that even including the rise in water rates to pay for the Nacimiento pipeline, which will be introduced in a \$6 a month raises in water rates each year over a period four years for a final total of \$36 per household, would still only make water bills for Paso Robles' residents average for the county because they are so low now.

The City of Morro Bay built a desalination plant in the late 1990s. It is used as a backup water supply to state water when demand exceeds supply and when the State Water Project closes its pipeline for maintenance purposes according to Morro Bay City Engineer, Frank Cunningham.

Two problems that Thomas cited with desalination when he spoke before the City Council were unknown costs for mitigation of impacts to marine life and state regulatory agencies concerns over the private ownership of desalination plants which, he predicted, will soon result in new policies on desalination from Sacramento. The proposal for a desalination plant supported by Paso Robles residents would be built by a private firm and possibly sold back to the County.

City Manager Jim App acknowledged that desalination might be an option for the future, but "the Nacimiento Project is ready now."

The costs of the project will be paid for by nearly tripling the cost of new water hook ups and by raising residents water rates \$6 a month once a year for four years for a total increase of \$36. Residents will see their first \$6 jump in water rates in July 2005.



NACIMIENTO LAKE
The Tribune 8-6-04
**Templeton
CSD board
votes to join
water project**

**The North County town
will get 250 acre-feet of
raw water a year under
the official contract**

In a special meeting Tuesday, the Templeton Community Services District Board of Directors voted unanimously to join the Nacimiento Water Project.

The official contract with the San Luis Obispo County Flood Control and Water Conservation District will give Templeton 250 acre-feet of raw water a year. An acre-foot can serve about two to three single-family homes for a year.

Templeton will pay roughly \$3.6 million towards project construction.

The San Luis Obispo and Paso Robles city councils and Atascadero Mutual Water Co. previously signed contracts.

In their pre-vote comments, three of the five directors expressed concerns that 250 acre-feet is not enough. Board president Judith Dietch said she approved of the project but hopes Templeton eventually will increase its entitlement.

The board also appointed director Dave Brooks to the Nacimiento Commission, the water project's governing body.

— *Angela Manese-Lee*







WATER WAR

Fight for N. County pipeline was uphill

The Tribune
The agreement to finance and build
the line from Nacimiento Lake
to San Luis Obispo had a rocky start

6-5-05
BY IRWIN SPEIZER
SPECIAL TO THE TRIBUNE

It was December 2000, and Frank Mecham, Paso Robles' newly elected mayor, had driven down to San Luis Obispo City Hall to personally tell the town to shove it.

That's how San Luis Obispo-Paso relations worked in those days.

Mecham sat in on a San Luis Obispo City Council meeting about water projects that degenerated into a standoff. When a San Luis Obispo council member suggested that Mecham help by getting his city behind the proposed Nacimiento pipeline project, Mecham strode to the microphone.

"I prefaced my remarks by saying, 'I'm not interested in what San Luis Obispo needs. I could care less,'" Mecham recalled.

But as an afterthought, he tossed out an olive branch.

Please see **WATER, A12**



Water

From Page A1

"I told them, 'If you are interested in talking about regional issues, my door is wide open.'"

Mecham said his phone rang the next day. It was San Luis Obispo Utility Director John Moss, wanting to take Mecham up on the offer.

They met a few days later for breakfast at an Atascadero restaurant and began a dialogue that helped set the two sides on the road to détente.

Those talks and a series of efforts by various elected officials and staff members from Paso, San Luis Obispo, the county and other agencies ultimately resulted in a regional agreement to finance and build the \$150-million, 45-mile pipeline from Nacimiento Lake to San Luis Obispo, with communities along the way getting a share of the water.

The pipeline not only offers a long-term solution to the region's water needs, it also serves as a blueprint for overcoming the legendary north-south split.

"I think it is the most monumental decision made in San Luis Obispo County that I can think of," Mecham said. "For the first time, we have a number of different jurisdictions working together for a resource that is important to all of us."

The pipeline is a long way from being built, and the potential for cost overruns or other snags could still derail the project. But for the moment, political peace prevails, suggesting that those seemingly endless task force and ad hoc committee meetings really do serve a useful purpose.

"It is a huge victory, that we are all going down the same path," said San Luis Obispo Mayor Dave Romero. "That means the acrimony we had between north and south has largely gone away."

Water feuds

Although it took several years to finally reach agreement on a Nacimiento pipeline, the pact overcomes more than half a century of water feuds between the two regions.

Those water wars accentuated the differences between the more urban south with its state university and the more rural north with its agriculture base.

Both sides tend to date the hard feelings over water to 1941, when the U.S. Army Corps of Engineers built the Salinas Dam and reservoir (which is also known as Santa Margarita Lake) to supply water to Camp San Luis Obispo.

Recognizing the dam's potential, the city of San Luis Obispo filed for and obtained rights to excess reservoir water, to the dismay of North County residents.

"The North County folks always felt like the water was on their side of the hill, so we were stealing their water," Moss said. "But we stole it fair and square."

When the permit for those water rights came up for renewal in the 1970s, North County communities objected, arguing that San Luis Obispo was sucking the northward-

flowing Salinas River dry.

The State Water Board ultimately issued what came to be called the Live Stream Agreement, which essentially required certain levels of water flow downstream in the river before San Luis Obispo could draw its share.

That agreement, coupled with the 1986-91 drought, led to a water crisis in San Luis Obispo that was far more dramatic than in the north, which sits on an underground water source.

San Luis Obispo initiated plans to raise the Salinas River Dam and increase reservoir capacity, but North County residents, worried about the dam's safety and its impact on groundwater supplies, objected.

Moss recalls being nearly run out of town when he went to Paso Robles to preview the plan in 1993.

The main alternative to the dam was the Nacimiento pipeline. But some North County communities were unhappy with a proposal that would have taken the pipeline through the centers of their respective towns. And Paso Robles officials didn't see the need for more water in their community.

Catalyst

But subsequent studies over the last few years identified long-term quality and quantity issues with the north's groundwater. Protecting the groundwater was of particular concern to the region's powerful agricultural interests, who rely on groundwater for their crops.

Romero said the north's realization that it, too, needed a new water source was the catalyst that pushed the two sides toward a deal.

"When their timing came up, all of a sudden we had partners," Romero said. "Our timing was maybe 10 years earlier than theirs."

Robert M. "Grigger" Jones, director of the Atascadero Mutual Water Company, said what ultimately led to the Nacimiento deal was the combination of ongoing regional talks about water coupled with new water concerns in the north.

"The more we met, the more we realized we had things in common," Jones said. "What it finally came down to was that since we are all in the same boat relative to water, we really needed to come up with ways to manage that water."

Over the last year, San Luis Obispo, Paso Robles, Atascadero and Templeton have all OK'd the pipeline route and agreed to a proportionate sharing in the cost. Any one of the partners can still opt out if costs rise too steeply.

"It has been remarkable," said Paso Robles City Manager Jim App. "We have a group of partners in multiple agencies working actively toward one end."

"These are not agencies that have always gotten along in the past and certainly have never undertaken anything of this magnitude before."

Now the trick is to actually build the pipeline.

"We will make it happen," App said.

But, cognizant of the rocky history water issues have had in the past, he added, "barring some extraordinarily bad surprise."



TUESDAY, AUGUST 2, 2005

TEMPLETON

District may seek water for 500 homes

Community Services District officials, who OK'd contract for water for 250 homes from Nacimiento Lake, may agree to double the amount

ANGELA MANESE-LEE
THE TRIBUNE

More water, and with it twice as many new homes as previously thought, could be coming to Templeton.

The North County town's Community Services District Board will decide tonight whether its staff should look into obtaining enough additional water from the Nacimiento Water Project for 250 new water hookups.

The Templeton board has already approved a contract with the San Luis Obispo Flood Control and Water Conservation District that would give Templeton enough water for 250 hookups, plus the same amount to put in reserve.

The \$150 million water project will bring water from Nacimiento Lake to several San Luis Obispo County communities, including Atascadero, Paso Robles and San Luis Obispo. Construction of the 45-mile pipeline is expected to be complete in 2009 or 2010.

If the district requested the additional water, it could put 500 units of water up for sale once the water project comes online, said District General Manager Bill Van Orden. One unit equals one connection or home.

The board previously elected to keep 250 units of water in reserve for current residents.

Each unit of water is approximately equivalent to half an acre-foot.

Five hundred units would go a long way in filling current requests for about 882 units of water, Van Orden said.

But they also have the potential to significantly impact growth in the 7,000-resident community.

Please see TEMPLETON, A6

Meeting tonight ...

The Templeton Community Services District Board will meet at 7 p.m. in the board meeting room, at 206 Fifth St. For more information or to get a copy of the agenda, contact the district office at 434-4900.



Templeton

From Page A1

Before the county approves construction projects in Templeton, the district must certify that applicants will have water and sewer services.

In the past, the lack of new water units has been a major restraint on building in the community.

The district put 200 new units up for sale in April. But before that, it had been three years since the board had last authorized a sale.

Some of the future Templetonians offered water this summer had waited close to 20 years for

it. If 500 more units go up for sale and are sold to residential developers, 500 new homes — and 1,000 new residents (assuming a rate of two people per home) — could come to town.

Van Orden acknowledged the effect more water would have on growth, but said the board does not make planning decisions.

"While they are residents of the district and probably have

"While they are residents of the district and probably have the same concerns about rapid growth as the community, their job as board members and our job as the district is to provide water to those on the waiting list."

*Bill Van Orden,
district general manager*

the same concerns about rapid growth as the community, their job as board members and our job as the district is to provide water to those on the waiting list," Van Orden said.

When the district board gave its initial approval for the Nacimiento Water Project a year ago, members said then

they hoped Templeton would eventually increase its entitlement.



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CIVIL ENGINEERING NEWS

WATER RESOURCES

Design of Long-Awaited San Luis Obispo Pipeline Begins

Although San Luis Obispo County has owned the rights to a portion of the water in California's Lake Nacimiento for almost 50 years, it has been unable to use this resource because it lacks the means to collect and distribute the water. In the intervening decades, numerous efforts by the county to develop the necessary infrastructure have failed to gain traction. However, after awarding an \$8.2-million contract to Black and Veatch, of Overland Park, Kansas, to design a new water intake system and a 45 mi

(72 km) long pipeline, the county is on track to begin delivering its water to recipients within five years.

Although located in San Luis Obispo County, the Nacimiento Dam and the reservoir it forms are owned by Monterey County, San Luis Obispo County's neighbor to the north. In 1959 San Luis Obispo County negotiated the rights to 17,500 acre-ft (21.6 million m³) of water per year from the 377,000 acre-ft (465 million m³) Lake Nacimiento, says John Hollenbeck, P.E., M.ASCE, the Nacimiento project manager for

the county's public works department. Over time, Hollenbeck says, communities within San Luis Obispo County have come to the realization that they will need to supplement their water supplies—which primarily come from groundwater—with surface water.

To address these needs, a water intake tower and a pump station will be constructed near the Nacimiento Dam. Water collected by the intake tower will be conveyed via the pipeline to the cities of Paso Robles and San Luis Obispo, to the Atascadero Mutual Water Company, and to the Templeton Community Services District.

Expected to cost approximately \$150 million, the intake and pipeline will be designed to deliver up to 15,750 acre-ft (19.4 million m³) a year. (The balance of the county's entitlement is used by existing developments along the lake.) Of the amount that the county may collect and distribute, only 60 percent will at first be withdrawn for the four entities currently slated to receive water from the project, Hollenbeck says. Although they do not require the county's entire allotment at this time, the participants opted to construct a system capable of delivering the full entitlement, rather than risk having to expand the system later when demand exceeds its capacity. That decision was "very smart," says Hollenbeck. "You never get in trouble for building a pipe too big," he notes.

However, that decision complicates efforts to design the system, says Steve Foellmi, P.E., M.ASCE, the Nacimiento project manager for Black and Veatch. "One of the challenges from an engineering perspective is to plan a project that serves the initial needs effectively," Foellmi says, "but also is flexible and expandable." Additional demand for water could come from other communities along the pipeline or even south of its initial terminus, Foellmi notes. Therefore, he says, the project's designers



must “consider all these different potential scenarios” and ensure that the system has the features and flexibility that will enable San Luis Obispo County to accommodate future demand.

The intake facility will take the form of a vertical shaft 30 ft (9.1 m) in diameter and 170 ft (52 m) deep connected to multiple horizontal intake tunnels, or “taps.” At least three taps are being evaluated now for use as part of the facility, Foellmi says. By employing taps at various depths, the system will be able to draw water from whichever location is experiencing the best water quality. Three pump stations and four storage tanks will be used to help convey flows through the pipeline, which will range in diameter from 36 to 20 in. (900 to 500 mm). The design team is currently determining whether to use steel or ductile iron pipe, Foellmi says.

The pipeline will traverse the grounds of Camp Roberts, a base operated by the army division of the California National Guard, and the design team is working with the U.S. Army Corps of Engineers to ensure that the pipeline’s alignment avoids the areas used by tanks and other heavy vehicles as much as possible. Because such areas cannot be avoided entirely, Foellmi says, short sections of the pipeline will in all likelihood need to be installed at a greater depth or materials stronger than in the rest of the pipeline will be needed to avoid damage.

The project’s current design calls for the pipeline to end at the City of San Luis Obispo’s water treatment plant. Because the other three participants do not have treatment plants, Hollenbeck says, the pipeline will deliver water to spreading ponds that will recharge their groundwater supplies.

The design is expected to be complete in the winter of 2006–07. The county will probably award a number of construction contracts related to the project, Hollenbeck says. The first contract is expected to be issued after the county obtains the necessary environmental approvals, which is scheduled to occur in March 2007, Hollenbeck says. Construction is expected to end in 2010.

—Jay Landers

NOVEMBER 2005 *Civil Engineering*



Manager, design team appointed for Nacimiento Water Project



Atascadero News Photo courtesy of John Hollenbeck
Lake Nacimiento, the proposed source of more than 15,750 acre-feet of water per year to be transported across 45 miles of pipeline from the lake to San Luis Obispo in the county's Lake Nacimiento Water Project, according to project manager John Hollenbeck, will become reality in 2010.

Atascadero News
12-7-05 Ellen Holland

The Nacimiento Water Project, a plan that proposes pumping more than 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, has successfully established a design team and, according to Project Manager John Hollenbeck, is on target.

The estimated \$150 million project is finally in the works. The project has been contemplated since the San Luis Obispo County Flood Control and Water Conservation District entered into agreements with, for 17,500 acre-feet of water per year from Monterey County, who own both the Nacimiento Dam and the

Control Water Conservation District be a safety net for us; we have to look into the future."

Atascadero Planning Commissioner Roberta Fonzi said although the city is currently in a according to Hollenbeck, includes receiving a design in winter 2007, an environmental permit in the spring 2007, the contracts for construction in the summer or fall 2007 and the completion in 2010. The Atascadero Mutual Water Company (AMWC), the cities of Paso Robles and San Luis Obispo and the Templeton

— AMWC CEO Ken Weathers

good water time, seasonal rains and continued growth drive the project's necessity.

"The local control is there; we're

See NACIMIENTO on Page A/3

Nacimiento

Continued from Page A/1

Community Service District are the current participants and, according to AMWC CEO and Treasurer Ken Weathers, will pay the majority of the costs for the county's public works department project.

The AMWC, which will utilize supplemental water for the first time, has currently been allocated approximately 21 percent of the project, 2,000 acre-feet of water per year. However, this figure may change, as the entire project has not been allocated yet.

"In our case, we're right about in the middle of the pipeline so our cost is going to be about that 21 percent [approximately \$31.5 million]," Weathers said and added this number does not include the additional operating costs that will be associated with treating the water.

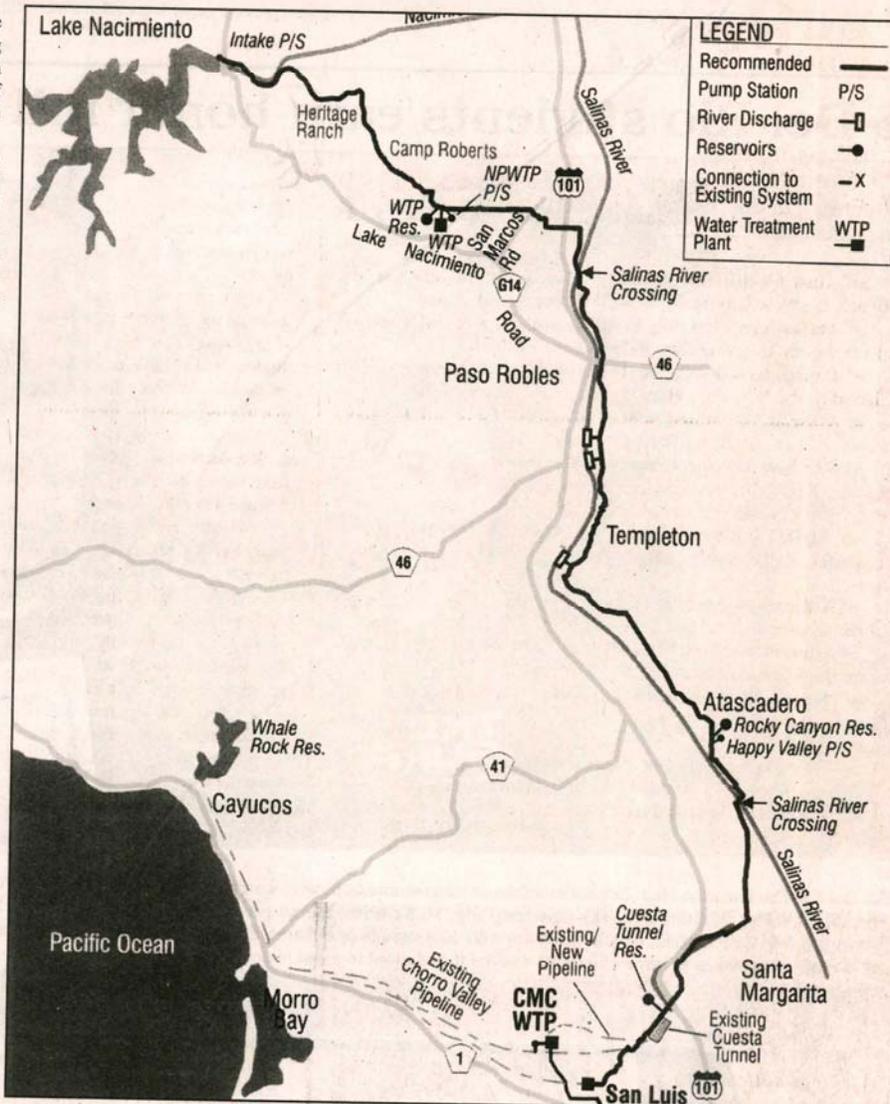
According to Weathers, most of AMWC's project costs will come from connection fees associated with new developments. However, the operating costs will be paid by all shareholders. New connection fees have grown by almost four times.

In 2004, an AMWC rate-increase of approximately 10 percent was approved and became effective in February. Of that percentage, approximately half went to Nacimiento Water Project reserves and it is anticipated that in 2009 rates will be raised another 10 percent to cover the operations and maintenance of the pipeline, Weathers said.

"In theory, there is plenty of water in the [Atascadero Sub-basin]; you just can't get it out," Weathers said. "There is a huge demand [for water] because of urban [use] but more so agricultural [use]. We need the water."

The current project began in 1991 and followed another Nacimiento pipeline project that went to vote and failed in 1972. The primary design firm is Black and Vetch who will work with Boyle Engineering as a sub-consultant.

The project includes many bene-



Atascadero News Photo courtesy of John Hollenbeck

This map depicts the path of the proposed Nacimiento Water Project pipeline from Lake Nacimiento through San Luis Obispo. The estimated \$150 million project, which has been contemplated since the San Luis Obispo County Flood Control Water Conservation District entered into agreements with, for 17,500 acre-feet of water per year from Monterey County.

fits for the four initial participants. In terms of any new applicants they have water rights first, Weathers said.

"We have to evaluate the overall project cost once we receive 30 percent of the bids from the overall bidders," Hollenbeck said and added that at that point participants have the right to evaluate their role in the project and decide whether or not to

stay on board.

"The four initial participants have a lot of guarantees," Weathers said.

Hollenbeck, who moved from Simi Valley to Atascadero in August, came to the project in April with an extensive background in both civil engineering and hydraulic structures.

He received his bachelor's and

master's degree in civil engineering from Kansas State University spent 17 and-a-half years on large hydraulic structure projects and was the vice president of a civil engineering firm.

"I love seeing something go from a concept to reality," Hollenbeck said. "[The Nacimiento Water Project] is here to stay and we will get it built."



The Tribune
17 May 2006

MY FIRST JOB: SLO MAYOR DAVE ROMERO



TRIBUNE PHOTO BY JAYSON MELLON

Mayor Dave Romero worked in the San Luis Obispo Public Works Department for 36 years before resigning to run for City Council in 1992, and he has served as mayor since 2002. Before all that, he delivered newspapers in New Mexico.

Early-morning lessons still deliver

'You had to be responsible. If you don't get up every morning, regardless of circumstances, you got a lot of complaints. I was also responsible to collect the money to pay the bills.'
Dave Romero

By DAWN RAPP
drapp@thetribunenews.com

San Luis Obispo Mayor Dave Romero may have had a different career if he had been slightly taller. When he graduated from high school, he was recruited to fly for the Naval Reserve, but at 5 feet 6 inches, Romero was considered too short to fly.

"It was a blow when I wasn't tall enough," he said. "But in retrospect, it may have been a good thing."

Instead, Romero, who's worked for the city of San Luis Obispo for 50 years, majored in civil engineering at the University of New Mexico. He then spent four years as an officer at the U.S. Coast and Geodetic Survey (now known as the National Oceanic and Atmospheric Administration)

making maps of U.S. coastlines. But the constant moves were not conducive to raising a family, so he resigned and got a job as a civil engineer in Los Angeles. A year later, he applied for a position as city engineer/public works director for the city of San Luis Obispo. Romero worked in the Public Works Department for 36 years before resigning to run for City Council in 1992.

He has been mayor since 2002. But long before his days as mayor, Romero's first job was as a paper boy in New Mexico.

What was your first job and how old were you?
I was a newspaper carrier for four years in Albuquerque. I had two routes — a couple in the morning and a couple in the af

DAVE ROMERO
Age: 77
Current position: Mayor of San Luis Obispo
Residence: San Luis Obispo
Place of birth: Detroit

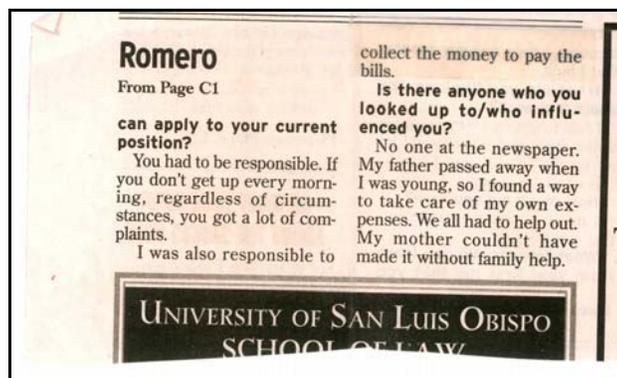
ternoon. I rode a motor scooter that I built.

What did you like/not like about the work?
I had to get up every morning in the dark, and there would be ice on the streets, and I had to collect all the money.

How much did you earn?
I made a penny a paper, but that was enough.

What lessons did you learn from your first job that you
Please see ROMERO, C2





The SLO Co Tribune
29 June 2006

SLO TAPS RESIDENTS TO FUND PIPELINE

1/2

NWP File A.8

Sewer bill clears first committee

Legislators OK shifting control of the project from Osos to county

By ABRAHAM HYATT
ahyatt@thetribunenews.com

A bill that would allow the county to take over the contentious Los Osos sewer project took its first step through the Legislature on Wednesday. Officials from the county and Los Osos who traveled to the capital applauded passage of the legislation through one of two committees it must clear before reaching the floor of the Assembly and state Senate for final votes.

Should the bill be approved in both houses, Assemblyman Sam Blakeslee, R-San Luis Obispo, its author, said it could end up on Gov. Arnold Schwarzenegger's desk for his signature by Sept. 1.

Multiple groups, including the Sierra Club, Los Osos citizens group Taxpayers Watch, and officials from the county Board of Supervisors and the Los Osos Community Services District, voiced support for the bill at the hearing.

An addition made during the hearing — which was backed by both district board member Julie Tacker and county Supervisor Shirley Bianchi — would also give the county the option of providing sewer service and other water quality assistance to the entire town, rather than only the portion targeted by state water quality regulators.

"I was absolutely ecstatic," Bianchi said of the addition. "They (Los Osos residents) all contribute to the (water quality) problem, so the entire community needs to be involved in a solution."

Tacker said the district plans to review the bill with residents at a July 6 forum.

Blakeslee's legislation would give the county control over the project's design, construction and initial operation, solve funding and regulatory concerns, and protect taxpayers county-wide from sewer construction costs and liability for the Los Osos district's estimated \$40 million in debts and 17 lawsuits.

Visit sanluisobispo.com to

SLO WATER RATES

SLO bills on the rise

The City Council has approved an immediate 12 percent water rate increase to help pay for the Nacimiento Lake pipeline. It has also received a report from staff predicting water rates will need to increase from 9 to 12 percent annually over the next five years. Here's a look at how the bill for 1,000 cubic feet (7,480 gallons) of water would rise over that time:

2006*	\$36.96
2007	\$41.40
2008	\$45.95
2009	\$50.90
2010	\$55.99
2011	\$61.31

*Approved; other years based on projections.

NACIMIENTO WATER

Who's getting how much

Four SLO County communities are signed on to use some of the 15,750 acre-feet of water available from Nacimiento Lake:

San Luis Obispo	3,380
Paso Robles	4,000
Atascadero	2,000
Templeton	250

SOURCES: City of SLO Water Use Report and Nacimiento project manager John Hollenbeck

Water rates will rise 12 percent starting Saturday then increase annually until 2012 as the city pays for its take from Nacimiento Lake

By SALLY CONNELL
sconnell@thetribunenews.com

San Luis Obispo residents will see water rates increase 12 percent starting Saturday, and city staff predict rates will almost double by 2012 to help pay for the city's share of the Nacimiento Lake pipeline project.

An average household of four will see monthly rates rise to \$37 from \$33 after action taken by the City Council last week.

The city is also planning to bill for water on a monthly basis instead of bimonthly as it does now, according to water division manager Gary Henderson. An unrelated 10 percent sewer rate increase also takes effect Saturday.

Henderson said some of the increase in water rates is linked to renovations planned for the water treatment system.

The Nacimiento Water Project is planned as a 45-mile-long pipeline that starts at the North County lake and meanders through Camp Roberts, then southward on the east side of the Salinas River before veering to San Luis Obispo. The original cost of the project was expected to be \$150 million, but Nacimiento project manager John Hollenbeck is predicting the pipeline could cost \$180 million by the time it is completed in 2010 because of growing construction costs. Construction is set to begin next year.

In addition to San Luis Obispo, the cities of Paso Robles, Templeton and Atascadero have signed on to the project, Hollenbeck said.

Nacimiento Lake was built by Monterey County in 1957, but since it is within San Luis Obispo County, local communities have been entitled to 17,500 acre-feet of its water annually. Ten percent of that is set aside for lakeside use, but the other 15,750 is available to local communities. The pipeline will be the first time area

Please see WATER, A7

MOREONLINE

Go to sanluisobispo.com to see a map of the latest Nacimiento Water Project route and to share your comments on this story.



Water

From Page A1

towns tap into the lake's water.

Different communities and developers use different figures for how many families are served by an acre-foot of water, equivalent to covering an acre of land with water one foot deep. Henderson said city staff believes one acre-foot can serve three homes for a year.

Rate higher than expected

The rate adopted by the San Luis Obispo City Council last week was higher than expected. A year ago the council adopted an 8 percent water rate increase for 2005, and another 8 percent increase to take effect Saturday.

But last week, the council changed the new increase to 12 percent.

Mayor Dave Romero broke the tie vote on the issue by telephone from his hospital bed as he awaited emergency gall bladder surgery. He is recovering and has been back at his of-

fice two hours a day this week.

Romero joined council members Paul Brown and John Ewan in voting for the increase, while Christine Mulholland and Allen Settle dissented. At an earlier meeting, the rate increase had been stymied in a 2-2 tie because of Ewan's absence.

"I think the Nacimiento pipeline project will prove to be the finest thing this council will have ever done," Romero said, adding that the city needs to be prepared for the future.

Mulholland opposes using Nacimiento Lake water because she believes the city has enough supply from all of its sources, and she worries the new water could induce more growth. Rates are already higher than the 4 percent to 5 percent originally planned, and she predicts costs for constructing the pipeline will continue to rise.

"What it's going to cost the city and its residents for that water when it actually comes down the line, I don't think it's worth it," she said. "I would

prefer we remain a small town and live within our means."

One of three sources

Besides Nacimiento, San Luis Obispo depends on Santa Margarita Lake and Whale Rock Reservoir for most of its supplies.

The council also adopted a three-tier rate structure, with the highest water users paying the most for water.

In addition to the four communities planning to use Nacimiento, one of the small water companies serving Cayucos is looking into using a small share of the project's allotment, according to Paavo Ogren, the county's deputy director of public works.

A pipeline spur would be too costly for the small beach town, Ogren said, but the tentative plan calls for Cayucos to trade water with San Luis Obispo.

"The Nacimiento water would be delivered to San Luis Obispo by pipeline, and an equal amount would be released to Cayucos from Whale Rock," Ogren said.



HOME CONSTRUCTION: SUPPLY, DEMAND AND GLOBAL ECONOMICS



ASPHALT PAVING: Workers fill in a utility ditch with asphalt at the Dove Creek housing development in Atascadero on Thursday. Eighteen months ago, contractors bought asphalt for \$28 a ton. Today, it costs \$53 to \$55 a ton.

TRIBUNE PHOTOS BY JOE JOHNSTON

Developers hammered by rising material prices

Surging world-wide demand for essential items hurts an industry already reeling from rising mortgage interest rates

Editor's note: This is the third story in an occasional series about the county's housing market.

By JULIE LYNEM
jlynem@thetribunenews.com

On any given day, construction crews from Nipomo to San Miguel can be seen pouring cement, laying asphalt and installing drywall and copper piping at residential and commercial projects.

But in recent years, the cost of building has increased, and that's due in large part to a significant jump in the price of materials.

The cost of cement, underground piping, steel, rock, sand and products made with oil or plastics have gone up considerably, said Chris Bowley, manager for Centex Homes, which has projects in Paso Robles, Atascadero, Nipomo and San Luis Obispo. Some materials have increased as much as 50 percent to 100 percent on the Central Coast, he said.

The soaring prices are a reflection of a demand for resources locally and in the global marketplace. Much of that demand, say builders and suppliers, is being driven by last year's Gulf Coast hurricanes — which destroyed thousands of homes and shut down production and distribution of building materials — as well as competition for



COPPER AND GOLD: Cost of copper pipes is rising. There's about 440 pounds in a 2,100-square-foot home. These are at Dove Creek in Atascadero.

'What this means is that we make less money per house. But we can't pass it down because we're in a slowing market.'

Dennis Moresco, founder of Midland Pacific Building Corp.

resources from rapidly developing countries like China. For example, China uses more than a third of the world's cement, according to a report from the National Association of Homebuilders.

The rising cost of oil, which petroleum analysts expect to reach \$80 a barrel by the end of the year (light crude

set an intraday record of \$75.78 on Friday before settling at \$74.09, down \$1.05), is also partly to blame, industry officials say. Oil is used in a variety of building materials.

In May, the producer price index — the selling price received by domestic producers of goods — of gypsum, a component of wallboard, rose 26.4 percent compared to the same month in 2005. Plastic construction materials jumped 18 percent, cement rose nearly 15 percent, and copper and brass products increased 86.9 percent from the same period a year ago.

At the start of the year, copper was a little over \$2 a pound. By the end of April, it was about \$3.30 a pound, according to the National Association of Home Builders. There are about 440

Please see CONSTRUCTION, C2



Construction

From Page C1

pounds of copper in a new, 2,100-square-foot single-family home.

"Everything is going up ... it's going up a lot faster than inflation," said Leslie Halls, executive director of the San Luis Obispo County Builders Exchange. "You look at rebar and steel, it has tripled in cost from last year."

Bob Kober, spokesman for Union Asphalt, a Santa Maria-based firm with projects in San Luis Obispo County, said the cost of some of the company's raw materials, including cement, have nearly doubled in the past year.

A year and a half ago, contractors could buy asphalt for \$28 a ton. Now, it costs \$53 to \$55 a ton, said Kober, noting that more increases are on the way.

Ripples from rising prices

The rising cost of building materials not only poses a challenge for those who make and supply products. Builders and consumers are also affected by price fluctuations.

Dennis Moresco, founder of Midland Pacific Building Corp., which has housing projects throughout the county, said contractors pass on the materials' costs to his firm. If his company is not pressed for time on a project, Moresco said he can put it out for a bid. If a project is urgent, then he says they "eat the increase or work with the contractor to lessen the burden."

"What this means is that we make less money per house," Moresco said. "But we can't pass it down because we're in a slowing market. You can't really raise your prices because it costs you more. If you need to sell, you just have to tighten your belt and explore other alternatives. When that starts happening, suppliers' sales diminish, and they drop their prices to fall in line."

In the meantime, some suppliers say the costs will continue to rise. Steve Grosslight, vice president and Western regional manager for Ferguson



CONCRETE SIDEWALKS: Workers pour cement as part of a gutter system at Dove Creek in Atascadero. The rising price of cement is a reflection of global demand. China uses more than a third of the world's cement, a trade organization reports.

TRIBUNE PHOTOS BY JOE JOHNSTON

Enterprises, a national distributor of plumbing supplies, said copper piping, which is used for faucets and other fixtures, has been the costliest product, doubling in the past six months.

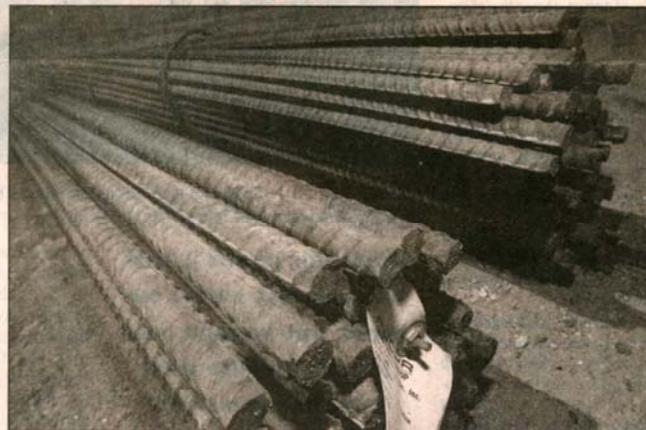
"At the end of the day, all commodities have gone up, which has put increasing pressure on the cost of the total home," he said.

Development slows

While local builders and industry officials say the increased costs have not resulted in project cancellations, they acknowledge that it is one of many factors leading to delays, and a slowdown in residential and commercial development.

"We could absorb those kinds of things, but now with interest rates rising, we can't absorb them anymore to the same extent," said Jerry Bunin, legislative affairs director of the Home Builders Association of the Central Coast.

There were 732 residential building permits issued for the



STEEL: The cost of rebar has gone up considerably, says Chris Bowley of Centex Homes. Here, stacks of rebar await use in concrete foundations and retaining walls at Dove Creek.

first five months of the year, he said. Last year, 745 homes were issued over the same period. This is the fourth year they've gone down, said Bunin, noting that labor costs and impact fees charged by local governments also play a role.

"It was to the point where homes sold before construc-

tion started," Bunin said. "Now, builders are not starting any new homes until the homes that are built are sold."

Bowley of Centex Homes said the company is not nixing any current projects. Centex, however, isn't taking on any new developments that would require buying new pieces of land. In the short term, the

firm is also looking at going outside the local market for materials and keeping a close eye on costs.

"The stuff we already have going on ... we're not stopping now," said Bowley, who believes that it's a matter of time before the market corrects itself. "It just hurts us more, so we don't want to do that."





Nacimiento

From Page A1

build a pipe from Nacimiento to Templeton. But voters rejected a \$12 million bond in 1962 that would have paid for that project.

In the late 1990s, as many as 16 local agencies considered taking part in a pipeline project for a share of the water. That incarnation of the project fell apart, though, over North County communities' concerns that the proposed pipeline route would have gone through the centers of their respective towns.

Paso Robles and San Luis Obispo officials began talking again in 2000, and the project was reborn.

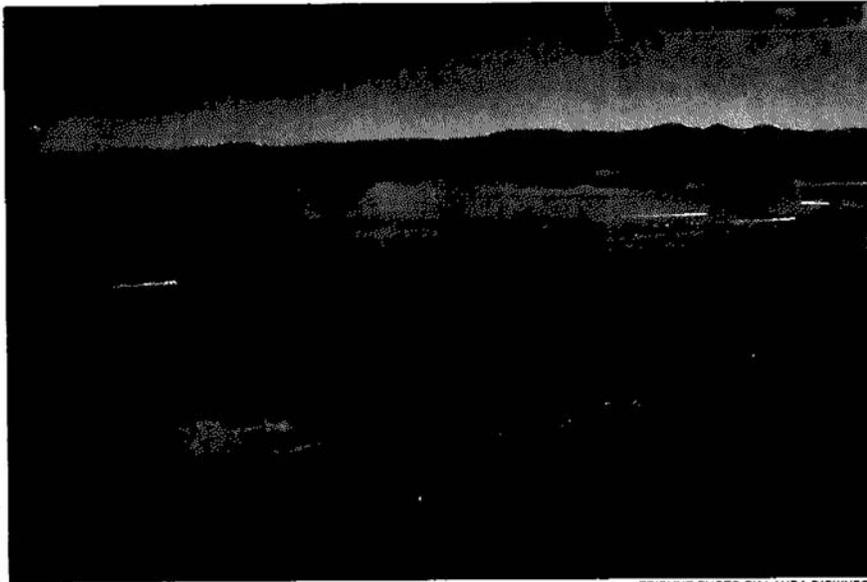
Today there are five agencies taking part: San Luis Obispo, Paso Robles, Templeton Community Services District, Atascadero Mutual Water Co. and County Service Area 10a serving Cayucos.

The current proposal calls for a 45-mile-long pipeline starting at the lake and meandering through Camp Roberts before it heads south on the east side of the Salinas River to San Luis Obispo.

It would end at the water treatment facility in San Luis Obispo. Completion is expected sometime between 2010 and 2012.

Cayucos' participation in the project is different from the other participants, which will receive their allotment of water along the pipeline's path.

A spur to Cayucos would be too expensive to construct, but Cayucos and the city of San Luis Obispo have worked out a water trade. Cayucos will receive water from the San Luis Obispo-run Whale Rock Reser-



TRIBUNE PHOTO BY LAURA DICKINSON

A 1959 Nacimiento Lake agreement guarantees non-lakeside communities in San Luis Obispo County rights to more than 15,000 acre-feet of water a year.

voir, and San Luis Obispo will get an equal amount of water from the pipeline.

"All the participants are still in, happily still in," Hollenbeck said. "This is the next water supply in their water portfolio."

There is still a chance for any of those participants to bow out, though, should the cost of the project go too high. Hollenbeck said planners will estimate how much the entire project might cost once they have bids in hand for 30 percent of the construction. The participants will then have 30 days to decide whether they still want to take part.

Communities such as San Miguel and Cambria, as well as South County towns, had explored participating in the pipeline but dropped out because they found it cost-prohib-

itive.

The current proposal is undergoing environmental review, and negotiations with property owners along the route are under way.

When it has environmental permits, the project will go before the county Board of Supervisors for final permits, probably in May, and out to bid soon after, Hollenbeck said.

"We should start opening bids in the middle of June," he said.

Paso Robles will pay for 39 percent of the pipeline; San Luis Obispo, 33 percent; Atascadero, 19 percent; and the remainder will be split between Templeton and Cayucos, said Mike Compton, Paso Robles' finance manager.

Several of the agencies have already increased their water

rates in anticipation of the project's cost.

The San Luis Obispo City Council voted 3-2 in June 2006 to help pay for the city's share of the pipeline. And Paso Robles adopted its own plan in 2005 to raise water rates annually to help finance its portion of the project, doubling rates by 2010.

Atascadero Mutual Water Co. raised water rates by 7 percent in 2005, said General Manager John Neil. Rates will go up an additional 10 percent when the pipeline goes in.

But Neil said Atascadero decided to make new development pay the entire capital costs associated with constructing the pipeline, in the form of higher water hookup fees, while existing users will only pay operational costs.



Nacimiento Water Project continues path 3-14-07 to completion

Ellen Holland

Atascadero News

Atascadero News

A \$160,000 contract with Hammer, Jewell and Associates to authorize the right-of-way acquisition along with access coordination services for the Nacimiento

Water Project was approved 3-0 by the San Luis Obispo County Board of Supervisors on March 6. Supervisors Harry Ovitt and Bruce Gibson were absent.

The project, which proposes pumping more than 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$185 million.

The board certified the project's environmental impact report on Jan. 6, 2004, the draft water supply contracts on Feb. 24, 2004 and agreements with initial participants, which included the cities of SLO and Paso Robles along with the Templeton Community Services District and Atascadero Mutual Water Company, on Aug. 17, 2004.

The community of Cayucos became the newest participant in the project when the board executed an agreement in October 2006. According to the project's staff report, the March 6 approval will result in a consistent dialogue with affected property owners and ensure the necessary rights-of-way for this project will be possessed by the time construction begins.

"This will facilitate the project, which will provide public facilities that ensure a safe, reliable water delivery system for participating communities within the county," the staff report read.

Project Manager John Hollenbeck said the pipeline is estimated to be complete by 2010.



SUNDAY, MAY 20, 2007

SAN LUIS OBISPO COUNTY, CALIF.

The Tribune

Pipeline project finally progresses

Nearly half a century in the making, the Nacimiento project is expected to be put up for bid Tuesday

BY DAVID SNEED
dsneed@thetribunenews.com

County supervisors are expected to put the \$190 million Nacimiento pipeline project up for bid Tuesday.

The move will take the project — which has been nearly a half-century in the making — into its construction phase, project manager John Hollenbeck said. If all goes well, water will begin flowing through the pipes in late 2010.

"It's a huge milestone," he said.

The vote to put the job up for bid is part of the board's consent agenda, which is reserved for noncontroversial items. Supervisors will only discuss it further if one of them asks to do so.

"The community as a whole judges it to be a positive piece of infrastructure," Hollenbeck said.

The project is offered to contractors in four parts. Bids will be opened from July 12 to Aug. 2.

Getting multiple construction firms to bid on the work is key in keeping the project within cost estimates, Hollenbeck said. The estimated price tag has already risen by about \$5 million in recent months.

That jump is because of an increase in the cost of pipes. Purchasing pipes is the biggest expense, and even a small jump in materials costs can raise the price tag.

In 1959, San Luis Obispo County struck a deal with Monterey County to purchase 15,750 acre-feet of water per year from Nacimiento Lake.

Over the decades, previous efforts to build a pipeline to tap into that resource have failed.

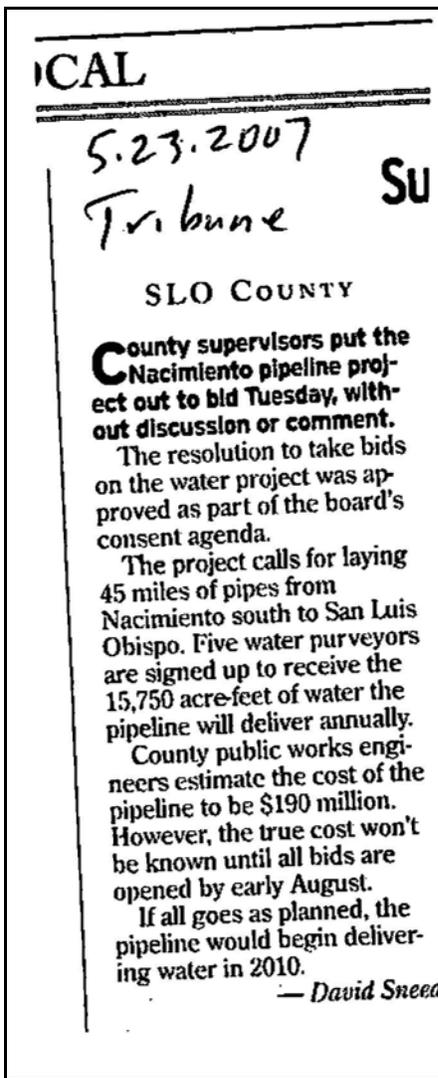
The current project calls for 45 miles of pipeline to be built to convey the water as far south as San Luis Obispo. Those entities signed up to receive water from the project are Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, San Luis Obispo and a county service area covering Cayucos.

The pipeline will run through Camp Roberts along Nacimiento to Lake Drive to Highway 101. The line will then turn south and run mostly on the east side of the Salinas River, down the Cuesta Grade and end at the water treatment plant in San Luis Obispo.

Reach David Sneed at 781-7930.

MORE ONLINE
Read the staff report on the bid contract at sanluisobispo.com.





Nacimiento pipeline

goes out to bid

Atascadero News 5-25-07
Ellen Holland
STAFF WRITER

The San Luis Obispo Board of Supervisors unanimously approved advertising portions of the nearly \$190 million Nacimiento Water Project to construction companies for competitive bids on Tuesday.

"It's a huge milestone for this project," Project Manager John Hollenbeck said of the effort that began in 1991 after a similar proposal failed in 1972.

The project, which proposes pumping more than 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, was initially estimated to cost \$150 million. Hollenbeck said the price of the pipeline has risen because of escalating construction costs, which have been on a steep incline since the project's initial cost esti-

mates two years ago.

"My goal is yes, we will stay on that or below," he said when asked if he estimates the project will remain at \$190 million. "We may be over budget, but we're on time, we're on schedule."

The construction contracts for the project were divided into five parts, which will be staggered as to the dates they open for bidding beginning on July 12. The supervisors approved advertising four of these parts on Tuesday and the fifth contract is set to go before the board on June 12.

"We have done a contractor outreach over several months," Hollenbeck said of the time the SLO County Flood Control and Water Conservation District has spent telling others about its projects terms and conditions. "By staggering [the bid openings] I continue the

See PIPELINE, A2

PIPELINE

Continued from A1

competition all the way through the project."

Once contractors are chosen the project costs must be reported to participants. Beginning on July 25 participants, which include the cities of Atascadero, Paso Robles, San Luis Obispo, SLO County, Templeton Community Services District and Atascadero Mutual Water Company, will have 30 days to "opt out" of the project based on the rise in cost.

"They've been advised of the cost at each of our commission meetings," Hollenbeck said. "They're all in support of the project."

AMWC, which will utilize supplemental water for the first time, has currently been allocated approximately 21 percent of the project, or 2,000 acre-feet of water per year. However, this figure may change, as the entire project has not been allocated yet.

"We are still considering participating in the project even

at that higher level of cost," said AMWC General Manager John Neil, stating that the board, which has been apprised of the project costs since the project's beginnings, will make a final decision in August.

Neil said costs for AMWC portion of the project, initially estimated at \$31.5 million, have risen to \$36 million and while most of the AMWC's project costs will come from connection fees associated with new developments the operating costs will be paid by all shareholders.

In 2004, an AMWC net rate-increase of approximately 13 percent was approved and became effective in February 2005. Of that percentage, approximately half went to Nacimiento Water Project reserves and it is anticipated that in 2009, rates will be raised another 10 percent to cover the operations and maintenance of the pipeline, Neil said.

Hollenbeck said he plans to break ground on the pipeline in October with a 2010 completion.



SEE RECALL, A3

Nacimiento pipeline goes out to bid

Ellen Holland
STAFF WRITER

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Atascadero News
5.25.07

See PIPELINE, A2



PIPELINE

Continued from A1

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“We are still considering participating in the project even at that higher level of cost,” said AMWC General Manager John Neil, stating that the board, which has been apprised of the project costs since the project’s beginnings, will make a final decision in August.

Neil said costs for AWMC portion of the project, initially estimated at \$31.5 million, have risen to \$36 million and while most of the AMWC’s project costs will come from connection fees associated with new developments the operating costs will be paid by all shareholders.

In 2004, an AMWC net rate-increase of approximately 13 percent was approved and became effective in February 2005. Of that percentage, approximately half went to Nacimiento Water Project reserves and it is anticipated that in 2009, rates will be raised another 10 percent to cover the operations and maintenance of the pipeline, Neil said.

Hollenbeck said he plans to break ground on the pipeline in October with a 2010 completion.

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Newspaper of the Central Coast • SanLuisObispo.com

THE TRIBUNE

50¢

SATURDAY, JUNE 2, 2007

SAN LUIS OBISPO COUNTY, CALIFORNIA

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DARE PROGRAM | IN BIZ BUZZ, C1

SLO JUST SAYS NO TO GAS GUZZLER



THIS SUMMER'S FINAL SHOWS ANNOUNCED | IN LOCAL, B1

FAIR'S GOT STEVIE NICKS

FLEETWOOD MAC SINGER AND THE BANGLES ARE AMONG ACTS CONFIRMED

LATEST ESTIMATE FOR NACIMIENTO WATER PROJECT: \$190 MILLION

Pipeline partners hang in despite costs

By DAVID SNEED
dsneed@tribunenews.com

The four major players in the proposed Nacimiento water pipeline project say they're likely to stick with it, even as current cost estimates have ballooned to \$190 million. They're maintaining their support for the project despite an escape clause in their con-

SLO, Paso, Templeton and Atascadero say they're counting on the lake as an important water source

tracts that allows them to walk away if the price goes above \$150 million.

The project's manager recently notified the four main water purveyors involved in the pipeline that the latest cost

DOCUMENTSONLINE

See the Nacimiento pipeline project status report at sanluisobispo.com.

Robles and San Luis Obispo as well as the boards of directors of the Templeton Community Services District and the Atascadero Mutual Water Co. have meetings scheduled

in August to consider the opt-out question.

"It is my intention to and I anticipate that I will encourage us to stay with the project, primarily because it's a reliable source of water for the district," said Bill Van Orden, general manager with the Templeton services district.

The project calls for 75 miles

of pipeline to be laid from Nacimiento Lake in the northwestern part of the county to San Luis Obispo. If built as planned, the project would begin delivering 15,750 acre-feet of water in late 2010.

An acre-foot of water is about enough to supply a household

See NACIMIENTO, Back Page



NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

News Source: The Tribune, San Luis Obispo County

Date: June 2, 2007

2 PAGE

SATURDAY, JUNE 2, 2007

Nacimiento

From Page A1

of five for a year.

Long-planned project

Monterey County built the dam at Nacimiento Lake in the 1950s. As part of the agreement to build it in this county, Monterey officials agreed to give San Luis Obispo County rights to some water from the lake.

The idea of a pipeline to bring that water to cities and other agencies in San Luis Obispo County has been proposed for decades. After several false starts, the county — with the agreement of the four major agencies that would take water from the lake — has planned a pipeline and is taking bids for construction.

Late last week, the county put the bulk of the contracts out to bid with staggered deadlines from July 12 to Aug. 19. Enough of those bids will have been opened by July 25 to know for sure whether the price will actually exceed \$150 million.

A 30-day opt-out period will begin that day and end Aug. 24, said John Hollenbeck, project manager.

"We will know the apparent low bidders before the opt-out period closes," he said. "This

'I would recommend moving ahead with the project.

We have no other options for a new water supply.'

John Moss, SLO utilities director

will give the participants enough time to make informed business decisions."

Large multi-agency public works projects sometimes have cost thresholds as a way for participants to get out of the project if bids substantially exceed engineers' estimates. Bids for a controversial sewer system in Los Osos came in double the estimates, and that was one reason a subsequent community services district board abandoned the project.

Rising costs

The water purveyors involved in the Nacimiento pipeline said it is not surprising that the project will exceed the opt-out threshold. Rising construction and materials costs have caused many projects statewide to exceed estimates.

Paso Robles has enough money budgeted to afford the project if it stays below \$200 million, said Doug Monn, the city's public works director. In spite of the increases, the benefits of the project still out-

weigh the cost, said Paso Robles Mayor Frank Mecham.

"The City Council has been very supportive of the project all along," he said. "If we are thinking in the long term, I think we will continue to support it."

Similarly, Atascadero Mutual Water Co. General Manager John Neil has been tracking the cost increases and advising his board of directors.

"They will strongly consider continuing with the project at the estimated \$190 million," Neil said.

Another reason to stick with the project is the substantial investment the participants have already made to design the pipeline. For example, San Luis Obispo has already paid \$6.6 million in non-refundable design fees and has requested 3,380 acre-feet of water per year.

"I would recommend moving ahead with the project," said John Moss, San Luis Obispo utilities director. "We have no other options for a new water supply."

In the unlikely event that the bids come in below \$150 million, the participants will have no way to opt out, Moss said.

MORE IN LOCAL

State water: Pump shutdown won't hurt Central Coast. Page B1



Atascadero News 6.20.2007

Van Orden retires from TCSD

Katherine Boxer takes over

*Anne Quinn
STAFF WRITER*

Templeton Community Services District general manager Bill Van Orden is retiring July 1 after providing 15 years of leadership to the growing community.

Van Orden's wife Patti, a former San Luis Obispo Superior Court clerk, retired two years ago but Van Orden admitted that he loves his work too much to hang up his hat hastily.

When the TCSD board faced large issues, such as preparing a bid request for the plant expansion that will double Templeton's waste water treatment capacity from 300,000 gallons to 600,000 gallons and implementation of its new storage lines pressure system to boost water pressure for the entire west side, Van Orden was asked to stay on a few extra years to shepherd these projects and it wasn't that hard of a sell.

But while administrative challenges attracted Van Orden's consideration for a while longer, competition for his attention, in the form of four grandchildren was growing. While one "grand" lives here locally, the others live in Portland, Ore. and frequent visits up there figure prominently in his retirement plans. He and Patti also look forward to traveling more. Last year they took the grandchildren on a cruise to Alaska. While scenic it was a bit too cold for the young teenagers and so this year the couple decided to treat everyone to a Mexican cruise.

Van Orden served as city manager for Willits in Northern California before taking over the helm in Templeton. When he applied for the TCSD general manager position 15 years ago, he never dreamed he'd be competing for the job with the mayor of the city where he was manager. Graciously the TCSD board took all the applicants and their wives to dinner to get to know them better and, when Van Orden walked into the restaurant, he saw the mayor of Willits sitting at the table.

"It worked out fine," he said. Having worked in both Northern California and Southern California (he also worked for the municipal water district), the Van Ordens

had traveled through the Central Coast often enough to fall in love with it and promised themselves that if an opportunity arose here, they'd take it.

During his 15-year tenure, many facilities were added to the district. When Van Orden first came to Templeton, the fire station, run by the California Department of Forestry and Fire, paid no rent yet the CSD office paid rent for a storefront downtown.

"I said, 'why don't we just put everything together in one place? We're the kind of agency that if you need to get sewer or water hookups, you'll find us,'" Van Orden said.

The result was the attractive building that comfortably accommodates both.

A large bequest to the community provided funds to build a new community center and the skate park. Van Orden oversaw those projects.

While Templeton has grown, infrastructure has been able to keep pace.

"I am proud of putting the community on a firm financial basis to the point that we have had a very limited number of rate increases and the district continues to remain solvent," Van Orden said. "I'm also proud of the improvements we've made that wouldn't be possible without being on a firm financial footing."

Challenges he sees facing Templeton in the future include the need to provide a reliable water source until the Nacimiento water project comes on line.

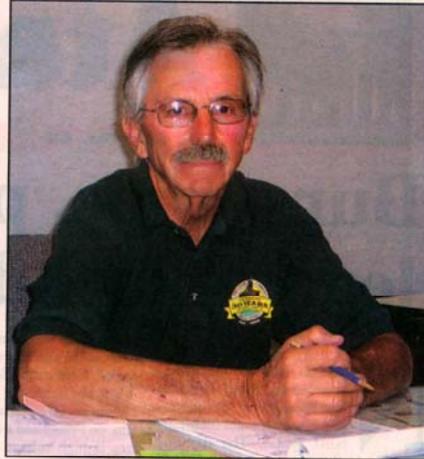
"We reserved 250 acre feet but I foresee they will be adding to that in the future," he said.

When asked what's Templeton's biggest challenge, Van Orden quickly answers.

"Having growth yet maintaining the small town character. I think Templetonians have come to expect that," he said.

That is a challenge he hands to his successor, Katherine Boxer, who is familiar with the Central Coast but is moving here from Oregon.

Van Orden was asked to stay on and help her become oriented and he said yes. He's not one to hang up his hat hastily.



BILL VAN ORDEN



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Art Benny, Atascadero

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Sunday Evening

June 24th @ 6:00 pm

Prayer-Worship-Fellowship-Food

Sponsored by the Atascadero Ministerial Association

WEATHER:



NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

News Source: Atascadero News

Date: June 20, 2007

VOICES

Letters and commentary from the Central Coast and beyond

SANLUISOBISPO.COM

MONDAY, JULY 16, 2007

THE TRIBUNE B5

VIEWPOINT

SLO's future depends on pipeline water

By DAVE ROMERO

Our City Council is making a series of decisions to ensure that our city has an adequate and reliable water supply to meet our needs and the needs of our children and grandchildren. In my opinion, these actions are the most important that any city council has taken since I first became elected almost 15 years ago. A good quality of life is simply not achievable without adequate water.

Other than reclaimed wastewater and some small wells, the Nacimiento supply will be our first new water source since Whale Rock Dam was built more than 40 years ago. Every new source costs more than the last and makes us grateful that those who came before had the foresight to make the tough decisions. We dare not let this opportunity pass us by.

Mayor addresses concerns about the costs of Nacimiento project

True, water isn't free. It costs money to meet all federal and state health standards and have sufficient supplies, storage and piping to meet all the diverse demands (including enough flow to fight fires). Like everyone else, we experience ever-increasing costs for necessities such as electricity, materials and treatment chemicals. Old tanks, pumps and pipelines must be replaced, too. However, we also constantly look for ways to cut costs, such as operating the treatment plant at night, when electric rates are lower. And all things considered, we offer a good bargain.

We used to say that "water is dirt cheap." It isn't anymore. At \$1.32 a ton with our new rate increases, it might actually be cheaper than dirt! And consider this: In five years, after rate increases recently approved,

our rates have been increased to pay for Nacimiento water and other long-term system improvements, the average customer will pay less than one penny a gallon for city water — water that we capture, store, transfer, treat, distribute and deliver to your home on demand 24/7. Compare that to the water you buy at the grocery store (in those environmentally unfriendly bottles, no less).

And here's another cost consideration: Because of the change to volume-based sewer rates, for many smaller families with little or no outside landscape watering, the total water and sewer bill will be reduced rather than increased. The sewer bill for my wife and me will be \$10.36 less per month, just about equaling the total of the combined water and sewer rate increases recently approved. The

Some residents are concerned that growth may not be paying its fair share of the new water supply. The city water rate structure calls for all new water system connections to pay \$15,000 per house (more for other nonresidential uses). New development is indeed paying its fair share. Let's also not forget that we need added housing supply in our community to serve those children and grandchildren I mentioned earlier.

We live in an area subject to drought, and as we know from our history, there will be droughts in our future. There were severe droughts in the 1800s, and in the late 1980s and early 1990s the community virtually dried up — even with mandatory, drastic and expensive conservation measures. We certainly do not want to relive those days. The

cities participating in the Nacimiento Pipeline Project will have first rights to Nacimiento water, even in low rainfall years. The pipeline also will provide security should either of our current supplies, Whale Rock Dam or Salinas Dam, be taken out of service for an extended period of time because of an earthquake or perhaps a seismic retrofit.

As a member of the Nacimiento Project Commission since it started, I have been extremely pleased by the wonderful cooperation among all the partners, and the management and the engineering of the project has been outstanding. This is a once in a lifetime opportunity to resolve our water supply needs. We may never see another. Many generations who follow us in SLO town will be grateful.

Dave Romero is mayor of San Luis Obispo.



SANLUISOBISPO.COM

6-22-07
PHIL DIRKX
OVER THE HILL



Despite price rise, pipeline is a good idea

My column last Friday made me smug. I figured I had answered all possible doubts about Paso Robles' partnership in the Nacimiento pipeline project.

I said that rainfall around here is sometimes downright pitiful. So Paso Robles needs the 4,000 acre-feet of reliable water the Nacimiento project will deliver to it each year.

Sure it'll raise our water bills; our monthly bills will grow by \$12 every year until 2010. By then, we'll be paying an extra \$60 per month for the Nacimiento project. But I figured the \$60 price increase would make us respect our water more and waste it less.

Then Don Freeman of Paso Robles called me Friday and punctured my smugness. He said the \$60 increase would actually discourage conservation because it was a flat charge and not based on how much water we use.

I tried to defend my theory about the increased price boosting our respect for water, but in my heart I knew he was right. If you're charged \$60 more a month — no matter how much water you use — you'll probably look for ways to waste it.

He also said he understands that the \$60 increase will be the same for every water user, whether big or small. A 50-room hotel would pay no more than a widow living on Social Security.

I couldn't believe that was true. So I called Mike Compton, Paso Robles' director of administrative services. He said it is true — the charge would be the same for every water meter no matter how much water it uses.

He said that was necessary to satisfy the credit-rating agencies. They will be rating Paso Robles' ability to pay back any money it borrows for the Nacimiento project. The project may cost Paso Robles \$65 million.

The city has to show it can collect enough money to make the payments even if its water customers drastically cut their use. Compton also said that as soon as the project is operating the city plans to convert its Nacimiento charge to one based on the amount of water used. The less you use, the less you'll pay.

That would actually encourage conservation. It would also shift more of the cost to the larger users, such as 50-room hotels.

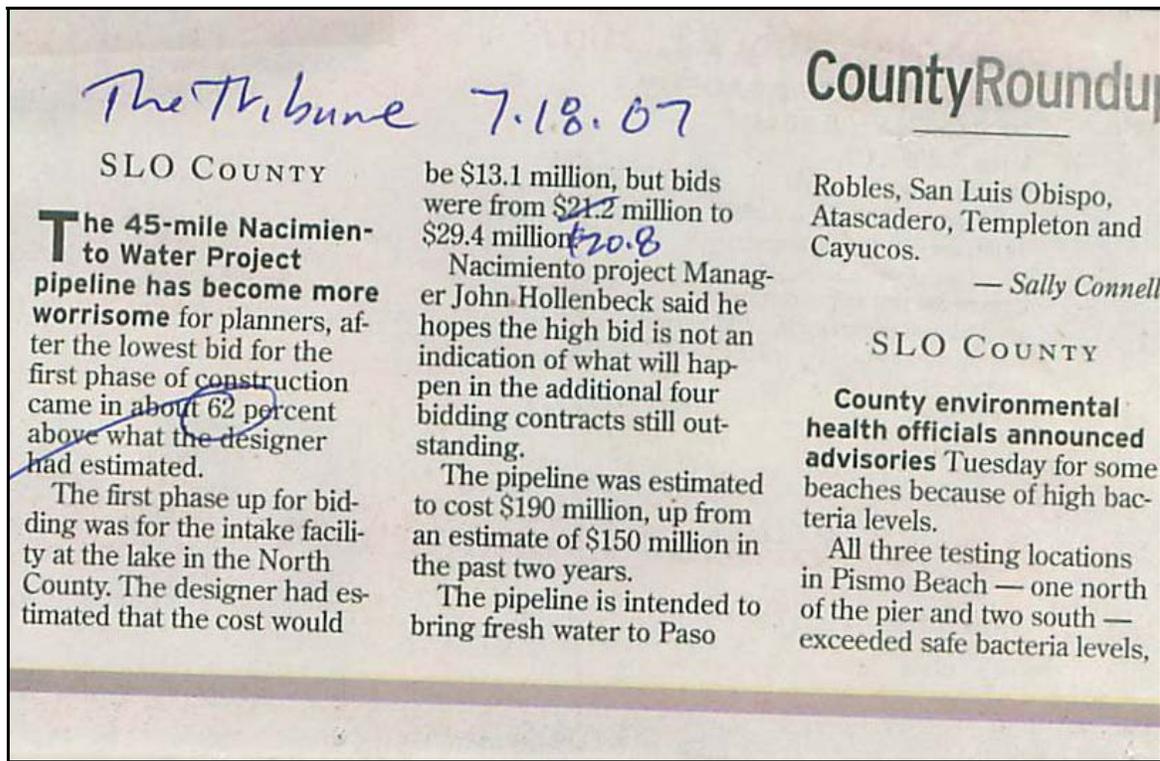
Compton also said the city is collecting at least 40 percent of the Nacimiento project's cost from new real estate developments. This is part of the connection fees they are charged. And the city will continue collecting the money after the pipeline starts operating.

Paso Robles also gets a bonus from the Nacimiento project. Nacimiento Lake water is soft. The city now relies entirely on well water that has a high mineral content. And most of those minerals, plus the salt from water softeners, pass through the city's sewage treatment plant and into the Salinas River. Last year, the state fined the city \$10,000 for too much salt in its treated sewage water.

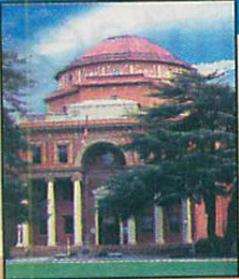
This week I am humbler and slightly wiser, but I still think the Nacimiento project is a good idea.

Reach Phil Dirkx at 238-2372 or pmdirtx@sbcglobal.net.





WEEKEND EDITION



Atascadero

Vol. 91 No. 58 July 20, 2007

AMWC representative discusses Nacimiento Pipeline project

Ellen Holland
STAFF WRITER

Faced with the daunting task of explaining the proposal for San Luis Obispo County's largest public works project, Atascadero Mutual Water Company general manager John Neil addressed changes in the Nacimiento Pipeline project at the Atascadero Chamber of Commerce Empower Hour Tuesday.

The project, which ultimately plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million, up from an initial \$150 million cost estimate.

In addition, the project's lowest bid for its first phase of construction, an intake facility at the lake, came in approximately 59 percent above what the designer had estimated. While the designer projected costs of the pipeline's first phase would be \$13.1 million bids came in between \$29.4 and \$20.8 million.

"[The project's first phase] has the highest risks associated with it," project manager John Hollenbeck said Wednesday.

Hollenbeck said he believed Thursday's bid for the north portion of the pipeline would be more in line with estimated costs. Information concerning Thursday's bid, which occurred in the late afternoon, was not available as of press time.

Neil, who began his presentation on Tuesday with an overview of the areas he would discuss, initially addressed the August 2002 findings of the Paso Robles Water Basin Study. The study revealed the Atascadero Subbasin, from which the AMWC acquires the entirety of its water supply, will exceed its safe annual yield in about 20 years. In addition, AMWC estimates the population it serves will reach approximately 36,711 by the year 2025.

Neil then went on to discuss the project's participants. AMWC is set to receive 2,000 acre-feet of water per year while the city of Paso Robles has signed on to receive 4,000 acre-feet. The city of San Luis Obispo is expected to receive 3,380 acre-feet, Templeton is set to receive 250 acre-feet and Cayucos has signed on to receive 25 acre-feet.

Since 1959, the year the dam at Nacimiento Lake was constructed, there have been four extended droughts. Neil said even in the drought years the pipeline project will ensure participants receive their allotted water entitlements. In addition water entitlements for participants will be addressed before those of the Monterey County Resource Authority. A master water agreement between San Luis Obispo and Monterey counties occurred when the dam was constructed and entitled SLO County to 17,500 acre-feet of water per year. All of this water has yet to be accounted for.

"Our entitlement is superior to their right," Neil said. "We get our water first."

The size of the pipeline will diminish as it travels south and, after subtracting 1,750 acre-feet allocated for the Heritage Ranch area, the pipeline's reserve capacity is "available to whoever steps up to the plate and pays for it," Neil said.

The project participants will have the first right of refusal.

"[The reserve capacity] is available to us if we want it," Neil said "The initial participants are going to have a stronger interest in the project than the participants that follow because we're taking all the risks right now."

Neil also spoke about the project's

See WATER, A3



WATER

Continued from A1

water quality and explained that mercury, leaking into the lake from two old mines via Tablas Creek, basically resides in the lake sediments. Exposure to mercury occurs when people eat fish from the lake, he said, noting water samples from Nacimiento show mercury levels are below maximum contaminant levels.

"Really mercury is not an issue," he said.

While recreation at the lake has remained a topic of debate, Neil explained that the lake normally contains about 156,000 acre-feet of water, a level that drops a few feet during years of low rainfall.

"When the lake is that low there's not a lot of recreation out there in the first place," Neil said.

Connection fees for new development will fund

AMWC's capital costs, or \$39 million.

"Our connection fees quadrupled in 2004," Neil said.

Paso Robles, on the other hand, will fund its capitol costs through a combination of funds acquired from new connection fees along with increasing water rates.

"Their existing customers are sharing in the cost of that," Neil said.

During the Empower Hour, Neil explained that a worst case scenario, meaning development stops completely and AMWC does not implement any other measures, would raise an AMWC shareholder's average rate of \$35 to \$45 per month.

"There is some risk; again it is a calculated risk," he said. "Right now the trends look good."

Regardless of the plan to fund capital costs through new developments, AMWC's rates

will increase to fund the operation and maintenance of the pipeline.

AMWC rates increased by 14 percent in 2005 and approximately half of these funds went toward the pipeline project.

A 10 to 15 percent rate increase is also expected in the near future, Neil said.

There are a total of five bid packages for the project, coming in between July 16 and Aug. 16, and the participants entitlement contract contains an "opt out" provision if the project costs more than \$150 million, a figure which it has already surpassed.

"We know the project is over \$150 million," Neil said stating the AMWC board will make a decision to remain a project partner on Aug. 8. "I would expect our board to continue with the project."

A draft environmental impact report for the project, which proposed the pipeline take a different route, was not adopted in the late 1990s. Another EIR with the pipeline's current alignment was adopted in January 2004. The notice to proceed with the project's construction is expected for October 2007 and the pipeline is expected to be complete by April 2010.

A benefit for the North County Women's Shoppers

Four Seasons Cooking...
with Friends



AMWC representative discusses Nacimiento Pipeline project

Ellen Holland
STAFF WRITER

Atascadero News 7-20-07

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A GOOD SIGN FOR THIRSTY COMMUNITIES

A SURPRISINGLY LOW BID ON A MAJOR CHUNK OF THE NACIMIENTO PIPELINE MAY HELP BRING THE WATER PROJECT CLOSER TO COMPLETION

Monterey County built Nacimiento Lake in 1957.
TRIBUNE FILE PHOTO

The Tribune 7.20.2007

By SALLY CONNELL
scconnell@thetribunenews.com

Key players in the plan to build the Nacimiento Water Project pipeline were in a celebratory mood Thursday after the construction bid for its largest phase came in 23 percent below estimates.

Thursday's low bid was a turnaround from one earlier in the week for a smaller portion of the project that came in 59 percent above the estimate.

INSIDE
Phil Dirks: Paso Robles are holding out hope for fairer water rates. **Page B1**

The earlier news had sent shivers through officials from the five municipalities financing the estimated \$190 million construction of the pipeline. They feared ballooning construction costs would force them to seek water rate increases beyond those they have already passed.

But they took the news of Thursday's lower bid as a sign that the elusive pipeline may finally get built after decades of fits and starts by communities in search of another water source.

While San Luis Obispo County has had the right to tap into

See NACIMIENTO, Back Page

Nacimiento pipeline update

The Nacimiento Water Project pipeline will run 45 miles from the Nacimiento Dam to the water treatment plant in San Luis Obispo.

Who's in? Paso Robles, San Luis Obispo, Atascadero Mutual Water Co., Templeton Community Services District and Cayucos Service Area 10.

How much? The cost is estimated at \$190 million, but a final price tag is still unknown.

TRIBUNE MAP



Nacimiento

From Page A1

Nacimiento Lake for fresh water since 1959, at least two major projects to build a pipeline have fallen apart over the decades.

'An excellent sign'

Thursday's upbeat news revolved around the opening of construction bids for the most expensive and longest portion of the proposed pipeline, from the lake to Paso Robles.

The designer estimated costs to build that 22-mile section at \$49.8 million, but the low bid from a Sacramento public works contractor came in at \$38.4 million.

"I take this as a big sign that it will be built," said an emphatic John Hollenbeck, Nacimiento project manager. "To me, this is an excellent sign."

Five communities are participating in the building and planning of the pipeline. They are Paso Robles, San Luis Obispo, Atascadero, Templeton and Cayucos, although Cayucos will get only a very small percentage of the water through an exchange planned with San Luis Obispo.

"I can breathe a little easier," said Paso Robles Mayor Frank Mecham, who de-

'I take this as a big sign that it will be built. To me, this is an excellent sign.'

John Hollenbeck, Nacimiento project manager

scribed pacing around the office with the city manager waiting for news on the bids. "But I can't breathe finally until this thing is done."

The pipeline project has been broken up into five construction portions, with separate bids on each.

"I'm overjoyed. It means that our future is secure," San Luis Obispo Mayor Dave Romero said after learning of Thursday's bid.

Romero has lobbied for years to see the pipeline built even as he has faced opposition from some in the city who worry that more water will mean more growth.

Many of those contacted noted that the savings on Thursday's bid will make up for the high cost of the intake facility at the lake — the bid that caused officials to worry earlier this week.

"So we're back on track right out of the gate," said John Neil, general manager of the Atascadero Mutual Water Co., a private company that provides water to residents of Atascadero and the unincorporated area surrounding it.

He and other water purveyors said the intake facility, on which only three contractors bid, is considerably more difficult to build than the pipeline.

Hollenbeck said he hopes the apparent low bidder on the northern end of the pipeline — Teichert Construction of Sacramento — will sharpen its pencils and bid aggressively on the other portions. He believes there could be some cost savings for a contractor already mobilized in the county for one portion of the pipeline.

Higher rates

Most of the participating municipalities have raised water rates or connection fees in anticipation of the cost associated with building the Nacimiento pipeline.

San Luis Obispo is expecting double-digit water rate increases each year, with rates expected to double by 2012.

Paso Robles — which now has a relatively low average rate of \$12 per month — anticipates a 400 percent increase to \$60 by 2010.

Atascadero Mutual has

raised water connection fees by 400 percent and increased monthly rates by 14 percent.

Observers following the day's activities were happy that they may not have to raise rates again.

"I'm sure my community will be happy about this," said San Luis Obispo Utilities Director John Moss, who attended the bid opening while he was on vacation because he was so nervous the bids might come in high.

Monterey County built Nacimiento Lake in 1957, and the subsequent water agreement entitled San Luis Obispo County to receive 17,500 acre-feet of water from it. Ten percent of that goes to lakeside needs, but the other 15,750 acre-feet has never before been tapped.

As planned, the pipeline will only use about two-thirds of the entitlement.

An acre-foot is enough water to cover an acre one foot deep, or enough water to serve one to three households annually, depending on the community.

San Luis Obispo officials believe an acre-foot is enough for three households. But in warmer communities with extensive outside landscaping that requires extra water, an acre-foot can only serve one to two homes annually.



Pipeline bid comes in lower than expected

Paso Robles Press
Anne Quinn
STAFF WRITER
7-24-07

Officials celebrated Thursday when bids for construction of the northern section of the Nacimiento Pipeline, the longest portion of the proposed pipeline, came in under original estimates.

"We were on the happy side," said John Hollenbeck, county project manager.

Only one bid was higher than the design estimate of \$49.8 million, unfortunately that one was opened first, Hollenbeck said. After reading Diablo Construction's bid of \$51.3 million, Hollenbeck feared that he was seeing a repeat of bids for the first phase of the project, which came in above estimates. But subsequent bids for the pipeline's northern section were lower than estimates. ERS Constructors Pipeline Division of TIC bid \$48 million; ARB, Inc. bid \$47.5 million; Papich Construction Inc. bid \$44.7 million; Don Kelly Construction Inc., \$43.6 million;

Ranger Pipelines, Inc. \$44.1 million; Mountain Cascade, Inc., \$40.7 million; S. L. Louis Construction, Inc., \$40.3 million and the lowest bid, Teichert Construction, was \$38.3 million.

Now the project team has to research firms that responded to the bid. Government contracts are generally awarded to the lowest bidder but the firm offering the lowest bid needs to be evaluated first, Hollenbeck said.

"They will be selected if they meet several other requirements," he said. "We know that Teichert Construction has been in business for 100 years, in fact, the firm's contractor license number is eight and the seven other firms before them are no longer in business."

A firm that's awarded the first pipeline section, from the lake to Paso Robles, could have an advantage over other contractors bidding for the remaining sections since their equipment and management team would already be working here and they could mobilize additional per-

sonnel. But any company wanting to construct the entire pipeline would have to be capable of bonding, or insuring, the entire job.

Bids were opened last week for the intake facility, a 170-foot-deep, 30-foot-diameter vertical shaft connected to multiple horizontal intake tunnels that will allow water to be drawn from various depths of the reservoir for optimal water quality control. Those bids came in higher than expected, which sharpened the anticipation for the northern section bid.

This Thursday, the next bid will be opened for the central portion of the pipeline.

San Luis Obispo County obtained entitlement to 17,500 acre-feet per year of reservoir water from what is now the Monterey County Water Resources Agency. The Nacimiento Water Project will transport much of this entitlement to cities and other entities in SLO County.

The expected completion date is early 2010.



Nacimiento Pipeline project bid comes in lower than expected

Atascadero News 7.25.07
Ellen Holland
STAFF WRITER

The second of five bid packages involving the construction of the Nacimiento Pipeline project came at \$38.4 million Thursday, a figure that is significantly lower than the \$49.8 million cost estimated by the project's designer.

"I was dancing in the streets," said project manager John Hollenbeck. "I'd say the trend in the area of pipeline construction is in the right direction."

The news came after a bid for the project's first phase of construction, an intake facility at the lake, came in approximately 59 percent above what the project designer had estimated.

"[The project's first phase] has the highest risks associated with it," Hollenbeck said after the first bid came in.

Hollenbeck said he believed Thursday's bid for the north portion of the pipeline would be more in line with estimated costs.

Nine bids to construct the 22-mile portion of the pipeline that will run from Lake Nacimiento to south Paso Robles were received Thursday.

"The bids ranged from as high as \$51.3 million down to as low as \$38.4 million," Hollenbeck said, noting sever-

al bids were competitive "and well within our budget."

The average bid was \$44.2 million and the low bidder was Teichert Construction, a public works contractor based in Sacramento.

The next bid to construct 11 miles of the pipeline from south Paso Robles to southeast Atascadero will open at 3:15 p.m. on Thursday, July 26.

The project, which ultimately plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million, up from an initial \$150 million cost estimate.

The project's five bid packages began coming in on July 16 and will continue until Aug. 16. Project participants, the Atascadero Mutual Water Company, the cities of Paso Robles and SLO and the communities of Templeton and Cayucos, will be able to "opt out" if the project costs more than \$150 million, a figure which it has already surpassed.

"We know the project is over \$150 million," AMWC general manager John Neil said on July 17, stating the AMWC board will make a decision to remain a project partner on Aug. 8. "I would expect our board to continue with the project."



Paso Robles Press **A3**
Tuesday, July 31, 2007

Third pipeline bid lower than expected again

Paso Robles Press
Ellen Holland
STAFF WRITER

The San Luis Obispo County Public Works Department received nine bids for the third phase of the Nacimiento Pipeline project Thursday with the lowest bid coming in at \$22,697,100 from Whitaker Contractors of Paso Robles.

"The engineer's estimate for this phase of work was \$28.6 million so a savings of over \$5.9 million will be realized by the five agencies currently participating in the project," a release issued by the county read. "Project manager John Hollenbeck attributes this favorable bid to extensive contractor outreach performed by the project team prior to the design being completed."

The third portion of the project consists of an 11-mile stretch of pipeline from south Paso Robles to an area southeast of Atascadero.

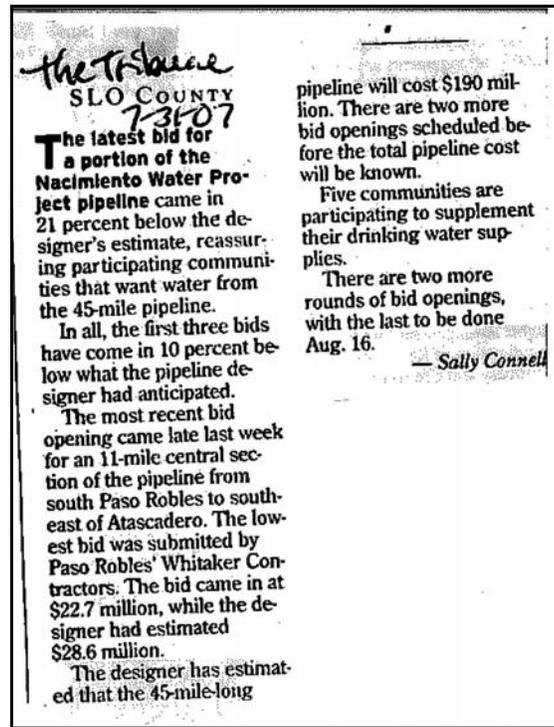
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The first bid, for a portion of the project which Hollenbeck said contained the highest risks, came in approximately 59 percent above the designer's estimate while the second bid came in at \$38.4 million, a figure that was significantly lower than the \$49.8 million cost estimated by the project's designer.





ATASCADERO NEWS—August 1, 2007 PAGE A-2

County receives bids for third phase of Nacimiento Pipeline project

Ellen Holland
STAFF WRITER

The San Luis Obispo County Public Works Department received nine bids for the third phase of the Nacimiento Pipeline project Thursday with the lowest bid coming in at \$22.7 million from Whitaker Contractors of Paso Robles.

"The engineer's estimate for this phase of work was \$28.6 million so a savings of over \$5.9 million will be realized by the five agencies currently participating in the project," a release issued by the county read. "Project manager John Hollenbeck attributes this favorable bid to extensive contractor outreach performed by the project team prior to the design being completed."

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The project, which ultimately plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million, up from an initial \$150 million cost estimate.

The project's five bid packages began coming in on July 16 and will continue until Aug. 16. Project participants, the Atascadero Mutual Water Company, the cities of Paso Robles and SLO and the communities of Templeton and Cayucos, will be able to "opt out" if the project costs more than \$150 million, a figure which it has already surpassed.

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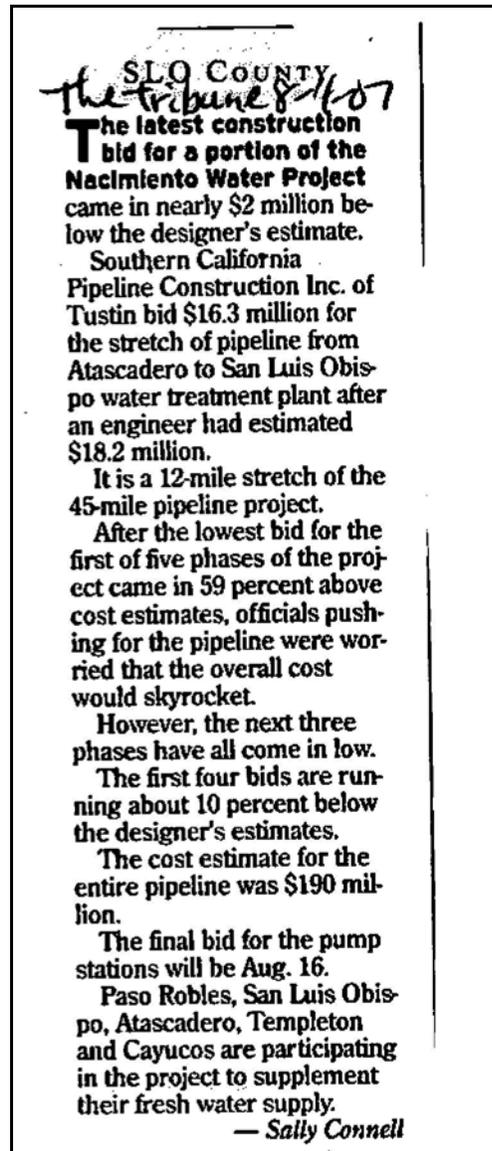
second bid came in at \$38.4 million, a figure that was significantly lower than the \$49.8 million cost estimated by the project's designer.

The fourth bid, involving a 12-mile portion of the pipeline from an area south of Atascadero to SLO, will open at 3:15 p.m. on Thursday, Aug. 2. While Hollenbeck said the south portion of the pipeline will have a smaller diameter than the north portion, he also noted the fourth bid covers some of the most difficult terrain. The project designer has estimated the bid to come in around \$18.2 million.

"All I can really do is keep my fingers crossed," Hollenbeck said of the hope to get competitive bids in line with the designer's estimated cost.

The AMWC board is expected to make a decision whether to remain a project partner on Wednesday, Aug. 8.





ATASCADERO NEWS—August 8, 2007 PAGE A-2

Fourth Nacimiento Pipeline bid comes in below estimate

Ellen Holland
STAFF WRITER

Following a trend reflected in three of four Nacimiento Pipeline project bids that have come in lower than expected, the project's fourth bid came in at \$16.3 million Thursday, significantly below the \$18.2 million estimate of the project's engineer.

The fourth bid, which involves a 12-mile stretch of pipeline from an area southeast of Atascadero to San Luis Obispo's water treatment plant, opened at 3:15 p.m. Seven bids were received with the apparent low bid of \$16.3 million coming from Southern California Pipeline of Tustin.

"A savings of over \$1.8 million will be realized by the five agencies currently participating in the project," a release issued by project manager John Hollenbeck read. "Those agen-

cies are the cities of Paso Robles and San Luis Obispo, Atascadero Mutual Water Company, Templeton Community Service District and County Service Area 10A in Cayucos."

The release also included a statement from First District Supervisor Harry Ovitt, who attended the bid opening.

"These last three bid openings had bids under the district's estimate and this good news results in significant savings to the project's participants," he said. "I look forward to the construction getting underway."

The project, which ultimately plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million, up from an initial \$150 million cost estimate.

The project's five bid packages began coming in on July 16 and will continue until Aug. 16 with the final bid for pump stations, storage tanks and the project's computer system. Project participants will be able to "opt out" if the pipeline's costs come in higher than \$150 million, a figure which it has already surpassed.

The AMWC board is expected to decide whether or not it will remain a project partner today.

"Everybody's expression so far has been in support of the project," Hollenbeck said, noting he doesn't expect any official decisions until Aug. 14.

Atascadero News

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Circle 6



AMWC remains on board for pipeline

Atascadero News
Ellen Holland
STAFF WRITER 8-16-07

The Atascadero Mutual Water Company became the first of five Nacimiento Pipeline project partners to declare its support for the proposal with a unanimous vote in favor Wednesday.

The AMWC board voted 4-0, with board member Leroy Davis absent, to continue as a project partner despite a provision that allows the company to "opt out" of the pipeline if the cost exceeds \$150 million, a figure it has already surpassed.

The project, which ultimately

plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million.

Under the terms of a prior agreement those partners that take no action will also remain on board, an option which County Service Area 10A in Cayucos will exercise. The Templeton Community Service District as well as the city of San Luis Obispo are set to make the decision on the

See PIPELINE, A2

PIPELINE

Continued from A1

matter on Tuesday, Aug. 14 and the city of Paso Robles is expected to make a decision on Tuesday, Aug. 24, the day the opt out period ends.

AMWC's vote of support came at a time when bids have been received for approximately 76 percent of the pipeline's total construction cost.

The final bid, for pump stations, storage tanks and the project's computer system, will be opened on Thursday, Aug. 16.

"It has been gratifying to watch the bid process come through," AMWC board member Grigger Jones said, noting three of the four bids which have already been received came in lower than the project engineer's estimates.

AMWC general manager John Neil recommended the board continue with the project stating the company assumed the project would cost \$189 million in July and now estimates the cost at \$178.1 mil-

lion.

"AMWC's annual debt service based on this new cost estimate is \$2,875,000 over 33 years at 6.437 percent interest, which includes design cost reimbursement and capitalized interest through construction," a revised staff report read. "In addition, AMWC is obligated to reimburse the [San Luis Obispo County Flood Control and Water Conservation] district for costs it incurred prior to execution of the contract. AMWC's share of these pre-paid expenses is \$213,052, which can either be paid for with cash or bond proceeds."

Neil explained that if the board had opted out of the project the pre-paid expenses, along with money spent on design costs and an environmental impact report, would have stood as stranded assets.

Audience members in attendance at the board meeting asked a number of questions about the project including how reliable the pipeline will be. Neil explained that a reliability study conducted when the project first began displayed that even in years of drought the lake "would still be able to deliver the water that this project signed up for."

AMWC is set to receive 2,000 acre-feet of water per year and even after all participants receive their allotted share of water, reserves will be

initially available to the project participants, which have the first right of refusal.

The AMWC board decided a number of years ago that the cost of the pipeline's construction will be borne by connection fees generated through new development. AMWC shareholders will pay for the project's operating and maintenance costs.

AMWC rates increased by 14 percent in 2005 and approximately half of these funds went toward building reserves for the pipeline project.

It is assumed three eight-percent rate increases will occur over the next three years to fund the pipeline's operational and maintenance costs, Neil said.

The next AMWC board meeting will be held at the water company office, 5005 El Camino Real, on Wednesday, Sept. 12 at 6:30 p.m.

Hollenbeck is expected to request the San Luis Obispo County Board of Supervisors award four of the five contract bids on Tuesday, Aug. 28. The award for the fifth bid is expected to go before the Board of Supervisors on Tuesday, Sept. 11.

Hollenbeck said the pipeline's groundbreaking is expected to occur late this year or near Jan. 1, 2008 and projects the pipeline will be complete by the end of 2010.



Fourth Nacimiento Pipeline bid comes in below estimate

Ellen Holland
STAFF WRITER

Following a trend reflected in three of four Nacimiento Pipeline project bids that have come in lower than expected, the project's fourth bid came in at \$16.3 million Aug. 2, significantly below the \$18.2 million estimate of the project's engineer.

The fourth bid, which

Paso Robles Press 8-10-07
involves a 12-mile stretch of pipeline from an area southeast of Atascadero to San Luis Obispo's water treatment plant, opened at 3:15 p.m. Seven bids were received with the apparent low bid of \$16.3 million coming from Southern California Pipeline of Tustin.

"A savings of over \$1.8 million will be realized by the five agencies currently participating in the project," a release

issued by project manager John Hollenbeck read. "Those agencies are the cities of Paso Robles and San Luis Obispo, Atascadero Mutual Water Company, Templeton Community Service District and County Service Area 10A in Cayucos."

The release also included a statement from First District Supervisor Harry Ovitt, who attended the bid opening.

"These last three bid openings had bids under the district's estimate and this good news results in significant savings to the project's participants," he said. "I look forward to the construction getting underway."

The project, which ultimately plans to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline from Lake Nacimiento to San Luis Obispo, is estimated to cost a total of \$190 million, up from an initial \$150 million cost estimate.

The project's five bid packages began coming in on July 16 and will continue until Aug. 16 with the final bid for pump stations, storage tanks and the project's computer system. Project participants will be able to "opt out" if the pipeline's costs come in higher than \$150 million, a figure which it has already surpassed.

"Everybody's expression so far has been in support of the project," Hollenbeck said, noting he doesn't expect any official decisions until Aug. 14.



The SLO Tribune 17 Aug 2007
NACIMIENTO WATER PROJECT

Pipeline cost is 8% below projections

Price tag is now estimated at \$175 million; Paso and Templeton to make final call on participation next week; work could start as early as December

By DAVID SNEED
dsneed@thetribunenews.com

The final construction bids for the Nacimiento Water Project came in nearly \$5.2 million below designers' estimates Thursday, bringing the total price for the pipeline project down to about \$175 million, 8 percent below earlier forecasts.

Three of the five participating agencies are committed to the project. This makes completion of the 45-mile pipeline increasingly likely, said Paso Robles Mayor Frank Mecham.

"Right now at \$175 million, it is doable, it's acceptable and it's imperative that we move ahead on this," he said. "I have a feeling we will move forward with it."

The project represents a significant effort to deliver a new supply of water to communities from Paso Robles to San Luis Obispo.

The Paso Robles City Council and the Templeton Community Services District will make final decisions Tuesday on their participation in the project.

The San Luis Obispo City Council, the Atascadero Mutual Water Co. and county supervisors, representing Cayucos, have already decided to go forward, said project manager John Hollenbeck.

The final bid package was opened Thursday afternoon. It covers installation of pumps.

See NACIMIENTO, A9

PIPELINE BREAKDOWN

Who would get how much of Nacimiento's water:

Participant	Acre-feet per year
Paso Robles	4,000
San Luis Obispo	3,380
Atascadero	2,000
Templeton	250
Cayucos	25
Total	9,655



FRIDAY, AUGUST 17, 2007

FROM PAGE ONE

Nacimiento

From Page A1

tanks and related equipment.

Designers estimated the cost to be \$30.8 million. The low bid from Mountain Cascade Inc. of Livermore came in at \$25.6 million, nearly 17 percent under expectations.

Construction of the pipeline should begin as early as December, with water delivery beginning in late 2010.

The project has been split into five phases. Hollenbeck expects the first work to be at the pipeline intake at Nacimiento Dam, with other segments beginning in early 2008.

"The contractors have lots of paperwork they have to submit," Hollenbeck said.

The next step in the process is for the project's board of directors to accept the low bids after they have been examined to determine if they are valid. Votes to accept the bids will take place Aug. 28 and Sept. 11.

Several factors likely played into all but one segment of the project coming in below estimates, Hollenbeck said. Prices of materials have leveled off, and engineers may have overestimated how quickly some of the contractors can lay the pipe.

"The construction industry is busy, but it has a series of contractors who are hungry for work," he said. "If this was two years ago, we'd be having a very different conversation."

While the project bids are lower than estimated, the rates that water users will pay are unlikely to change in the near future, Hollenbeck said. Participants will probably want to wait until the project is complete to see if there are any cost overruns before they make any ad-

justments to their rates.

"There are bigger-picture things to look at," he said.

Bids coming in under estimates remove a hurdle for the project. All of the pipeline participants have the right to opt out of the project by Aug. 24 if the cost exceeds \$150 million.

Participating agencies knew at the beginning of the month that the cost of the pipeline was likely to be less than the most recent estimate of \$190 million because three of the five bids had already come in low.

Officials with the Templeton agency have said they would likely stay with the project if the cost didn't exceed the \$190 million estimate.

Although the Nacimiento project looks increasingly likely, a move is under way in San Luis Obispo to stop the city's participation using the ballot initiative process. Terry Mohan, a former City Council candidate, has said he plans to circulate a petition to roll back recent water rate increases and prevent future ones related to the Nacimiento project.

Mohan has 180 days from today to submit 2,830 valid signatures of registered voters to qualify the measure for the November 2008 ballot, said City Clerk Audrey Hooper.

San Luis Obispo County can take as much as 15,750 acre-feet of water per year from Nacimiento Lake, owned by Monterey County. The five participating agencies have claimed 9,655 acre-feet.

Participants in the project view the Nacimiento pipeline, although expensive, as the only reliable supplemental water source available to meet future population growth demands and help communities weather droughts.



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SUNDAY
OPINION

THE TRIBUNE
AUGUST 26, 2007
SAN LUIS OBISPO, CALIF.

SATURDAY
Ellen Goodman

FRIDAY
Daniel Weintraub

THURSDAY
Victor Davis Hanson

WEDNESDAY
Col Thomas

TUESDAY
David Brooks

MONDAY
Leonard Pitts

SUNDAY
Dan Walters

EDITORIAL OPINION OF THE TRIBUNE

Pipeline's payoff: security

Agreeing to spend \$175 million now will mean fewer hardships for us later, when the next drought comes along

What's a security blanket worth? We think the pipeline from Nacimiento Lake to five local communities was worth the \$190 million engineers thought it might cost, so it's good news that construction bids came in at a total of \$175 million, 8 percent lower.

While that's good news in the short term for government bean counters — and, ultimately, ratepayers — the better news is the long-term payoff in water security.

True, even at the lower-than-estimated cost, \$175 million is still a big price tag. But the cost of not building the pipeline would be even higher.

When — not if, but when — the next drought strikes (and it may have already begun), we will be grateful for those who had the foresight to approve this project, to preserve our quality of life and economic health.

We want to be able to flush our toilets and water our gardens.

There's no denying the cost to ratepayers is high. San Luis Obispo residents will likely see their rates double by 2012. Paso Robles will pay a flat \$60 a month more by the time all increases are in effect.

The pipeline will serve the cities of Paso Robles and San Luis Obispo as well as the water supply agencies serving Templeton, Atascadero and Cayucos.

There are critics of this project, and

Allegation: There's mercury in the water.

The facts: Because of runoff from abandoned mercury mines, there's mercury in the lakebed but not in the water. Mercury is a heavy metal that sinks to the lake bottom, where it's eaten by microorganisms and, eventually, fish. Yes, the fish contain mercury, which is why health officials say no one should eat bass from the lake; other fish may be eaten in moderation, and sensitive individuals — including pregnant women — shouldn't eat any fish from the lake. Projects are under way to clean up the mines and prevent runoff into the lake.

Here's what we fear: That people have forgotten the hardships of that drought nearly a generation ago. There was water rationing in San Luis Obispo. Worse consequences were imminent, but fortune came with the "March Miracle" when 13 inches of rain fell and broke the drought 15 years ago.

It's said that people talk about the weather, but nobody does anything about it. By building the Nacimiento Lake pipeline, we are doing something about the weather. That's a good thing, made all the better by coming in \$15 million under earlier projections.

Now, let's focus on breaking ground and having the water flowing by the projected completion date of 2010.

Nacimiento pipeline bids come in under project estimates

The Nacimiento Water Project is now estimated to cost \$175 million, about 6 percent below earlier estimates. Construction bids are the total \$23.8 million. Here's how they break down:

- Intake facilities: **\$20.8 million**
- Pumps, tanks and other ancillary equipment: **\$25.6 million**
- Northern pipeline segment, 22 miles from the dam to the southern boundary of Paso Robles: **\$38.4 million**
- Central segment, 11 miles from southern Paso Robles to a point southeast of Atascadero: **\$22.7 million**
- Southern segment, 12 miles from point southeast of Atascadero to intake of the San Luis Obispo water treatment plant: **\$16.3 million**



Nacimiento pipeline partners opt in

Atascadero News 8-29-07
Ellen Holland
STAFF WRITER

All four partners in the Nacimiento Pipeline project remain onboard for the proposal to pump approximately 15,750 acre-feet of water per year through 45 miles of pipeline

from Lake Nacimiento to San Luis Obispo following the close of a time period to opt out of the project that ended on Aug. 24.

Costs for the project have continued to fluctuate, recently estimated to cost \$190 million. See PIPELINE, A2

PIPELINE

Continued from A1

lion, the project is now to cost approximately \$171 million after four of five construction bids came in lower than expected.

Atascadero Mutual Water Company became the first project partner to show its support for the proposal with a unanimous vote in favor on Aug. 7. The city of San Luis Obispo voted in favor of the project on Aug. 14, the Templeton Community Services District voted in favor of the project on Aug. 21. In addition, the city of Paso Robles, faced with a two-fold choice of whether to receive an update about the project's cost and the opt out period or simply opt out, unanimously voted to receive the update on Aug. 21. Under the terms of a prior agreement those partners that take no action also remained on board, an option

which County Service Area 10A in Cayucos exercised.

"This project is probably the most important project that our city has undertaken since I've been on the council," SLO Mayor Dave Romero said in a release. "This action assures our future, our quality of life."

Project manager John Hollenbeck awarded the bids for four of the project's five phases at the San Luis Obispo Board of Supervisors meeting Tuesday. The bid for the second phase of the project is expected to be awarded at the Tuesday, Sept. 11 board meeting.

The next step for the project is selling bonds "which will put the financing in place to pay for the work," Hollenbeck said.

A notice to proceed will then be issued and a groundbreaking for the project has been set for Thursday, Oct. 25. The pipeline is expected to be complete by the end of 2010.





NACIMIENTO WATER PROJECT COMPLETES CONSTRUCTION CONTRACT BIDDING

The San Luis Obispo County Flood Control and Water Conservation District (District) announced that the construction contract bidding has successfully been completed for the Nacimiento Water Project (Project). The total value for the low-bids received for the five construction bidding packages came in at \$123.1M, or 12-percent below the engineer's estimates. The total Project budget, which includes costs for administration, engineering, environmental, right-of-way, construction, and construction management, has been revised to equal about \$176M. The District's Board of Supervisors awarded four of the five construction contracts on August 28, 2007, and the fifth award on September 11, 2007. By a factor of six, this Project is the single largest design and construction endeavor ever managed and implemented by the District's Public Works Department.

The District is located along the central coast of California. Project implementation includes a 45-mile raw water conveyance system to deliver 15,750 acre-feet annually from Lake Nacimiento to participating agencies. The District acquired in 1959 from Monterey County, the owner of the reservoir, the rights to 17,500 acre-feet per year (AFY). Ten-percent, or 1,750 AFY, is left in the reservoir for lakeside uses. The reservoir lies entirely in San Luis Obispo County.

The Environmental Impact Report was adopted by the District's Board in January 2004, and Participants (communities within the County who executed Water Delivery Entitlement Contracts with the District) were organized in that same year. The Participants in the Project are Paso Robles at 4,000 AFY, Templeton Community Services District at 250 AFY, Atascadero Mutual Water Company at 2,000 AFY, City of San Luis Obispo at 3,380 AFY, and County Service Area 10A (Cayucos) at 25 AFY. There is 6,095 AFY of reserve water available for use by the existing Participants or through contract to new Participants within



the boundary of the County. The Participants have judged the Project investment as the best local, economical, and reliable supplemental water supply project to sustain their communities and strengthen their existing water portfolios which includes groundwater and surface water.

Preliminary design began in 2005 with final design starting in 2006. The District's Board issued a call for bids in May 2007 on the five construction packages which are summarized in the following table. Construction will commence in late 2007, and be completed in late 2010.

(Continued on page 4)

BID PACKAGE	DESCRIPTION	APPARENT VALUE	APPARENT LOW BIDDER
1 - Intake	20' dia shaft x 180' deep (pump wet well). 48" tunnel x 600' long. 48" stainless steel sloping intake with 7 portals.	\$20.8M	James W. Fowler Company Dallas, Oregon
2 - Facilities	3,500 hp Intake Pump Station (PS). 2,000 hp Santa Ysabel PS. 1,200 hp Rocky Canyon PS. 850,000 gallon (gal) Camp Roberts Tank. 850,000 gal Rocky Canyon Tank. 300,000 gal Cuesta Tunnel Tank. SCADA system.	\$25.6M	Mountain Cascade Livermore, CA
3 - Pipeline North	22 miles. 36" to 24" welded steel. 2 horizontal directional drilling (HDD) river crossings.	\$38.4M	Teichert Construction Sacramento, CA
4 - Pipeline Central	11 miles. 24" to 18" ductile iron pipe. 4 HDD river crossings (steel pipe).	\$22.0M	Whitaker Contractors Paso Robles, CA
5 - Pipeline South	12 miles. 18" to 12" ductile iron pipe.	\$16.3M	Southern California Pipeline Tustin, CA





NACIMIENTO WATER PROJECT COMPLETES CONSTRUCTION CONTRACT BIDDING (CONT)

(Continued from page 3)

The successful bidding of the Project is, in part, attributed to the contracting strategy developed by Black & Veatch, the design engineer, and the District. Varying the pipeline contract sizes allowed both large and small pipeline contractors to compete for Project work, and specifying alternative pipe materials (steel or ductile iron) increased competition among pipe suppliers. The result was a good turnout on bid day, and competitive pricing for the Project. As an example, Bid Packages 3 and 4 both had nine bids submitted; a quantity unheard of in recent years. The District attributes the number of bidders to the Black & Veatch Contractor Outreach Program. During the six months leading up to the call for bids, Black & Veatch conducted a series of three workshops for contractors, subcontractors and suppliers interested in bidding the Project. The workshops were

conducted in San Luis Obispo for local participants and simultaneously broadcast live on the Internet for out-of-area participants.

The District's construction manager is Jacobs Engineering Group, Inc. They have begun to mobilize staff to an office near Paso Robles. Notices to Proceed will be issued to the contractors in late September and early October 2007.

Overall, the Nacimiento Water Project, under the Direction of the County's Public Works Department, has been extremely successful since the District's Board gave staff direction to implement the Project in 2004. The Project is still on the original schedule established in 2004. While the Project is over the \$150M budget established in 2004, the increase of \$26M is judged very respectable by the District, especially since over this three year

period the construction industry has realized rapid price escalations.

Additional information can be obtained by contacting the Nacimiento Project Manager by phone at (805) 781-5252, or by e-mail at jhollenbeck@co.slo.ca.us, or by visiting the Project's web site at www.slocounty.ca.gov/PW/NacWP.htm.

~ John R. Hollenbeck, P.E., M-ASCE,
Nacimiento Project Manager

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9-5-07
SLO COUNTY
The Tribune
Next week's \$206.4 million bond sale to fund the Nacimiento Water Project has received high marks from Wall Street firm Fitch Ratings.

Fitch, which rates investments' credit worthiness, assigned an A-plus rating to the sale set for Tuesday.

That is in the midrange for investment-grade bonds, which are those with the highest credit quality. Higher ratings mean lower interest for agencies that sell bonds.

Bond proceeds will be used to pay for construction of a pipeline from Nacimiento Lake to provide drinking water for Atascadero, Cayucos, Paso Robles, San Luis Obispo and Templeton.

Water rate increases in those communities will pay back the bonds, which do not require voter approval

because they are backed by the added revenue instead of property taxes.

Fitch said the rating is based on the project's importance to the local economy, sound project and financial management, the financial strength of its contracts and the strength of each participating community's water system.

— Antonio A. Prado



Bonds sold to pay for Nacimiento Pipeline

Atascadero News
Anne Quinn
STAFF WRITER
9/14/07

Revenue bonds to finance construction of the Nacimiento Pipeline were sold on Monday and officials were jubilant over the very favorable interest rates received.

"For once I have good financial information and good news for the county,"

San Luis Obispo County Auditor-Controller Gere W. Sibbach told the SLO County Board of Supervisors at their Tuesday's meeting.

Atascadero Mutual Water Company General Manager John Neil said that the company had planned to sell bonds a day or two later but were encouraged to sell them on Monday because of ideal financial market conditions.

Bonds to finance the AMWC portion of the Nacimiento Pipeline construction are separate from bonds for the other agencies that will receive, and are obligated to pay for, the delivery of water from the lake because AMWC is a private, shareholder owned entity. Bonds to

See PIPELINE, A2



PIPELINE

Continued from A1
finance its \$38,565,000 portion of construction project must be taxable Series B bonds. These will carry an all-total interest rate of 5.7 percent.

"That is an excellent rate for taxable bonds," Sibbach said.

All other municipalities involved in the pipeline project, which includes the cities of San Luis Obispo and Paso Robles, the Templeton Community Services District and County Service Area No. 10 in Cayucos, joined together under an umbrella organization called the SLO County Flood Control and Water Conservation District. It qualified for public Bond Series A, which is a tax-except bond issue for \$17,845,000 and received a total interest cost of 4.7 percent.

"Anything less than five percent in today's environment is a really good rate," Sibbach said.

The SLO County Financing Authority on behalf of the SLO County Flood Control and Water Conservation District will issue all bonds.

"This favorable result occurred because of many factors," Sibbach testified, reading from a prepared statement before the Board on Sept. 11.

"Consistent hard work on the part of county public works staff played a large part. The creative cost sharing structure proposed by the county and accepted by the participating agencies was also attractive to the bond market. Solid credit ratings were sought and received for the agencies and the Financial Authority, thus allowing for this sale when concerns about credit quality are paramount in debt markets."

The controversial decision by the Paso Robles City Council to establish a set rate for construction of the Nacimiento Pipeline and charge it uniformly to all city water users, that is now being challenged by a citizen petition, was made to ensure that Paso Robles credit ratings were solid when reviewed prior to the bond sale, said City Manager Jim App.

"We took a path of conservatism to assure the best possible bond rating for the group," he said.

The city of Paso Robles is the only municipality in the SLO County Flood Control and Water Conservation District to sell bonds that will be repaid via a fixed rate billed uniformly on all water bills. Other municipalities involved, such as the city of San Luis Obispo, plan to recoup Nacimiento Pipeline fee costs with a combination of higher

water meter hook up fees and usage-based water fees.

Every new home built in the city of San Luis Obispo has to pay \$15,292 just to have a water meter set, according to Gary Henderson. The SLO went to strictly commodity based water rates in 1994.

In the city of Paso Robles the water meter connection fee for a single-family house is \$8,923, with the meter costing an additional \$179.

While Paso Robles' water usage rates are also commodity based, Nacimiento Pipeline construction costs are separate and fixed, and billed the same for everyone. This is a sore point with opponents of the fixed rate; however, App indicated that could soon change.

App said that the plan to create a fixed rate for Nacimiento Pipeline on water bills to secure low interest rates for the bonds was always temporary and city officials planned to change it to a commodity based rate. That change may come sooner rather than later as originally planned.

"We indicated that the rate structure would be modified when the water is delivered, or

sooner," App said. "That committed — we expect to offer alternative rate structures within one to two months."



County sells bonds for pipeline

Anne Quinn
STAFF WRITER

9-14-07

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See PIPELINE, A3

PIPELINE

Continued from A1

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"We indicated that the rate structure would be modified when the water is delivered, or sooner," App said. "That commitment has been recently restated and the timing accelerated — we expect to offer alternative rate structures within one to two months."

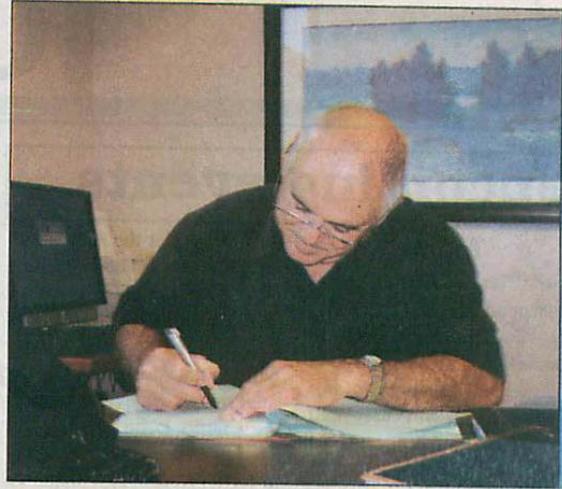


ATASCADERO NEWS—September 21, 2007 PAGE A-3

City of Paso Robles signs Nacimiento Pipeline bonds

Photo by Anne Quinn

Paso Robles Mayor Frank Mecham signs \$31,435,000 worth of bonds to finance the city's portion of the Nacimiento Water Project on Sept. 18. It's not the largest financial obligation he's ever signed for. In 2000, Mecham signed \$38 million in bonds for Measure D in Sacramento. Also on Sept. 18, creators of a petition demanding repeal of the ordinance that established a set fee increase for city water users bills to provide a secure revenue stream to finance bond repayments learned that they had enough valid signatures on the petition to go forward with the protest. The Paso Robles City Council will discuss the matter at its meeting on Tuesday, Oct. 2.



Nacimientto Pipeline breaks ground

Paso Robles Press 10-30-07

Atascadero, San Luis Obispo and the unincorporated areas of Templeton and Cayucos are among the current participating communities who are now slated to secure various acre-foot of water annually.

"The cooperation that it took — from north to south, from Paso to San Luis Obispo — literally working together where in the past maybe that didn't exist, that's also part of the milestone that makes it even more special," Hollenbeck said. "From the county's perspective, I would say it's probably the biggest milestone that it has recognized of several of its public works projects. The magnitude of the cost of this is six times larger than anything they've ever accomplished."

The district currently has surplus water available from the 17,500 acre-feet it secured in 1959, now divided between Paso Robles, Templeton, which will receive 250 acre-foot per year; the Atascadero Mutual Water Company,

which will receive 2,000 acre-foot per year; San Luis Obispo, which will receive 3,380 acre-feet per year; and Cayucos County Service Area, which will receive 25 acre-foot per year.

In Paso Robles, the project will deliver 4,000 acre-feet — or roughly 1.3 billion gallons — of water annually, paid for through increased water rates. The entire district's water entitlement gives them 17,500 acre-feet of water per year per an agreement with the Monterey County Water Resources Agency, owner and operator of the lake and dam.

The pipeline represents a historical shift from Paso Robles' underground water sources from the Paso Robles Groundwater Basin and Salinas River overflow. According to city officials, water from Lake Nacimientto presents an opportunity for water that effectively reduces competition for supply, among other things.

The cities of Paso Robles, Templeton, Atascadero and San Luis Obispo will begin construction in late 2007, with water delivery scheduled to begin in 2010, officials said.

The project is managed by the Nacimientto Water Project Manager, John Hollenbeck.

Physical project construction will begin late this winter with water delivery scheduled to begin late in 2010, officials said.

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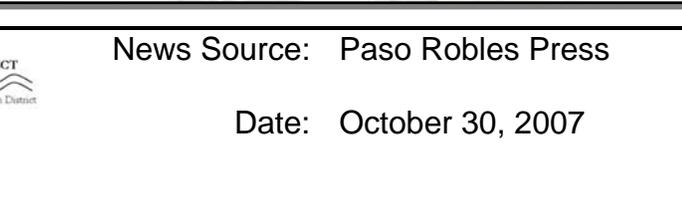


Photo by Josh Petrey
First District Supervisor Harry Ovitt addresses the crowd during the groundbreaking ceremony for the Nacimientto Pipeline held Thursday.

See PIPELINE, A3





Photos by Josh Petray

ABOVE: From left to right, Nacimienta Water Commissioners David Brooks, the vice-president of the Templeton Community Services District, Paso Robles Mayor Frank Mecham, Robert M. "Grigger" Jones of the Atascadero Mutual Water Company, San Luis Obispo Mayor Dave Romero and First District Supervisor Harry Ovitt heave the first piles of dirt to break ground at the Lake Nacimienta intake site for the Nacimienta Water Project Thursday.



RIGHT: Members of the Salinan Indian Tribe said a blessing Thursday prior to the official groundbreaking for the Nacimienta Pipeline Project.

PIPELINE

Continued from A1

"It has been a long time coming," Paso Robles Mayor Frank Mecham said. "I know that this has been the focal point for the city of Paso Robles for a number of years. The communities that decided to become involved in this project, the purveyors of this project, we are looking at the three fundamental basics of why we're doing this, and I have to commend them for that. It's the safety issue — look at Southern California. If you don't have water reserved, a water supply, you're in jeopardy. The health issue — if you don't have a water supply, how good is the health of our communities? And then finally the quality of life that everybody talks about for this area. It's going to fill the bill for all three, and I'm just proud to be a part of it."

Recently, the district has been working to confirm the pipeline route, complete the project design, secure bond financing and receive environmental permits, officials said.

"Well first of all I think [Nacimienta Lake] is a long-standing use of water that we've had available to us, and it is surface water," said First District Supervisor Harry

Ovitt. "Even though we've gone through multiple designs, we now have a system contractually agreed upon in which the entities are going to use the water to get it delivered. Everything is going well, the contracts came in under bid and bonding was under cost. Today is an accumulation of all of that—and getting ready to go. Each community is using the water in its own manner. Each community can set up the way

they want to charge for it. As a flood control district, we didn't mandate that. And there is some excess water, which we designed into this project, so that if any of the communities along the way or others want to buy in, it is possible."

The project, however, has not gone without its issues.

"We had to get permission to get dual use of the lake," Ovitt said. "We had design issues, where we were going to

go through the middle of Paso Robles and Templeton at one time. Now, we're going different route. We had to wait for Monterey [County] to get through a legal issue that they had here. We now have their cooperation on this, so it's all come together, and we're going to start delivering the water."

To visit the Nacimienta Project website, visit www.slo-county.ca.gov/PW/NacWP.htm.



Officials break ground on Nacimiento Pipeline



Photo by Josh Perry
From left, Nacimiento Water Project Commission members David Brooks, vice president of the Templeton Community Services District, Paso Robles Mayor Frank Mechem, Robert M. "Grigger" Jones of the Atascadero Mutual Water Company, San Luis Obispo Mayor Dave Romero and First District Supervisor Harry Oviatt heave the first piles of dirt to break ground at the Lake Nacimiento intake site for the Nacimiento Water Project Thursday.

Officials break ground on Nacimiento Pipeline
16-31-07 Atascadero News
Staff Writer Josh Perry

Nearly 40 years after the Templeton and Cayucos are among the current participating communities who are now slated to secure various numbers of acre-feet of water annually.

"The cooperation that it took — from north to south, from Paso to San Luis Obispo — literally working together where in the past maybe that didn't exist, that's also part of the milestone that makes it even more special," Hollenbeck said. "From the county's perspective, I would say it's probably the biggest milestone that it has recognized of several of its public works projects. The magnitude of the cost of this is six times larger than anything they've ever accomplished."

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operator of the lake and dam. The pipeline represents a shift from historical local underground water sources such as the Paso Robles Groundwater Basin and Salinas River.

According to city officials, water from Lake Nacimiento that effectively reduces competition for supply, among other things.

"It has been a long time coming," Paso Robles Mayor Frank Mechem said. "I know that this has been the focal point for the city of Paso Robles for a number of years. The communities that decided to become involved in this project, the purveyors of this project, we are looking at the three fundamental basics of why we're doing this, and I have to commend them for that. It's the safety issue — look at Southern California. If you don't have water reserved, a water supply, you're in jeopardy. The health issue — if you don't have a water supply, how good is the health of our communities? And then finally the quality of

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For more information on the Nacimiento Water Project Web site, visit www.slccounty.ca.gov/PW/NacWP.htm.

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TOP LOCAL
STORIES OF '07
TRIB 12/25/07

No. 9: Pipeline is closer to reality

With bonds sold and
water rates raised,
Nacimiento project
should begin next year

By SALLY CONNELL
sconnell@thetribunenews.com

The Nacimiento Water Project pipeline has been proposed in one form or another for 30 years, but county residents will only now see it starting, with roads torn up, piles of pipe collecting at remote locations, and heavy equipment moving in.

The 45-mile pipeline is planned to connect Nacimiento Lake in the North County to the San Luis Obispo water treatment plant. It will cost \$178 million and provide drinking water to five municipalities. Bonds have been sold to finance its construction.

Water rates in the participating communities are also going up to pay for the project, expected to as much as double in the city of San Luis Obispo. Paso Robles is still trying to finalize

Please see NO. 9, B2



No. 9

From Page B1

the rate structure it will use to pay for their portion of the project.

The participating communities and amounts of water they will receive are: Paso Robles, 4,000 acre-feet; San Luis Obispo, 3,380; Atascadero Mutual Water Co., 2,000; and Templeton Community Services District, 250. Cayucos Service Area No. 10 is set to receive less than 250.

An acre-foot, water that covers an acre one foot deep, is enough water to serve two to three households for a year, depending on house size and amount of water needed for landscaping.

San Luis Obispo will pay 47 percent of the project cost because it is located the farthest from the North County lake.

"Right now, contractors are mobilizing," said Tom Trott, project engineer. A construction trailer has appeared lake-side near the dam, and other trailers are being placed in more remote locations, he said.

Trott said that the most noticeable signs of construction in the next few months may be the "potholing" planned for some roads as contractors look for underground utilities they will need to avoid.

The pipeline does cross public and private land, but it will also be laid along the shoulder of such roads as Monterey, North River and

South River roads in the Paso Robles area and El Camino Real south of Atascadero.

Monterey County built and manages Nacimiento Lake, even though it is inside San Luis Obispo County. The agreement then allowed San Luis Obispo County to take 15,775 acre-feet of water from the lake annually for drinking water.

The Nacimiento Water Project will be the first time the North County lake has been tapped by San Luis Obispo County municipalities for drinking water, even though projects have been proposed and negotiations have broken down through the past decades.

There is a pending petition effort in San Luis Obispo to

COMMENTONLINE

What do you think were the top local stories of 2007? Share your thoughts at santulsoobispo.com.

overturn that city's water rate increases, but it has not gained much momentum to date. Because the city has signed onto the agreement, it would have to find the funds for its share from another source if rate increases are rejected by voters, city officials report.

Paso Robles officials have yet to give final approval to a consumption-based rate that was approved after citizens protested a flat fee increase. The city has asked a consultant to assess the proposed usage based plan.



Progress under way for Nacimiento Water Project, Pipeline North

4/1/08
Josh Petray
STAFF WRITER
Paso Robles Press

Work for the \$176 million Nacimiento Water Project will result in traffic delays along Monterey Road starting today and running through the end of April.

A traffic lane will be closed, resulting in minor delays, officials said. Motorists should expect traffic delays between 7 a.m. and 4:30 p.m., Monday through Friday.

The work — laying and burying the pipeline — entails

construction of the Nacimiento Water Project, Pipeline North now in progress.

A \$40.1 million contract with Teichert Construction calls for installation of the pipeline.

The cities of Paso Robles, Atascadero, San Luis Obispo and unincorporated areas of Templeton and Cayucos are the current participating communities who are now slated to secure various acres-per-foot of water annually.

The pipeline represents a historical shift from Paso

Robles' underground water sources from the Paso Robles Groundwater Basin and Salinas River overflow. Water delivery scheduled to begin late in 2010, officials said.

There will be other traffic delays associated with the project construction in the future to be announced, officials said.

Questions regarding the traffic delays can be routed to Tom Trott, project engineer, San Luis Obispo County Department of Public Works, at 781-1186.



4/11/08 ATASCADERO NEWS

Pipeline construction continues

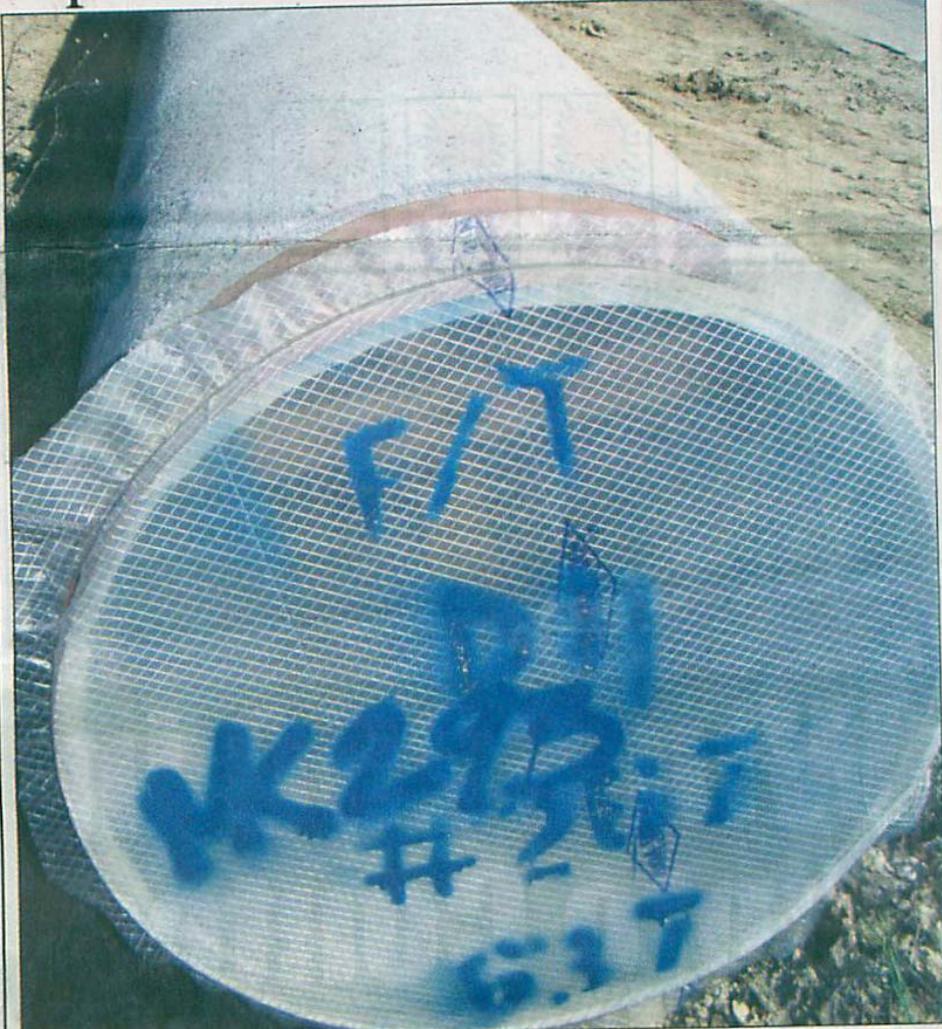


Photo by Josh Petray

Teichert Construction works to bury and lay pipeline for the \$176 million Nacimiento Water Project along Monterey Road north of Paso Robles, which will result in traffic delays through the end of April. Teichert Construction has a \$40 million contract that calls for installation of the pipeline. Similar construction is now happening along Templeton Road, Rocky Canyon Road and El Camino Real near Garden Farms. Southern California Pipeline Construction will begin the installation of a new ductile iron pipeline along El Camino Real and Highway 58 about 3,200 feet east of the Highway 58/Highway 101 overpass in Santa Margarita on Monday, April 14. The work will proceed west along Highway 58 and turn south to the frontage road leading to the Santa Margarita pump station. One lane traffic control will be implemented and drivers should expect delays up to five minutes. Construction will take place from 7 a.m. to 5 p.m. Monday through Friday and should be complete in mid-May.



Pipeline construction continues



Photo by Josh Petray

Teichert Construction works to bury and lay pipeline for the \$176 million Nacimiento Water Project along Monterey Road, which will result in traffic delays through the end of April. Teichert Construction has a \$40 million contract that calls for installation of the pipeline. Similar construction is now happening along Templeton Road, Rocky Canyon Road and El Camino Real near Garden Farms.

Paso Robles Press 4-11-08



Atascadero News 16 May 2008

Grand Jury applauds Nacimiento Water Project

Ellen Holland
STAFF WRITER

The San Luis Obispo County Grand Jury has said it was "continually impressed" by those responsible for moving the Nacimiento Water Project forward and commended staff, consultants and participants in the pipeline venture for their work to secure an additional source of water for the county's citizens.

The Grand Jury report released Tuesday examined the \$176 million project set to bring about 15,750-acre-feet of water per year across 45 miles of pipeline from Lake Nacimiento to San Luis Obispo.

Through the report the Grand Jury, which is responsible for providing oversight of the county's governmental agencies, said its decision to conduct such an investigation was dictated by the fact that the

pipeline is the county's largest construction project to date. As part of its investigation the jury reviewed several documents and agreements related to the project and also interviewed persons from the five communities set to receive water.

Alongside a finding that states "the Grand Jury was impressed by the capabilities and professionalism of those involved in the project's planning and implementation," the jury cautions that the pipeline is only a short term solution to address the county's water needs and states long term strategies will need to be developed. In addition, the report finds that, over time, it may be difficult for consumers to identify which portion of their bill is being used to fund the project and suggests participating communities recognize and address the potential of the "growth inducing" effects the

pipeline could bring by providing water in areas where its availability of the resource is a factor in limiting growth.

The report also states that project managers will have to address the resentment of citizens who will be affected by eminent domain proceedings in order to acquire portions of the pipeline's necessary right-of-way. Addressing this resentment will allow the project to avoid future delays, the report said.

"I was very happy with the report," project manager John Hollenbeck said.

Hollenbeck said the Grand Jury did a very thorough job reviewing all the documents and also "had an extremely technical grasp of all the details."

Construction continues to run smoothly and the pipeline is on schedule to be complete by 2010, he said.





American Society of Civil Engineers
Newsletter

Newsletter for the San Luis Obispo / Central Coast Branch • June 2008

JUNE 2008 MEETING:

Nacimiento Water Project, Lake Intake Construction

The San Luis Obispo County Flood Control and Water Conservation District (District) is implementing the Nacimiento Water Project, a 45-mile raw water conveyance system to deliver 15,750 acre-feet annually from Lake Nacimiento to participating agencies including the City of Paso Robles, City of San Luis Obispo, Atascadero Mutual Water Company, the Templeton Community Services District, and County Service Area 10, Zone A. When finished, the project will include three tanks, three pump stations, and a multi-port intake at the lake. The first element of the water transfer system will be an underground lake tap and intake facility that will provide for an intake pump station.

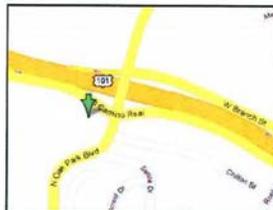
At this month's ASCE luncheon, the Project Engineer and Contractors will make a presentation on the construction of the intake structure for the Nacimiento Water Pipeline Project. Speakers will include John R. Hollenbeck, Project Manager with the District, Brett Campbell, the Project Manager for the James W. Fowler Company, the contractor for this work, and Bob Lewis, Resident Engineer with Jacobs Engineering Group Inc., the construction management firm for the overall Nacimiento Water Project.

Be sure to join us at AJ Spurs in Grover Beach on June 19th for what is sure to be an exciting and informative presentation on the single largest project that SLO County has ever undertaken, the Nacimiento Water Project.

JUNE 2008 MEETING

LOCATION:

AJ Spurs
1760 El Camino Real
Grover Beach, CA



DATE & TIME:

Thursday, June 19th
12:00 pm (Noon)

MENU:

Food will be your choice of Tip Serlion, BBQ Chicken or Vegetarian Plate and will include a beverage, soup, beans, salsa, salad, rice pilaf, bread and a rootbeer float.

RESERVATIONS:

Please sign up by 1:00 pm Friday, June 13th, at the Branch web site www.ASCESLO.org. For questions, contact Erin Westmoreland at (805)544-7407 or by email at erinw@cannonassoc.com. The cost is \$20 for members or guests and \$10 for student members.

PRESIDENTS PERSPECTIVE:

Managing Stress as an Engineer

Being an engineer can be a stressful job. We have the responsibility to protect and maintain the safety and welfare of the public in all the decisions that we make throughout the day. The public sector is always trying to find the best way to utilize public funds and meet the needs of their constituents. The private sector is always trying to provide their clients with the best product while trying to maintain a positive bottom line. We are all trying to juggle multiple balls in the air without letting them drop. Regardless of whether you work in the public sector or in the private sector, my guess is that you experience the stress of being an engineer each and every day. Since we as engineers are in positions that are responsible to protect the welfare of the public, this alone can be a stressful endeavor. For this reason, I thought I would share a few helpful hints on how one can identify the stress in ones life and better manage it so that it does not lead into chronic illnesses such as coronary heart disease or peptic ulcers.

First, become familiar with the different events and the amounts of stress they promote. Second, practice recognizing the stress level when one of these events happens. Third, think about the meaning of the event for you and identify your feelings. Fourth, think about the different ways you can adjust to the event. Fifth, take your time in arriving at decisions. Sixth, anticipate life changes and plan for them well in advance whenever possible. Seventh, pace yourself. It can be done even if you are in a hurry. Eighth, look at the accomplishment of a task as a part of ongoing daily living; avoid looking at such an achievement as a stopping point. Congratulate yourself and push ahead. Last, recognize that your internal mechanism of coping with stress is directly tied to how your health and well being will be influenced by it.

Some of the best ways to manage stress is to ensure that you are eating properly, exercising regularly, and getting plenty of rest. With these helpful hints, I am hoping that each of you can manage your stress effectively and bring positive change to the engineering profession. With summer ahead of us, I hope everyone enjoys the beauty of the area that surrounds us here on the Central Coast. I hope to see you at our next meeting.

~ Kari Wagner

Visit the ASCE-SLO Website at:

www.ASCESLO.org

(A.8)



NWP NACIMIENTO WATER PROJECT
San Luis Obispo County Flood Control & Water Conservation District

News Source: ASCE Newsletter for the San Luis Obispo
Central Coast Branch

Date: June 2008

WATER PIPELINE

Nacimientto Lake tap takes delicate touch

Tribune 6-24-08

Crews working on the \$176 million water project must tread lightly to avoid draining lake and flooding intake tunnels

By DAVID SNEED
dsneed@thetribunenews.com

Tapping into Nacimientto Lake to install a water pipeline is posing some unusual challenges for engineers involved with the \$176 million project.

The biggest challenge is completing the job without draining the lake or accidentally flooding tunnels in the intake structure, project managers told a roomful of engineers recently.

"The intake is a unique structure," said John Hollenbeck, project manager for San Luis Obispo County. "I have yet to see this done."

Members of the San Luis Obispo Branch of the American Society of Civil Engineers were updated on the

progress of the Nacimientto Water Project at a Thursday meeting in Grover Beach.

The intake structure will consist of a 180-foot-deep vertical access shaft, 500 feet of horizontal tunnels and a sloping intake line running up the bank of the lake that will allow water to be taken from various water depths, said Phil Hollingsworth, an engineer with the firm building the structure, James W. Fowler Co. of Dallas, Ore.

The intake will be connected to a 45-mile pipeline that will carry water to communities as far south as San Luis Obispo. About half of the pipeline

Please see NACIMIENTO, B2



TRIBUNE FILE PHOTO BY LAURA DICKINSON

Construction equipment near Nacimientto Lake marks a pipeline work site. To complete the job, divers will have to work at depths of more than 100 feet.



Nacimiento

From Page B1

has been laid, and the project is expected to be complete in late 2010.

About 117 feet of the concrete-lined vertical shaft has been dug. Workers, machinery and excavated dirt are hoisted in and out of the shaft by a crane. Hollingsworth expects to begin digging the horizontal water tunnel in late August or early September.

The tricky part will be approaching the lake without tunneling too far and allowing water to flood in. If a mistake is made, the tunnel could be flooded within seconds, Hollingsworth said.

Once the tunnel is close to the lake, it will be plugged. It will then be up to divers to complete the job. This will require that divers work at depths of more than 100 feet, said Bob Lewis, resident engineer with Pasadena-based Jacobs Engineering Group, the company hired to do the ma-

rine work.

At those depths, divers can normally safely stay down 20 minutes. But to increase efficiency, divers will stay down an hour and then spend an hour in a decompression chamber.

After a four-hour rest, a diver will be able to go back into the water. Five divers will work in shifts to complete the work, Lewis said.

Nacimiento Lake was made in 1957 by Monterey County as a water supply for the Salinas Valley. As such, water levels in the lake vary widely.

However, asking Monterey County to drain the lake down so that the intake construction could be done above the waterline was not an option, Hollenbeck said. San Luis Obispo County would have to pay for any water drained from the lake above its 15,750 acre-foot annual allocation.

Water is also released from the lake in order to prevent saltwater intrusion into the Salinas Valley. Monterey County would not want to disrupt those releases in order to

accommodate the intake construction.

"I never even thought to ask the question because I knew what the answer would be," Hollenbeck said.

Although construction of the intake has posed the most esoteric engineering challenges, laying the 45-mile pipeline has also had its problems. Hollenbeck estimates that several million dollars have been spent dealing with various environmental problems, most commonly at creek crossings.

For example, workers unexpectedly found a steelhead trout in a tributary of Santa Margarita Creek near the Cuesta Grade. The presence of the federally protected fish makes that part of the creek endangered species habitat, greatly complicating pipeline construction through that area.

"We have no idea how it got there," Hollenbeck said.

*Reach David Sneed
at 781-7930.*





Crews work on installing the pipeline for the Nacimiento Water Project along Monterey Road in Paso Robles. Submitted Photo

*Officials celebrate first anniversary of the Nacimiento Water Project

Atascadero News
Josh Petray
STAFF WRITER 10-31-08

Officials with the San Luis Obispo County Flood Control and Water Conservation District recognized the one-year anniversary of Nacimiento Water Project groundbreaking and mourned the tragic loss of two construction workers killed in the process.

The project, which includes 45 miles of pipe, three pump stations and three water storage tanks to deliver 15,750 acre-feet of water to local jurisdictions including Atascadero, has many achievements over the past year. John R. Hollenbeck, P.E., Nacimiento Project Manager, said in a press release.

"The past 12 months have seen the project spring to life," he said.

The district also mourned the tragic loss of two Teichert Construction Workers, Jacob Gaines and Manuel Arriaga, who were killed at a construc-

tion site on North River Road for the Pipeline North section of the project earlier this month.

The project has been under consideration since the 1960s, according to officials.

Crews have installed 28 of the 45 miles of pipeline, along with a stainless steel intake portal pipe. They completed the project's 180-foot-deep intake shaft and tunnel, an 11-mile mainline pipe for the Central contract, four drill crossings at the Salinas River and performed substantial work on the facilities pump stations and water storage tanks, according to the district.

The project currently remains on track for delivery of the Nacimiento water by 2010. One contractor is 10 months ahead of schedule; another is one month behind, according to Carolyn Berg, a civil engineering tech for the County Department of Public Works.

The project has expended just over half, or \$64.5 million of the \$125 million construction budget and roughly \$90 million of the \$176 million total budget. The total budget includes construction, design, environmental permitting, right-of-way acquisition and administration.

The Project is still within the \$176-million budget established at the beginning of construction, officials said.

The five construction contractors working on the project consist of Whitaker Contractors, who installed the 11-mile mainline pipe; James W. Fowler Company, lake intake; Mountain Cascade, Inc., pump stations and tanks; Teichert Construction, Pipeline North; and Southern California Pipeline Company, Pipeline South.

For local residents interest in receiving period updates on the project, visit the project Web site at www.slocounty.ca.gov/PW/NacWP.htm.



Water officials bracing for drought

Paula McCambridge
STAFF WRITER

With lower-than-average rainfall this year, the Atascadero Mutual Water Company is looking at options in dealing what is expected to turn into a drought this summer.

Rainfall is currently the only source of water for Atascadero residents and with low rainfall this year on the heels of two other dry years, resources are being depleted.

"It's the combination of these three dry years that has caused the problem. It's not a single dry year," said John Neil, AMWC general manager. "It's going to be critical this summer."

Neil said that curbing demand is the only real possibility for conserving water resources to get Atascadero through the summer and fall and into the next rainy season.

"The most important thing is supply and demand, and there is a need to decrease demand," said Jaime Lien, AMWC conservation manager.

"Controlling demand is critical," Neil said.

July, August and September are the most critical months for water usage, and it's single-family residences that use the most, and most of that is in landscape. There are some 54 residences that use the highest percentage of the Atascadero water supply for landscaping.

Neil said it takes about 4 million gallons of water each day to meet the needs of the

30,000 people living in Atascadero and that a handful of water users are using the highest percentage of the water supply.

"The most effective way to get people to conserve water is through the water rates," Neil said.

Neil and Lien said it's water users at the lowest tier who are already using the lowest amount of water and would remain untouched in the drought rate structure.

"It's the users with the most flexibility in their water usage who would be more affected by the drought water rates," Lien said.

Atascadero currently uses a tiered water-rate structure for water bills, and one way to curb water usage for those using the most would be to create a new high tier where water rates go up drastically for use that's above an amount for basic family needs. Neil cited Cambria as an example of a tiered system that established much higher rates for overusers that resulted in much lower water use.

Neil said he hasn't yet worked out all the details but that he plans to go to the water board in April to propose a similar tiered structure.

Should such a tiered system go into effect, Neil said, the goal would be to use it during the drought and to lift it in favor of the system now in use during the next rainy season.

"These rates, if approved by the board, would be rescinded as soon as we're out of the woods," he said. "The goal is to protect water

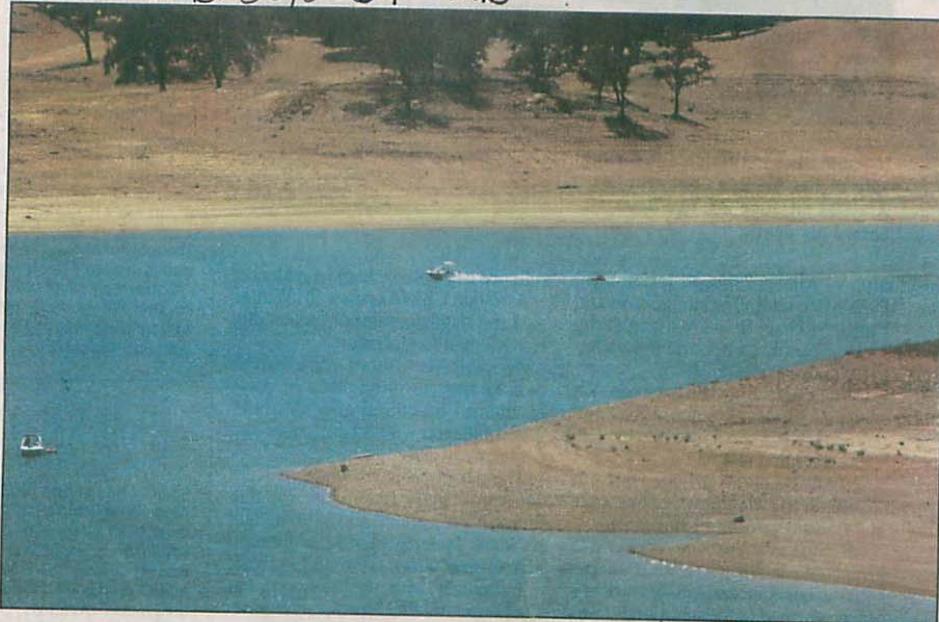
*Atascadero Daily News
3-25-09*



THIRD YEAR OF DROUGHT LOCALLY

Rainy season that isn't leaves county dry again

June 30, 2009 TRIB



TRIBUNE PHOTOS BY DAVID MIDDLECAMP

On Monday, Nacimiento Lake was at 29 percent of capacity with 108,275 acre-feet of water, according to the Monterey County Water Resources Agency Web site. The North County often has drier conditions than other parts of the county.

But experts see a drop of hope for next year:
El Niño might bring a wave of wetter weather

By DAVID SNEED
dsneed@thetribunenews.com

Today San Luis Obispo County finishes its third straight year of drought.

The Diablo Canyon nuclear power plant area, for example, received 9.07 inches of rain for the 2008-09 water year, according to the meteorological station. Normally, the plant receives 24 inches, said John Lindsey, a meteorologist with Pacific Gas and Electric Co., which operates the plant.

The rainfall year runs from July 1 through June 30.

Last year, the plant got 13.33 inches and two years ago, 9.7 inches. This three-year dry period was preceded by two years of wet or normal conditions.

Other areas in the county received similar meager levels of rainfall in the 2008-09 precipitation year, leaving the county in dry conditions. For example, the city of San Luis Obispo ends this year with 15.94 inches, well under the 24.36 inches that is normal.

Please see DROUGHT, A5



Workers with Teichert Construction mix grout they will use to seal the seams in the Nacimiento pipeline where it crosses Highway 101 at Wellsona Road.



Drought

From Page A1

The ongoing drought has prompted officials in Atascadero and Paso Robles to institute mandatory water conservation rules. San Miguel has formed a committee to look into similar regulations. Such rules typically ban daytime watering of lawns.

The North County often has drier conditions than other parts of the county.

Impact on farming

The drought is also affecting agriculture. Grazing is hardest hit with forage levels estimated at 55 percent of normal. This is enough for county Agricultural Commissioner Bob Lilley to declare a disaster, which will make federal money available.

Aquifers are also dropping. No one has lost a well yet, but some are having to drill deeper, Lilley said.

Problems for agriculture are expected to get much worse if the drought extends into four years, he said.

Hint of a change

Meanwhile, there is some reason for optimism for the rainfall outlook next year.

Forecasters say conditions indicate that an El Niño weather event is forming. Such events feature warm ocean temperatures in the middle Pacific Ocean and are often accompanied by wetter conditions along the West Coast.

“If the El Niño does materialize, it could produce a more normal rainfall season,” Lindsey said. “But take that with a grain of salt, for sure. It’s a rough correlation.”

Only very strong El Niños produce reliably wet weather, and next year’s event will coincide with a longer-term dry period caused by a different weather pattern called the Pacific decadal oscillation.

Such oscillations typically last for 30 years and contain many small wet and dry periods. The dry conditions of the oscillation and the wet conditions of an El Niño may cancel each other out and produce a normal rainfall year, Lindsey said.

SAN LUIS OBISPO COUNTY RAINFALL TOTALS FROM JULY 1, 2008, THROUGH JUNE 29, 2009

The historical yearly average for San Luis Obispo is 24.36 inches. Such averages are not kept officially for the other communities.

7.23	14.89	11.98	8.82	5.87	10.03	15.94
Arroyo Grande	Atascadero	Grover Beach	Morro Bay	Paso Robles	Pismo Beach	San Luis Obispo



NACIMIENTO LAKE

Water pipeline ahead of schedule

Tribune 8-209

Construction crews working on pipeline segments and pumping stations meet few problems

By TONYA STRICKLAND
tstrickland@thetribunenews.com

Construction of the Nacimiento Water Project, a system that will carry millions of gallons of drinking water to residents and businesses in San Luis Obispo County, is due to finish six months ahead of schedule.

It's now slated to wrap up in July 2010, project manager John Hollenbeck said, noting crews have made good progress so far because they haven't encountered any major unexpected problems and they have resolved daily delays quickly.

"The direct benefit, obviously, is the delivery of water will be that much sooner," he said, noting work is currently about 80 percent complete.

Touted as one of the county's largest public works efforts, the Nacimiento Water

Please see WATER, A9

Update on the Nacimiento Water Project pipeline

The Nacimiento Water Project pipeline will run 45 miles from the Nacimiento Dam to the water treatment plant in San Luis Obispo.

Who's in? Paso Robles, San Luis Obispo, Atascadero Mutual Water Co., Templeton Community Services District and Cayucos Service Area 10.

How much? \$176.1 million

How is progress? The project is 80 percent complete and is running about six months ahead of schedule with work slated to wrap up in July of next year.

TRIBUNE MAP

NACIMIENTO WATER PROJECT PROGRESS

Here's a look at the project's percentages of completion as of June:

INTAKE: 99 percent complete

The intake, which starts at the lake, is contracted out to James W. Fowler Co. of Dallas, Ore., for \$21.9 million. It includes a 180-foot-deep shaft that is 20 feet in diameter, a 52-inch steel-lined tunnel and a 48-inch sloping intake on the reservoir's shore to pull the water into the pipeline. Work is now almost complete, but the facilities crew is still building a pump station there.

FACILITIES: 63 percent complete

Mountain Cascade Inc. of Livermore is building the project's pump stations and tanks for \$25.6 million. Work is to be completed in July 2010.

PIPELINE NORTH: 69 percent complete

Sacramento-based Teichert Construction is doing the 22-mile stretch of north pipeline. Construction on this phase was marred last fall when two workers at a Paso Robles construction site drowned while installing a 30-inch pipe segment. The state Division of the Occupational Safety and Health Administration subsequently fined the company. Much of Teichert's work was visible on Niblick Road in front of Woodland Plaza II, where Wal-Mart is located. Teichert's \$40.1 million contract will end in March.

PIPELINE CENTRAL: 99 percent complete

With construction going on just outside Atascadero and Templeton, the 11-mile central pipeline is nearly complete through the work of Paso Robles-based Whitaker Contractors Inc. Crews had to drill under the Salinas River several times. The firm's \$22.8 million contract will be finished next month.

PIPELINE SOUTH: 88 percent complete

Tustin-based Southern California Pipeline Construction Inc.'s \$17.7 million contract is set to end in November. The southern section is deemed by the county as one of the most challenging jobs on the project. Crews have created 12 miles of pipe down the Cuesta Grade's steep south side. They also worked along El Camino Real into Santa Margarita during spring and summer 2008.



SUNDAY, AUGUST 2, 2009

FROM PAGE ONE

SANLUISOBISPO.COM THE TRIBUNE A9

Water

From Page A1

Project has been talked about for half a century.

While Nacimiento Lake is in San Luis Obispo County, most of its water is owned and controlled by Monterey County.

Officials from both counties signed an agreement for the project in 1959, Hollenbeck said, and it wasn't until recent years that it moved into action.

"It's taken all these number of decades asking, 'Is this the time to build it?' And every time it was, 'No. Let's pump groundwater'" because it was cheaper, he said.

However, as dry spells continued to batter San Luis Obispo County, officials determined that relying only on existing groundwater was no longer economical.

Financed by bonds

Crews began moving dirt on the pipeline and its facilities — which were originally on a three-year completion plan — in December 2007.

At \$176.1 million, the job is no doubt costly, officials said, but as the county enters its third straight year of drought, the new water is a smart way to supplement existing sources.

"It costs money now," Hollenbeck added. "But it has benefits down the line so you're not in a detrimental situation" if local groundwater supplies decline dras-

Luis Obispo counties, San Luis Obispo County can draw 17,500 acre-feet from the lake each year — with 10 percent of that left in Nacimiento for lakeside users.

Among the current participants, 9,655 acre-feet are currently spoken for. The rest is considered as reserve and available to more signups.

When the work is completed, the county will invoice the five participants who signed up for the water.

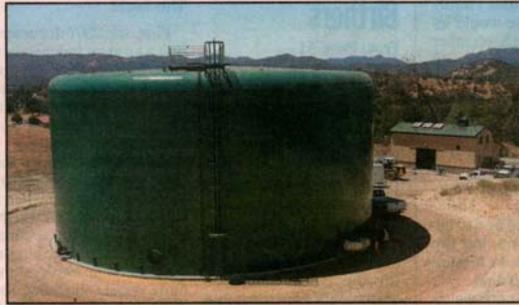
The cost to each of them of the project, which includes engineering, construction, environmental permitting, right-of-way, administration and construction management, will be distributed approximately as:

- Paso Robles, \$60 million to \$66 million;
- San Luis Obispo, \$73 million to \$81 million;
- Atascadero Mutual Water Co., \$33 million to \$36 million;
- Templeton Community Service District, \$6 million to \$7 million;
- and a county water treatment plant that serves Cayucos, \$550,000 to \$600,000.

The sums don't include interest charges that will be added to the 30-year repayment plans.

Of the participants, all but Cayucos signed up for entitlements in August 2004; Cayucos signed on in October 2006.

Paso Robles opted for the



TRIBUNE PHOTOS BY DAVID MIDDLECAMP

San Luis Obispo city officials took a tour of some of the Nacimiento Water Project sites last week, including a stop at the Rocky Canyon pump station near Atascadero. At right, former city utilities director John Moss, who recently retired, came along to check out the construction progress. He looks over the facility's pumps, which will push water from the 850,000-gallon tank over the Cuesta Grade to the city's treatment plant.



existing groundwater basins. Cayucos agreed to give its share to San Luis Obispo in exchange for using more water from its current source — the Whale Rock Reservoir, which also supplies San Luis Obispo.

The work

From digging trenches to maneuvering metal piping that prompted various road

closures, many locals have seen crews work on the project, which stretches from the eastern shore of Nacimiento, through Camp Roberts, south to Paso Robles, Templeton and Atascadero and through the Cuesta Grade to a point just north of San Luis Obispo at the city's treatment plant.

Currently, three pump stations — two made to look

like barns — are being built in the North County. The stations are equipped with machinery to keep the water moving through the massive pipeline.

The job has brought hundreds of workers into the county, which is good for the local economy, Hollenbeck said, though he didn't have an estimate on how much money they have

brought in.

Most of the workers have called the county a temporary home for about 18 months. They rent local apartments and buy food from grocery stores and restaurants. Locals have also been hired when possible, Hollenbeck added. Area suppliers, such as Paso Robles Tanks, have also benefited.



Nacimientto Water Project ahead of schedule

Josh Perroy
Paso Robles Press 10-6-09

recognizing the unfortunate situation regarding two tragic accidents that caused the death of two construction workers, was pleased with the construction progress made so far on the project.

"That weighs heavily on everybody's minds, mine, too, and it is an unfortunate thing," he said of the accidents. "We have had some very disappointing things, the deaths of the men to date is hugely tragic; it's a spirit killer. But this also

See PIPELINE, A4

Construction work on the \$176 million Nacimientto Water Project is ahead of schedule.

According to Nacimientto Project Manager John Hollenbeck, county officials and the project team originally estimated work to be complete in December 2010. Hollenbeck said the project would instead wrap up around July or August 2010.

Hollenbeck said that



Photo by Josh Perroy
Pictured above, a 30-inch diameter steel pipe is pulled through a hole underneath the Nacimientto River as part of the \$176 million Nacimientto Water Project.

PIPELINE Continued from A1

points to this business being very dangerous."

According to Hollenbeck, the schedule was not so tight that it would be unreachable but said officials laid out a timeline that was both flexible and reachable.

"I'm pleased with the pace things have been moving," Hollenbeck said. "It's ahead of schedule—that's unusual—we managed to get this [project] at a time when folks were looking for jobs, and we got a good contract. In fact, we just completed the central portion and certified that. I'm happy that [the project] is on its way, now we just need some rain to fill up [Lake Nacimientto]."

Whitaker Contractors, Inc., the contractor on the Pipeline Central, earned an estimated \$50,000 as part of an incentive provision included in its contract for finishing early, Hollenbeck said.

Whether the four remaining "specs" of the project—including the intake, facilities and water storage tanks, Pipeline North and Pipeline South—will earn extra funds through the incentive program for finishing early is yet to be determined.

"Whitaker was extremely well organized and planned the job well, resulting in their completion ahead of schedule," said Hollenbeck. "It is a great feeling as we start to see parts of this large project being completed."

According to Hollenbeck, delivery of the Nacimientto water is expected as planned in mid-2010.

Hollenbeck said county officials are working with the participants to see when they would like water delivery. None of the project participants are mandated to have the water delivered at a certain time, he said. As the project nears completion, Hollenbeck officials would contact the participants to see when they want the delivery

and how much water they would like delivered under their agreements. Hollenbeck said he recently sent out a request to Atascadero, which provided input indicating it would be taking its full 2,000 acre-feet of water over a period of four months beginning in June 2011, or roughly 500 acre-feet for four months. Hollenbeck said he hadn't heard back from the other participants on when and how much water they wanted delivered as of press time.

Hollenbeck said the only thing on the critical path that would extend the project beyond the longest point would be delivery of the pumping equipment at the intake.

According to Hollenbeck, the project is within its \$176 million with an estimated \$132 expended thus far. Yes.

"My guess is it will come in under budget but I'm still too far out in time to know that," Hollenbeck said.

For more information, visit www.nwp2construction.com.

Contractors complete Pipeline Central

Atascadero News
10-7-09

Josh Petray
STAFF WRITER

Contractors on the Nacimiento Water Project Pipeline Central recently earned \$50,000 as the first of five construction contracts to officially notice completion and finish their assignment safely and ahead of schedule by more than a month.

Paso Robles-based Whitaker Contractors of Paso Robles is the first of the Project's five construction contractors to complete their work, according to Nacimiento Project Manager John Hollenbeck.

Hollenbeck said the completion represented a "significant milestone in the Nacimiento Water Project."

"I personally am very pleased of the work they have performed and the service they have provided to the District and the people of San Luis Obispo County," he said.

The roughly \$26 million construction contract for the Pipeline Central consists of 10 miles of pipeline from Paso

Robles to Atascadero. County officials issued a notice to proceed in October 2007, and their notice of completion is dated Sept. 22, 2009.

In 1959, county supervisors executed an agreement with Monterey County Flood Control and Water Conservation District securing rights to 17,500 acre-feet annually.

"Six decades later, we are on the cusp to begin making delivery of those waters to areas within our county," Hollenbeck said.

According to Hollenbeck, Whitaker recently installed 11 miles of 18- and 24-inch diameter ductile iron pipe and associated ancillary facilities, installed more than 7,000 feet of welded steel pipe in small diameter tunnels and drilled under the Salinas River in four different locations. The contractor, meanwhile, worked cooperatively with local residents as they installed pipe through busy narrow farm roads within areas east of Templeton and Atascadero.

See PIPELINE, A3

PIPELINE

Continued from A1
Hollenbeck said.

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"Whitaker was extremely well-organized and planned the job well, resulting in their completion ahead of schedule," said Hollenbeck. "It is a great feeling as we start to see parts of this large project being completed."

Construction work on the \$176 million Nacimiento Water Project, meanwhile, is ahead of schedule.

According to Hollenbeck, county officials and the project team originally estimated all of the work to be complete in December 2010. Hollenbeck said the project would instead wrap up around July or August 2010.

Hollenbeck said that while recognizing the unfortunate situation regarding two tragic accidents that caused the death of three construction workers, he was pleased with the construction progress made so far on the project.

"That weighs heavily on everybody's minds — mine, too — and it is an unfortunate thing," he said of the accidents. "We have had some very disappointing things, the deaths of the men to date is hugely tragic; it's a spirit killer. But this also points to this business being very dan-

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Hollenbeck said county officials are working with the participants to see when they would like water delivery. None of the project participants are mandated to have the water delivered at a certain time, he said. As the projects near completion, Hollenbeck officials would contact the participants to see when they want the delivery and how much water they would like delivered under their agreements.

Hollenbeck said he recently sent out a request to Atascadero, which provided input indicating it would be taking its full 2,000 acre-feet of water over a period of four months beginning in June 2011, or roughly 500 acre-feet per month for four months. Hollenbeck said he hadn't heard back from the other participants on when and how much water they wanted delivered as of press time.

Hollenbeck said the only thing on the critical path that

would extend the project beyond the longest point would be delivery of the pumping equipment at the intake.

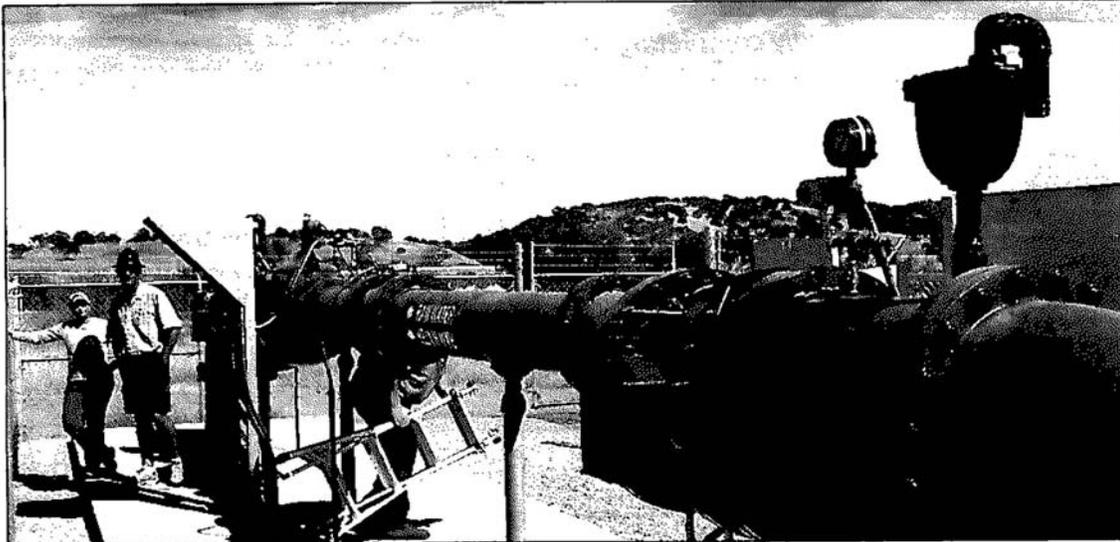
According to Hollenbeck, the project is within its \$176 million budget with an estimat-

ed \$132 expended thus far.

"My guess is it will come in under budget but I'm still too far out in time to know that," Hollenbeck said.

For more information, go to www.nwp2construction.com.





SAN LUIS OBISPO COUNTY PUBLIC WORKS DEPARTMENT COURTESY PHOTO

A turnout in Paso Robles will take water from the Nacimiento Water Project's main pipeline and divert it to the city.

Pipeline nears completion

SLO County's Nacimiento Water Project almost done

BY SARA HAMILTON
Staff Writer

San Luis Obispo County is putting the finishing touches on the single largest project the county has ever undertaken — the \$176 million Nacimiento Water Project.

Forty-five miles of pipeline have been put in the ground as part of the project, which aims to make water

more available in the county by the end of the year.

When completed, the facility will distribute a total of 15,750 acre-feet of water per year to Paso Robles, Templeton, Cayucos, Atascadero and San Luis Obispo.

According to the county, the project is already 95 percent complete and the bulk of the remaining work is rou-

tine testing.

Giving the entire project a test run "will be the most important and complex portion of the project, as it involves combining the five construction contract facilities into one seamless working facility," said Carolyn Berg, a Nacimiento staff engineer with the County of San Luis Obispo's Department

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PIPELINE

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of Public Works.

Berg said 80 percent of the county's water needs are met through groundwater, with the rest coming from existing surface water sources: Lopez Lake, Santa Margarita Lake, Whale Rock Reservoir and the State Water Project.

The pipeline — slated for a December completion but running ahead of schedule — will give its five participating cities a stable source of water, said Mike Manchak, president and chief executive of the county Economic Vitality Corp.

"Nacimiento Water Project has a large impact as a safe and reliable source of municipal water well into the future for San Luis Obispo County," Manchak said in an e-mail.

The pipeline will be finished just in time to take advantage of rising water levels at its source, Lake Nacimiento.

The Monterey County Water Resources Agency estimates that the lake is currently 45 percent full — a whopping 30 percent increase from fall 2009. Berg said "the increase in reservoir level has soothed concerns regarding the availability of water" for the project.

San Luis Obispo County contracted with each community to provide the water, but Berg said the recipient cities must provide their own distribution or treatment facilities.

"History has shown that if you wait too

long, these projects become less affordable and less feasible," Manchak said in an e-mail. "There is a saying that 'future wars will be fought over water,' so having this project nearly completed makes for one less thing to fight over on a local level."

Paso Robles was tied up in its own battle for more than a year before its city council approved a rate increase to fund its end of the pipeline project.

"The biggest nut to crack is the \$6 million contract we have to purchase water from Nacimiento," said Doug Monn, Paso Robles' public works director. "We're responsible for paying it, and the rate hikes are for projects needed to maintain and enhance infrastructure."

The looming issue for the city is getting a treatment plant up and running, a necessary precursor to using any Nacimiento water. San Luis Obispo already has a treatment plant, and Atascadero and Templeton will use recharge ponds that put the water back into the ground and pump it out again.

Though San Luis Obispo County acquired the rights to a portion of the water from lake Nacimiento in 1959, the value of the resource wasn't made clear until the 1987-1991 drought. That's when the county put the pipeline concept into motion. Construction started in December 2007 after years of planning, and Berg said it is still within its original \$176 million budget, which includes preliminary engineering, environmental, design, right-of-way acquisition, construction and construction management.



PUBLIC WORKS

SLO getting water from Nacimiento

The Tribune 1-14-11

North County lake will provide 1.1 billion gallons of water per year to the city, which is the first to take delivery from the project

By ANNMARIE CORNEJO
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After decades of planning, the Nacimiento Water Project is finally flowing: Water from the lake is now coming out of faucets in San Luis Obispo.

The lake northwest of Paso Robles will now serve as San Luis Obispo's main water source — the equivalent of 1.1 billion gallons of water annually. The city also gets additional water from Santa Margarita Lake and Whale Rock Reservoir through separate projects.

The city is the first to treat and use water from Nacimiento Lake after the completion of the 45-mile, \$176 million pipeline — the county's largest public works project. The pipeline will carry millions of gallons of water from the lake to Paso Robles, Atascadero, Templeton, San Luis Obispo and part of Cayucos.

"Future city water supplies are critical — everyone is facing water shortages and this city is

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Water

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positioned very well and into the future to have a reliable water supply," said Gary Henderson, San Luis Obispo's water division manager. "This is a huge achievement."

Henderson, who has worked for the city for 27 years, said he spent the first two decades of his career seeking additional supplies for the city.

"This is absolutely the biggest accomplishment of my career," Henderson said.

Water from the Nacimiento Water Project was treated at San Luis Obispo's water treatment plant for the first time last week — starting with a flow of about 1 million gallons. City workers have since been working to fine-tune the process.

Each water source is treated differently depending on silt levels, algae and other components inherent to the source, Henderson said.

"Treating a new blend of water is challenging," said Henderson, "but we are now meeting all state and federal regulations, and the water is flowing."

The water treatment plant is now processing more than 3 million gallons per day of project water.

The city treats about 2.2 billion gallons of water annually, said Dean Furukawa, plant supervisor. The 1.1 billion gallons of water from Nacimiento Lake will be used each year, and supplemented mainly from Santa Margarita Lake to meet the city's needs.

Furukawa said residents shouldn't notice a lot of

Nacimiento Water Project pipeline

The Nacimiento Water Project pipeline runs 45 miles from the Nacimiento Dam to the water treatment plant in San Luis Obispo.

When in full use, it will provide water to Paso Robles, San Luis Obispo, Atascadero Mutual Water Co., Templeton Community Services District and Cayucos Service Area 10.

Reach AnnMarie Cornejo at 781-7939. Stay updated by following @a_cornejo on Twitter.





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EDITORIAL

OPINION OF THE TRIBUNE

Nacimiento project long in the making

There remains some unfinished business regarding new water pipeline, but we're confident the 30-year project was worth it

There was no public ceremony marking the event, but it was nonetheless a historic occasion when the city of San Luis Obispo began piping Nacimiento water to city residents earlier this month.

How big a milestone was it?

Consider: Nacimiento was the first major new source of water to come on line in San Luis Obispo in 50 years.

From a countywide perspective, the 45-mile, \$176 million pipeline was the single largest public works effort in county history. It was the culmination of more than 30 years of planning and a sizeable investment — \$176 million — on the part of local agencies and ratepayers.

We believe it was well worth it.

Many California communities are struggling to find new sources of water, and the situation is expected to worsen as global warming leads to more severe drought conditions.

The communities participating in the Nacimiento Water Project — San Luis Obispo, Atascadero, Paso Robles, Templeton and Cayucos — showed tremendous foresight in providing a water “insurance policy” not only for current residents, but also for future generations.

There is one bit of unfinished business: Paso Robles has yet to lock down a way to pay for its share of the project. The city has attempted numerous times to pass water rate increases to cover its share of pipeline costs, as well as to fund a water treatment plant. However, a minority of residents has blocked those efforts through rate protests and lawsuits.

We hate to see Paso Robles residents denied the benefits of the Nacimiento Water Project — especially since water customers already have been paying some fees earmarked for the project.

Also, it's clear that Paso Robles needs more water: This summer, the city will almost certainly impose restrictions, once again, on watering lawns, washing cars, hosing down driveways, etc.

To be clear, we agree that reasonable water conservation measures are a good thing. But we firmly believe that residents of every community deserve the assurance that there will be enough water available for cooking, cleaning, flushing toilets, washing clothes and watering plants, even in drought conditions.

We also want local decision-makers to have the ability to approve projects that are good for their communities — and not have their hands tied by building restrictions imposed due to lack of water.

The Nacimiento Water Project ensures that participating communities will be able to deliver reliable water supplies to their residents now and for the foreseeable future.

That's a huge accomplishment, and we commend city and county officials who stuck with the project for so many years.

We strongly urge residents of Paso Robles to tap into this valuable resource by supporting city efforts to finance the project.

