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June 12, 2012

Honorable James Patterson  
Chairperson, Board of Supervisors  
County of San Luis Obispo  
976 Osos Street  
San Luis Obispo, CA 93408-2040

Subject: Water Resources Advisory Committee Comments on the Water Resource Components of the Revised Draft Environmental Impact Report for the Proposed Laetitia Agricultural Cluster Development

Dear Chairperson Patterson:

On May 2, 2012, the Water Resources Advisory Committee (WRAC) formed an ad hoc subcommittee, tasked with reviewing the Revised Draft Environmental Impact Report (RDEIR) for potential water supply, wastewater and groundwater impacts if the proposed Laetitia Agricultural Cluster subdivision is approved.

Ad hoc subcommittee members included Alternate Member D. Chipping (Environmental at-Large), Member Garfinkel (District 2), Member Hyman (District 3), Member Winn (Nipomo CSD), Alternate Member Wald (Environmental at-Large), and Member Toomey (District 4). Member Hyman served as subcommittee chair. The subcommittee met to review the Laetitia Agricultural Cluster Subdivision RDEIR on May 14, 2012. Subsequent discussions on the issues raised at this meeting were conducted via email from May 16<sup>th</sup> through May 22<sup>nd</sup>.

On June 6, 2012, the WRAC reviewed and revised the ad hoc subcommittee's report and voted (18-0-0) to submit the attached report to you for consideration. The WRAC recommends that your honorable Board require that the issues raised in the attached report be addressed if you decide to proceed with project approval.

#### Purpose of the Committee:

To advise the County Board of Supervisors concerning all policy decisions relating to the water resources of the SLO County Flood Control & Water Conservation District. To recommend to the Board specific water resource programs. To recommend methods of financing water resource programs.

Excerpts from WRAC Bylaws dated 3/2/2011

Respectfully,

A handwritten signature in blue ink that reads "Michael Winn". The signature is written in a cursive style with a large initial "M".

MICHAEL WINN

Chairperson, Water Resources Advisory Committee

cc: SLO County Board of Supervisors  
SLO County Planning Commission  
Brian Pedrotti, County Department of Planning and Building

Attachment: WRAC Subcommittee Report on Laetitia Agricultural Cluster  
Subdivision Revised Draft Environmental Impact Report

## **WRAC Subcommittee Report on Laetitia Agricultural Cluster Subdivision Revised Draft Environmental Impact Report (RDEIR)**

The WRAC Subcommittee met to review the Laetitia Agricultural Cluster Subdivision Revised Draft Environmental Impact Report on May 14, 2012, at the SLO County Government Center from 3 pm to 5 pm. Subsequent discussions on the issues raised at this meeting were conducted via email from May 16 through May 22 leading to this report for consideration by the Water Resources Advisory Committee.

### **BACKGROUND**

The Laetitia project subdivides twenty-one parcels (approx 1,910 acres) out of rural and agricultural lands of the Laetitia Ranch into 102 residential lots and 4 open space lots. In September 2008, the Laetitia DEIR, which listed possible significant, adverse, and unavoidable environmental impacts, was released for public comment. Of the ten impacts to water in the report, each was reduced to “less than significant” with mitigation measures.

A subcommittee was formed to review the Laetitia DEIR. The members visited the project site and submitted their report to WRAC, which subsequently adopted that report on February 4, 2009.

At the end of the DEIR public comment period, issues regarding water resources and applicant modifications to the project necessitated the need to re-circulate sections of the DEIR, resulting in a delay of the preparation of a Final EIR.

The revised DEIR (RDEIR) released April 26, 2012, consists of the sections of the DEIR that include water resources, biological resources, and two additional project alternatives.

A second WRAC Subcommittee was formed on May 2, 2012, to review the RDEIR.

#### **Subcommittee Members:**

David Chipping, Environment Alternate; Bill Garfinkel, District 2;  
Jim Toomey, District 4; Steph Wald, Environment-at-Large; Mike Winn, Nipomo CSD.  
Marilee Hyman, District 3, Chair.

May 22, 2012

## **WRAC Subcommittee Report on Laetitia Agricultural Cluster Subdivision Revised Draft Environmental Impact Report (RDEIR)**

The WRAC Subcommittee reiterates and expands the following concerns expressed in the first WRAC Laetitia Agricultural Cluster Subdivision DEIR report submitted February 4, 2009.

### **RECOMMENDATION THAT LAETITIA RANCH RETAIN CONTROL OF WATER TREATMENT FACILITY AND WASTE WATER FACILITY**

WRAC concurs with the RDEIR condition recommendation (V78, 79) that control of wastewater disposal rest with the developer. Going one step further, WRAC urges the expansion of this recommendation to also include the entire water supply system. The residential water supply is closely tied to agricultural supply. If the wells, water treatment, distribution system as well as the wastewater management system were under the single management of the developer, conflicts would be avoided during drought conditions or a system component failure.

### **CLARIFY ALLOCATIONS BETWEEN AGRICULTURE AND RESIDENTIAL USERS**

The RDEIR describes two separate water supply and distribution systems for agricultural and residential uses, and also describes intended plumbing interconnection between those systems. County policy dictates that increased residential water use on agricultural parcels should not adversely impact agricultural operations. The Final EIR should better describe the manner in which supply and distribution problems (such as well failures) in one of the systems will be addressed by adjustments from the other system. This should clarify any potential problems such as water quality or well capacity that might arise.

The WRAC Members believe that the proposed project has not demonstrated compliance with the County's Agriculture Element AGP11 ("Agricultural Water Supplies"). It appears that the proposed project is allocating water to residential development before meeting maximum agricultural development uses.

The WRAC Subcommittee expresses the following concerns after review of the Laetitia Agricultural Cluster Subdivision Revised Draft Environmental Impact Report (RDEIR).

### **WATER DEMAND**

With the water duty factors for primary dwelling units set at 0.44 acre feet per year, the calculations for water demand and water supply demonstrate there is sufficient water for the Laetitia project. The WRAC is skeptical of the water duty factor of 0.44, is a realistic figure and how it can be imposed on the residential units should be provided. The revised RDEIR water duty factor of 0.44 AFY places this project considerably out of sync with other similar projects.

Varian Ranch	1.50
Woodlands	1.50
Santa Margarita Ranch	1.44
County Master Water Plan	1.44
Initial Laetitia Proposal	1.12
Revised Laetitia Proposal	0.44

## **WRAC Subcommittee Report on Laetitia Agricultural Cluster Subdivision Revised Draft Environmental Impact Report (RDEIR)**

The water duty factor used by the applicant is more suitable to small lot urban developments than to 1-acre rural properties. Even if one accepts these low demand estimates there does not appear to be adequate measures in place to implement and enforce the proposed water conservation methods.

If the project is to control water use through CC&Rs, the RDEIR must address the likely success of enforcement of water use restrictions.

Having little, if any, margin for error is of concern. A relatively small increase in the Laetitia water duty factor from 0.44 to 0.60 AFY (to include the Ranch Headquarters) would nearly equal the estimated sustainable yield of 62.4 AFY ( $102 \times 6 = 61.20$ ,  $+1 = 62.2$ ). The addition of 13 AFY for the Dude Ranch exacerbates the problem.

### **UNRELIABILITY OF WATER FROM FRACTURED ROCK**

The well tests and analysis appear to be adequate, but well production is from fractured bedrock in several of the major wells tapping into the Monterey Formation and Obispo Tuff.

The unreliability of wells from fractured rock is well known. Anecdotal evidence from local residents verifies that wells drilled in fractured rock may initially produce heavily but often decline over time and sometimes suddenly run dry. Having a plan in place in the event a well runs dry is advisable.

### **SUSTAINABILITY OF WATER SUPPLY**

Declining ground water levels and a decline in creek flow place the sustainability of the water supply in doubt. WRAC is concerned that the RDEIR and DEIR are unable to provide any long-term data on the groundwater levels on the Laetitia property or from nearby that would show some hydrologic connectivity to the proposed project. RDEIR V67-68 states "Although there are only a few data points for Wells F&T-1, F&T-2, FVW-1, and FVW-3, over periods of several years, the data show a general decline in groundwater elevation at these wells over 30 years."

This particularly troubling statement, in combination with recorded declines in flow in Los Berros Creek, suggests that existing water use of 222.3 AFY may be mining the aquifers and that the 280 AFY of projected use would not be sustainable.

### **WELL WATER EXTRACTION AND THE CUMULATIVE EFFECTS ON LOS BERROS CREEK**

It is critical to note that use of any wells tapping the riparian creek underflow elevate the decreased flow in Los Berros Creek to a Class I immitigable impact. The concern is that the total amount of water withdrawn from the Los Berros Creek underflow may be excessive. The RDEIR has failed to address this possible cumulative impact of well extraction on Los Berros Creek. This issue should be addressed in the Final EIR along with the possible impacts to the watershed.

It should also be noted that historically the use of these wells has not been necessary to meet vineyard and ag facility needs. With the exception of Well #9, all wells currently used to meet Laetitia needs are located in the lower western portion of the property.

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Table 5 (RDEIR) clearly demonstrates that significant dewatering of Los Berros Creek has taken place since the 1970s. The cumulative effect of the entire well field on creek flow should be better defined if it is possible that any well showing fast recovery response to rain might have a deleterious effect on the creek and if its cone of depression intersects the underflow.

### **IMPACTS TO LOS BERROS CREEK: Use of Wells #5 and #8**

Well #5 and Well #8 appear to have a dependence on Los Berros Creek underflow as both showed fast recovery after rain (RDEIR V67).

Well #8 appears in the RDEIR in the context of hydrographs that indicate strong dependence on Los Berros Creek underflow (RDEIR V67). There is no further discussion of Well #8 except the statement that it is an agricultural supply well. Failure to factor in Well #8 impact weakens the assertion that impacts (WAT Impact 7) to Los Berros Creek can be reduced to less than significant (RDEIR V81) as this conclusion has been evaluated on potentially incomplete data.

### **IMPACTS TO LOS BERROS CREEK: Restricted Use of Well #11**

In response to comments in the DEIR that Well #11 directly impacts Los Berros Creek underflow, the RDEIR proposes to restrict pumping of Well #11 to December through July, the historically low production months.

Noted are errors in Figure 1 of the Geosync letter to Shawna Scott. Well #11 needs to be depicted as a project well. Well #9 should be shown as a non-project well.

### **IMPACTS TO LOS BERROS CREEK: Uncertainty on Use of Well #9**

The fast recovery of Well #9 after heavy rains suggest connectivity to Los Berros Creek. Other bedrock-supplied wells did not show a similar recovery (RDEIR V67).

The RDEIR also notes that there could be future well interference between Well #9 and domestic production wells, although the well tests show no evidence of this. The RDEIR (V67) notes that replenishment rates for wells in the Monterey Formation are likely to be low, and that well interference with Wells #10 and #11 is a future possibility (V68).

### **IMPACTS TO LOS BERROS CREEK: Potential Use of Wells #12 and #13**

Wells #12 and #13 that draw from the creek underflow are connected to the water supply system (Figure VB5 V47). The RDEIR recommends that Wells #12 and #13 be removed from the calculated project water supply due to their likely negative impact on Los Berros Creek; however, the two wells will remain connected to the supply system. Should other well production fail or fall short of requirements or for any other reason, these wells have the possibility of being used as a water supply. The connection to the water supply system should be removed.

Water could be obtained from these wells without the knowledge of outside authorities or even the residents. At risk is drawdown of the creek underflow and critical species habitat for steelhead and red-legged frog. No conditions or prohibitions have been placed

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on well use nor is there in place a requirement to cap or fill it to permanently remove the possibility of future use.

The conclusion under WAT Impact 7 that impacts to Los Berros Creek can be reduced to less than significant (RDEIR V81) has been evaluated on incomplete data.

### **RECHARGE OF GROUNDWATER AND CREEK**

The total water budget for the agricultural and residential uses produces a net increase in water use from 222.3 AFY to 280 AFY that will be reflected in a net reduction in outflow for the Los Berros Creek system. WRAC supports adherence to mitigation WAT/mm 10 in the project design, with a strong emphasis on the optimization of groundwater recharge to bedrock aquifers and the use of surface impoundment.

### **CUMULATIVE EFFECTS OF WELL WATER EXTRACTION ON STEELHEAD HABITAT OF LOS BERROS CREEK**

The National Marine Fisheries Service has designated Los Berros Creek as steelhead Critical Habitat in the Estero Bay Hydrologic Sub-unit 3310 and the Oceano Hydrologic Sub-Area 331031.

The RDEIR should discuss the serious potential that federal and state agencies may impose a minimum daily flow requirement to conserve the endangered species habitat. A habitat plan could require pumping be reduced or even terminated if shown to be directly or indirectly dewatering the creek.

The RDEIR fails to relate minimum allowable flows for success of steelhead in Los Berros Creek to the probable impacts of increased well pumping affecting the creek.

### **CUMULATIVE EFFECTS OF WELL WATER EXTRACTION ON RED-LEGGED FROG HABITAT OF LOS BERROS CREEK**

The possibility of additional water demand for the endangered frog habitat should be addressed in the RDEIR. The RDEIR discusses mitigation of impacts associated with the red-legged frog habitat, including the preservation of ponds and wetlands especially through the dry summer months. These impacts are discussed only in the context of construction activities and not in terms of a possible prolonged and large-scale dewatering of the area.

### **CUMULATIVE WATER IMPACT OF DUDE RANCH**

The cumulative impact of a Dude Ranch is missing from the DEIR. The information provided on the Dude Ranch is inadequate to evaluate the cumulative impact on water demand. There is no way to determine if the needs of Dude Ranch will potentially exceed the water supply.

The derivation of the 13-acre feet water need is not described in either the DEIR or RDEIR. The Dude Ranch lists 75 units but does not elaborate on the livestock needs, include the number of staff or list amenities that would increase water demand. Los Berros Creek has been identified as being impacted by nitrate loading by the Regional Water Quality Control Board. Proposed project agricultural activities including

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the Dude Ranch would potentially exacerbate the loading. It is recommended that water quality protections be considered in project design to address potential increases in water quality impacts as regards nitrate loading in Los Berros Creek.

The impacts of the Equestrian Center on Los Berros Creek were eliminated when it was removed from the project, but there is question that the creek may be similarly impacted by the Dude Ranch in both water quantity impacts and water quality impacts.

### **IMPACTS TO SURROUNDING AREA**

**Oceano Flood Plain:** Lower Los Berros Creek and Arroyo Grande Creek are in Flood Control Zone 1 and 1A and are subject to flooding at peak flow. The project hardscape will increase peak runoff (RDEIR Table V B6, V73) creating a deleterious effect on both creeks. Current best practice engineering guidelines for new subdivisions recommend sufficient retention to reduce the hydrograph peak of a 50-year storm to that of a 2-year storm. (2011 San Luis Obispo County Design Standards). WRAC requests the Final EIR address the project design requirements to attain this standard, including placement of retention structures and impacts to the existing resources such as oaks.

**Santa Maria Ground Water Basin:** Although the Laetitia area is not within the Santa Maria Groundwater Basin, it is a significant part of the recharge for the "Northern Cities" Management Area.

**Salt Water Intrusion:** The Laetitia project in time of drought may contribute to the drawdown of the water table enough to exacerbate the threat of salt-water intrusion at the coast.

### **CONSIDERATION OF NEW WATER REGULATIONS**

New regulations from the many agencies that govern water, wastewater, and health along with others who issue water related permits may have additional, significant effects on the project as proposed.

The Central Coast Regional Water Quality Control Board has recently adopted an updated Conditional Ag Waiver Discharge program (March 15, 2012), which includes requirements to control irrigation and storm water runoff.

The RWQCB has also approved a Total Maximum Daily Load (TMDL) for Nitrate (May 3, 2012) for the Los Berros Creek sub watershed. The Laetitia project would be subject to the TMDL. An update to the EIR regulatory setting section with nitrate TMDL is therefore warranted. The project's potential addition of nitrate to surface and groundwater, or use of groundwater by agriculture and residential development in an already nitrate-impacted sub watershed, points to a need for additional water quality analysis.