



October 20, 2023

Water Resource Advisory Committee

Attn: WRAC Ad Hoc Committee

Subject: Northern Cities Management Area Comments in Response to the WRAC Ad Hoc Committee Comments to the FEIR for the Dana Reserve Specific Plan

Dear WRAC Ad Hoc Committee,

This letter is written in response to the Water Resource Advisory Committee (WRAC) Ad Hoc Report comments on the Final Environmental Impact Report (FEIR) for the Dana Reserve Specific Plan (Dana Reserve Project). The Northern Cities Management Area (NCMA) has reviewed the FEIR for the Dana Reserve Project and the comments provided by the WRAC, particularly with regards to the determination of adequate water supply for the Dana Reserve Project. This letter communicates the NCMA's comments to the WRAC Ad Hoc Committee.

The NCMA does not agree with the Committee's determination that the water supply is sufficient to support new development. The NCMA believes there has been a misinterpretation of the 2005 Stipulation requirements around the Nipomo Supplemental Water Project (NSWP). The 2005 Stipulation requires Nipomo Community Services District (NCSD) to bring in a minimum of 2,500 acre-feet per year (AFY) of the NSWP by contracting with the City of Santa Maria. The purpose of the minimum 2,500 AFY of NSWP is to offset the groundwater from the existing users within the Nipomo Mesa Management Area (NMMA) at the time of the Stipulation. This imported water was not intended to offset future development and is misleading to calculate this amount as part of the total for NCSD's future water supply within the Water and Wastewater Services Evaluation Report for the Dana Reserve Project.

There is also reason to believe the NMMA groundwater demand has exceeded the available groundwater supply since the Stipulation. NMMA's 2013 Annual Report referenced the Department of Water Resources (DWR) 2002 Report "Water resources of the Arroyo Grande – Nipomo Mesa area" which estimated the dependable yield of the area now known as the NMMA to be between 4,800 AFY and 6,000 AFY. After adjusting for return flows, the NMMA pumped approximately 8,900 AF in 2005, 12,900 AF in 2013, and 12,257 AF in the latest 2022 Annual Report. This trend suggests that NMMA has been in a groundwater supply deficit since the date of the Stipulation. Because NCSD is part of the greater NMMA area, this deficit should be taken into consideration when evaluating the availability of sufficient water supplies for the NCSD service area.



In the Ad Hoc Report the committee stated: *"The FEIR Master Response MR-1 to DEIR Comments, notes 'Per the terms of the 2005 Stipulation and 2008 Judgment resulting from the Santa Maria Groundwater Litigation (1997), all new urban uses are required to provide a source of supplemental water to offset the water demand associated with the development.' This would apparently not apply to new wells developed outside of the NCSD service area."* The 2005 Stipulation and the 2008 Judgment After Trial applies to the entire Santa Maria River Valley Groundwater Basin, including areas incorporated by NMMA, not just the NCSD service area. The 2005 Stipulation requires NCSD *"to purchase and transmit to the NMMA a minimum of 2,500 AFY of the NSWAP each year. However, the NMMA Technical Group may require NCSD in any given Year to purchase and transmit to the NMMA an amount in excess of the 2,500 AFY of NSWAP and up to the maximum amount of NSWAP which the NCSD is entitled to receive under the MOU if the NMMA Technical Group concludes that such an amount is necessary to protect or sustain groundwater supplies in the NMMA."*

The Ad Hoc Report also states that the *"Demand is 2,046 AFY for current NCSD customers, 340 AFY for future developments, and 352 AFY for the Dana Reserve Project, leaving 694 AFY more availability than demand. Therefore, the water supply for the development is more than sufficient."*

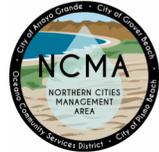
The future demand of 692 AFY in NCSD, including the Dana Reserve Project, exceeds the 500 AFY of readily available import water that is in excess of the minimum 2,500 AFY, according to the wholesale agreement between NCSD and the City of Santa Maria. It should be noted that this 500 AFY is intended for new development within NMMA occurring since the 2005 Stipulation. It is not intended solely for new development within NCSD. NCSD is currently importing less than the minimum required AFY defined in the Stipulation, this means there has not been supplemental water supplied for any new developments in the NMMA since 2005.

Beyond the readily available 3,000 AFY defined in the wholesale agreement, there is an additional 3,200 AFY identified that is available to request but not available to NCSD to purchase and transmit until the license agreement limitation is removed by County of Santa Barbara. There is no guarantee that the 3,200 AFY of water will be available for use given that the County has rejected NCSD's request to remove the delivery limitation of 3,000 AFY. This water supply cannot be labeled as secured for future development nor can it be applied as available imported water until the availability is secured by NCSD.

The NCMA asks the WRAC Ad Hoc Committee to consider the comments provided in this letter in their decisions moving forward regarding the Dana Reserve Project water supply availability.

Sincerely,

Northern Cities Management Area



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Ben Fine
Public Works Director
City of Pismo Beach

A handwritten signature in blue ink, appearing to be "Will Clemens", written in a cursive style.

Will Clemens
General Manager
Oceano Community Services District

A handwritten signature in blue ink, appearing to be "Shannon Sweeney", written in a cursive style.

Shannon Sweeney
Acting Public Works Director/City Engineer
City of Arroyo Grande

A handwritten signature in blue ink, appearing to be "Steve Kahn", written in a cursive style.

Steve Kahn
Interim Public Works Director
City of Grover Beach