

**ADOPTED**

**NIPOMO COMMUNITY SERVICES DISTRICT**

**SPHERE OF INFLUENCE UPDATE  
MUNICIPAL SERVICE REVIEW**

**SAN LUIS OBISPO  
LOCAL AGENCY FORMATION COMMISSION  
May 20, 2004**

# **SAN LUIS OBISPO**

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# **CHAPTER 1**

## **NIPOMO COMMUNITY SERVICES DISTRICT**

### **INTRODUCTION AND EXECUTIVE SUMMARY**

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#### **Introduction–Sphere of influence Update**

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County. A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". An SOI is generally considered to be a 20-year growth boundary for a jurisdiction. The Act further requires that a Municipal Service Review be conducted prior to, or in conjunction with, the update of a Sphere of Influence.

The fundamental role of the Local Agency Formation Commission, LAFCO, is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act, found in Government Code 56000, et. Seq. The major goals of LAFCO as established by the CKH Act include:

1. To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the state;
2. To promote orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
3. To discourage urban sprawl;
4. To preserve open-space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
5. To exercise its authority to ensure that affected populations receive efficient governmental services;

6. To promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing;
7. To make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;
8. To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
9. To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
10. To update SOIs by January 2006, and not less than every five years; and
11. To conduct a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

This Sphere of Influence Update and Municipal Service Review has been prepared for the Nipomo Community Services District in accordance with Section 56430 of the California Government Code. The Service Review found in Chapter Three evaluates the public services provided by the District and possible changes to their Sphere of Influence. The Service Review Guidelines prepared by the State Office of Planning and Research were used to develop information, perform analysis and organize this study. A Municipal Service Review is prepared for public agencies such as the NCSO that are within LAFCO's jurisdiction. Developments served by private entities (such as The Woodlands) are not subject to the SOI update and Municipal Service Review process as required in Government Code 56000, et al.

A variety of information sources were used to prepare this document and a list of references and contacts is attached. Key documents utilized for this study include:

- Water and Sewer Master Plan 2001 Update, March 2002
- Water and Sewer Rate Study Update, November 2000 and December 2002
- Evaluation of Water Supply and Alternatives, October 2001
- Annual Budgets from Fiscal years 2001 through 2003
- Annual Independent Audits for 2001 through 2002
- Water and Sewer Replacement Study, January 2000
- The Land Use Ordinance Amendment and South County Area Plan, County of San Luis Obispo
- South County Circulation Study, August 2002
- Water Resources of the Arroyo Grande – Nipomo Mesa Area, Department of Water Resources, 2002
- Annual Resource Management Summary, County of San Luis Obispo, 2002
- The Woodlands Specific Plan and EIR, September 1998
- Willow Road Final Environmental Impact Report, 1999
- Lucia Mar School District High School #2 Environmental Impact Report, 1998
- NCSD Urban Water Management Plan-adopted 1-14-04
- NCSD Annexation Policy
- 2002 Supplemental EIR for the GMO Amendment
- Ordinance No. 2957 amending the GMO adopted December 18, 2001
- Addendum to the 1998 EIR approved on December 17, 2002
- County Resolution No. 2002-556 approving the Vesting
- Resolution No. 2002-554 making a determination and verification that sufficient water is available pursuant to Government Code 66473.7 for Tract 2341 for the Woodlands
- Proposed/Revised Draft Partial Statement of Decision-Santa Maria Groundwater Litigation-Case No. CV 770214
- The Environmental Assessment of Water Resources Availability: Bartleson Development Plan
- Water Resources Evaluation-Nipomo Mesa Management Area, SAIC, May 28, 2003
- Nipomo Mesa Groundwater Resources Study, Papadopolus & Assc., 2004

The legislative authority for conducting Service Reviews is provided in Section 56430 of the CKH Act. The Act states, “ That in order to prepare and to update Sphere of Influence’s in accordance with Section 56425, LAFCO’s are required to conduct a service review of the municipal services provided in the County or other appropriate designated area...” A Service Review must have written determinations that address the following factors in order to update a Sphere of Influence:

1. Infrastructure Needs & Deficiencies
2. Growth & Population
3. Financing Constraints & Opportunities
4. Cost Avoidance Opportunities
5. Opportunities for Rate Restructuring
6. Opportunities for Shared Facilities
7. Government Structure Options
8. Evaluation of Management Efficiencies
9. Local Accountability & Governance

Information and written determinations regarding each of the above issue areas is provided in this document (Chapter 3) for public review and comment as well as for the Commission’s consideration.

The State Guidelines encourage LAFCO’s to work cooperatively with the variety of stakeholders involved in preparing a Service Review. The Guidelines suggest that LAFCO’s use a significant proposal (constraints analysis, Land Use Ordinance Amendment update, master plan, annexation, etc.) as a way to compile the information needed for a Service Review. The Nipomo area is one of the fastest growing communities in the County. Several development proposals are being processed by the County Planning Department. The NCSD provides water, sewer, solid waste, limited street lighting, limited drainage (maintains a small number of drainage basins), and limited street landscape maintenance to areas within their service boundary. The NCSD has recently updated several of its service plans to keep pace with the development activity in the area. The District has provided these updated documents and others, providing a solid information base for conducting the Sphere Update and Service Review.

### **Service Review and Sphere of Influence Update Process**

The CKH Act calls for the Service Review to be completed either prior to or concurrent with the Sphere of Influence update. The Service Review analyzes the District's municipal services consistent with the State's Draft Guidelines for preparing such a study. The County also serves the area by providing planning and building, as well as roads and drainage services. The Service Review will be used as an information base to update the District's SOI and provides a basis for the public, District, County, and LAFCO to discuss changes to the SOI. The process for updating the Sphere of Influence includes several steps:

1. Preparation of a Draft Sphere of Influence Update and Municipal Service Review.
2. Completion of the environmental review process consistent with the California Environmental Quality Act (CEQA).
3. Public Review period for documents. (Usually 30-60 days)
4. LAFCO approval of Sphere of Influence Update, Municipal Service Review and environmental review documentation.

### **Specific Actions By LAFCO**

LAFCO is being asked to consider the following actions as a part of this Sphere of Influence Update:

1. Approve and adopt the environmental documentation pursuant to CEQA;
2. Approve the Municipal Service Review found in Chapter Three of this document; and
3. Approve and adopt the Sphere of Influence Update for the District in Chapter Two of this document.

## Executive Summary

The analysis in the Sphere of Influence Update and Municipal Service Review that follow evaluates issues and addresses the factors unique to LAFCO's role and decision-making authority pursuant to the CKH Act. The NCSD provided LAFCO with a map suggesting a particular area be considered for their Sphere of Influence (SOI). LAFCO staff divided the map into eight Study Areas to evaluate the various locations. To gather more information about the proposed SOI, this Study Area map shown in Figure 1-1 was released for public review and comment. The Study Area Map **does not** portray the recommended SOI. The Recommended Sphere of Influence is shown in Figure 1-2. The Study Area map was used to gather information about the areas being considered for inclusion in the Sphere of Influence.

**Chapter Two** is the Sphere of Influence Update and focuses on the actions being proposed regarding the District's Sphere of Influence (SOI). This Chapter includes detailed maps showing the recommended SOI for each of the eight study areas. Chapter Two recommends the update of the Sphere of Influence be based on the information found in Chapter Three, the Municipal Service Review and the Final Environmental Impact Report (EIR).

**Chapter Three** is the Municipal Service Review for the Nipomo CSD and addresses the nine factors required by the CKH. The key issue is the availability of a future water supply to serve the District's expanded Sphere of Influence. Chapter Three reviews the key studies regarding the groundwater basin and the District future water supply. Also, four different land use and water demand alternatives are described to estimate the future water supply the District may need to serve the Sphere of Influence. These alternatives are then studied as part of the PEIR.

The **Program Environmental Impact Report**, which accompanies this Sphere of Influence Update and Municipal Service Review, studies the impacts of the establishing the Sphere of Influence consistent with the California Environmental Quality Act. A Program EIR is used when a project is related geographically, part of a plan or program to be implemented such as a Land Use Ordinance Amendment Element or Sphere of Influence, or linked by a series of related actions. The Sphere of Influence Update and Service Review fit the criteria for preparing a Program EIR.

Figure 1-1: Study Area Map

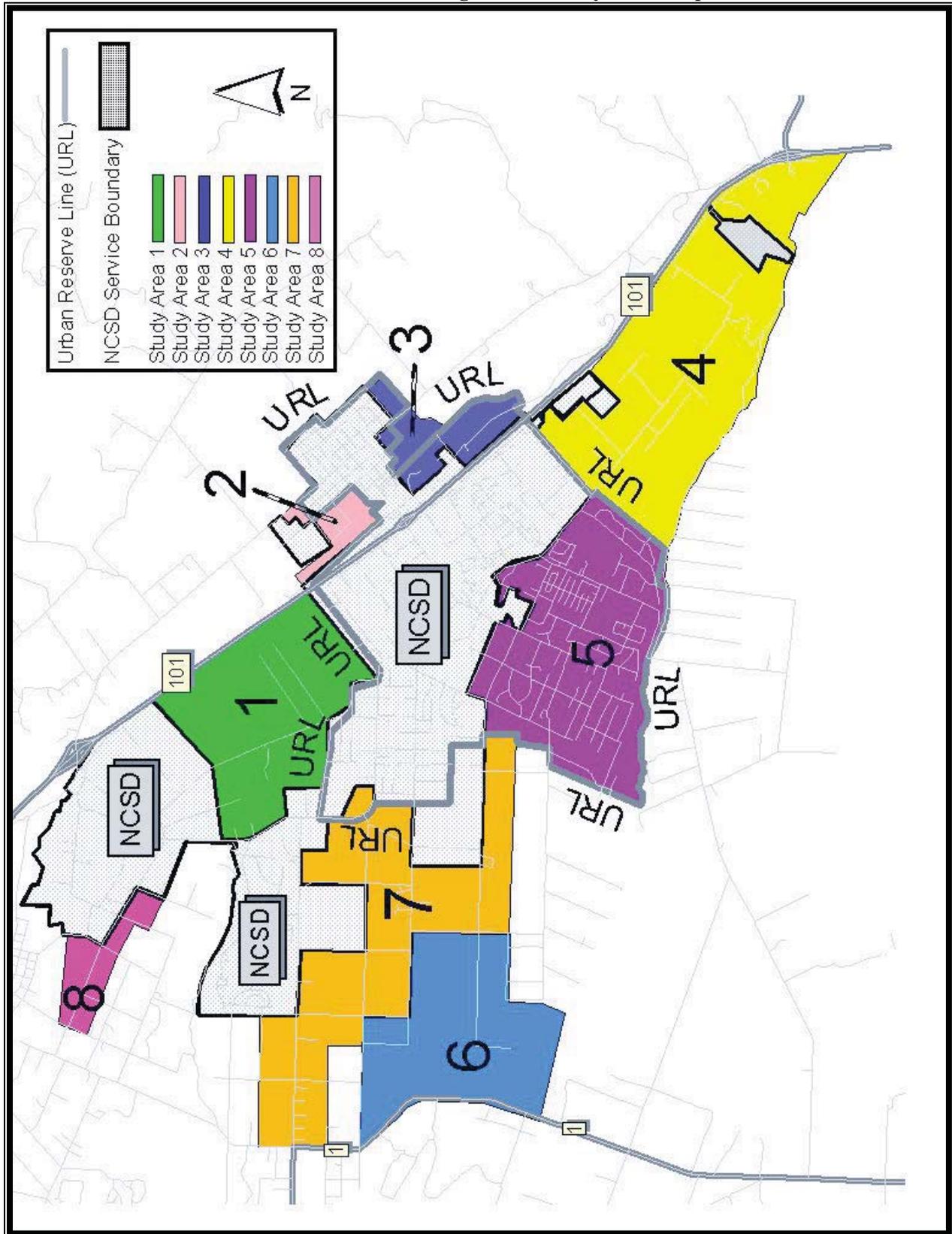


Figure 1-2: Sphere of Influence

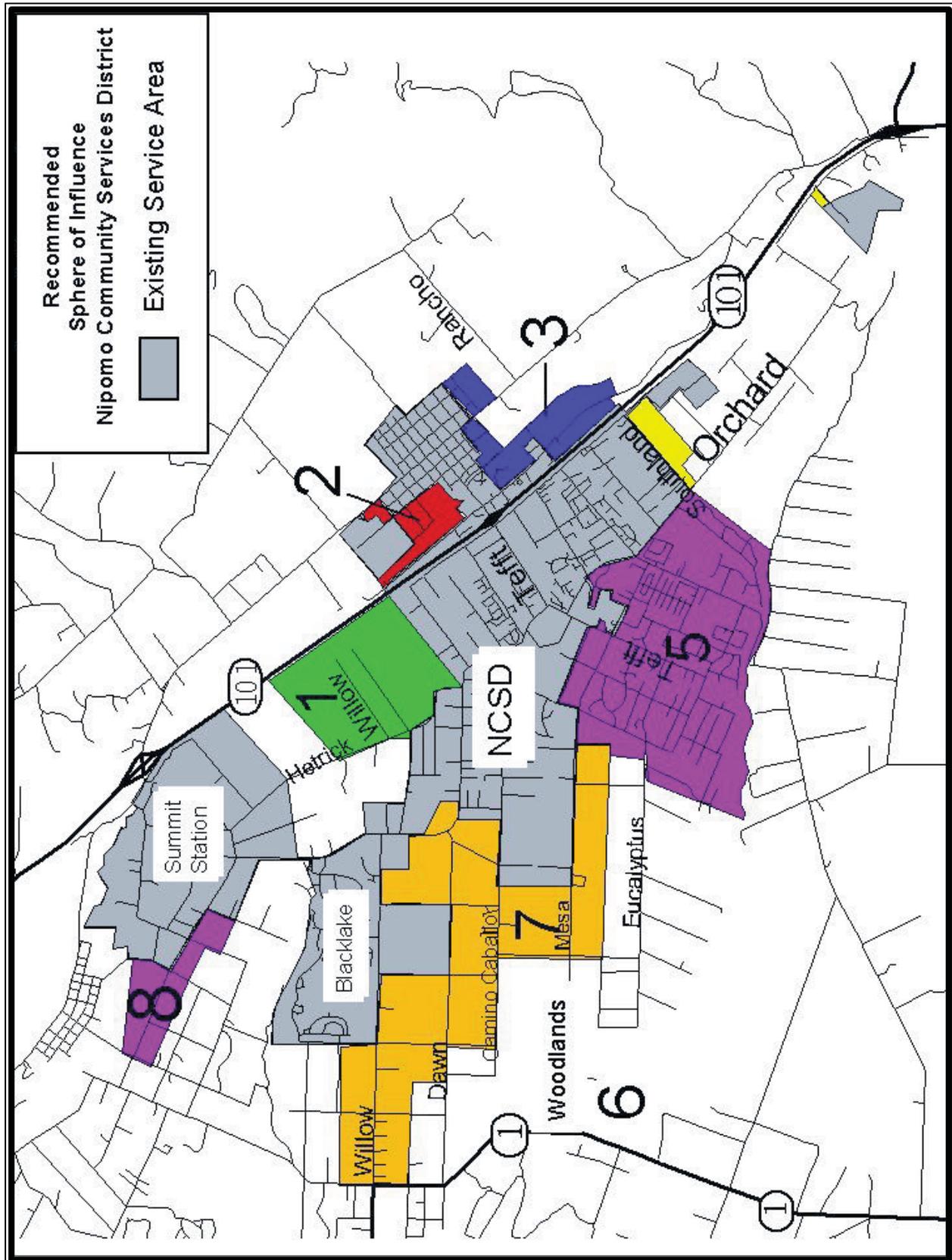
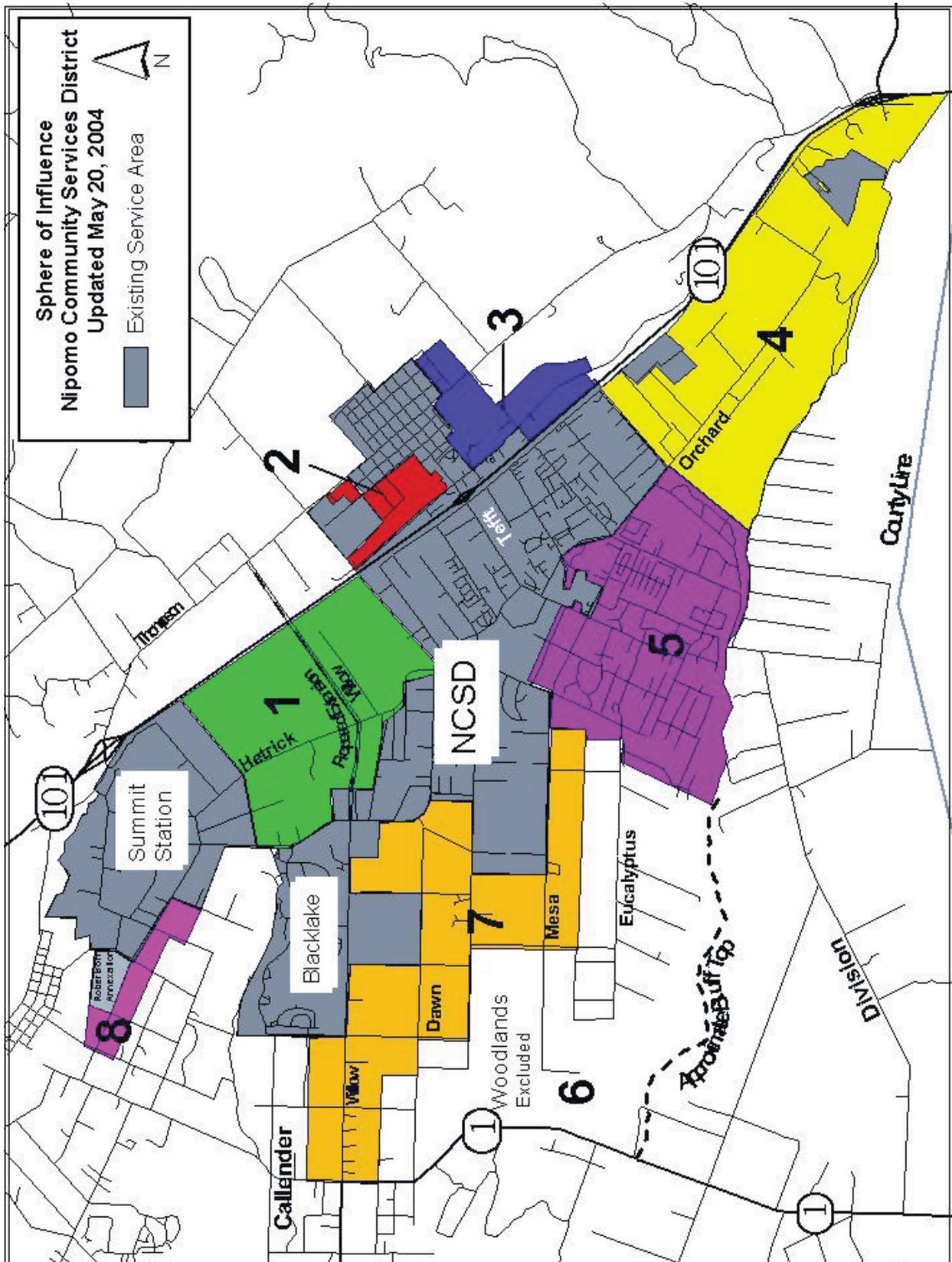


Figure 1-3: Adopted Sphere of Influence



# **CHAPTER 2**

## **NIPOMO COMMUNITY SERVICES DISTRICT**

### **SPHERE OF INFLUENCE UPDATE**

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The Nipomo Community Services District (NCSD) is a multi-service special district formed on January 28, 1965, under the Community Services District Law, California Government Code Section 61000 et seq. The NCSD provides the residents and property owners within the approximately six square miles of its service area with water service, wastewater collection and disposal services, solid waste, limited drainage services and limited street landscaping. The service area to the west of Highway 101 is often referred to as the Nipomo Mesa with the area on the east side of 101 identified as the Nipomo Valley.

This Sphere of Influence (SOI) Update for the Nipomo Community Services District is based upon the Municipal Service Review (MSR) in Chapter Three of this document. The Municipal Service Review analyzes the District's capability to serve existing and future residents. The SOI update and MSR were prepared by LAFCO staff to meet the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

The fundamental role of the Local Agency Formation Commission, LAFCO, is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act that is found in Government Code 56000, et seq. The major goals of LAFCO as established by the CKH Act are found on page 1-1 of Chapter One.

Several definitions of Urban Sprawl are relevant in LAFCO's Sphere of Influence Update for the NCSD. It is apparent that no one definition is endorsed. LAFCO does not have an official definition of Urban Sprawl and has not adopted any of the following definitions. The following are a few definitions researched from the Internet that are relevant to the discussion:

“Sprawl is a pattern and pace of land development in which the rate of land consumed for urban purposes exceeds the rate of population growth and which results in an inefficient and consumptive use of land and its associated resources. (Partners-NASA, Raytheon, Towson University, Maryland Space Grant, Alliance for Chesapeake Bay).

Although a clear definition of sprawl remains elusive, public debate over sprawl is driven primarily by general concerns that low-density residential development threatens farmland and open space, increases public service costs, encourages people and wealth to leave central cities and degrades the environment. (National Center for Policy Analysis).

While there is no set definition of “urban sprawl,” critics are concerned about the impacts of suburban development and lifestyles. Compared to people who live in cities, suburbanites live in larger houses, on larger lots, and use automobiles more often. Critics of suburbia argue that this pattern of development causes an increase in traffic congestion, lengthens commuting time, increases air pollution, destroys farmland, reduces open space, and imposes additional costs on neighboring cities. Other critics take an elitist view and claim the suburbs are tacky and sterile. (The Environmental Source.)

Leapfrog development could be defined as a pattern of growth that “jumps” over open space or agricultural areas for the purpose of constructing a subdivision or other suburban-density land use. Maria Vista is an example of leapfrog development.”

To carry out State policies, LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries, and impose reasonable terms and conditions on approval of proposals. Existing law does not provide LAFCO with direct land use authority, although some of LAFCO’s discretionary actions indirectly affect land use. LAFCO is expected to weigh, balance, deliberate and set forth the facts and determinations of a specific action when considering a proposal.

An important tool used in implementing the CKH Act is the adoption of a Sphere of Influence for a jurisdiction. An SOI is defined by Government Code 56425 as “...a plan for the probable physical boundary and service area of a local agency or municipality...” An SOI represents an area adjacent to a jurisdiction where development might be reasonably expected to occur in the next 20 years. The Act further requires that a MSR be conducted prior to or in conjunction with the update of an SOI. The CKH Act requires LAFCO to update the Spheres of Influence for all applicable jurisdictions in the County within five years or by January 1, 2006. This chapter, along with the following Municipal Service Review chapter, provides the basis for updating the Spheres of Influence for the NCSD.

The last Sphere of Influence study for the Nipomo area was completed in March 1983 and included the NCSD, County Service Area 1 (CSA 1), and the Nipomo Lighting District. Since that time, it has been proposed that County Service Area 1 be dissolved with the NCSD serving those areas. That action has yet to be taken by the County Public Works Department, however, significant progress toward this end was made in 2003 and the reorganization should be forthcoming. Appendix A contains information regarding the dissolution of CSA 1 and the Nipomo Lighting District. It is recommended that CSA 1 and the Nipomo Lighting District be dissolved and that the NCSD become the service organization for these functions.

This Sphere of Influence Update chapter addresses the key factors called for in the CKH Act by referring to information contained in the Municipal Service Review. The following written determinations are relevant to each Study Area considered for inclusion into the NCSD's SOI and addresses Section 56425 (e)(1-4) of the CKH Act.

1. Present and planned land uses in the area, including agriculture, and open space lands;
2. Present and probable need for public facilities and services in the area;
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
4. Existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The following discussion about each Study Area addresses factors one and two shown above. Factors three and four are related to the NCSD's ability to provide services and the community of Nipomo as a whole and are addressed in the following section.

## **Sphere of Influence Study Areas**

For study purposes, the NCSD staff submitted a draft map with a proposed Sphere of Influence that includes a large expansion of the existing SOI and potential service boundary over the next 20 years. To evaluate this proposal, the area was divided into 8 Study Areas by LAFCO staff.

The Study Areas are described in more detail below. The discussion addresses the zoning established in the South County Area Plan (SCAP) for each area and other relevant information. Also included is a recommendation for each area. The recommendation is based on the information in Chapter Three, Municipal Service Review, many Public Workshops, and input from a variety of organizations and private citizens. Figure 1-2 in Chapter 1 shows the recommended Sphere of Influence for the Nipomo Community Services District.

### **Study Area 1**

This area is located west of Highway 101 and north of the Urban Reserve Line (URL) for Nipomo with properties zoned Residential Rural and Agriculture. The properties are adjacent to Highway 101, just north of Nipomo's URL and south of Summit Station. The Cañada Ranch is a 285-acre parcel included in this area. The SCAP calls for a Specific Plan to be prepared for this property. The Specific Plan may include a number of residential units along with commercial and retail uses. Also, the Cañada Ranch is proposed as a commercial job center for Nipomo in the SCAP. The SOI area also includes the location of the Willow Road extension project. The County plans to construct a Willow extension to Highway 101 in the next several years. The District has waterlines located along Hetrick and Live Oak Ridge and the million-gallon water tank standpipe) is also sited in the area. Please note that the standpipe only provides 300,000 gallons of operational water with the remaining balance available for use in emergency situations. The area also includes several existing residences near Pomeroy Road. (The area adjacent to Highway 101 is considered in the SCAP as a "gateway" into the Nipomo community.) The Mehlschau property at the corner of Willow Road and Hetrick is the subject of a Land Use Ordinance Amendment being considered by the County. This change in zoning, if granted, would be from Agriculture to Commercial Residential or Mixed-Use Development. The area is likely to need water services from the District at a minimum within the next 20 years. Cañada Ranch would probably use the District's sewer services as well.

## **Study Area 2**

This area is located to the north of Olde Towne and on the east side of Highway 101 and is broken into a large and a small area. The total acreage for both areas is a total of 132 acres, the zoning is Agriculture. The new Nipomo High School is located to the northeast; Olde Towne of Nipomo is to the south and east. The larger of the two properties is currently being farmed and it is considered to be prime agricultural land. The area is also prone to flooding during storms and is mapped by FEMA as in a flood hazard zone. The Nipomo Creek is located adjacent to Highway 101 on the southwest side of the property. The property has significant environmental constraints that would need to be addressed in the development and review process if a project is to be considered for this site. This area is nearly surrounded by development and is an island panhandle within Nipomo. The future use would be determined through either a comprehensive update of the South County Area Plan or a Land Use Ordinance Amendment submitted by the property owner to the County for processing. It is possible that with the high school to the north, Commercial Retail to the south and Residential Single Family to the east, this area could eventually develop into a more urban environment that would need the services of the District. The District has water and sewer infrastructure adjacent to the area.

## **Study Area 3**

This area is located east of Highway 101 and south of Olde Towne Nipomo. Much of the land is within the Nipomo URL as defined by the County in the South County Area Plan. The only area outside the URL being considered for inclusion into the SOI is a site between Thompson and the Nipomo Creek adjacent to Sparks Ave. This site, zoned Agriculture, is a small area designated to be the future site of a government center. Area 3 includes several land use categories, including; Residential Single Family, Residential Suburban, Agriculture and Recreation. The Dana Adobe site is located in an area that is zoned Recreation. To protect the historic nature of the Adobe, the South County Area Plan has special development standards for this area. The District currently provides the Adobe with water service under an agreement approved in 1972 between the District and the San Luis Obispo County Historical Society. The SCAP recommends that a Specific Plan be completed to identify the appropriate civic-related functions and related private uses that would be associated with a government center. The Knotts Street area, on the east side of Highway 101 and the south side of town, is the subject of special development standards in the SCAP, including the requirement of a detailed hydro-geologic analysis for projects proposed

in the area. As this area develops it will eventually need the services of the District and is within the URL, with the small exception of the government center site designated in the South County Area Plan. The Nipomo Hills annexation proposal has also been submitted for processing and includes a limited Residential Single Family area on the southeast of town.

#### **Study Area 4**

This area is located to the south of the current District boundary and north of the Santa Maria Valley. The area to the south of Southland Street is zoned Rural Lands and a portion of it is currently used for growing strawberries, using imported water. The total area is approximately 1,522 acres. The South County Area Plan calls for a Specific Plan to be prepared for the site just south and adjacent to Southland Street. The SCAP calls for the application of the Highway 101 Corridor Design Standards as well as area standards that apply to the Rural Lands land use zone. As currently zoned, the area would not likely need the services of the District, with the exception of the Maria Vista development and the surrounding lands zoned Residential Suburban. If the Rural Lands zoning is changed to increase the allowed density, the area may need services from the District. The District does have infrastructure in the area if the zoning were to change.

#### **Study Area 5**

This area is just southwest of the District's existing boundary and is zoned Residential Suburban and Residential Single Family. This area is also within the County's Urban Reserve Line as established in the South County Area Plan. The area is largely built out on 1-acre or more lots. The Galaxy Park development is located in this area and zoned Residential Single Family. The SCAP calls for 2.5-acre lots for the area adjacent to Osage Road from Mesa Road South to the end of Osage. Cal Cities Water and County Service Area 1 provide this area with water and some sewer services respectively. The District and the County are discussing the re-organization of CSA 1 into the NCSD. The NCSD has indicated that it would provide the area with solid waste, and possibly street landscaping services, but not water service, since Cal Cities Water Company already serves the area. This area may need or request services from the District in the near future.

#### **Study Area 6**

The Woodlands development is over 900 acres and will include 1,320 residences, a commercial area and a 45-hole golf course. It is located east and adjacent to Highway 1 and south of Willow Road. The Woodlands has been approved by the County through a

Specific Plan and EIR and proposes to use existing groundwater resources to serve the future residents. (SEIR, ordinance 2957, '02 Addendum 12-17-02, Resolution 2002-556, Resolution 2002-554, 2002-555.) The Woodlands would be served by a private mutual water company for water and an onsite wastewater processing plant for sewer. LAFCO does not have jurisdiction under Government Code Section 56,000. The developers of the Woodlands have expressed their desire to be excluded from the District's SOI. This area does not need the services of the District at this time. The Woodlands will be built in phases over the next 20 years and services are scheduled to be provided as the development is constructed.

The Woodlands and the NCSD have entered into a Memorandum of Understanding for Resource Preservation and Management dated December 16, 2002 to cooperate in the joint management of the water resources.

The Woodlands development has been approved by the County based on several documents including; the 1998 EIR for the Woodlands Specific Plan, the 2002 Supplemental EIR for an amendment to the Growth Management Ordinance (GMO), Ordinance No. 2957 amending the GMO adopted December 18, 2001, Addendum to the 1998 EIR approved on December 17, 2002, County Resolution No. 2002-556 approving the Vesting Tentative Tract Map for Tract 2341 (Woodlands), and Resolution No. 2002-554 making a determination and verification that sufficient water is available pursuant to Government Code 66473.7 for Tract 2341 (Woodlands). A summary of these documents is provided in Chapter Three of this document.

### **Study Area 7**

This area is located west of the NCSD service area boundary east of the Woodlands project and Highway 1 and south of Willow Road. The area is zoned Residential Rural, with two smaller parcels zoned Agriculture. The area includes several greenhouses as well as a number of residential units on 5-acre lots and larger. The area is being developed pursuant to the current zoning of 1 unit per five-acre lot. The road system is in need of improvement and is improved when developments are approved. The District has waterlines and wells located in the area. Several small private water companies are operating in the area. Many private wells provide water as well. This area could benefit from the District providing services in the future because the District could eventually consolidate the water service systems. Government Code 56000, et al does not provide LAFCO with the authority to

regulate private mutual water companies or privately operated wastewater facilities such as were approved to serve The Woodlands Development.

### **Study Area 8**

This 180-acre area is located on the west side of Highway 101, to the west of the Summit Station area and south of Los Berros. The area is zoned Residential Rural and includes the Robertson Land Use Ordinance Amendment (LUO Amendment), which calls for NCSD water service to existing residences that are currently trucking water into the area at times. The Robertson LUO Amendment was annexed into the District. The NCSD will provide services to this area in the near future once the annexation process is complete. Annexation of the 10-lot Robertson LUO Amendment was conditionally approved by LAFCO in November 2003.

### **Recommendations**

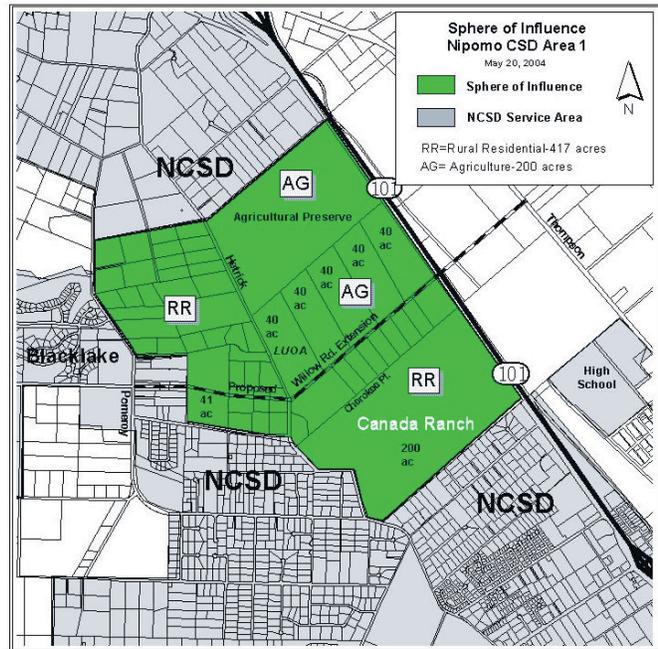
The following recommendations are based on the information contained in the Municipal Service Review (Chapter 3), the Program Environmental Impact Report (PEIR), and public input from various meetings and letters. The key issue of a reliable water supply for future annexations and existing residents is addressed in more detail in the PEIR.

A Memorandum of Agreement (MOA) between the District and the County focuses on what supporting services the District will provide to various areas. Since sewer is viewed as a growth-inducing service, it was proposed by the District that sewer services shall not be extended to Areas 4, 5, 7 and 8. The MOA asks the County to oppose changes to the Urban Reserve Line into Area 7 that might increase density. The NCSD and the County have approved the MOA.

**Study Area 1:**

That the SOI include the Cañada Ranch and the 40-acre lots just north of Willow Road. The land zoned Residential Rural between Hetrick and Pomeroy is included. The Cañada Ranch Specific Plan, Willow Road extension and Melhschau Land Use Ordinance Amendment will increase the need for services in this area when these projects are completed. The northern agriculture parcel is under Williamson Act Contract and a notice of non-renewal has not been filed with the County.

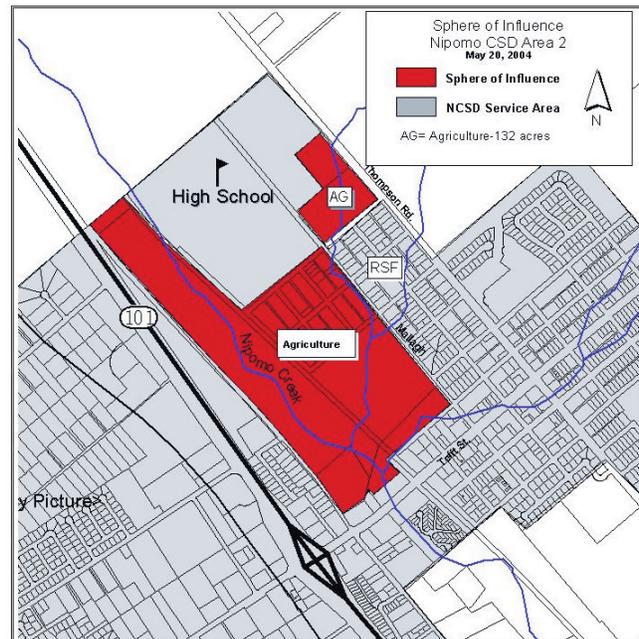
**Figure 2-2: Study Area #1**



**Study Area 2:**

This area is included in the District's Sphere of Influence in its entirety as shown in the gray area on the map to the right. It appears that this area would eventually develop in the next 20 years, given its proximity to surrounding urban areas. The property would likely need urban-level services such as water, sewer, solid waste, street lighting, and drainage. The Nipomo Creek is a sensitive habitat and causes flooding on the property. The property is also considered prime agricultural land. This site is very constrained and the number of units and the types of use developed will be limited. This area promotes a compact urban form and directs development toward urban areas.

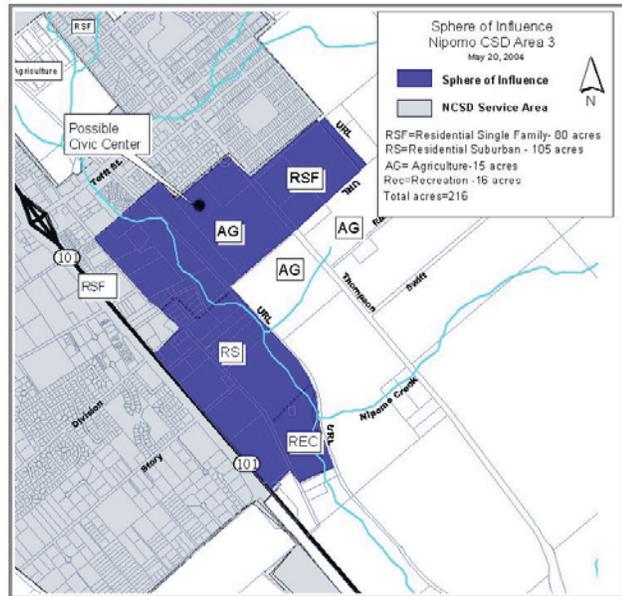
**Figure 2-3: Study Area #2**



**Study Area 3:**

The Urban Reserve Line (URL) should generally be followed in this area and be coterminous with the SOI, with the exception of the potential government center site shown on the map. The South County Area Plan identifies this as a potential site for a government center. The Dana Adobe site is currently served water by the District through an Outside User Agreement signed in 1972 and should now be included in the District's SOI. This area will need urban level services if it develops as currently zoned.

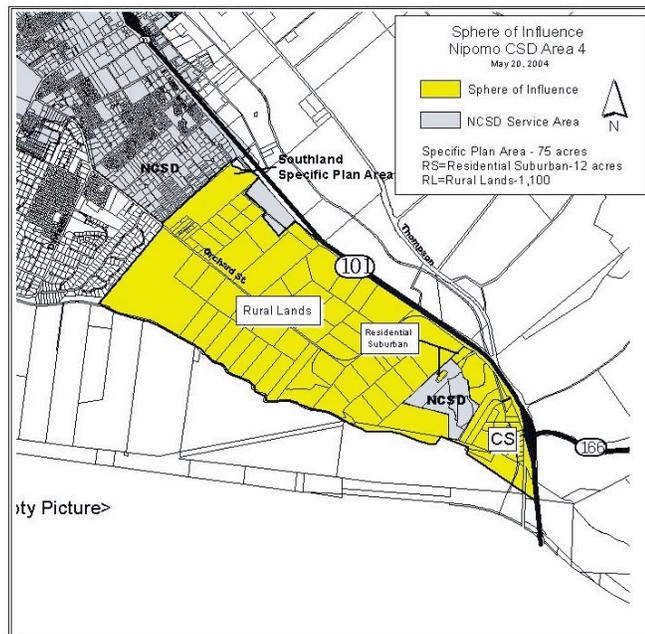
**Figure 2-4: Study Area #3**



**Study Area 4:**

This area is included in the SOI. The South County Area Plan identifies one property as the Southland Specific Plan area. Also, two already developed properties, zoned residential suburban, near and within Maria Vista should be included.

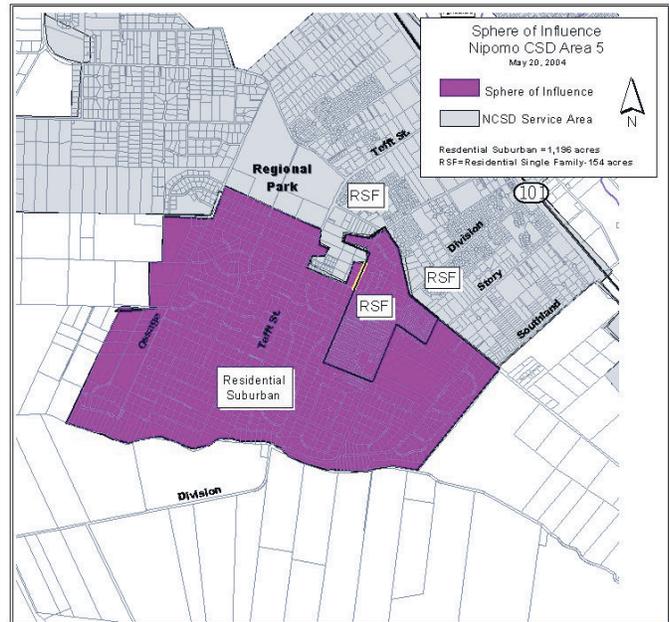
**Figure 2-5: Study Area #4**



**Study Area 5:**

This area is within the County’s Urban Reserve Line and should be included in the District’s SOI. This area is largely developed and could benefit from the services that the District is authorized to provide such as solid waste, and street lighting. Cal Cities Water Company provides water service for the area. Galaxy Park is a development within the area that is served with sewer by the NCSD through a contract with County Service Area 1 and will be served by the District when CSA 1 is dissolved and the District takes over operations.

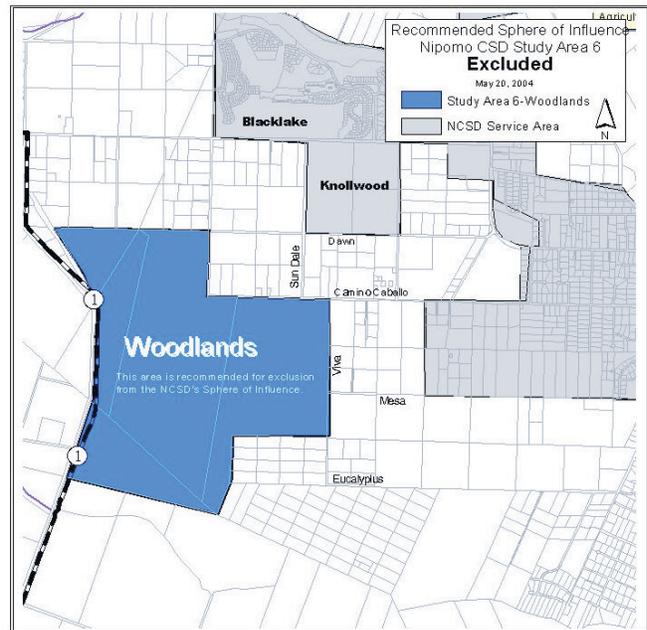
**Figure 2-6: Study Area #5**



**Study Area 6:**

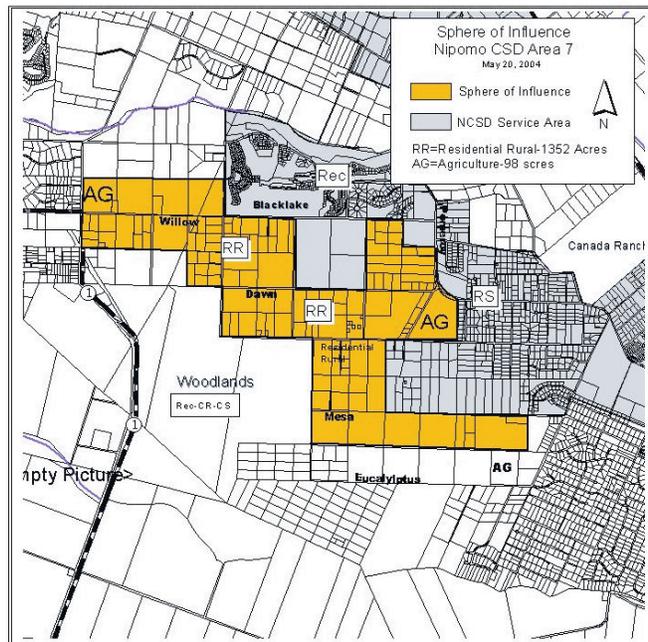
This area should be excluded from the SOI in its entirety. The Woodlands Specific Plan approved by the County of San Luis Obispo addresses the provision of public services through various mechanisms, including private maintenance associations, a mutual water company, County Service Area zone of benefit, or a County assessment district. The Specific Plan also calls for phasing of the infrastructure to serve the development as it builds out. The Woodlands development has indicated in correspondence and at public hearings that they do not desire to be included within the District’s SOI and that their plans do not at this time include annexing into the District to receive services.

**Figure 2-7: Study Area #6**

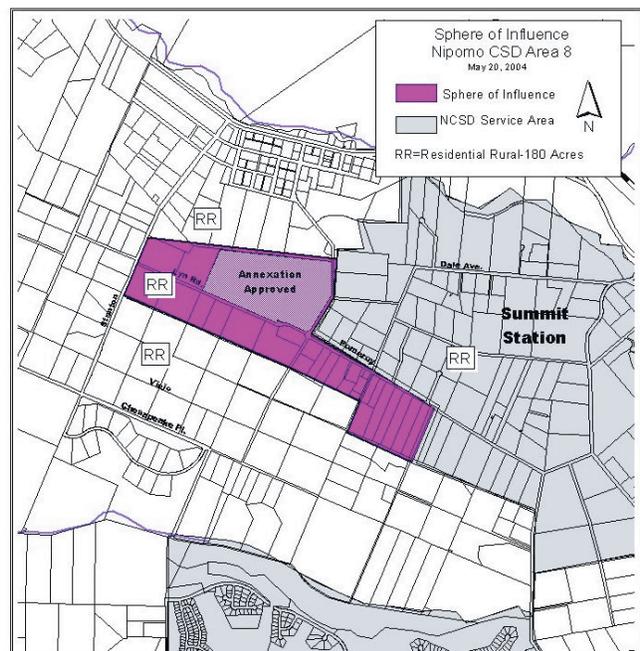


**Study Area 7:**

Including this area in the District's SOI would allow for better overall management of the groundwater resource by enabling one public agency to serve this area rather than the continued development of private water companies and/or private wells, throughout the area. This area should be included in the SOI. Any annexation in areas 5, 7, and 8 would be subject to a condition that sewer service shall not be provided by the District to the property. The groundwater resource is clearly seen as questionable, given the amount of development that is occurring in the area. The District is the public agency that is in the best position to provide for the overall management and conservation of the groundwater basin.

**Figure 2-8: Study Area #7****Study Area 8:**

This area should be included in its entirety. The Robertson annexation allows for water service to 10 lots. This area is water poor and requires emergency trucking of water to the residences. The Board of Supervisors approved the Robertson Land Use Ordinance Amendment. The Land Use Ordinance Amendment allows for the provision of Community Water to the 10 lots north of Lyn Road that are zoned Residential Rural. Including the parcels to the South of Lyn Road allows for the eventual water service in both sides of the existing water line.

**Figure 2-9: Study Area #8**

See Figure 1-2 in Chapter 1 to see the Sphere of Influence for the NCSA.

**Present and Planned Land Use**

The present land use in the proposed Sphere of Influence area includes a variety of land uses as has been described. The land use designations (zoning) applied by the County to these areas include Agriculture, Rural Lands, Residential Rural, Residential Suburban, Residential Single Family, and Recreation. As discussed above, the planned use for each Study Area is clearer for some areas than for others and depends on site constraints, the property owner's desires, and policies in the South County Area Plan. The present and planned land use is also addressed in Chapter 3, the Growth and Population factor. Based on the information contained in the Service Review Chapter, the County's General Plan and the Program EIR prepared for this Sphere of Influence Update, the District's Sphere of Influence should be expanded as discussed above.

**Present and Probable Need for Public Services**

The present need for a public service varies from area to area. For example, Study Area 8 includes the Robertson Land Use Ordinance Amendment that was annexed into the District due to the emergency need for water service. On the other end of the spectrum, annexations to the District from Study Area 3 will require urban-level services when a project is approved. A discussion of the present and probable need for public services can be found in Chapter 3 under Service Review Factor, Infrastructure Needs and Deficiencies, and Growth and Population.

**Social and Economic Communities of Interest**

The community of Nipomo has a variety of social and economic communities of interest, including numerous businesses, schools, churches, public sector facilities, and other community services. If the development of the SOI is managed pursuant to the policies of the District and the County, the development of these areas should result in a net benefit to the social and economic communities of interest. The District and the County call for new development to pay for the costs of constructing new infrastructure. The existing social fabric of the community will change by adding these areas to the Sphere of Influence. Chapter 3 of this report provides information that documents the effect of the proposed Sphere of Influence on the District and evaluates the District's ability to manage this expansion.

# **CHAPTER 3**

## **NIPOMO COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE REVIEW**

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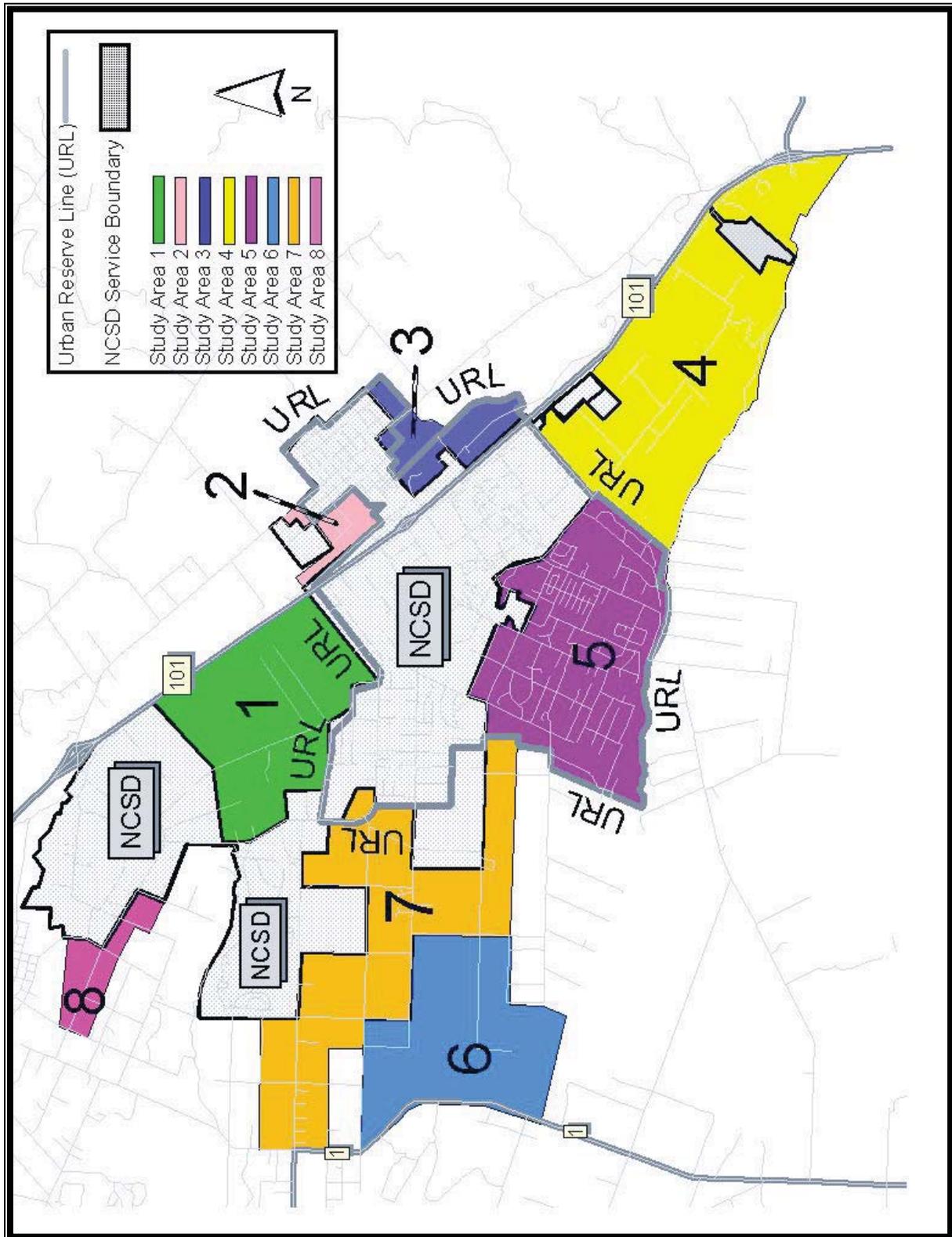
The legislative authority for conducting Municipal Service Reviews is provided in Section 56430 of the CKH Act. The Act states, “ That in order to prepare and to update Spheres of Influence in accordance with Section 56425, LAFCOs are required to conduct a service review of the municipal services provided in the County or other appropriate designated area...” A Municipal Service Review must have written determinations that address the following factors in order to update a Sphere of Influence:

1. Infrastructure Needs & Deficiencies
2. Growth & Population
3. Financing Constraints & Opportunities
4. Cost Avoidance Opportunities
5. Opportunities for Rate Restructuring
6. Opportunities for Shared Facilities
7. Government Structure Options
8. Evaluation of Management Efficiencies
9. Local Accountability & Governance

The above-listed factors are addressed in this chapter and include written determinations for each.

In order to analyze the areas that might be considered for inclusion into the Nipomo Community Services District’s Sphere of Influence, District provided a draft map, Figure 3-1, to LAFCO for evaluation (see full color version in Chapter 1, Figure 1-1). Using this map, LAFCO Staff divided the area into eight study areas to be considered for inclusion into the District’s Sphere of Influence. The boundaries of the eight study areas were refined through discussions with the District and County Planning Department staff and each area was reviewed in terms of existing land use, future development potential, and resources that might be needed to serve these areas. Eight individual Study Areas were created and used to gather community feedback regarding the sites that are being evaluated for the Sphere of Influence. A more detailed discussion of the eight study areas can be found in Chapter 2.

Figure 3-1: Study Areas



Most of the areas being considered for inclusion in the Sphere of Influence are zoned Residential Rural, with the exception of Residential Suburban in Study Areas 3 and 5, Agricultural in Study Areas 2 and 7, and Rural Lands in Study Area 4. A key issue that has been discussed at a variety of meetings is how the SOI might impact density in the Study Areas. Generally, any significant increase in density in any of the Study Areas would require a change of zoning in the form of a Land Use Ordinance Amendment. Specifically, areas zoned Residential Rural would require a change in zoning to achieve any change in density. A Land Use Ordinance Amendment to change zoning would study a variety of land use and environmental issues before being approved or denied including; community character and compatibility, existing Land Use policies, traffic and circulation impacts, the provision of public services, etc. This process entails significant public involvement and the implementation of CEQA. The SOI is one factor among many that needs to be considered prior to a zoning change being approved by the County. The zoning for Study Area 6 is governed by the Woodlands Specific Plan and contains multiple uses, of which residential is one. Also, please note that the community water would not result in an increase in density for land zoned Residential Rural and Rural Lands.

Cluster subdivisions proposed in the Residential Suburban (RS) and Residential Single Family (RSF) zones are allowed a slight increase in density if they have community water and adequate leach capacity or a community sewer. Most of the areas zoned RS and RSF have already been built out and could not meet the ordinance requirements for clustering due to site area constraints; 50%-40% percent of a parcel dedicated to open space, access, etc. The SOI is one factor among many that needs to be considered prior to a zoning change being approved.

## 1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

**Purpose:** To evaluate the infrastructure needs and deficiencies of a jurisdiction in terms of capacity, condition of facility, service quality and levels of services.

LAFCO is responsible for determining that an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the jurisdiction and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is especially prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating 1) the resources and services that are available and 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands.

This section evaluates the NCSD's capabilities with regard to the provision of water, and wastewater. While not authorized to provide Fire Protection Services, the District is responsible for providing adequate fire flow in terms of a water supply for fire suppression. The roads and a majority of the drainage basins are maintained by the County of San Luis Obispo Public Works Department with law enforcement services provided by the County Sheriff.

The most important infrastructure needs are the provision of water and wastewater services as well as the construction and maintenance of roads. Beyond these basic services, fire protection and basic life support services are considered high priority needs for future growth of the Nipomo Community. Please note that the NCSD does not have the authority or jurisdiction to manage the Santa Maria Valley Groundwater Basin. The NCSD is responsible, however, for managing and maintaining their wells located within the groundwater basin.

### Water

The provision of water services to new development in Nipomo is the key issue facing the Nipomo Community Services District. The following provides a summary of the key issues that affect decision-making in regard to the provision of water services.

The condition of the Nipomo HSA is disputed by water experts. Studies have been prepared that document the various positions regarding the groundwater resource. The Nipomo HSA will continue to be impacted by future development that uses water from this source. It should be noted that the District's new annexation policy requires that any parcel annexed into the District pay a substantial per unit fee for the development of supplemental water by the District. Annexations of property that do not have an underlying groundwater source cannot be served by the District until a reliable water supply is in the pipeline. Annexations that do have an underlying groundwater source may be hooked up to the District upon payment of fees and approval of an annexation agreement.

Farmers in the Santa Maria area filed a lawsuit that triggered legal action involving the Nipomo HSA, which is part of the larger Santa Maria Valley Groundwater Basin. If the Court determines the Nipomo HSA is in overdraft, limitation on pumping could be placed on water users in the area. The Court's tentative decision, February 20, 2004, indicated that the Santa Maria Groundwater Basin is not in an overdraft situation and alludes to a lowering of water levels in the Nipomo Mesa area that is not shared with the rest of the basin. The Court did not clarify whether the Nipomo HSA was in a state of overdraft or not, separate from the Santa Maria Valley Groundwater Basin. The Court's decision could impact all of the water users in the Nipomo area. The Court's decision with regard to the Nipomo HSA may provide direction for all users of the resource including the NCSD. This variable makes it difficult (and speculative) to predict the outcome, however, it is possible that after review of all of the data the Court could allocate water resources in order to prevent further adverse impacts to the sub-area and preserve the sustainability of the resource. This could limit the District's access to the groundwater water resource. A decision by the Court is pending.

The proliferation of water companies in the area is an issue that complicates the service delivery system in the area. Having a variety of entities involved in the use and management of the groundwater basin creates a disjointed and inefficient service system. This situation also contributes to poor management of the groundwater resource. Regulating a multitude of purveyors is much more difficult to effectively accomplish. The groundwater basin would be easier and more effectively managed if there were fewer purveyors. Also, small private water companies established to serve a few residences, or a small business, often do not have the organizational resources to comply with government regulations. This can lead to the eventual failure of the private water company.

Cal Cities Water Company or another private water company may choose to serve areas or developments that are denied service by the NCS D. If the NCS D denies water service to an area or development, it is possible that Cal Cities Water Company will be able to provide water service to a project depending upon its location and water availability. LAFCO has no jurisdiction over the Cal Cities Water Company, which is regulated by the Public Utilities Commission (PUC). This situation would take away the ability of residents to have local input into decisions regarding local water resources.

### **Studies and Reports**

The source of water currently used by the NCS D to serve the approximately 10,000 people in their service area is from groundwater. The water supply situation in Nipomo has been the subject of much debate and study in recent years. Rapid growth over the last decade has placed the District, residents and the community in a “need to know” situation. The key question being: Will the groundwater basin be able to supply enough water to the area in the face of increased levels of growth and development? To answer this question, a number of studies have been performed regarding the Santa Maria Groundwater Basin over the last several years. These studies include:

- Water Resources of Arroyo Grande – Nipomo Mesa, 2002, Department of Water Resources
- Nipomo Community Services District-Draft Urban Water Management Plan, April 2003
- Water and Sewer System Master Plan 2001 Update, Boyle engineering Corporation for the NCS D
- Water Resources Management Study for the Woodlands, Cleath and Associates, 1996
- San Luis Obispo County Master Water Plan, 2001
- Annual Resource Summary Report, County of San Luis Obispo 2000-2003
- NCS D Urban Water Management Plan-adopted 1-14-04
- NCS D Annexation Policy
- 1998, EIR for The Woodlands Specific Plan
- 2002 Supplemental EIR for the GMO Amendment
- Ordinance No. 2957 amending the GMO adopted December 18, 2001
- Addendum to the 1998 EIR approved on December 17, 2002
- County Resolution No. 2002-556 approving the Vesting Tentative Tract Map for Tract 2341-The Woodlands

- Resolution No. 2002-554 making a determination and verification that sufficient water is available pursuant to Government Code 66473.7 for Tract 2341 for The Woodlands
- The Environmental Assessment of Water Resources Availability: Bartleson Development Plan
- Water Resources Evaluation-Nipomo Mesa Management Area, SAIC, May 28, 2003

Unfortunately, even after a great deal of study there remains uncertainty with regard to the groundwater basin in the Nipomo area. This uncertainty makes decision making with regard to development projects challenging and at times contentious.

The District has completed several studies to plan for supplemental water sources that would serve the growth that is on the horizon. It is apparent that the District will need other water sources to accommodate future growth under any scenario. How much supplemental water will be needed is largely dependent on the adjudication of the groundwater basin currently being considered by the courts. Adjudication may allocate a certain amount of the groundwater to various users of the basin. This process could take many years to complete.

These reports and studies are summarized in the following section to provide an overview of the water situation in Nipomo. Each of the reports contains relevant information about the water supply and demand situation in Nipomo. These documents provide an extensive information base for the completion of this Municipal Service Review. The unavailability of a reliable and sustainable water supply will likely be the constraining factor for expanding the NCSD's Sphere of Influence.

**Water Resources of Arroyo Grande–Nipomo Mesa Area: State of California-Department of Water Resources, 2002**

This study was completed in 2002 by the Department of Water Resources and contracted for by the County of San Luis Obispo. It provides a comprehensive analysis of the groundwater supply and demand for the Nipomo area. It contains extensive information about the Santa Maria Groundwater Basin and associated sub-areas in San Luis Obispo County. The study provides information about the geology in the area, water demand and supply, hydrology, water quality, and the overall water budgets. It uses past data to estimate the future water supply and demand through 2020. Potential land use and population estimates are used to project future water use. This study makes several broad, seemingly conflicting statements with regard to the groundwater basin that are relevant to the service review:

*“In the Nipomo Mesa, the projected increase in urban extractions is the major factor contributing to projected deficiencies in 2010-2020.” (ES-21)*

*“ This study refrains from finding that the Santa Maria Groundwater Basin within San Luis Obispo County is currently in overdraft because of the consistent subsurface outflow to the ocean and no evidence of sea water intrusion.” (ES-22)*

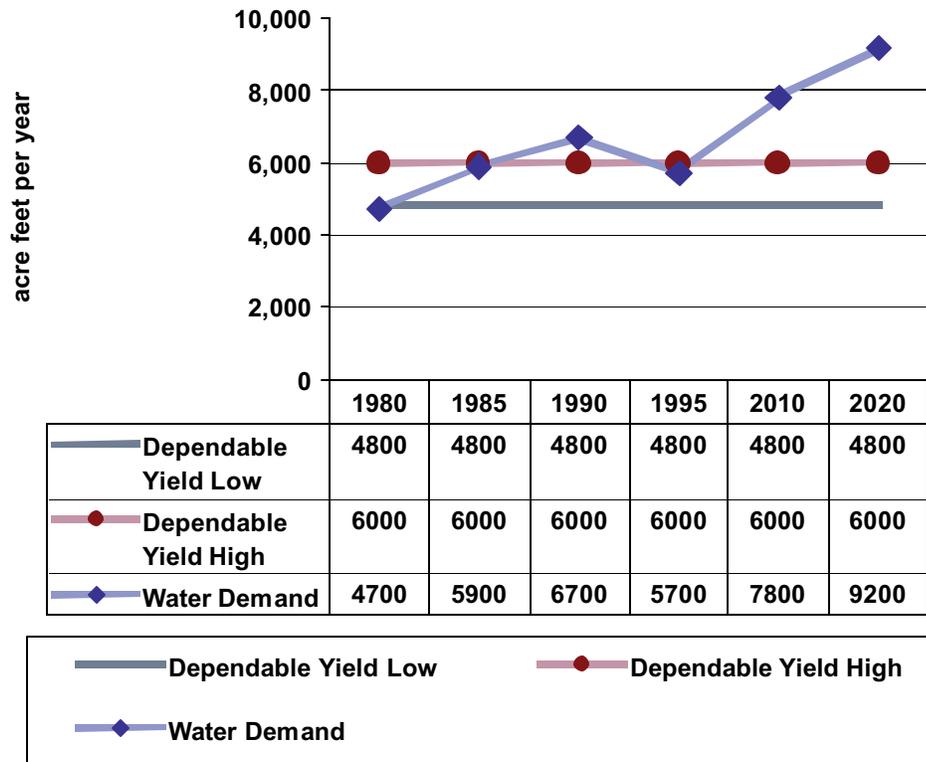
*“Pumping depressions and declines in groundwater levels in some wells in some parts of the Nipomo Mesa portion of the basin do not imply that a condition of overdraft exists in the entire groundwater basin, but are more likely indicative of the dynamics of the groundwater system and sources of recharge in the mesa.” (ES-22)*

*“Projected extractions are within the range of dependable yields estimates, with the exception of the Nipomo Mesa in 2020” (ES-22)*

*“Supplies appear adequate (in the study area) to meet water demands through water year 2020.” (page 30)*

In reviewing the study will regard to the Nipomo HSA (which is a sub-area of the Santa Maria Basin), it is apparent that future demand will outpace the dependable yield of the groundwater supply. The question is when will this occur? The chart/table below shows the dependable yield of the Nipomo HSA along with the projected demand as calculated by the DWR study. The dependable yield (“safe yield”) of a groundwater basin is an estimate of how much water can be safely extracted over a period of time without causing adverse effects to the basin. The study defines dependable yield for the Nipomo Mesa groundwater basin to be 4,800 to 6,000 acre-feet per year. Overdraft of the groundwater basin may occur when extractions exceed this dependable yield for a period of time.

**Figure 3-2: Dependable Yield and Water Demand<sup>1</sup>  
Nipomo Mesa Hydrologic Subarea**



1) Water Resources of the Arroyo Grande-Nipomo Mesa Area, Department of Water Resources, 2002, page 31 & 154

While the study shows that the Nipomo HSA is projected to encounter deficiencies in 2010 (or earlier), it refrains from indicating that there is, or will be, an overdraft situation for the Nipomo HSA. It also states that due to the geology of the area, the sub-area receives a large amount of recharge in wet years. Using the dependable yield calculated by the study and the projected demand, the chart above shows that more water will be withdrawn than can safely be done over the next ten years and beyond. It is reasonable to assume that the groundwater sub-area is heavily relied on to provide domestic water resources and will become more so as growth and development continue. It should be noted that other water experts dispute the condition of the groundwater basin and that studies have been prepared and approved that document the various positions.

The overall conclusion of the DWR study is that further analysis of the basin is needed to more clearly understand the recharge and extraction dynamics of this area.

*“The projected deficiencies in the water budgets do indicate the need for continued planning, improved data, periodic data, periodic reevaluation, of the water budgets, artificial recharge programs, and expanded use of recycled water”. (ES-22)*

The study does provide valuable data and information regarding water demand and supply as well as the dependable yield of the groundwater basin resources for the Nipomo Mesa area. It also provides a basis for the conclusion that the Nipomo HSA is at a minimum “stressed” and should not be viewed as a reliable and sustainable source of water for future growth in the Nipomo area. The District itself has stated that the Nipomo sub-area is in overdraft in their comments regarding the Woodlands project (April 24, 1998) and further asserts this position in the draft District/County Memorandum of Agreement adopted by the NCSD on August 27, 2003. It should be noted that other water experts dispute the condition of the groundwater basin and that studies have been prepared and approved that document the various positions.

#### **Nipomo Community Services District Urban Water Management Plan, January 2004**

The NCSD has prepared a draft Urban Water Management Plan to help manage the water supply and demand in the District’s Service Area. The draft plan covers only the area within the Districts current service boundary and includes information regarding Water Supply, Water Use, Water Demand Management Measures, Water Shortage Response,

Supplemental Water Supplies and Wastewater Collection and Treatment. The District's production capacity from existing wells is shown in the plan as follows:

**Table 3-1: Existing Production Capacity**

<b>Source</b>	<b>Production Capacity (Gallons Per Minute-GPM)</b>	<b>80% of Capacity (Acre Feet Per Year)</b>
Town Wells	3,300 gpm	4,200 AFY
Blacklake Wells	750 gpm	950 AFY
Total	4,050 gpm	5,150 AFY

An important consideration is the ongoing groundwater adjudication case filed in 1997. While the District has the capacity to pump more than adequate quantities of water, the Court's decision regarding the Nipomo HSA could limit the amount of water the NCS D will be able to legally pump. It should be noted that in the Court's final decision it was found that the Santa Maria Valley Groundwater Basin was not in overdraft. Further, the Court did not find that the Nipomo HSA was "Stressed" or otherwise in imminent danger of being in overdraft. This decision was derived after an evaluation by the Judge of many studies provided by both the plaintiffs and defendants. The Court stated the following regarding the Nipomo Mesa and its relationship to the entire Santa Maria Valley Groundwater Basin:

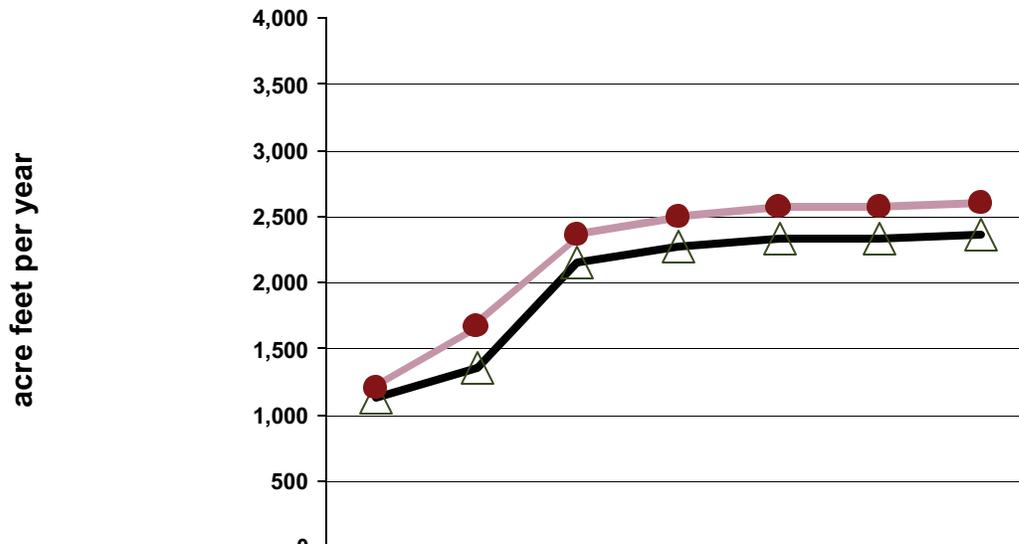
"Some wells in the Nipomo Mesa area show lowering of water levels that may result from a pumping depression or other cause, and there may be some effects in that portion of the basin that are not shared basin-wide, but that is not sufficient, in any event, to demonstrate basin-wide overdraft."

The following table and chart shows the District's current and projected water consumption and production as shown in their Urban Water Management Plan, 2003.

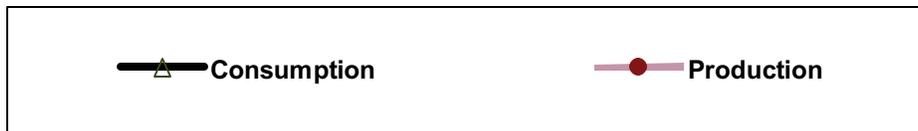
**Table 3-2: Current and Projected Water Consumption-Production**

<b>Town/Blacklake</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
Consumption (AFY)	1134	1350	2150	2270	2340	2340	2360
Production (AFY)	1207	1675	2364	2500	2570	2570	2600
Unaccounted Water	73-6%	325-19%	214-9%	300-12%	230-9%	230-9%	240-9%

**Figure 3-3: Current and Projected Water Consumption/Production**  
**NCSD Draft Urban Water Management Plan**



	1990	1995	2000	2005	2010	2015	2020
—△— Consumption	1134	1350	2150	2270	2340	2340	2360
—●— Production	1207	1675	2364	2500	2570	2570	2600



The Urban Water Management Plan also states that the Nipomo HSA of the Santa Maria Groundwater Basin is in an overdraft situation and that increased groundwater extraction in recent years has created a groundwater depression in the area. Given the ongoing adjudication process and the evidence that points to an uncertain groundwater resource in the Nipomo HSA, the availability of increased quantities of groundwater to the NCSD is unknown. This leads to the likely scenario that water resources outside the Nipomo HSA must be developed if the District is to expand its service area. The draft Urban Water Management Plan identifies several such sources as wells that are currently offline and located outside the defined Nipomo HSA and shown in the following table and figure:

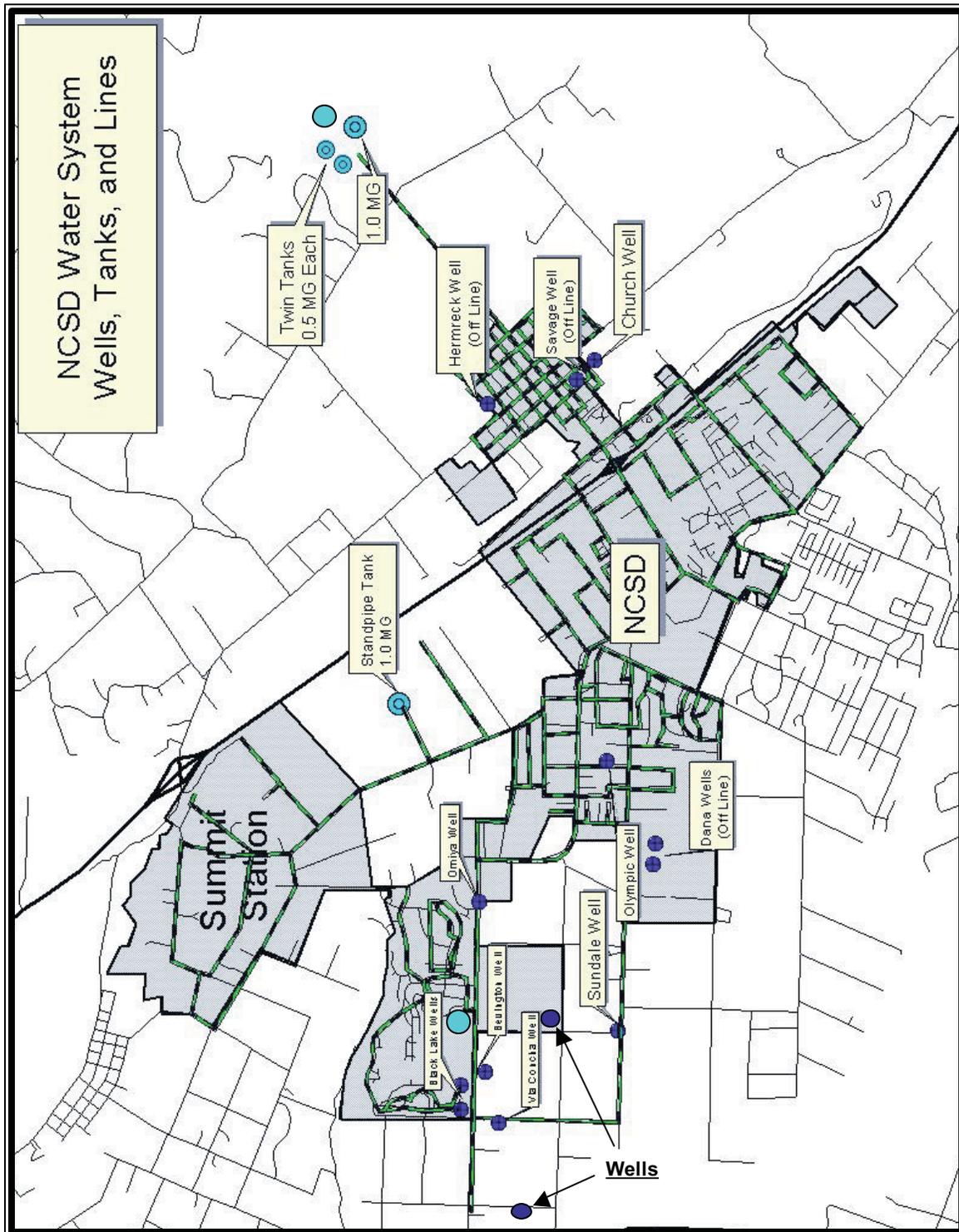
**Table 3-3: Potential Water Supply in District**

<b>Future Production (Outside Sub-area)</b>	<b>Gallons Per Minute (GPM)</b>	<b>Acre Feet per Year (AFY)</b>
Hermreck Well	250 gpm	300 AFY
Savage Well	100 gpm	100 AFY
Church Well	150 gpm	200 AFY
<b>Total Estimated Future Production</b>	<b>500 gpm</b>	<b>600 AFY</b>

Adjudication of the basin could result in the NCSD being allocated its current demand of around 2,400 acre-feet per year or lower. The 700 acre-feet per year of future water production available from wells currently off-line brings the amount of available water to an estimated 3,100 AFY, or less. It should be noted that the wells on east side are in a fractured geologic structure that could be unreliable in terms of long-term production. This water supply scenario may appear to be adequate to serve the existing service area. However, increasing the areas of service depend on a supplemental water source being added by the District. The District's new annexation policy requires additions to the NCSD to either have a supplemental water source or to pay a fee for development of such a water supply. Another scenario is that adjudication results in the NCSD being allocated substantially less than what it currently pumps from the sub-area. This would leave the NCSD with less water and consequently a decreased capacity to serve areas outside the existing boundary. Also the Hermreck, Savage, and Church wells are located on the east side of Highway 101 in an area that has a geologic structure, which has over a 20-year period of long-term water production. "Hard Rock" drilling in this fractured geologic structure.

The next figure shows the District's water infrastructure pipes, wells and storage tanks.

Figure 3-4: NCSD Water Infrastructure



### **Evaluation of Water Supply Alternatives: Kennedy/Jenks – Consultants for the NCSD, 2001**

As the title implies, this study evaluates the water supply alternatives that may be available to the District. The first water alternative analysis was completed for the District in 1994. The most recent study was completed in October 2001 and is an update and expansion of that first analysis. The objective of the most recent study is to provide more current information and evaluate a wider range of supply alternatives. The study identifies a broad range of water supply alternatives and then recommends that several alternatives be reviewed in further detail, including:

- Water Conservation (500-1000 AFY)
- Intertie with the City of Santa Maria (2000-3000 AFY)
- Desalination of blowdown water, produced water, and/or recycled and groundwater exchange with the Conoco-Phillips Refinery (1,300 AFY)
- Recycled water delivery to an groundwater exchange with agricultural users (500-1000 AFY)
- Hard rock drilling (500-1000 AFY)

The study indicates the existing demand based on average consumption of a population of 10,790 people currently served by the NCSD. The existing demand distribution areas already being served by the NCSD is broken down as follows:

**Table 3-4: Water Demand 2002**

<b>Land Use or Water User</b>	<b>Water Demand (AFY)</b>
Residential	1,423
Non-Residential	68
Nipomo Regional Park	46
Brassica Nursery	19
Other large users-unaccounted for water	335
Main Water System total	1,890
Blacklake Water System	450
<b>Total</b>	<b>2,340</b>

The study indicates that a total projected demand for the Nipomo area at build-out of 5,890 AFY (includes Woodlands) and a current demand of 2,340 AFY. This shows a net deficit of 3,550 AFY. The table below comes from the study:

**Table 3-5: Projected Demand at Build-out**

<b>Land Use or Water User</b>	<b>Water Demand (AFY)</b>
Residential-Including Blacklake	3,278
Non-Residential	132
Nipomo Regional Park	46
Brassica Nursery	19
Other large users-unaccounted for water	693
<b>Total</b>	<b>4,168</b>

The Study assumes that the NCS D will ultimately serve the Woodlands as well as other surrounding areas currently not within the District's service boundaries. The NCS D's Draft Urban Water Management Plan assumes service to only those areas within the NCS D's existing boundary; approximately 800-1000 additional connections. The Alternatives Study also assumes a larger eventual service area for NCS D and addresses that by analyzing a full range of water resource alternatives. The Alternatives analysis is a useful long range planning study that gives the NCS D information about the various water options. The feasibility of these water supply options is still in question at this point in time. However, the NCS D is pursuing negotiations with the City of Santa Maria and a preliminary study regarding desalination was funded in this year's budget. It appears at this point in time that supplemental water sources outside the Nipomo HSA are still in the planning stages and could take several years to fully develop. This uncertainty would lead to a logical conclusion that future annexations should be contingent upon a development proposal, or the NCS D, providing a documented and reliable supplemental water source.

#### **Water and Sewer System Master Plan 2001 Update: Boyle Engineering Corporation**

The Nipomo Community Services District Board of Directors authorized this Water and Sewer Master Plan update in November of 2000. The purpose was to update the 1995 Plan with current information regarding existing District customers and future development scenarios that would likely expand the District's service area. The 2001 Plan adopted by the NCS D Board of Directors evaluates several key service issues:

- Water Demands and Sewer Loading
- Description of Existing Water System
- Description of Existing Sewer System
- Design Criteria
- Analysis of Existing Water System
- Analysis of Existing Sewer System
- Evaluation of Future Water System
- Evaluation of Future Sewer System
- Recommended Improvements
- Recommendations for Water Service to Summit Station

This study provides information for decision makers to proceed with a capital improvement plan that prioritizes future projects for the District based on anticipated growth in the Nipomo area. The Update also makes recommendations with regard to how to best serve the Summit Station area, to improve the water pressure in the area.

The Plan Update provides the NCSD with an understanding of the strengths and deficiencies of the water and sewer systems and recommends improvement to correct potential or existing problems. In Chapter 11 of the update the improvements are prioritized based on urgency of need and potential benefits. Chapter 11 of the update breaks the improvements into the following two sections: Improvements to Meet Existing Needs and Improvements to Meet Future Needs. It also includes cost estimates for the various improvement projects.

### **San Luis Obispo County Master Water Plan, 2001**

The County Water Master Plan inventories the existing water supplies and future demand for the County of San Luis Obispo. It also provides analysis of water supply alternatives and identifies potential water deficiencies. The County defines the Nipomo Mesa area as Water Planning Area 6 and identifies a number of larger water purveyors in the area, including the NCSD, Rural Water Company, and the Cal Cities Water Company. The table below shows the water purveyors operating in the Nipomo Mesa area:

**Table 3-6: Water Purveyors in Nipomo Area**

<b>Larger Purveyors</b>	
Nipomo Community Services District	Rural Water Co.
Cal Cites Water Co.	
<b>Smaller Purveyors</b>	
Arroyo Grande Mushroom Farm	Blacklake Canyon Water Supply
Callender Water Assn.	Country Hills Estates
Greenheart Farms	Heritage Lane Mutual Water Company
Hetrick Water Company	Ken Mar Gardens
La Mesa Water Company	Rancho Nipomo Water Company
Guadalupe Cooling	Clearwater Nursery
Cuyama Lane Water Company	Dana Elementary School
La Colonia Water Association	Laguna Negra (Tract 610)
Mesa Mutual Water Company	Rim Rock Water Company
Santa Maria Speedway	Speedling, Inc.
True Water Supply	

This is important because private water purveyors continue to proliferate as development proposals that require community water systems are approved. Figure 3-5 shows the water purveyors in the Nipomo Area. Also contributing to increased water use is the approval of residences that are served by individual wells. The County's Master Water Plan States the following for the Nipomo Mesa Water Planning Area:

*“Urban demands may be understated. Nipomo will see considerable growth within the planning horizon. Competition for groundwater is increasing. New DWR study indicates problems on the Mesa. Several mutual companies and development potential make management a challenge.”*

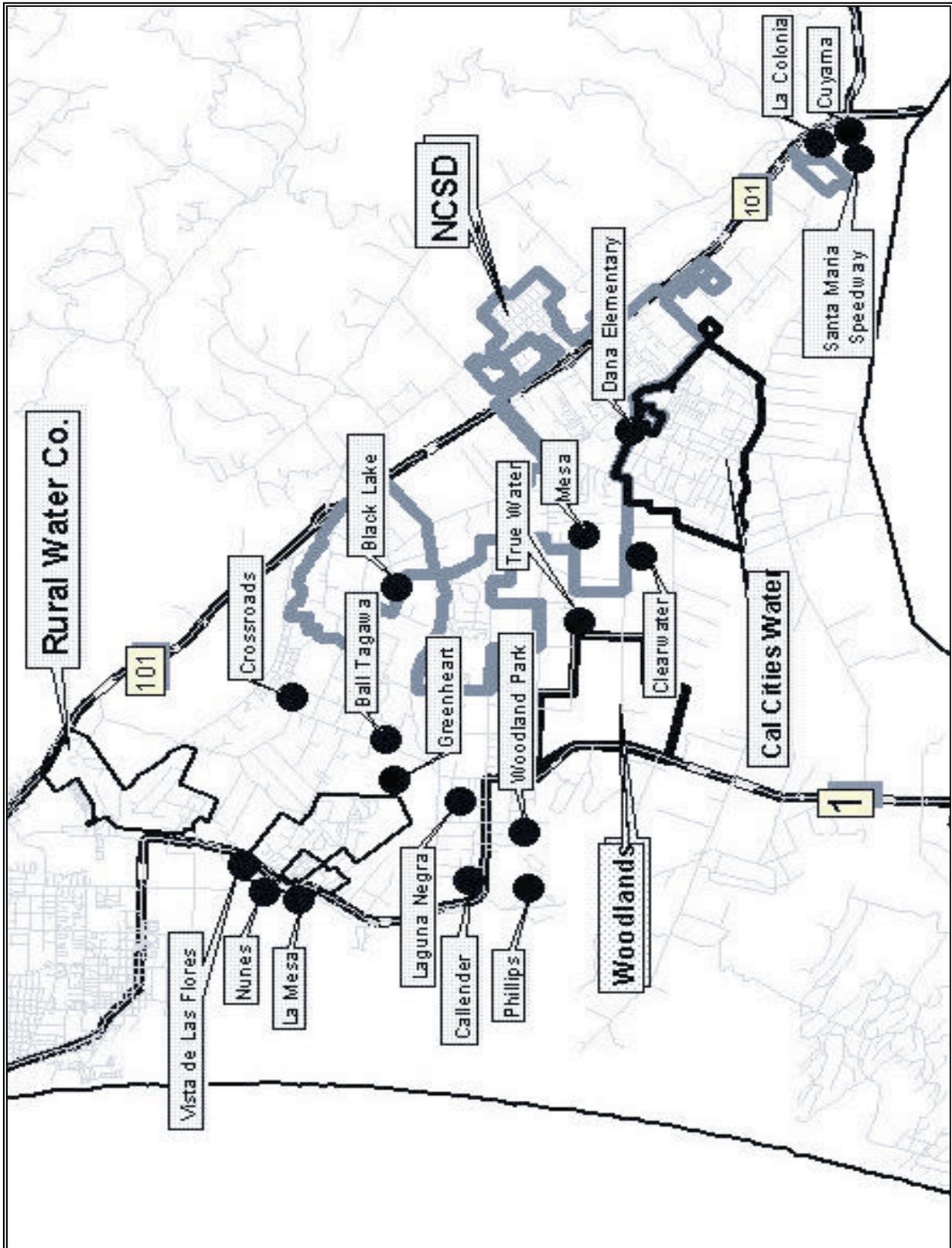


Figure 3-5: Nipomo Area Water Purveyors

The following excerpt from the San Luis Obispo County Water Master Plan describes the process the County's completing to evaluate water resources from a supply and demand standpoint.

*"The County of San Luis Obispo is updating the County Master Water Plan (MWP). This document will serve to help policy makers, planners and the public understand the long-range availability of water resources throughout the County. This work was planned as a comprehensive, three-phase process:*

- *Phase I Data Compilation*
- *Phase II Conclusions and Policy Recommendations*
- *Phase III Supplemental Studies and Ongoing Review*

*This Phase I document is an inventory of existing information, reasonable conclusions and missing data. Included herein are current and future water needs, and current and possible water supplies. Some of these needs and supplies were computed using reasonable deductions and some are severely limited by a lack of adequate data. Significant effort has been spent to make this document as comprehensive as possible."*

The County's Master Plan shows the existing and projected water needs for the Nipomo Mesa area as shown in the following in the following table:

**Table 3-7: Existing and Projected Water Needs<sup>1</sup>**

<b>Land Use or Water User</b>	<b>Existing Demand (AFY)</b>	<b>Projected Demand</b>
Urban	2,820	5,030
Agricultural	28,590	23,860-31,770
Rural	3,800	5,940
<b>Total</b>	<b>35,210</b>	<b>34,830-42,740</b>

1) San Luis Obispo County Master Water Plan, Table A

As land transitions from agricultural use to rural residences, water use typically decreases because agriculture uses have higher demands for water than do residential. This applies to land that is being or has been used for agricultural uses in the past. It is difficult to project how much water demand will decrease due to the conversion of agriculture land to residential or other less water-intensive uses.

### **Annual Resource Summary Report: County of San Luis Obispo, 2000-2003**

The County Department of Planning and Building prepares the Annual Resources Summary Report that summarizes the resource situation (including water) of Nipomo and other unincorporated areas of the County. The Report rates the capability of unincorporated

communities to provide public services. The Annual Report uses a Level of Severity rating system (0 being no problem and 3 being that a water delivery system has reached its design capacity) to assess water systems in the County areas. The rating system for water includes evaluating the available supply and the production and distribution system for a particular jurisdiction. The following rating system is used:

- **Level of Severity I:** When projected water demand over the next nine years equals or exceeds the estimated dependable supply.
- **Level of Severity II:** When projected water demand over the next seven years equals or exceeds the estimated dependable supply.
- **Level of Severity III:** When projected water demand equals or exceeds the estimated dependable supply.

The following table summarizes the findings of the Annual resource Summary Report for the last four years for the Nipomo area:

**Table 3-8: Annual Resource Summary Report – Nipomo Sub-Unit Groundwater Basin**

Year	Level of Severity	Comments
2002	II	County staff is evaluating the DWR study and did not incorporate information in this years' Resource Summary Report. The Summary Report recommends preparation of a Resources Capacity Study by the County in conjunction with the NCSA and Southern California Water Company. Limits the number of units built in the Nipomo Mesa to 2.3% of the number existing units as of December 31, 2001.
2001	II	Report recommends completion a resource capacity study for the Nipomo Mesa Area based on DWR groundwater basin study and limits the growth rate to 2.3%.
2000	II	Report recommends completion a resource capacity study for the Nipomo Mesa Area based on DWR groundwater basin study and limits the growth rate to 2.3%.
1999	II	Report recommends completion a resource capacity study for the Nipomo Mesa Area based on DWR groundwater basin study and limits the growth rate to 2.3%.

The County has started work on a resource capacity study for the Nipomo area that will use the recently released (November 2003) Department of Water Resources study as an information source for completing the report. The County is requesting public comment regarding the DWR report.

**The Woodlands Environmental Impact Report, 1998; Water Resources - Wastewater Section and Water Resources Management Study for The Woodlands, Cleath and Associates, 1996**

This EIR for the Woodlands project was completed in 1998 and was adopted by the Board of Supervisors. The Woodlands project is located on the West Mesa adjacent to Highway 1, east of Highway 101, and includes 45 holes of golf, 1320 residential units, a 500-room resort, a nine-acre commercial village core, 22 acres of business park, and a 12-acre public park. The Water Resources Management Study for The Woodlands is found in Appendix H of the Woodlands Specific Plan Final Environmental Impact Report. The purpose of this study was to evaluate the impacts to water resources in the area from the proposed development on the property. All of these land uses would require water service.

The study provides a good deal of information regarding the existing conditions in the area including, site background, geology and hydrogeology, water resources, and proposed project conditions. The study also completes a groundwater-modeling program and identifies the potential impacts on ground water from the project. Data gathered for the groundwater basin shows long term stable conditions with periodic cycles of declines and then recovery to near historic high levels in most of the basin. The EIR concludes that the Santa Maria Groundwater Basin is not considered to be in an overdraft condition and that impacts from the Woodlands project to water resources will not be significant.

**2002 Supplemental EIR for the GMO Amendment:**

This Supplemental Environmental Impact report was prepared in response to a request to amend the County Growth Management Ordinance to allow the residential portion of the Woodlands Specific Plan to be developed within a 15-year time frame. Environmental Science Associates (ESA) prepared this document for the SLO County Department of Planning and Building. The new information available since the 1998 EIR did not alter the conclusions of that EIR. In 1998, the EIR did not find that the groundwater basin underlying the project site was in an overdraft condition. The review of the new studies confirmed that extraction of groundwater required for a full build-out of the Woodlands SP within the 15-year time frame would pose less than significant impact on regional groundwater resources. No new mitigation measures for this impact are necessary. The 1998 EIR found that potential cumulative impacts of the proposed new development in the Nipomo Mesa area to be potentially significant and provided several conservation mitigation measures to minimize the impact. These measures would remain the same. The EIR states that the levels of

existing water pumping does not adversely impact the basin. Even though the proposed project would be accelerated to be completed in 10-15 years from 27 years, the effect on groundwater resources would be the same. The effects of this project on other wells in the surrounding area were not considered because the Santa Maria Groundwater Valley Basin has not been found in overdraft. There is no indication of seawater intrusion in the Nipomo HSA. The DWR report states that a new regional groundwater-monitoring plan be implemented to figure future trends with more reliable data. Implementation measures set forth in the 1998 EIR would minimize the cumulative impact to be made by the Woodlands project.

**Ordinance No. 2957 amending the GMO adopted January 8, 2002:**

This ordinance by the Board of Supervisors amends both the text of Part I and Part II of the Land use Element of the SLO County General Plan and the official Land use Element Maps adopted as Board of Supervisors Resolution # 2001-546. Therefore the changes are adopted as part of Section 22.01.022 of the Land Use Ordinance. The SLO County Board of Supervisors passed this ordinance unanimously on December 18, 2001.

**Addendum to the 1998 EIR approved on December 17, 2002:**  
**Woodlands Tract Map and Development Plans: EIR Addendum 2002**

This document sets forth proposed mitigation measures and/or minor changes to the previous EIR. They do not reduce or change the conclusions of the original EIR. The SLO County Planning and Building Department, Environmental Division prepared this document. Once these measures and changes are satisfied a subsequent or supplemental EIR was not considered necessary. These are the thirteen (13) Minor Project modifications listed. The Environmental Analysis commentary is listed after each. One road access entry into the NE section of the project has been added onto Camino Caballo near Sun Dale Way. Several cul-de-sacs have been eliminated or shortened, and additional bike and pedestrian easements proposed. Some residential lots were relocated closer to the business park. Changes were made to the shape of the butterfly habitat area. An on-site composting facility has been added to the project. The existing nine acres of Central Coast Scrub are proposed to be replaced off-site. 93 acres of "natural area" have been included as part of the golf course ownership. The estimated scope of work for grading has increased. Issues that may be affected by grading are air quality, archaeology, drainage, erosion, and sedimentation. Additional tree removal in Phase IIB is proposed along the southerly project

edge. The residential multi-family lot near the village center is 5.7 acres rather than 4.0 acres. Addition of sound walls for the read or side yards for 36 lots along Mesa Road (within the project). The entire village center has been forwarded to Phase 1A. The applicant has changed the proposal haul routes for tree removal.

A variety of environmental issues were addressed in this document, including traffic, air quality, and biological resources. Water resources were given specific focus. These are the following Environmental Issues:

1. The 1998 EIR gave four (4) mitigation measures for water resources; no new measures were required with the 2001 Supplemental EIR.
  - a. Measure 4.1-6a requires the applicant to participate in a toilet retrofit program on a 1:1 basis or propose a comparable water saving program.
  - b. Measure 4.1-6b requires the applicant to develop a master water conservation education program.
  - c. Measure 4.1-6c requires the project to use low water usage techniques in landscaping, including drip systems, use of native plants, limiting turf, and selection of golf course turfs that have low water needs.
  - d. Measure 4.1-6d requires a survey of surrounding wells that may be affected by the Woodlands on-site well water pumpage.

**County Resolution No. 2002-556 approving the Vesting Tentative Tract Map for Tract 2341 for the Woodlands:**

This resolution by the Board of Supervisors reverses the SLO County Planning Commission's decision to disapprove the PH Property Development Company's application for a vesting tentative tract map for Tract 2341. The SLO County Board of Supervisors approved the resolution on December 17, 2002. The original decision to deny the project by the SLO County Planning Commission was overturned and the request was approved. The addendum to the 1998 EIR and the 2002 Supplemental EIR prepared for this project was approved as complete and adequate. Conditions of Approval set forth in Exhibit B include the following categories: Access and Improvements, Trails, Golf Cart Circulation, Drainage, Utilities, Plans, CDF/County Fire, CCR's, Biological resources, and Misc.

**Resolution No. 2002-554: Resolution Reversing the Decision of the Planning Commission and Approving the request of PH Property Development Company for a Determination and Verification that a Sufficient Water Supply is Available Pursuant to Government Code §66473.7 for Tract 2341:**

This resolution by the Board of Supervisors reverses the SLO County Planning Commission's decision to deny PH Property Development Company's determination and verification that a sufficient water supply is available pursuant to Govt. Code § 66473.7 for tract 2341-The Woodlands. The County Board of Supervisors approved the resolution on December 17, 2002. The original decision by the SLO County Planning Commission to deny the project based on a lack of reliable water supply was overturned and the request was approved. The Board's decision was based on staff reports, submittals, and presentation of the applicant. The following evidence was presented in connection with the Woodland's vesting tentative map, Woodlands Specific Plan EIR, documents leading to the approval of amendment to the Growth Management Ordinance as it relates to the Woodlands, the 1991 EIR and 1994 Second revised Addendum for the South County Area Plan Update, the 2000 DWR Draft report: "Revised Final Draft/Subject to Revision, Water resources of the AG-Nipomo Mesa Area", the 2002 Dept. of Water resources final report: "Water resources of the AG-Nipomo Mesa Area", 1998 EIR, 2002 Supplemental EIR, and the 2002 DWR Report. This decision allows water to be provided to the subdivision through the pumping of groundwater.

**Environmental Assessment of Water Resources Availability: Bartleson Development Plan:**

The purpose of this study is to determine the water supply available to the Bartleson project under reasonably foreseeable variations in climactic conditions. The Morro Group, Inc. prepared the document: more specifically Dr. Donald O. Asquith, an engineering geologist, prepared the water resources section. This report was prepared for the SLO County Department of Planning and Building. The simulation done as part of this report shows that the existing distribution of agricultural pumping in the Los Berros Creek demonstrates that there would be a major impact on water availability with a recurrence of the dry cycle of the '20s and early '30s. This potential impact could be the result of increased agricultural pumping for the fractured tuff reservoir in upper Los Berros Creek, and probably to some extent from the increased pumping from this reservoir in upper Nipomo Valley. The simulation of conditions with implementation of the proposed project indicates that this condition would be increased by about three percent (3%) for a recurrence of the prolonged

drought period of the '20s and '30s. The effect would be far less for more typical dry periods of a few years such as occurred during the drought of 1987-1991. This increase would not be significant in the context of the potential for significant impacts on the Los Berros Creek corridor that resulted from the expansion of agricultural pumping from Obispo fractured tuff reservoir in the area.

**Water Resources Evaluation-Nipomo Mesa Management Area, SAIC, May 28, 2003:**

This document is a detailed hydrologic inventory of the Nipomo Mesa Management Area and estimates the change in groundwater in storage between 1975-2000. This document also estimates current and future water production, production safe yield, consumptive safe yield, and the effects of land use conversion on water supply in the area. Science Applications International Corp.-Water Resource Division prepared the report. The NMMA showed a cumulative change in groundwater storage between 1975-2000 of minus 18,540 acre feet, not including the 2720 acre feet of root zone deficit that occurred at the end of the study period. The water balance for the year 2000 shows a deficit of 4690 acre-feet (not including the aforementioned root zone deficit). The NMMA's land use is predicted to grow in the urban and golf course uses (6540 to 8320 acres and 660 to 850 acres, respectively), the native vegetation district is where the growth will occur. According to this document, consumptive use of production has exceeded consumptive safe yield annually since 1986. Groundwater in the NMMA is located in porous spaces in sedimentary deposits like (from oldest to youngest): the Squire Member of the Pismo Formation, the Careaga, Paso Robles, and Orcutt Formations, the alluvium, and the dune sands. The volume of groundwater in storage has decreased more on the north side of the Santa Maria River fault than on the south side. The cumulative subsurface inflow was -14110 acre-feet from 1975-2000. The period of 1975-2000 saw 8% more rainfall than an average 25-year period. The SAIC's estimate of total groundwater recharge due to deep percolation of precipitation is 25% greater than the estimates made by DWR. The assumed water demand for the Highlands project is approximately 31 AFY. This document is a consolidation of technical memos.

**Proposed/Revised Draft Partial Statement of Decision-Santa Maria Groundwater Litigation – Case # CV 770214: Superior Court of the State of California, County of Santa Clara**

This Partial Statement of Decision prepared by Superior Court Judge, the Honorable Jack Komar, is in regard to the Santa Maria Groundwater Litigation case being considered by the

court. The following is a brief summary of the decision and does include interpretive legal analysis. The Court has considered a variety of water resource studies and analysis as evidence to come to its conclusions. This case could have implications for users of the Santa Maria Groundwater Basin. The Statement of Decision, which has yet to be signed by the Judge, draws several conclusions:

The key question as to whether the basin is in overdraft or not is considered by the court. The Statement of Decision states the following:

- 1) "The Court finds based on all the evidence presented in this phase of the trial that the Basin is not presently and has not historically been in a state of hydrologic overdraft."
- 2) "The Appropriators (including the NCSD) have not established by any standard of proof either the Basin's safe yield or that long-term extractions from the Basin have exceeded any such safe yield so as to manifest overdraft conditions."

These statements indicate the Courts determination that the Santa Maria Groundwater Basin is not in overdraft.

The Court also addressed the question of whether there are sub-basins or sub-areas of the Santa Maria Groundwater Basin that are in overdraft. In this case the judge referred to the Nipomo Mesa area specifically.

"The court found that the evidence provided did not establish by credible evidence under any standard of proof, that sub basins or sub-areas were in a condition of overdraft. The court does affirm its previous finding that the Basin is a single hydrologic unit for purposes of the determinations of overdraft in this phase of the case."

The Court determined that the evidence provided to date does not show that sub-areas or sub-basins are in a state of overdraft. The Court affirmed its previous finding that the Basin is a hydrologic unit for purposes of determining overdraft for this case.

The Partial Statement of Decision document contains more details about the Courts' decision and is available for review.

**The Nipomo Mesa Groundwater Resources Capacity Study was completed for the County of San Luis Obispo by S.S. Papadopoulos & Associates, Inc (Study).**

The stated objective of the study is to:

“...distill relevant information from the Department of Water Resources (DWR) report and other water resource assessments of the Nipomo Mesa and vicinity, present an assessment of groundwater resources of the Nipomo Mesa, make recommendations for managing the groundwater resources including appropriate level of severity of depletion of the groundwater resource as part of the County’s Resource Management System.”

The Papadopoulos study reviewed the DWR study and water studies conducted for Nipomo area EIRs. The Study indicates that the DWR assessment of groundwater conditions on the Mesa is the more accurate reflection of actual conditions. The Study also concludes that because of limitations inherent in the computer models used in the EIR studies, these studies tend to overestimate the sustainable yield of the groundwater basin and underestimate future groundwater declines and potential for seawater intrusion. The Study also determines that since current and projected pumping beneath Nipomo Mesa exceeds inflow (natural recharge plus subsurface inflow), the Nipomo Mesa portion of the Santa Maria Groundwater Basin is currently in overdraft and projections of future demand indicate increasing overdraft.

The Study indicates that there is a time lag of many decades between heavy groundwater pumping three miles from the coast and the appearance of evidence of seawater intrusion related to such pumping. The consequences of heavy pumping in the 1960s and 1970s may still result in seawater intrusion in the future, even though there is currently no evidence of intrusion.

The Study’s evaluation of the DWR analyses, projections and water budget estimates indicate that groundwater pumping in the Nipomo Mesa area is in excess of the dependable yield and that overdraft conditions have existed and are expected in the future. The Study also determines that DWRs findings indicate that a Level of Severity III is the appropriate Resource Management System severity level for groundwater beneath the Nipomo Mesa area.

The Study identifies several responses to this situation. Management response to these findings could include increased use of recycled water, increased importation of supplemental water, implementation of additional conservation measures and appropriate

limits on development. The Board of Supervisors will be considering a response in the near future.

### **MOU between NCSD and the Woodlands**

The Memorandum of Understanding between the District and the Woodlands was agreed upon in 2002 for the purpose of preserving and managing the water resources. The MOU addresses several issues, including ratepayer parity in paying costs associated with resource preservation and a joint well management program to recommend the best use of the District's and the Woodland's well's.

### **Water Supply and Demand**

This section will use the above data sources to estimate a future supply and demand enario for the District. The existing water supply used by the District is limited to the Nipomo Hydrologic Sub-area. The District is exploring other, supplemental water options that would meet the needs of future growth in the area. The development of other supplies is contingent upon a variety of factors including water availability, cost, administrative issues and overall feasibility. The District is in the planning and development stages for supplemental water sources and no agreements are in place at this time. The table below uses the Draft Urban Management Plan and the Alternatives Study to characterize the potential future water supplies that the District believes may be available in the next 20 years.

**Table 3-9: Total Projected Available Water Supply**

<b>Source</b>	<b>Projected Water (AFY)</b>
Groundwater Dependable Yield of the Nipomo sub-basin	2,000-2,400
District Implements Strict Conservation Plan	500-1000
Contracting with City of Santa Maria for water	1,000-3,000
Activate wells outside the Nipomo Hydrologic Sub-area on the east side of Highway 101: Hermreck, Savage, Church	600
<b>Total Projected</b>	<b>4,100-6,000</b>

- 1) Final Report Evaluation of Water Supply Alternatives, October 1, 2001, Kennedy/Jenks Consultants
- 2) Draft Urban Water Management Plan, 2003, NCSD

The District is currently negotiating the purchase of water from the City of Santa Maria. The outcome of these efforts is difficult to predict because of the legal and contractual hurdles that need to be addressed prior to the NCSD receiving water. Also the amount of water that could be saved through conservation is estimated and could be significant if stringent conservation measures are put in place.

### **Department of Water Resources Data**

The NCSD and Cal Cities Water Company submit annual water usage reports to the State Department of Water Resources. These reports, from 1994 through 2000, show the number of connections served by each organization, the total amount of water pumped into the distribution system and the amount of water delivered to the various types of users. The following tables and charts summarize this information for the NCSD and Cal Cities Water Company:

**Table 3-10: Nipomo Community Services District - Water Service Information**

<b>User Type</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Single Family Res.	2413	2302	2388	2485	2637	2803	2944
Multi-Family		224	227	236	235	234	239
Commercial/Intuitional	75	55	54	63	62	65	71
Industrial							
Landscape Irrigation	26	47	48	51	50	55	52
Other		19	15	5	5	7	0
Agricultural Irrigation		5	4	3	2	2	2
<b>Total Connections</b>	<b>2514</b>	<b>2652</b>	<b>2736</b>	<b>2843</b>	<b>2991</b>	<b>3166</b>	<b>3308</b>
<b>% Increase/(Decrease)</b>	<b>--</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>6%</b>	<b>4%</b>
<b>Nipomo - Water Statistics</b>							
<b>Population Served</b>	<b>7553</b>	<b>7906</b>	<b>8185</b>	<b>8517</b>	<b>8989</b>	<b>9506</b>	<b>9963</b>
<b>Persons/Connection</b>							
<b>Total Water Used Acre feet</b>	<b>1718</b>	<b>1805</b>	<b>1935</b>	<b>2037</b>	<b>2010</b>	<b>2271</b>	<b>2414</b>
<b>Acre Feet/Person/year</b>	<b>.25</b>	<b>.25</b>	<b>.26</b>	<b>.26</b>	<b>.25</b>	<b>.26</b>	<b>.27</b>
<b>Gallons/person/day</b>	<b>225</b>	<b>225</b>	<b>233</b>	<b>233</b>	<b>225</b>	<b>233</b>	<b>240</b>

Source: Department of Water Resources - Annual Reports submitted by NCSD

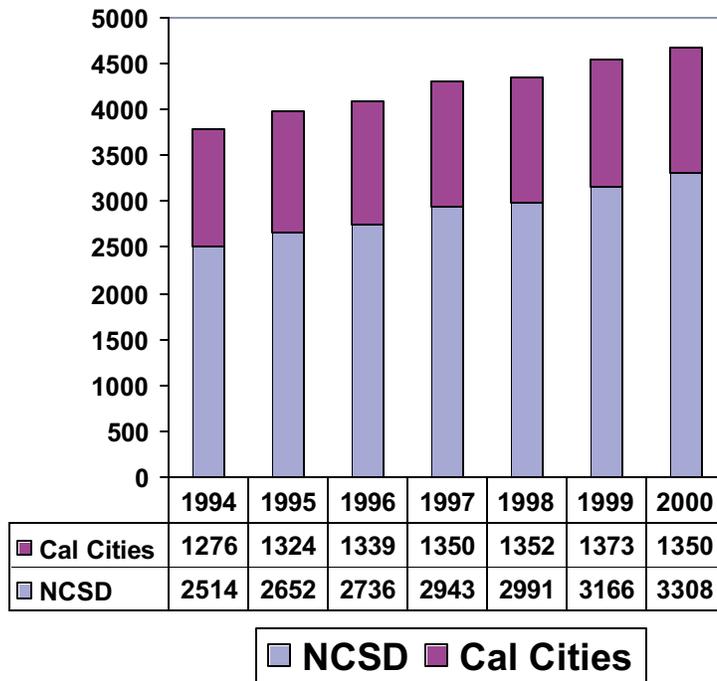
**Table 3-11: Cal Cities Water Company – Water Service Information**

<b>User Type</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>
Single Family Res.	1276	1324	1339	1350	1352	1373	1295
Multi-Family							51
Commercial/Intuitional							3
Industrial							
Landscape Irrigation							1
Other							
Agricultural Irrigation							
<b>Total Connections</b>	<b>1276</b>	<b>1324</b>	<b>1339</b>	<b>1350</b>	<b>1352</b>	<b>1373</b>	<b>1350</b>
<b>% Increase/(Decrease)</b>	<b>--</b>						
<b>Nipomo –Cal Cities Water Statistics</b>							
<b>Population Served</b>	<b>2940</b>	<b>3050</b>	<b>3080</b>	<b>3105</b>	<b>3110</b>	<b>3160</b>	<b>3651</b>
<b>Persons/Connection</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.7</b>
<b>Total Water Used Acre feet</b>	<b>1123</b>	<b>1134</b>	<b>1252</b>	<b>1320</b>	<b>1115</b>	<b>1251</b>	<b>1387</b>
<b>Acre Feet/Person/year</b>	<b>.38</b>	<b>.37</b>	<b>.41</b>	<b>.43</b>	<b>.36</b>	<b>.40</b>	<b>.38</b>
<b>Gallons/person/day</b>	<b>339</b>	<b>330</b>	<b>366</b>	<b>384</b>	<b>322</b>	<b>357</b>	<b>339</b>

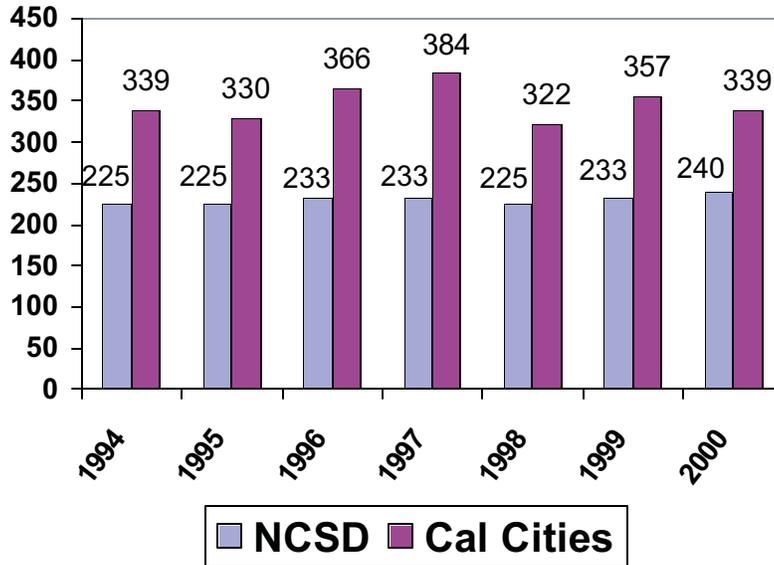
**Table 3-12: Nipomo Community Services District & Cal Cities  
Water Service Information**

User Type	1994	1995	1996	1997	1998	1999	2000
NCSD-Connections	2514	2652	2736	2943	2991	3166	3308
Cal Cities Connections	1276	1324	1339	1350	1352	1373	1350
<b>Total Connections</b>	<b>3790</b>	<b>3976</b>	<b>4075</b>	<b>4293</b>	<b>4343</b>	<b>4539</b>	<b>4658</b>
% Increase/(Decrease)	--	5%	3%	5%	1%	5%	3%
<b>Nipomo - Water Statistics</b>							
Population Served	10,493	10,956	11,265	11,622	12,099	12,666	13,614
Persons/Connection	2.8	2.8	2.8	2.7	2.8	2.8	2.9
Total Water Used (Acre-feet)	2841	2939	3187	3357	3125	3522	3801
Acre-Feet per Person per year	.27	.27	.28	.29	.26	.28	.28
Gallons/person/day	241	241	250	259	232	250	250

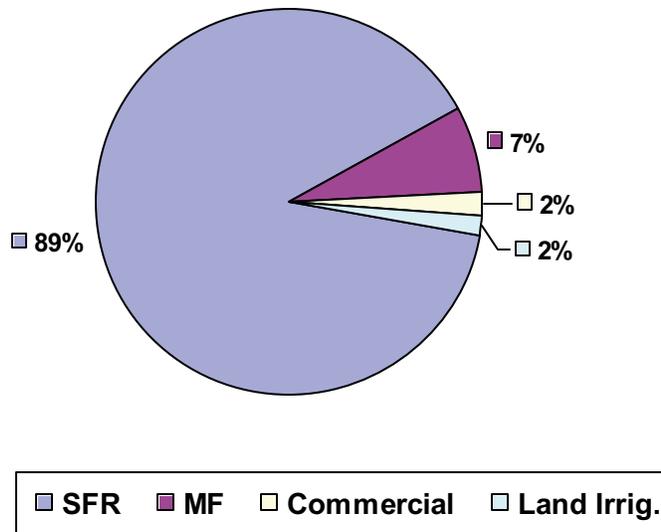
**Figure 3-6: Total Connections 1994-2000**



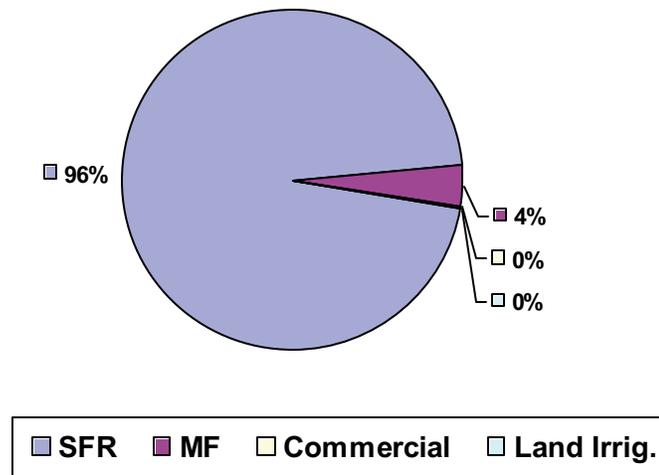
**Figure 3-7:  
Gallons per person per day 1994-2000**



**Figure 3-8: Breakdown of Connections - 2000  
Nipomo Community Services District**



**Figure 3-9: Breakdown of Connections - 2000  
Cal Cities Water Company**



### Sphere of Influence Alternatives

To analyze the possible future water demand for the NCSD over the next 20 years, four different SOI alternatives are considered in this section. Each alternative uses a variation of the eight Study Areas as a basis for evaluation. The reader should bear in mind that these alternatives are developed for study purposes only and make various assumptions to complete the evaluation. Alternative #1 uses all eight Study Areas in their current configuration and assumes build out under the existing zoning with no increases in allowed density. Alternative #2 includes all eight study areas and assumes changes in zoning to increase density in Areas #1, #2 and #4. Alternative #3 reduces the size of several of the Study Areas and assumes an increase in density in areas #1 and #5. Alternative #4 reduces the size of Study Areas and assumes development under existing zoning. Alternative #5 assumes that the District's SOI will remain unchanged (no project).

The Woodlands Project (Study Area #6) is included in the alternatives, however it is unlikely to be included in the District's Sphere of Influence. The Woodland Ventures development company has requested that the Woodlands project not be included in the SOI. The district has concurred with this request. The Woodlands is subtracted from the totals at the bottom of the alternative tables. For Study Area 6 (the Woodlands) water demand is estimated at

1639 afy, pursuant to the 1998 Final EIR for the project. Also Study Area #5 is nearly built out and is already provided water service from the Cal Cities Water Company. The District may provide other services such as solid waste and landscape maintenance. However, since it is not anticipated that the District would provide water service to Area #5, this area is also subtracted from the totals. Projects such as the Cañada Ranch and Southland Specific Plan that may bring more residential units into the District were also considered as part of each alternative as was the decrease in per capita water use that may occur with higher density residential development. The following assumptions are used to develop the NCSD's projected water demand over the next 20 years:

- Based on the annual reports submitted by the NCSD to the Department of Water Resources for the period from 1994 to 2000, the average amount of water used per person is .26 acre-feet per year (gross production). This equates to 84,760 gallons each year and 232 gallons per day per person. The increased density allowed by zoning an area Residential Single Family would likely decrease per capita water consumption to an estimated .20 acre feet per person per year (180 gallons per day) because of the smaller lot sizes and reduced need for landscaping. Therefore .26 acre feet per person per year will be used for areas zoned Residential Rural and Residential Suburban and .20 acre feet per person per year will be used for areas zoned residential single family.
- The U.S. Census indicates that the average household size in Nipomo is approximately three persons per unit. The number of units projected for a Study Area is estimated by multiplying the gross acreage of an area times the density allowed by the existing or presumed zoning. The number of units is then multiplied by 3.0 persons to calculate the anticipated population increase of a Study Area. The population is multiplied by either .26 or .20 acre-feet of water per person per year depending on the zoning.
- "Build-out" of an area can be limited by topography, sensitive habitats, the siting of infrastructure, environmental and other site constraints. In this model, it is assumed that only 80% of an area could be "built-out" . This is shown as 80% of the projected gross population increase and water consumption needs.

- In 2003, the District surveyed the existing parcels within the service area and found that 90% of the existing assessor's parcel numbers are being served. The balance of 10% would increase the number of connections by 345 increasing the population by 934 and water use by an estimated 243 acre feet a year at "build-out". Also, if the County approves the Land Use Ordinance Amendment to allow secondary units in the Summit Station area, this could allow for an estimated 190 more units with an approximate water demand of about 120 acre feet. Total water provided by the NCSD to customers within the existing boundary at "build-out" (adding 10% and secondary units) is estimated to be 2,857 acre-feet per year.
- In 2002, the NCSD was serving a total of 3,452 accounts of which 96% (3,314) are single-family connections.

**Future Water Supply.** The future water supply available used for each alternative assumes a low case (Scenario #1) and high case (Scenario #2) situation based on the possibility of a source not being available or not producing as much water as expected. The existing water supply available to the District is subject to the adjudication process that is underway and may determine water allocations for the various users of the Nipomo groundwater resource. For purposes of this analysis, the NCSD's high case water supply, scenario #2, in the next 20 years assumes the following sources will be available: 2,400 acre feet of water will be available to the District from groundwater, 500 acre feet available from conservation measures implemented by the NCSD, 1,000 feet from the City of Santa Maria, 300 acre feet from the District's wells on the east side of Highway 101, for total of 4,200 acre feet. The low case water supply, scenario #1, assumes the following sources will be available: 2,100 acre feet of groundwater, 500 acre feet from conservation measures, 100 acre feet from the wells on the east side, for a total of 2,500 acre feet. The following table summarizes the projected water supply for the District:

**Table 3-13: Potential Water Supply Scenario**

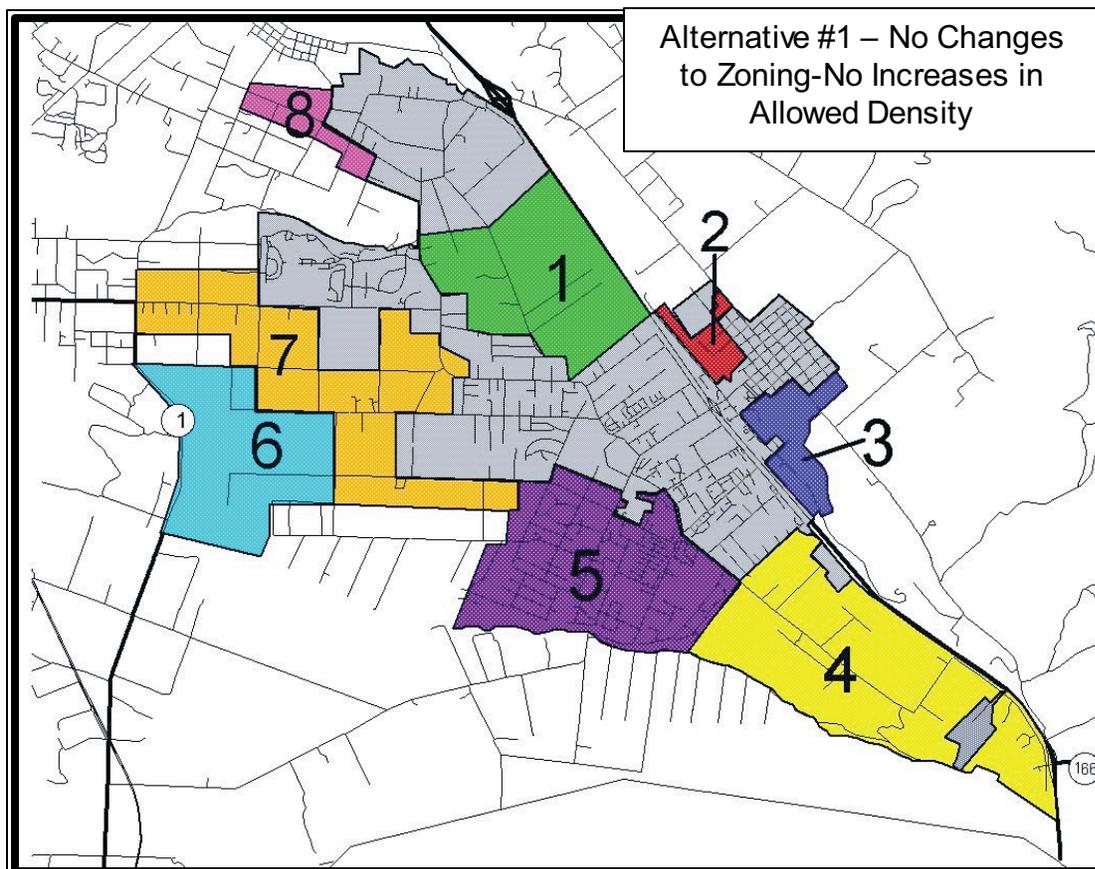
<b>Potential Source</b>	<b>Low Case Scenario #1</b>	<b>High Case Scenario #2</b>
Groundwater	2,100	2,400
Water Conservation	500	500
City of Santa Maria	0	1,500-3,000
Desalinization	0	0
Recycled Water Delivery	0	0
Hard Rock Drilling	100	300
Totals	2,700	4,200

To analyze the demand for water over the next 20 years the following alternatives have been developed based on land use, allowed density of development (number of units per acre), and the average number of people per household. The alternatives analyze the eight Study Areas being considered for the Sphere of Influence under various circumstances. The above water supply table is a more conservative estimate of the likely water sources than projected by the studies completed by the NCSA. The above estimate is based on the current status of obtaining each water source and the sources potential reliability. While desalinization is an alternative being considered by the District, it will likely take 10–15 years to develop this source.

The District has indicated that the City of Santa Maria is the most viable source in the near term. However, the City and the District are currently negotiating an agreement. To obtain water from the City several legal and political hurdles will need to be overcome, including: the feasibility and cost of constructing the pipeline across the Santa Maria bridge, and the approval of an actual agreement. To date we understand that the District and the City are discussing these issues, but documentation has yet to be submitted as evidence of the future availability of this water source. The water from the City may in fact turn out to be a reliable, long-term supply, but the actual availability of this supply is unknown at this time.

**Alternative #1**

This alternative assumes that the SOI will include the eight study areas shown in the map below and will be developed within the District without any changes to the zoning and no increases in currently allowed density. This alternative is based on the assumption that the South County Area Plan (SCAP) will be implemented as it is currently adopted and amended. The vision of the SCAP is that the villages of Woodlands and Blacklake and the town area would be separated by rural areas for the purpose of maintaining the rural character of Nipomo. The SCAP also envisions that Study Area One, north of Cañada Ranch, would remain undeveloped and act as a rural gateway to Nipomo. This is the similar policy used for Study Area 4, the southern gateway to Nipomo. This alternative envisions the District serving rural areas without an increase in density because of the existing locations of their water distribution lines throughout the area. The District can theoretically, and has in the past, served areas that are rural in character. However, it is not unusual for these areas to use the provision of public services as a rationale to increase the density of an area. (i.e. Summit Station)

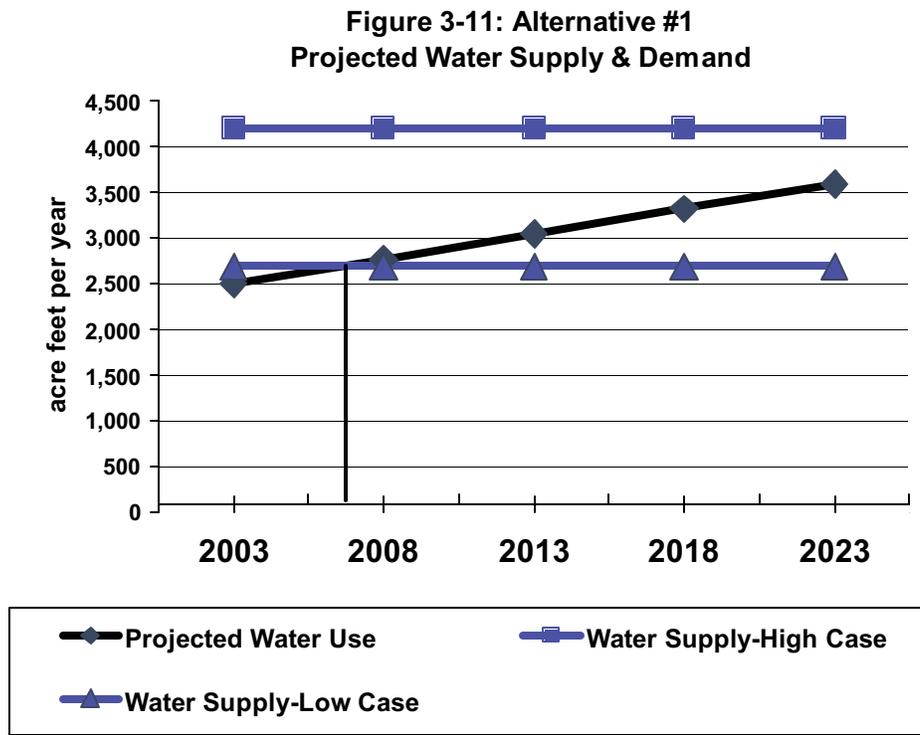
**Figure 3-10: Alternative #1**

**Table 3-14: Alternative 1 - Include all 8 Study Areas and assume existing zoning**

<b>Study Area #1</b>	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Agriculture	420	8	25	7
	Residential Rural Specific Plan	462	92	277	72
		200	350	1050	210
Subtotal		1082	451	1352	289
<b>Study Area #2</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Agriculture	132	3	8	2
Subtotal		132	3	8	2
<b>Study Area #3</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Res. Single Family	91	364	1092	218
	Residential Suburban	84	84	252	66
Subtotal		175	448	1344	284
<b>Study Area #4</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Rural Lands	1173	59	176	46
	Specific Plan	100	100	300	60
Subtotal		1273	159	476	106
<b>Study Area #5</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Res. Single Family	154	527	1581	316
	Residential Suburban	1196	1196	3588	933
Subtotal		1350	1723	5169	1249
<b>Study Area #6</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Specific Plan-Woodlands	958	1320	3960	1639
Subtotal		958	1320	3960	1639
<b>Study Area #7</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Residential Rural	1352	270	811	211
	Agriculture	100	2	6	2
Subtotal		1452	272	817	212
<b>Study Area #8</b>					
	<b>Zoning</b>	<b>Acreage</b>	<b>Units</b>	<b>Population</b>	<b>Water Use (afy)</b>
	Residential Rural	181	36	109	28
Subtotal		181	36	109	28
<b>Totals-Areawide</b>		<b>6603</b>	<b>4442</b>	<b>13327</b>	<b>3807</b>
Subtract Woodlands #6 & Cal Cities #5		4795	1368	4107	2888
Projected Water Demand for District					919
<b>80% Build-out - Estimated District Net Water Demand</b>					<b>735</b>

The water total of 737 afy is in addition to the 2,857 afy estimated water demand to serve existing district residents, bringing the total projected demand for this alternative over the next 20 years to approximately 3,600 acre feet per year.

The figure below shows the projected water demand for the District through 2023 based on the estimated need for water in each Study Area shown in the table above for alternative #1.



The figure projects that if the District is unable to negotiate water from another source, or reduce water use, demand could start to outpace supply around 2008. Several variables could affect this projection including the adjudication of the groundwater basin, legal and political hurdles in obtaining water from the City of Santa Maria, the pace of annexations into the district, implementation of conservation measures, and the development of other water sources such as desalinization. Negotiations with the City of Santa Maria are on going at this time. To date, we have only verbal reports from the NCSD staff that negotiations are proceeding positively and that water from the City will be available in the future. If the District does negotiate the water from the City of Santa Maria, the potential water shortfall situation will be averted. However, the schedule for upgrading the Santa Maria River Bridge calls for construction to begin in 2008. This may not allow for a water line to be located on the bridge and the District to receive water from the City in a timely manner. Alternatively, the District would pursue trenching under the Santa Maria River, attaching a pipeline to the bike/pedestrian bridge, or other methods of transporting the water from Santa Maria to the NCSD.

## Alternative #2

Alternative Two assumes that the SOI will include all eight of the Study Areas shown in the map below and that some changes in zoning will cause an increase in the density allowed for some areas. The provision of public services, such as roads, water, and sewer, often encourages an increase in density in the areas where this infrastructure already is located. In developing this alternative it is assumed that these basic infrastructure services would be provided and that the zoning in certain areas changed so that density can be increased. Study Area #1 shows a zone change and subsequent population increase that may occur if the land zoned agriculture were rezoned to Residential Suburban. Study Area #2 is assumed to be developed at a density of 2 units per acre because of the environmental site constraints. In Study Area #4 the zoning is anticipated to change from Rural Lands to Residential Suburban. These changes in zoning allow for increases in the number dwelling units, population and water use in these study areas. The following table shows the projected increases for each area and the amount of water needed to serve a particular area based on past per capita water use.

Figure 3-12: Alternative #2

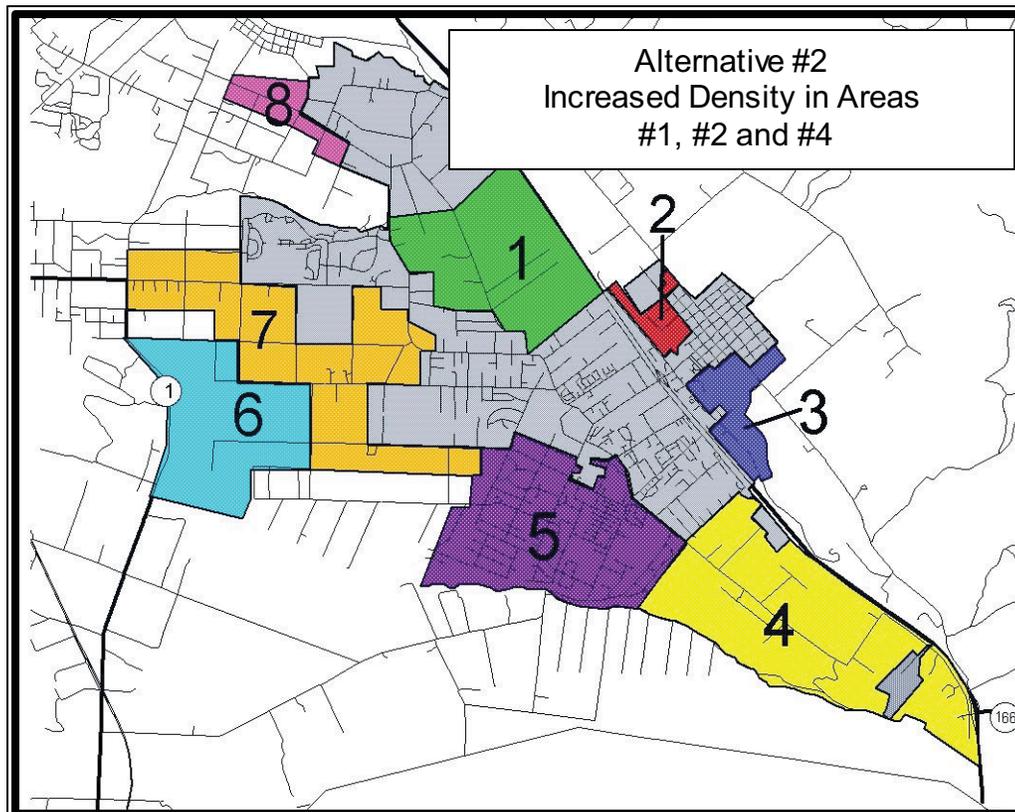
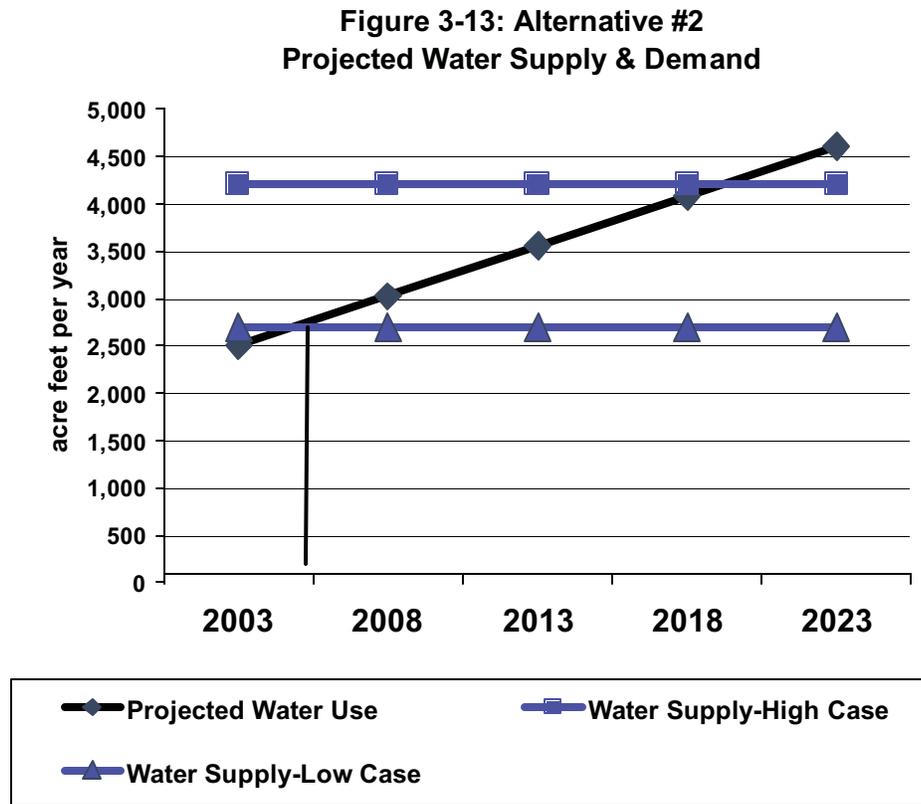


Table 3-15: Alternative 2 - Include all 8 Study Areas and assume increased densities, #1, #2, #4

Study Area #1	Zoning	Acreage	Units	Population	Water Use (afy)
<b>Increased Density</b>	Ag to Residential Suburban	420	420	1260	328
	Residential Rural	462	92	277	72
	Specific Plan	200	350	1050	210
Subtotal		1082	862	2587	610
Study Area #2	Zoning	Acreage	Units	Population	Water Use (afy)
<b>Increased Density</b>	Res. Single Family	132	264	792	206
	<b>Flood/Creek Hab.</b> (2DU per acre)				
Subtotal		132	264	792	206
Study Area #3	Zoning	Acreage	Units	Population	Water Use (afy)
	Res. Single Family	91	364	1092	218
	Residential Suburban	84	84	252	66
Subtotal		175	448	1344	284
Study Area #4	Zoning	Acreage	Units	Population	Water Use (afy)
<b>Increased Density</b>	Residential Suburban	1173	1173	3519	915
	Specific Plan	100	100	300	60
Subtotal		1273	1273	3819	975
Study Area #5	Zoning	Acreage	Units	Population	Water Use (afy)
	Res. Single Family	154	527	1581	316
	Residential Suburban	1196	1196	3588	933
Subtotal		1350	1723	5169	1249
Study Area #6	Zoning	Acreage	Units	Population	Water Use (afy)
	Specific Plan-Woodlands	958	1320	3960	1639
Subtotal		958	1320	3960	1639
Study Area #7	Zoning	Acreage	Units	Population	Water Use (afy)
	Residential Rural	1352	270	811	211
	Agriculture	100	2	6	2
Subtotal		1452	272	817	212
Study Area #8	Zoning	Acreage	Units	Population	Water Use (afy)
	Residential Rural	181	36	109	28
Subtotal		181	36	109	28
<b>Totals-All Study Areas</b>		<b>6603</b>	<b>6199</b>	<b>18598</b>	<b>5203</b>
Subtract Woodlands #6 & Cal Cities #5		4295	3156	9129	2888
Projected Water Demand for District					2315
<b>80% Build-out - Estimated District Net Water Demand</b>					<b>1852</b>

The water total of 1,852 afy is in addition to the 2,857 afy estimated to serve existing district residents, bringing the total projected demand for this alternative over the next 20 years to approximately 4,700 acre feet per year.

The figure below shows the projected water demand for the District through 2023 based on the estimated need for water for each area shown in the table above for alternative two.

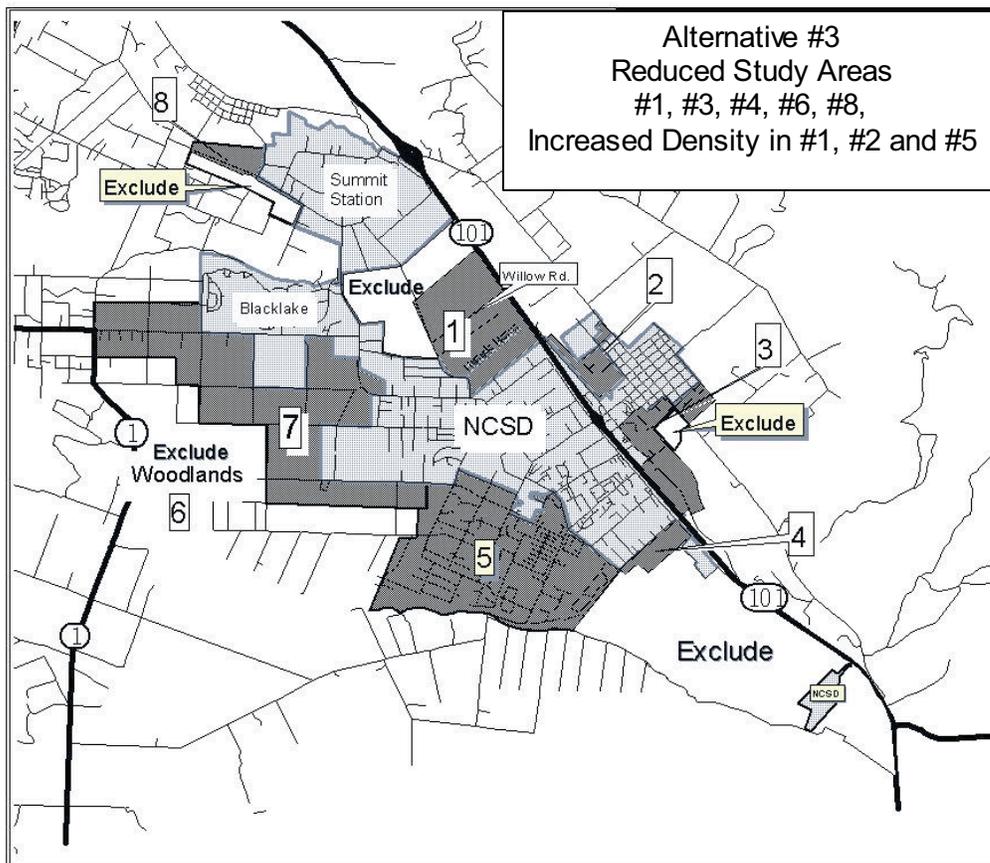


The figure projects that if the District is unable to negotiate water from another source, such as the City of Santa Maria, and hard rock drilling proves to be an unreliable source, demand could start to outpace supply around 2005. Several variables could affect this projection including the adjudication decision, legal and political hurdles in obtaining water from the City of Santa Maria, the pace of annexations into the District, implementation of conservation measures, and the development of other water sources such as desalinization. It should also be noted that this alternative would have to comply the County Growth Cap of 2.3% for the Nipomo area. The growth is estimated to allow a total of 2,425 units over the next 20 years. This alternative projects that 3156 units would be constructed in the same time period.

### Alternative #3

This alternative assumes that the SOI would include the reduced Study Areas as shown in the map below in areas #1, #3, #4 and #8. Study Area #6, the Woodlands is excluded from the SOI. Increased densities are assumed in areas #1, #2 and #5. Study Area #1 is anticipated to change from Agriculture to Residential Rural and area #5 assumes secondary units on half of the lots in Residential Suburban because of the provision of additional services. (Secondary units are not likely to be approved in this area due to site constraints such as setbacks and access.) It also assumes increased density in Study Area #2, from Agriculture to Residential Single Family (2 DU per acre). The logic of this alternative is founded on the premise of maintaining the rural character of Nipomo, promoting development consistent with the General Plan and providing efficient public services to rural areas where it is reasonable to do so. Including area #7 into the District's SOI may allow the NCSD to better manage the groundwater resource by decreasing the proliferation of small mutual water companies and private wells developed to serve projects that are approved in this area.

**Figure 3-14: Alternative #3**

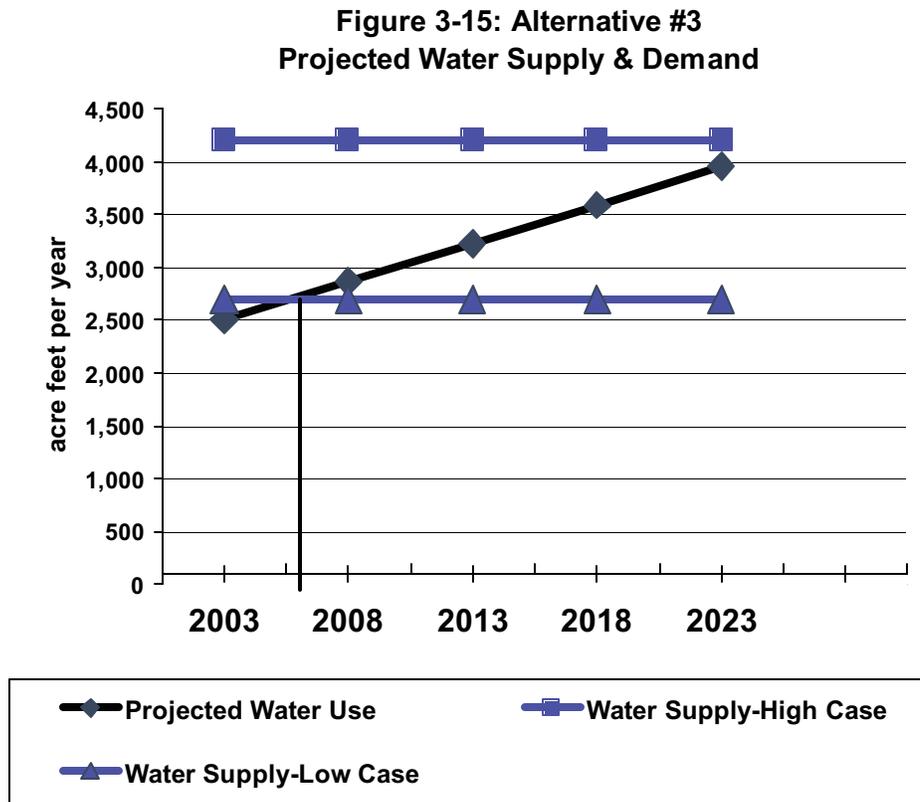


**Table 3-16: Alternative 3**  
**Reduce SOI Areas #1, # 3, #4, #6, and assume increased density in #1, #2 and #5**

Study Area #1		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Increase Density</b>		Agriculture to RR	200	40	120	31
<b>Reduce SOI west of Hetrick</b>		Residential Rural	0	0	0	0
<b>EXCLUDE AG PARCEL N OF WILLOW</b>		Specific Plan (Cañada)	200	350	1050	210
Subtotal			400	390	1170	241
<hr/>						
Study Area #2		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Increased Density</b>		Res. Single Family (2DU per acre)	132	264	792	206
Subtotal			132	264	792	206
<hr/>						
Study Area #3		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Follow URL</b>		Res. Single Family	91	364	1092	218
		Residential Suburban	84	84	252	66
Subtotal			175	448	1344	284
<hr/>						
Study Area #4		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Exclude from SOI</b>		Rural Lands	1173	59	176	46
<b>Include only SP area</b>		Specific Plan	100	100	300	60
Subtotal			1273	159	476	106
<hr/>						
Study Area #5		Zoning	Acreage	Units	Population	Water Use (afy)
		Res. Single Family	154	527	1581	316
<b>50% Increase in Density</b>		Residential Suburban	1196	1794	5382	1399
Subtotal			1350	2321	6963	1716
<hr/>						
Study Area #6		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Exclude from SOI</b>		Specific Plan-Woodlands	958	1320	3960	1639
Subtotal			958	1320	3960	1639
<hr/>						
Study Area #7		Zoning	Acreage	Units	Population	Water Use (afy)
		Residential Rural	1352	270	811	211
		Agriculture	100	2	6	2
Subtotal			1452	272	817	212
<hr/>						
Study Area #8		Zoning	Acreage	Units	Population	Water Use (afy)
<b>Include only Robertson LUO Amendment</b>		Residential Rural	63	13	38	10
Subtotal			63	13	38	10
<hr/>						
<b>Totals</b>			<b>5803</b>	<b>5187</b>	<b>15,560</b>	<b>4414</b>
Subtract Woodlands #6 & Cal-Cities #5 (existing)				2085	10,923	3355
Projected Water Demand (includes added units in #5)						1059
<b>80% Build-out - Estimated District Net Water Demand</b>						<b>847</b>

The net water demand total of 847 afy is in addition to the 2,857 afy estimated to serve existing district residents, bringing the total projected demand for this alternative over the next 20 years to 3,700 acre feet per year.

The figure below shows the projected water demand for the District through 2023 based on the estimated need for water for each area shown in the table above for alternative #3.

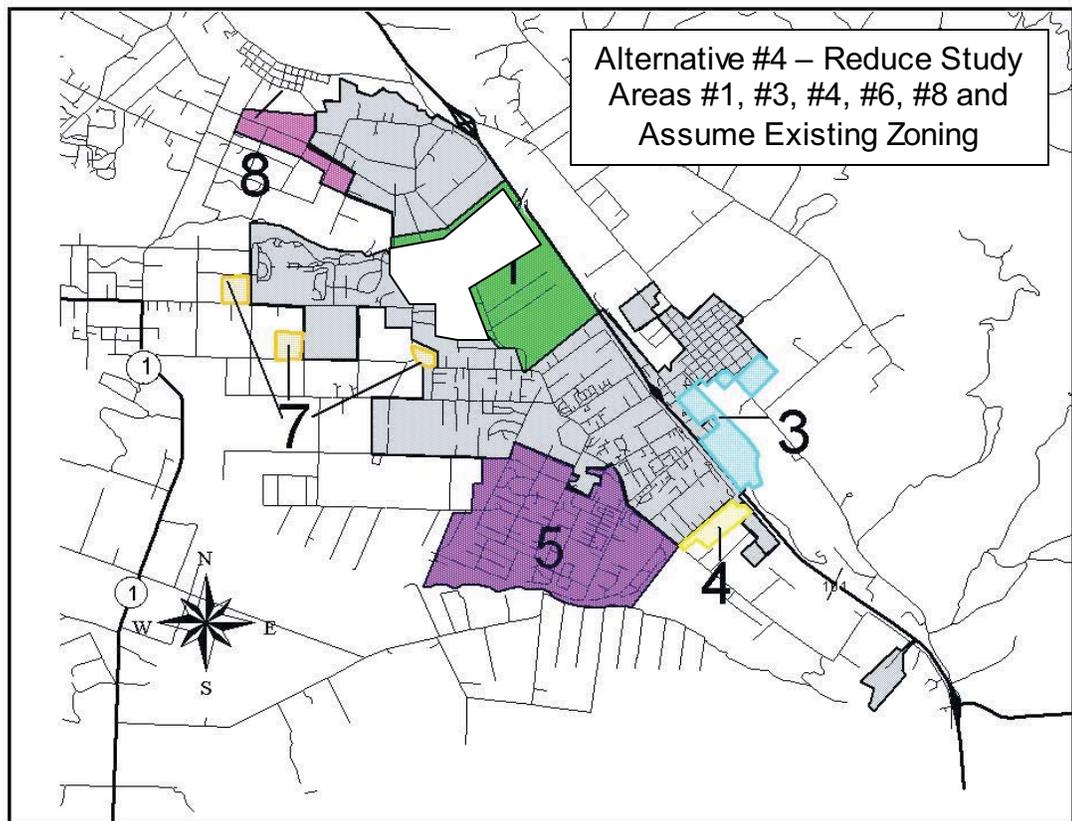


The figure projects that if the District is unable to negotiate water from another source, such as the City of Santa Maria, demand could start to outpace supply around 2006. Several variables could affect this projection including the adjudication decision, legal and political hurdles in obtaining water from the City of Santa Maria, the pace of annexations into the district, implementation of conservation measures, and the development of other water sources such as desalinization. If the District does negotiate the water from the City of Santa Maria, the potential water shortfall situation will be averted. The schedule for upgrading the Santa Maria River Bridge calls for construction to begin in 2008. Under this alternative, this would not allow for a water line to be located on the bridge and the District to receive water from the City in time to avert a potential shortfall. Alternatively, the District would pursue trenching under the Santa Maria River, attaching a pipeline to the bike/pedestrian bridge, or other methods of transporting the water from Santa Maria to the NCSD.

### Alternative #4

This alternative assumes that the SOI will include the Study Areas as shown in the map below, excluding Study Areas #2 and most of #7. Study Area #2 includes the prime agriculture land adjacent to the town and High School and #7 contains the Residential Rural area in the middle of the map. Study Area Two is excluded from this alternative because it is prime agricultural land that is productive. Since Study Area Two was assumed to be zoned residential single family in the other alternatives, this represents a significant reduction in the population the District might serve. A portion of Study Area #1 is proposed for inclusion in the SOI with an assumed change in zoning of the agricultural land to Residential Rural (1 unit per 5 acres) for areas outside of Cañada Ranch. Study Area Five is proposed for inclusion in its entirety since it is within the Urban Reserve Line and is already largely “built-out”. Study Area #4 is greatly reduced to include only the Specific Plan area located adjacent to Southland Street. This is to prevent leapfrog development and a sprawling land use pattern. Study Area #6, the Woodlands is excluded from the Sphere of Influence. Study Area #8 includes only the portion approved in the Land Use Ordinance Amendment approved by the County.

Figure 3-16: Alternative #4

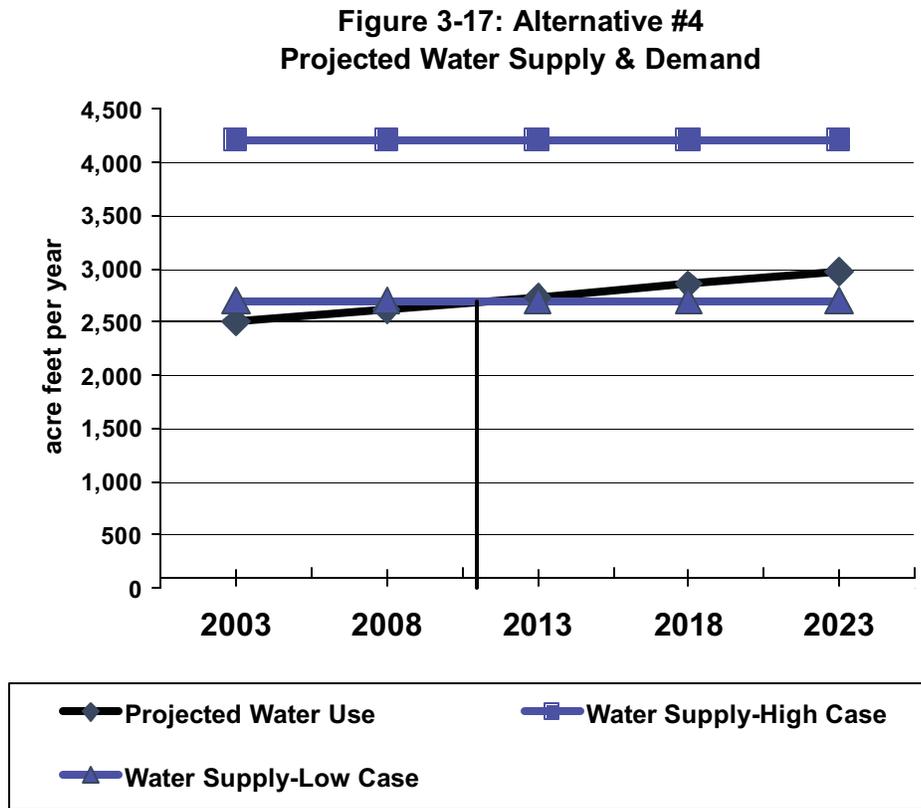


**Table 3-17: Alternative 4  
Reduce SOI Areas #1, #3, #4, #6, #8 and assume existing zoning**

Study Area #1	Zoning	Acreage	Units	Population	Water Use (afy)
Cañada & 4 parcels north Willo	Specific Plan	200	350	1050	210
Exclude RR west of Hetrick	Agriculture	200	4	12	3
Exclude AG north of 4 parcels					
Subtotal		400	354	1062	213
<b>Study Area #2</b>					
Study Area #2	Zoning	Acreage	Units	Population	Water Use (afy)
Exclude from SOI	Ag	132	0	0	AG Use
Constrained Site					
Subtotal		132	0	0	
<b>Study Area #3</b>					
Study Area #3	Zoning	Acreage	Units	Population	Water Use (afy)
Follow URL	Res. Single Family	91	364	1092	218
Include in SOI	Residential Suburban	84	84	252	66
Subtotal		175	448	1344	284
<b>Study Area #4</b>					
Study Area #4	Zoning	Acreage	Units	Population	Water Use (afy)
Exclude from SOI	Rural Lands	0	0	0	0
Include only SP area	Specific Plan	100	100	300	60
Subtotal		100	100	300	60
<b>Study Area #5</b>					
Study Area #5	Zoning	Acreage	Units	Population	Water Use (afy)
Already built-out	Res. Single Family	154	527	1581	316
Cal Cities Water	Residential Suburban	1196	1196	3588	933
Subtotal		1350	1723	5169	1249
<b>Study Area #6</b>					
Study Area #6	Zoning	Acreage	Units	Population	Water Use (afy)
Exclude from SOI	Specific Plan-Woodlands	958	1320	3960	1639
Subtotal		958	1320	3960	1639
<b>Study Area #7</b>					
Study Area #7	Zoning	Acreage	Units	Population	Water Use (afy)
Include small parcels in SOI	Residential Rural	120	24	72	19
	Agriculture	0	0	0	0
Subtotal		120	24	72	19
<b>Study Area #8</b>					
Study Area #8	Zoning	Acreage	Units	Population	Water Use (afy)
Include only Robertson LUO Amendment	Residential Rural	63	13	38	10
Subtotal		63	13	38	10
<b>Totals</b>		<b>3166</b>	<b>3982</b>	<b>11945</b>	<b>3419</b>
Subtract Woodlands #6 & Cal-Cities #5			939	9129	2888
Projected Water Demand for the District					531
<b>80% Build-out - Estimated District Net Water Demand</b>					<b>425</b>

The water total of 470 afy is in addition to the 2,857 afy estimated to serve existing district residents, bringing the total projected demand for this alternative over the next 20 years to 3,206 acre feet per year.

The chart below shows the projected water demand for the District through 2023 based on the estimated need for water for each area shown in the table above for alternative four.



The chart projects that if the District is unable to negotiate water from another source, such as the City of Santa Maria, demand could start to outpace supply around 2010 or 2011. Several variables could affect this projection including the adjudication decision, legal and political hurdles in obtaining water from the City of Santa Maria, the pace of annexations into the district, implementation of conservation measures, and the development of other water sources such as desalinization. If the District does negotiate obtaining water from the City of Santa Maria, the potential water shortfall situation will be averted. The schedule for upgrading the Santa Maria River Bridge calls for construction to begin in 2008. This would allow for a water line to be located on the bridge and the District to receive water from the City if an agreement had been reached. Alternatively, the District would pursue trenching under the Santa Maria River, attaching a pipeline to the bike/pedestrian bridge, or other methods of transporting the water from Santa Maria to the NCSD.

## Water System Facilities

The NCSD operates two water systems, the Town Division and the Blacklake Development. The Main water system is also known as the Town Division and includes the following facilities;

- Standpipe Tank – 1 million gallon capacity located just south of Summit Station and west of highway 101. Please note that the standpipe only provides 300,000 gallons of operational water with the remaining balance available for use in emergency situations.
- Foothill Tanks – 2 million gallon capacity located east of Highway 101 and Olde Towne Nipomo toward the foothills
- 11 groundwater wells
- A distribution system comprised of 6, 8, 10, 12, and 16 inch diameter pipes
- Blacklake has a 4.0 mg storage tank

The Blacklake development is served by a separate water system that includes two wells (0.4 mg storage), a water tank, and a distribution system that brings water to the residences. The Town and Blacklake systems are linked by an emergency intertie that can be used to provide water to, or take water from, the Blacklake system. During the period from 1995 to 2000 the intertie was used only intermittently to provide water to the Blacklake Development.

The NCSD recently updated their Water and Sewer Master Plan in March 2002. This document provides a description of the existing water system and an evaluation of the system's adequacies and capital improvement needs. The update does not include the Blacklake System. The Update identifies the significant system upgrades completed since 1995:

- Installation of a 12 inch pipe connecting North Oakglen to Sea Street
- Installation of a 12 inch pipe crossing the freeway at Tefft Street
- Construction of a 2 million gallon tank at the Twin Tanks site with a 12 inch pipe connecting the tank to Thompson and Tefft Streets
- Additional piping added to create looping in Olde Towne and the Mesa area

The Update also recommends improvements to the system: 1) to meet existing needs of residents, and 2) to plan for future growth of the area. The report notes that the District should continue with a pump and motor replacement program to increase efficiencies and save on energy costs. The District has 3.3 million gallons in storage volume at two locations. An additional 1.14 million gallons in storage is recommended to reliably meet the needs of existing customers. This need is currently met by operating the Sundale well which is gas powered.

### **Wells**

Groundwater is the sole source of water available to the District. There are a total of 11 wells available to the NCSD with seven active wells producing water, three wells on standby and one well that is not in operation due to water quality concerns. The Dana Wells are being reconstructed by the Maria Vista development as part of the NCSD's Annexation Agreement. The table below is from the Master Plan Update document and shows status of the NCSD wells. An update of this information can be found in Appendix C in the comment letter from Mr. Doug Jones.

**TABLE 6  
EXISTING WELL DATA**

WELL	FLOW RANGE (1) (gpm)	MEDIAN FLOW (1) (gpm)	TYPICAL DEPTH TO GROUND WATER (1) (feet)	DATE DRILLED	PUMP MODEL	MOTOR TYPE	WELL STATUS
Bevington	392-410	401	317	Jun-85	Peerless Turbine	General Electric 100 HP	Active
Church	158	158	77	Jun-85	N/A	N/A 30 Hp	Active
Eureka	830-870	850	190	6/1/1979 Refurbished 1998	Anderson Turbine	General Electric 200 HP	Active
Olympic	140-150	145	287	Jun-85	N/A	N/A 40 HP	Active
Omiya	120	120	312	Jun-88	N/A Submersible	N/A 30 HP	Active
Savage	125	125	74	Jun-88	N/A	N/A	Off Line
Sundale	1000	1000	256	Aug-98	Floway Turbine - 10 BKM	DelRon Gear Drive 300 HP	Active
Via Concha	703	703	286	N/A	Peerless Turbine	US Motors 150 HP	Active
Dana #1	N/A	N/A	N/A	N/A	N/A	N/A	Stand By
Dana #2	N/A	N/A	N/A	N/A	N/A	N/A	Stand By
Hermwreck	N/A	N/A	N/A	N/A	N/A	N/A	Stand By
<b>TOTAL (Active Wells)</b>	<b>3343-3411</b>	<b>3377</b>					

N/A = Not Available

(1) Based on PG&E pump tests performed in 1990 and 1995, except for Eureka (based on information from District after pump was refurbished) and Sundale (Based on information from District after pump was installed).

**Table 3-18: Existing Well Data**

Each well was tested by PG&E in 1994/95 with regard to flow rate, pumping water level, and motor efficiency. Wells/pumps that have efficiency rating of 65% or greater are considered to be in "good" operating condition by PG&E. The tests completed by PG&E at that time

indicated that all 11 wells were operating at efficiencies less than 65%. Five wells were operating in the fair to poor range of 40% to 65%. Recent upgrades to three of these wells have improved this situation, but new testing has not been completed to confirm the current condition of the wells. The Master Plan makes specific recommendations with regard to well pump and motor replacement.

### **Water Distribution**

The District Water Distribution is described as follows in this excerpt from the Water and Sewer Master Plan Update:

*“ The main distribution pipelines in the District are 8-inch, 10- inch, 12-inch and 16-inch diameter pipelines. Pipes extend east from the freeway along Tefft Street, Juniper Street, and Division Street. Water is distributed to the south through 10-inch and 8-inch piping in Pomeroy and Orchard. A 10-inch pipeline in Camino Caballo and an 8-inch pipeline in Pomeroy connect the wells to the main water system. A 10-inch pipeline connects the standpipe to Summit Station and the Mesa area.*

*Overall, the water system is well looped without numerous lengthy dead end pipes. One notable feature is that the main system and the Blacklake system are not intertied except for an emergency interconnection. The central business district and the outlying residential rural areas of the District are separated by Highway 101 and Nipomo Creek. Stream crossings at North Oakglen and Tefft Street, and freeway crossings at Juniper, Tefft and Division Street connect the two areas of the water system.*

*The material of existing pipelines within the District consists of asbestos cement, and polyvinyl chloride (PVC). According to the District, older cast iron and ductile iron pipes have been replaced with PVC. The majority of the pipelines are asbestos cement and PVC. Pipelines range in age from a few months to 35 years.”*

The water distribution system consists of the Olde Towne Central Business District, and the residential areas on the west side of Highway 101 (Mesa and Summit Station). The Summit Station area has lower water pressure because of the higher elevation. The study frames the challenges facing the distribution system as follows:

*“ The primary challenge of the distribution system has been transmission of the water from the wells on the west end of the system to storage on the east and north ends of the system. Supply and storage facilities are separated by miles of distribution piping. Recommended improvements are intended to increase transmission from the wells to areas of high demand, and to the storage tanks.”*

The Water Sewer Master Plan Update recommends \$3.7 million in upgrades to increase water pressures to a reliable 30 pounds per square inch (psi). Improvements would be

focused on increasing capacity from the wells to the Mesa Area improving pressures in Summit Station and increasing flow capacity from the east side of town to the west. The update also studies more cost effective ways of improving water pressure in the Summit Station area and identifies construction of a booster pump as one way to increase water pressure.

### **Water Storage Facilities**

The Water Storage system operated by the NCSD is described in the 2002 Water and Sewer Master Plan. The following excerpt from the Plan describes the storage facilities;

*“ Four storage tanks currently serve the District's water system: the Twin Tanks, and the Standpipe. These reservoirs provide daily regulatory, fire, and emergency storage.*

*The Twin Tanks consists of one 1.0 million gallon tank, with a radius of 43 feet and height of 24 feet, and two 0.5 million gallon tanks, each with a radius of 30 feet and a height of 24 feet. The reservoirs have a high water elevation of approximately 548 feet. Parallel 10-inch and 12-inch diameter inlet/outlet lines along Tefft Street connect the Twin Tanks to the distribution system.*

*The Standpipe is a 1.0 million gallon welded steel tank, with a diameter of 44 feet and a height of 90 feet. The reservoir has a high water elevation of approximately 548 feet. The bottoms of the Twin Tanks are at 524 feet. Because the Standpipe and the Twin Tanks Reservoirs are part of the same pressure zone, the Standpipe normally operates between 524 and 548 feet, reducing the effective storage in the standpipe to 270,000 gallons. A 16-inch diameter inlet/outlet line to Hetrick Avenue connects the Standpipe to the distribution system.*

*The 1000 gpm Sundale well also allows the district to use groundwater as storage for fires and emergencies. The well is powered by natural gas and is able to provide pumping capacity in the case of a power outage.”*

The Water and Sewer Master Plan approved by the District in 2002 prioritizes a number of improvement projects for the water storage and distribution systems. The recommended improvements are broken into three categories; Improvements to Meet Existing Needs-Water and Sewer, Improvements to Meet Future Needs-Water and Sewer and Additional Recommendations. Special recommendations for improving water service to Summit Station are included in a separate chapter. The study also provides an estimated cost for the recommended improvements.

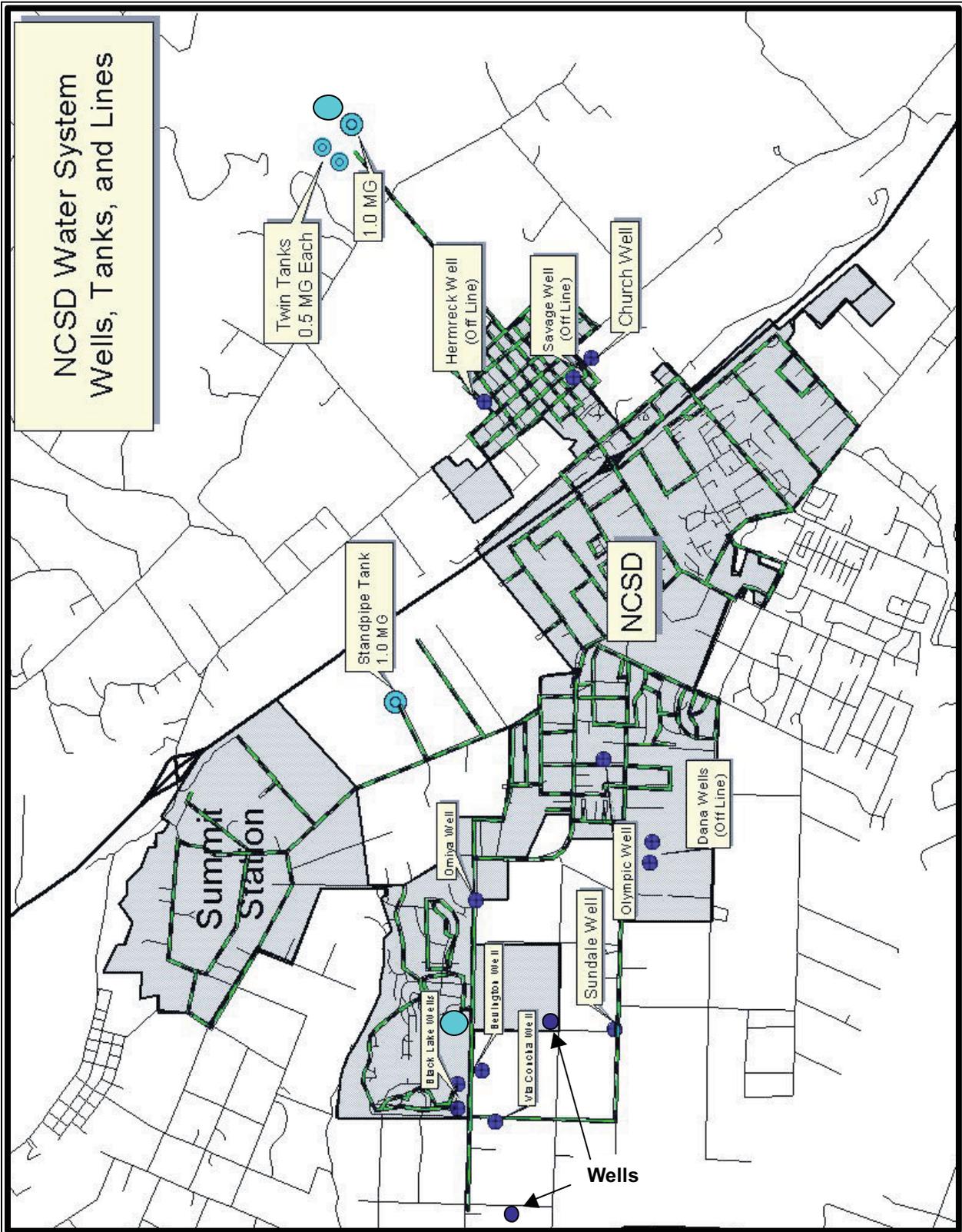


Figure 3-18: NCS D Water Infrastructure

The County's Annual Resource Summary Report rates the capability of unincorporated communities to provide public services to the areas they serve. The Annual Report uses a Level of Severity rating system (0/None being no problem and three being that a water delivery system has reached its design capacity) to assess water systems in the County areas. The rating system for water includes evaluating the available supply and the production and distribution system for a particular jurisdiction. In the case of the NCSD, the Report indicates "0" Level of Severity for its water distribution system. This means that the NCSD has an adequate and stable water supply and that the delivery system is in operating well within design specifications.

### **Drainage Infrastructure**

The County is currently responsible for maintaining the drainage facilities in Nipomo. The District and the County are discussing transferring the drainage function from the County to the District. These facilities (normally retention basins) are located throughout the District and usually serve the drainage needs of site-specific developments. The District may take over the maintenance of these facilities if it is financially feasible and if questions regarding liability can be answered.

### **Wastewater System**

The NCSD is responsible for collecting, transporting and treating wastewater for its 2,400 accounts in the town area and 530 accounts in Blacklake. The two systems are separate and the District operates both systems. According to the County's annual Resource Summary Report the town system is at approximately 40% of capacity during average dry-weather flow and the Blacklake system is at 30% of capacity. The collection system is generally in good condition and is regularly maintained by the District. The District's Water and Sewer Master Plan Update provides for a capital improvement program to help prioritize and implement projects related to the sewer systems. The following excerpt is from the NCSD's 2002 Water and Sewer Master Plan and describes the wastewater system:

*"Approximately 50% of the water service area is connected to the Nipomo community sewer system. The service area is the District operates nine sewer lift stations in addition to the lift station at the main treatment plant. These lift stations pump into the District's main collection system, where sewage flows by gravity to the wastewater treatment plant. Wastewater from two areas operated by the County of San Luis Obispo is also introduced into the District's sewer system."*

*The main sewage collection system consists of a 10- to 12-inch diameter gravity trunk line, which extends along both sides of Highway 101 from Juniper Street south to the main wastewater treatment plant. Figure 6 illustrates principal features of the sewage collection system.*

*As was previously mentioned, the Blacklake development is on a separate sewage collection and treatment system, which is operated by the District. This system was not included in this study. The District's sewer system includes nine lift stations that pump sewage to the main wastewater treatment plant. There is an additional lift station located at the treatment plant headworks and two lift stations that are operated by the County of San Luis Obispo.*

*The lift stations and capacities are as listed in Table 7. The location of each lift station is shown in Figure 6.*

*The District's sewer system is comprised of approximately 140,000 feet of pipe, including 12-inch diameter gravity collectors. All of the NCSD main sewer system is polyvinyl chloride sewer pipe and is reportedly in good condition.*

*The majority of the lift station tributary areas (Figure 6) are served by 8-inch diameter PVC gravity collectors. The CSA-I Galaxy Park system contains some clay sewer pipe. The main collection system is comprised of 8-, 10-, and 12-inch diameter PVC, which conveys flow by gravity to the treatment plant in the southern part of the District service area.*

*Force mains within the system are 4-inch and 6-inch diameter. The District's main sewer system also has approximately 400 sewer access manholes. The District's main wastewater treatment plant was expanded in the winter of 2000 to its present capacity of 2000 gpm. At that time, a flume meter was installed to monitor flow through the plant. This is the only flow meter in place on the District's sewer system."*

The County's Annual Resource Summary Report rates the capability of unincorporated communities to provide public services to the areas they serve. To assess sewer systems in the County areas, the Annual Report uses a Level of Severity rating system with 0 being no problem and 3 being that peak daily flows equal or exceed the treatment plant capacity. The Sewage Collection system of a community is also evaluated with "0" being no problem and "3" being that peak flows reach 100% of capacity. In the case of the NCSD, the Report indicates "0" Level of Severity for its sewer collection system. This means that the NCSD does not have a capacity problem with its sewage collection system.

Overall, the Water and Sewer System Update prepared by Boyle Engineering found that the Sewer System was well designed to handle the existing needs. Areas noted in the update include the gravity collector in Division Street, the excess capacity of most of the existing lift stations, and the recent and expected increase in flows to the Tefft lift stations caused by

the construction of several new developments. The Tefft Street lift station is currently operating near capacity. District personnel have observed wet well capacity problems, particularly during power outages. Upgrades to this lift station are recommended to increase capacity. To reliably meet the existing and near-term wastewater collection system needs the Update recommends that a total of \$1.7 million in system improvements.

The Water and Sewer System Master Plan Update of 2001 provides the District and the Public with information regarding the status of existing facilities and identifies the need for future improvements. The Update evaluates the water and sewer system in a detailed and methodical manner that provides costs estimates for future improvement projects. The Update prepares the District for the future by analyzing existing capacities and recommending improvements to meet future needs.

### **Streets and Roads**

In this section the existing conditions of the Nipomo Area streets and roads, which are maintained by the County, as well as the overall circulation system is summarized. The key sources of information include the following documents:

- Woodlands Specific Plan Final Environmental Impact Report, December 15, 1998
- South County Circulation Study, September 2000, Updated August 2002 prepared by the County Public Works Department
- Annual Resource Summary Report, Resource Management System, 2002
- 2001 Regional Transportation Plan and Environmental Impact Report, San Luis Obispo Council of Governments

Overall, the circulation system in Nipomo is adequately serving residents and visitors with a few exceptions. Many of the roads in the rural areas are unpaved and in poor condition and several key improvements near the town are needed to maintain adequate levels of service. The County collects development impacts fees for the South County area to pay for future road improvements. A capital improvement plan that prioritizes the various projects is included in the South County Circulation Study.

The routes of regional significance include Highway 101, State Highways 1 and 166, Thompson Road, Tefft Street, Pomeroy Road, Orchard Avenue, Willow Road, and Division Street. The area is served by three interchanges with Highway 101 at Thompson/Los Berros Road at the north end, Tefft Street in the center and Route 166 at the south end.

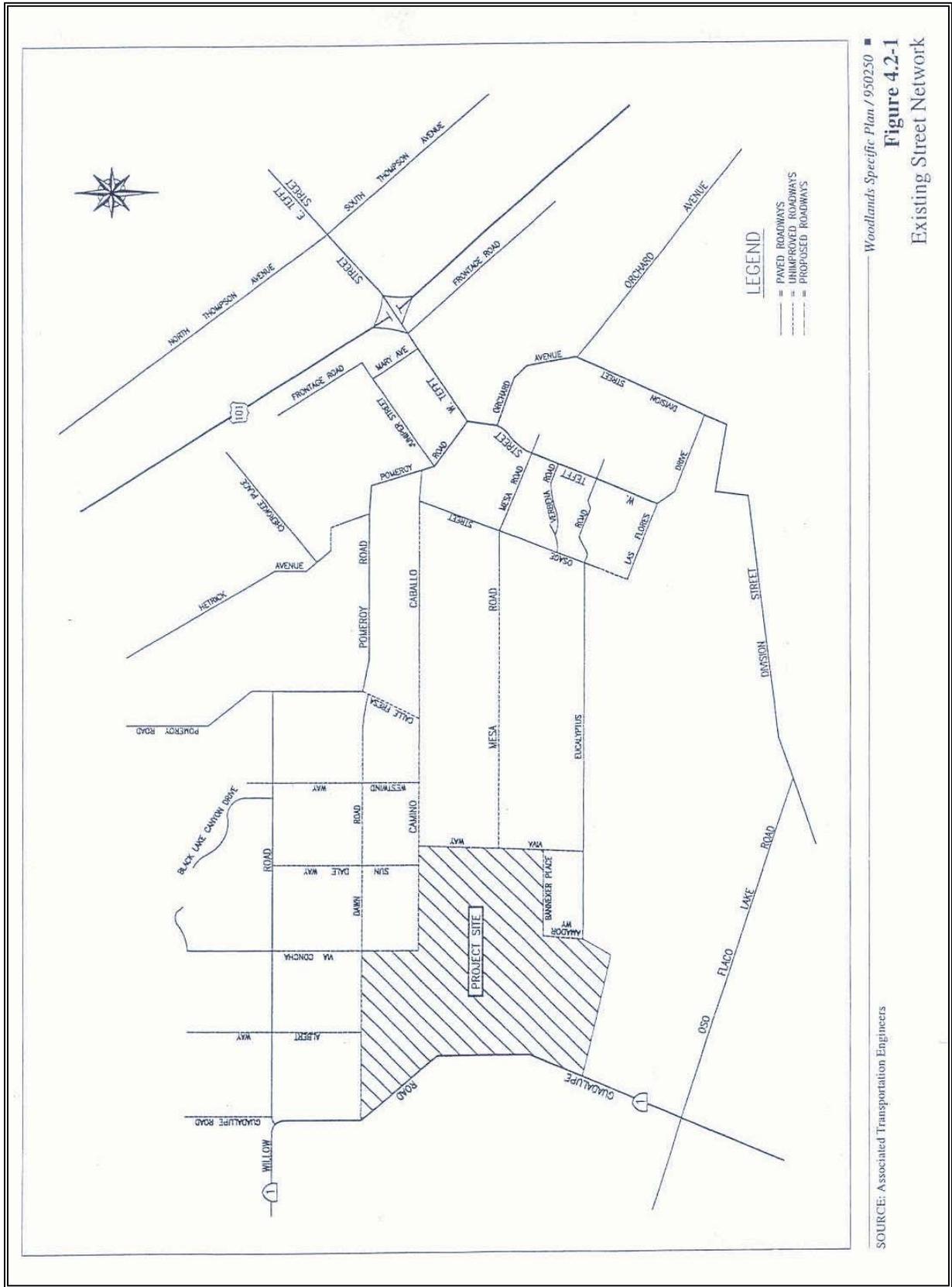
Figure 3-18 from the South County Circulation Study shows the transportation network in Nipomo with Primary and Minor Arterials, Collectors and Local roads. According the Council of Governments Regional Transportation Plan, residents of the Nipomo area split their travel directions with about 50% of people traveling north to the Five Cities area and San Luis Obispo and about 50% traveling south to Santa Maria.

### **Woodlands Specific Plan Environmental Impact Report**

The following is a description of the circulation system for the Nipomo area from the Woodlands Environmental Impact Report that was certified by the County Board of Supervisors in 1998:

*“ The circulation system adjacent to the project site is comprised of regional highways, arterials, collector and local streets. The principal components of this street network are discussed in the following text. Figure 3-19 illustrates the existing street network within the project study-area. U.S. Highway 101 is a multi-lane highway, which serves as the principal inter-city route between Los Angeles and San Francisco, and provides access to many of the communities within San Luis Obispo and Santa Barbara Counties. Within the study-area, Highway 101 contains four travel lanes. Access to the Nipomo area via Highway 101 is currently provided at Tefft Street with a full interchange, which has recently been improved.*

*Tefft Street is a primary arterial roadway within the Nipomo area. Tefft Street extends from Dana Foothill Road at the northeast to Las Flores Drive at the southwest. The roadway varies in width from two- to four-lanes. The section of Tefft Street extending from Highway 101 to just south of Orchard Avenue is four-lanes wide with a left-turn median and bike lanes. The posted speed limit along this roadway section ranges between 35 and 45 miles per hour. This four-lane section serves small businesses and residential uses. A two-lane section with a center left-turn median and bike lanes exists from just south of Orchard Avenue to south of Verbena Street. The roadway becomes a 20-foot, two-lane undivided roadway without median or bike lanes from Verbena Street to Las Flores Drive. The posted speed limit along the two-lane section of Tefft Street is 45 miles per hour. The two-lane section serves abutting residential uses. The intersections of Tefft Street with Pomeroy Road, Orchard Avenue, Mary Avenue, and U.S. 101 ramps are controlled by 3-stage traffic signals. The remaining Tefft Street intersections are controlled by side-street stop signs.”*



Woodlands Specific Plan / 950250  
**Figure 4.2-1**  
 Existing Street Network

SOURCE: Associated Transportation Engineers

**Figure 3-19: Existing Street Network**

*Willow Road* is an undivided, arterial roadway that begins at Pomeroy Road on the east and extends west to Guadalupe Road. At Guadalupe Road, Willow Road merges with and becomes State Route 1. The intersections along Willow Road are stop-sign controlled. Major intersections have left-turn lanes on Willow Road. The speed limits along the roadway range from 45-55 miles per hour. The roadway section from Pomeroy Road to Guadalupe Road is 40 feet in width with 10 foot travel lanes and 5 foot bike lanes. The section of Willow Road from Guadalupe Road west is approximately 20-25 feet wide without bike lanes.

*Pomeroy Road* is a two-lane arterial, undivided roadway with bike lanes from Tefft Street to Willow Road. The posted speed limit on Pomeroy Road from Tefft Street to Hetrick Avenue is 45 miles per hour, and 55 miles per hour from Hetrick Avenue to Willow Road. The roadway width is approximately 40 feet along the entire section from Tefft Street to Willow Road. The intersections along Pomeroy Road are controlled by stop signs on the side street approaches, with the exception of Tefft Street which is signalized.

*Cabrillo Highway (State Route 1)* is a two-lane State highway which serves the agricultural uses within the Santa Maria Valley region, as well as provides a connection between Santa Maria to the south and Arroyo Grande, Oceano, Grover Beach and Pismo Beach to the north. The side street approaches at the intersections along Route 1 are controlled by stop signs, with left-turn channelization provided at major intersections, such as Oso Flaco Lake Road. Adjacent to the project, Route 1 is called Guadalupe Road and is approximately 20 feet wide with a dirt shoulder. North of the project site, Route 1 changes first to Willow Road then becomes Mesa View Drive. The posted speed limit along this roadway ranges from 45-55 miles per hour. The intersection of Route 1 and Halcyon Road, located north of the study area, is controlled with a flashing light and 4-way stop signs.

*Local Roadways:* There are a number of collector and local streets that provide access to the project site from the north and east. Many of these roadways are not fully improved at this time and do not have any control at cross streets. These roadways include Albert Way, Via Concha, Amador Way, Sun Dale Way, Viva Way, Westwind Way, Calle Fresa, Dawn Road, Camino Caballo, Mesa Road, Banneker Place. The widths of these paved and dirt roadways range from 15-25 feet. Eucalyptus Road, which extends from Tefft Street to the southern area of the project site, has recently been paved to a width of 24 feet.

The final Woodlands EIR contains a detailed analysis of the traffic and circulation impacts that can be expected from the Woodlands development. This traffic analysis addresses a large area in Nipomo because the impacts of the Woodlands project will occur throughout the community. The Woodlands development will construct several road improvements in the area to mitigate the impacts of the project. The Woodlands EIR also sites regional improvements that are expected to help offset the increased traffic from the project, including the Willow Road extension and interchange.

**South County Circulation Study: September 2000, Updated August 2002**

The County of San Luis Obispo Public Works Department is responsible for the construction, maintenance and repair of the local streets and roads in Nipomo. In 1987 the County Board of Supervisors adopted the first edition of the South County Circulation Study, then called the Nipomo Circulation Study, which was prepared by the County Public Works Department. The South County Circulation Study has been updated on a regular basis with the latest update being completed in August 2002. The Study is used for transportation planning on the Nipomo Mesa and to establish Road Impact Fees. This Study is to plan for the development that is envisioned in the South County Area Plan. In 1988 the County established a traffic impact fee program for the Nipomo area. The program identified a wide range of projects in two areas of benefit, described as follows:

- **Area 1** – A portion of the Mesa south of Blacklake Canyon and the Willow Road Extension, west of Highway 101 and east of Highway 1.
- **Area 2** – The area west of Highway 101, north of Blacklake Canyon and Willow Road extension, including Callender Garrett Village and surrounding rural area along Highway 1.

Developments such as Cypress Ridge and The Woodlands as well as the changing nature of the South County area, required that circulation model used for the South County area be comprehensively revised during the latest update. The study inventoried the land uses in the area, characterized the existing conditions within the study area, developed build-out traffic forecasts using a computerized traffic model, evaluated alternatives to deal with traffic increases, prepared a Capital Improvement Program for constructing projects, and established an Updated Impact Fee Program.

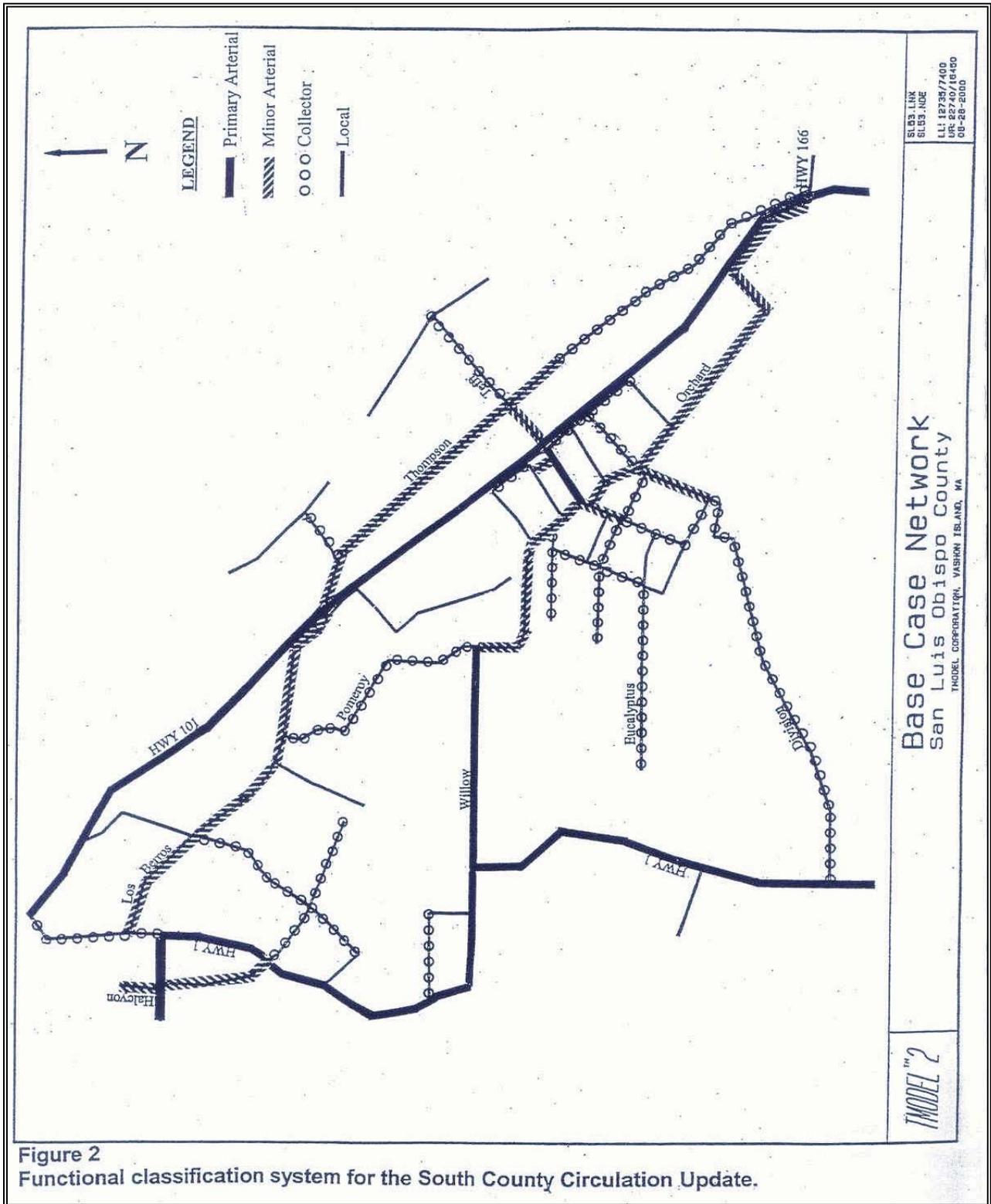


Figure 2  
Functional classification system for the South County Circulation Update.

Figure 3-20: Functional Classification System

The Study inventories the existing transportation conditions in the Study Area. The following is an excerpt from the study that summarizes the transportation situation for the South County and Nipomo area:

### **Circulation Network**

*“ The South County area is served by an incomplete network of roads in the rural areas, and many local and collector streets within the Nipomo urban area. The principal arterial route is State Highway 101 running north and south through the length of the study area. The north/south route of State Highway 1 serves the western side of the study area. State Highway 166 enters the study area in the southeast corner and terminates at Highway 101. Highway 166 extends to the east crossing the Coastal Range and connecting to Interstate 5 in the Central Valley.*

*Highway 1 is specifically mentioned in the California Coastal Act of 1976. The State Legislature’s intent is to maintain Highway 1 as a scenic two-lane road in rural areas. This provision applies to all areas outside the Urban Services Line in the current General Plan and Local Coastal Plan. The Coastal Commission has permitted only limited operational improvements in rural areas. The Nipomo Urban Services Line does not come near Highway 1 and none of the Village areas are considered “urban” for purposes of this application.”*

### **Functional Classification System**

*“ The functional classification system contained in the Circulation Element of the General Plan provides a definition of Arterial, Collector, and Local Roads. For the purposes of the South County Circulation Update, the roads in the South County were broken into Principal Arterial, Minor Arterial, Collector, and Local. This slightly different functional classification system was used by the South County Circulation Update to provide a greater level of detail regarding roadway characteristics. The following definitions are from the Highway Capacity Manual Chapter 11.*

*The functional classification system contained in the Circulation Element of the General Plan provides a definition of Arterial, Collector, and Local Roads. For the purposes of the South County Circulation Update, the roads in the South County were broken into Principal Arterial, Minor Arterial, Collector, and Local. This slightly different functional classification system was used by the South County Circulation Update to provide a greater level of detail regarding roadway characteristics. The following definitions are from the Highway Capacity Manual Chapter 11.”*

**Principal Arterials** serve major through movements between important centers of activity in a metropolitan area and a substantial portion of trips entering or leaving the area. A principal arterial also connects freeways with major traffic generators. In small cities (under 50,000), its importance is derived from the service provided to traffic passing through the urban area. Service to abutting land is subordinate to the function of moving through traffic.

**Minor Arterials** are facilities that connect and augment the principal arterial system. Although minor arterials' main function is still traffic mobility, the function is performed at a somewhat lower level and more emphasis is placed on land access than the principal arterial. A system of minor arterials serves trips of moderate length and distributes travel to geographical areas smaller than those served by the principal arterial.

**Collector Streets** provide both land access and traffic circulation within residential, commercial, and industrial areas. Their access function is more important than that of arterials.

**Local Streets** provide access to individual properties. Local streets are designed to accommodate a lower volume of vehicles.

According to the California Vehicle Code a residential neighborhood is defined as a street with 16 fronting properties in a ¼ mile. Under the Vehicle Code, neighborhoods qualifying as residential can be posted at 25 mph.

Using the classification as defined above the roads in the South County Study Area were grouped as shown in Figure 2. The classification used in Figure 2 is intended for modeling purposes only and does not supercede the classification as stated in the Circulation Element of the General Plan.

The South County area road network has been inventoried to determine the roadway cross sections, traffic control devices, and posted and prevailing speeds. Traffic volumes are surveyed throughout the course of every year. Findings are provided below.

### ***Traffic Control***

Most intersections in the study area are presently stop sign controlled or uncontrolled. Five traffic signals exist in the South County Area. All five are located on Tefft Street at:

- Orchard Avenue
- Pomeroy Road
- Mary Avenue
- Highway 101 Interchange – Oakglen Avenue

### ***Travel Speeds***

Travel speeds on area streets and roads were measured by County staff using Caltrans procedures to determine the prevailing speed or the "85th Percentile Speed". The "85th Percentile Speed" is defined as the speed at or below which 85 percent of drivers travel. Experience has shown that at least 85 percent of drivers operate at or below speeds that are prudent for roadway conditions when non-congested conditions exist.

### ***Existing Traffic Volume Characteristics***

County staff collects traffic volume data at many locations throughout the South County area. The frequency with which counts are collected is a function of the count location. The frequency ranges from a count every year to every five years. All counts used in this update are no more than two years old. These counts tally the number of vehicles on per hour, per day and per week basis. The count information provides a sound basis for analyzing the effects of future vehicle-trip generating development on the road network.

### ***Daily and Seasonal Traffic Variation***

Historic data has shown that there is very little seasonal fluctuation in the South County Study Area rendering seasonal correction factors unnecessary. Most of the counts used in this study represent weekdays and all counts are from the most recent counts made by the San Luis Obispo County Engineering Department and Caltrans. Figures 3-4 show the existing daily 2-way traffic volumes on roads within the study area.

### ***Traffic Distribution by Time of Day***

The distribution of traffic over a 24-hour period is a constraining factor on the transportation circulation system. The larger the peaking condition for any period of time, the greater the demand placed on resources to accommodate traffic flow.

Figures 3-5 through 3-7 depict 24-hour volumes at three locations in the South County area. Each figure shows the variation of traffic over the course of a typical Friday. The graphs are useful in understanding the general peaking characteristics of area traffic. Generally, there are strong commuter peaks, between 7:00 and 9:00 am, and between 3:00 and 6:00 pm. The afternoon peak is generally higher, due to the addition of non-work-related trips. Area roads also exhibit a midday peak, generally lower than either the morning or afternoon peaks.

### ***Historical Traffic Growth***

Historic traffic counts conducted by the County of San Luis Obispo Engineering Department reveal yearly increases in traffic volumes on the roadways in the South County area. Figure 8 shows the growth of average daily traffic volumes on Tefft Street, Los Berros Road, Orchard Avenue, and Halcyon Road. The counts show a relatively; steady increase in traffic on all roads. On Tefft Street the 1994/95 drop corresponds with the reconstruction of the interchange at Tefft Street and Highway 101. At the same time Orchard Avenue saw an increase in traffic volumes as trips diverted from Tefft Street down Orchard Avenue to avoid the construction.

Also, historically, the people living in the Nipomo area have developed a lifestyle oriented toward Santa Maria. Santa Maria is the employment center and contains much of the shopping for the region. The jobs and services provided in Santa Maria have produced a large volume of southbound traffic on both Highway 101 and Orchard Road. As Nipomo develops, a small portion of trips will remain local, however, Santa Maria will remain the employment center and the travel patterns between Santa Maria and Nipomo is expected to remain strong.

### ***Traffic Service Level***

The establishment of an acceptable level of service (LOS) for South County area streets is important for balancing future development with the practical amount of roadway improvements in the community. To evaluate the levels of service, directional peak hour; traffic volumes are compared to the estimated roadway capacities on the circulation network.

### ***Roadway Segment Level of Service***

Weekday peak hour Level of Service (LOS) was calculated for several roadway segments using the methods of the Highway Capacity Manual for two-lane highways and urban arterials, as appropriate. The Highway Capacity Manual establishes service levels A through F based on several factors including existing traffic volumes and roadway, conditions including terrain: lane- and shoulder-widths, vehicle mix, and direction of vehicle flow. A brief description of each LOS criteria is provided below.

**LOS A.** Under LOS A conditions free flow exists. Each individual driver is virtually unaffected by the presence of others in the traffic stream.

**LOS B.** Under LOS B conditions stable traffic flow exists. The individual drivers have the freedom to select a desired speed, but encounter a slight decline in the freedom to maneuver.

**LOS C.** Under LOS C conditions stable and acceptable traffic flow exists, but speed and maneuverability are somewhat restricted due to higher traffic volumes. The individual driver will be significantly affected by the presence of others.

**LOS D.** Under LOS D conditions high density but stable flow will occur. The individual driver will experience a generally poor level of comfort and convenience. Small increases in traffic flow will cause operational problems and restricted driver maneuverability.

**LOS E.** Under LOS E conditions speeds are reduced to low, but relatively uniform value. The individual driver's ability to maneuver becomes extremely difficult with high frustration. The traffic volume on the road is near capacity.

**LOS F.** Under LOS F conditions forced or breakdown flow has occurred. The individual driver is stopped for long periods due to congestion.

The current County policy calls for LOS D or better service on roadways in urban areas and LOS C on rural roads. In the South County, commuters influence traffic flow more than recreational travelers causing the LOS to be evaluated based on a typical weekday afternoon peak hour.

Table 3-19 summarizes the estimated PM peak hour LOS at several locations for 1999 Conditions.

**Table 3-19: Levels of Service**

Roadway	Count Location	PM Peak Hour 2-Way Volumes	PM Peak Hour LOS
Division Street	E of Orchard Ave	275	B
	W of Orchard Ave	488	C
	S of Las Flores Dr.	193	B
El Campo	N of Halcyon	158	A
	S of Halcyon	58	A
	N Los Berros	141	A
S. Frontage Rd	S of Tefft St.	673	C
Halcyon Road	W of El Campo	180	B
	E of El Campo	54	A
	N of Cienaga St (Highway 1)	554	C
	S of Mesa View Drive (Highway 1)	214	B
	S of Cienaga St (Highway 1)	630	C
Hutton Road	N Cuyama Lane	555	C
Las Flores Drive	W of Teft St.	126	B
Los Berros Rd	E of Valley Rd	399	C
	W of Highway 101	508	C
Mary Ave	N of Tefft St	329	B
Mesa Rd	W of Tefft	146	B
Orchard Ave	S of Division St	559	C
	S of Tefft St.	262	B
Pomeroy Rd	N of Tefft St	651	D
	N of Willow	155	B
	S Los Berros	196	B
Route 1	N of Halcyon	184	C
	S of Division	464	C
Stanton	S of Lincoln	113	B
Tefft St	E of Oak Glen Ave	696	D
	N of Las Flores Dr.	160	C
	W of Mary Ave	1420	B
	W of Orchard Ave	795	D
	W of Thompson	619	D
Thompson Avenue	N of Highway 166	252	B
	N of Tefft St	351	B
	S of Highway 101	312	B
	S of Tefft St.	687	B
Valley Road	S Los Berros Road	500	C
Willow Road	E of Highway 1	447	C
	W of Pomeroy Rd.	497	C

***Intersection Level of Service***

The analysis of intersection levels of service is based on the delay experienced by drivers, and is calculated separately for each approach leg of an intersection. Table 3-19 summarizes the PM peak hour LOS at intersections of concern.

Several intersections have at least one approach operating at LOS D, considered the upper limit of acceptable congestion in urban areas, including both intersections of Highway 1 and

Halcyon. As traffic volumes on area roadways increase, more intersections will be analyzed in terms of stopped delay to motorists. The additional intersections will be determined by the computer traffic modeling process.

**Table 3-20: LOS at Highway 1 and Halcyon Intersections**

Intersection		LOS
Major	Minor	Current Year (1999)
<b>Highway 1</b>	<b>Halcyon Road (West)</b>	<b>E</b>
<b>Highway 1</b>	<b>Halcyon Road (East)</b>	<b>E</b>
Tefft Street	Thompson Avenue	B
Tefft Street	Oakglen Avenue	A
Tefft Street	S. Frontage Road	C
Tefft Street	Mary Avenue	A
Tefft Street	Pomeroy Road	B
Tefft Street	Orchard Avenue	B
Orchard Avenue	Division Street	C
Orchard Avenue	Grande Avenue	A
Pomeroy Road	Juniper Street	C
Juniper Street	Mary Avenue	A

The most recent update of the South County Circulation includes traffic forecasts for the area. The model used to forecast future traffic demand uses land uses as a basis for making projections. The projections are used to analyze where improvements will be needed in the future. The build out traffic projections use the following assumptions to project future traffic on the roads in Nipomo:

- Willow Road extension will be constructed
- Six Foot shoulders are constructed on Halcyon
- Woodlands is built-out and roads are constructed as proposed
- Cypress Ridge reaches build-out

The South County area traffic model was used to forecast traffic volumes for the build out land use scenario assuming limited changes to the existing roadway network. The model forecasts average (nonholiday) summer weekday PM Peak Hour traffic volumes. The build out forecasts provide a reasonable basis for evaluating potential future traffic conditions and needs. The build out forecasts also form a baseline against which the impacts of circulation improvements can be compared. Trip increases at the study area gateways were derived from both historic growth and projected build out volumes. The forecast trips were then distributed among the study area zones and assigned to the existing roadway network to

project future traffic volumes. These traffic volumes are substantially higher than the existing traffic volumes, but are roughly in proportion to the increased population forecast for the study area. The highest projected traffic volumes in the area are along Highway 101, with about 75,000 vehicles per day through the Nipomo urban area. The majority of this growth is due to the background increase of through trips.

### **Build-Out Level of Service**

The data presented here corresponds with the potential future levels of service on the existing roadway network with build out traffic volumes. Table 3-20 summarizes the projected summer weekday peak hour traffic volumes for the build out land use scenario. For the build out scenario on existing roads, traffic on Highway 101 is projected to remain at fairly satisfactory levels of service. Roadways in the study area projected to exceed the current County policy are shown in bold. Traffic volumes at several intersections in the Nipomo urban area will exceed desirable limits at build out. The evaluation of intersection level of service is based on the amount of delay experienced by drivers on each approach leg. Table 8 shows the build out intersection conditions with intersections projected to exceed the county policy shown in **bold**.

**Table 3-21: Intersection Conditions at Build-out**

Intersection		LOS
Major	Minor	Build Out*
<b>Highway 1</b>	<b>Halcyon Road (West)</b>	<b>F</b>
<b>Highway 1</b>	<b>Halcyon Road (East)</b>	<b>F</b>
<b>Tefft Street</b>	<b>Thompson Avenue</b>	<b>F</b>
<b>Tefft Street</b>	<b>Oakglen Avenue</b>	<b>F</b>
<b>Tefft Street</b>	<b>S. Frontage Road</b>	<b>F</b>
Tefft Street	Mary Avenue	C
Tefft Street	Pomeroy Road	C
<b>Tefft Street</b>	<b>Orchard Avenue</b>	<b>E</b>
<b>Orchard Avenue</b>	<b>Division Street</b>	<b>E</b>
Orchard Avenue	Grande Avenue	C
Pomeroy Road	Juniper Street	A
<b>Juniper Street</b>	<b>Mary Avenue</b>	<b>E</b>

\* Analyzed with 1999 road conditions with no improvements.

**Table 3-22: Projected Roadway Conditions**

Roadway	Count Location	PM Peak Hour 2-Way Volumes	PM Peak Hour LOS*
Division Street	E of Orchard Ave	513	C
	W of Orchard Ave	739	D
	S of Las Flores Dr.	174	B
<b>El Campo</b>	<b>N of Halcyon</b>	<b>398</b>	<b>D</b>
	S of Halcyon	275	B
	N Los Berros	217	C
<b>S. Frontage Rd</b>	<b>S of Tefft St.</b>	<b>1591</b>	<b>E</b>
Halcyon Road	W of El Campo	316	C
	E of El Campo	259	B
	<b>N of Cienaga St (Highway 1)</b>	<b>833</b>	<b>E</b>
	S of Mesa View Drive (Highway 1)	395	C
	<b>S of Cienaga St (Highway 1)</b>	<b>1021</b>	<b>D</b>
<b>Hutton Road</b>	<b>N Cuyama Lane</b>	<b>868</b>	<b>D</b>
Las Flores Drive	W of Tefft St.	177	B
<b>Los Berros Rd</b>	<b>E of Valley Rd</b>	<b>570</b>	<b>D</b>
	<b>W of Highway 101</b>	<b>950</b>	<b>D</b>
Mary Ave	N of Tefft St	1222	D
Mesa Rd	W of Tefft	171	B
<b>Orchard Ave</b>	<b>S of Division St</b>	<b>779</b>	<b>E</b>
	S of Tefft St.	725	D
<b>Pomeroy Rd</b>	<b>N of Tefft St</b>	<b>830</b>	<b>E</b>
	N of Willow	239	C
	S Los Berros	189	B
Route 1	N of Halcyon	318	C
	S of Division	797	D
Stanton	S of Lincoln	253	C
<b>Tefft St</b>	<b>E of Oak Glen Ave</b>	<b>1243</b>	<b>E</b>
	N of Las Flores Dr.	181	B
	W of Mary Ave	2162	D
	<b>W of Orchard Ave</b>	<b>1082</b>	<b>E</b>
	<b>W of Thompson</b>	<b>1250</b>	<b>E</b>
Thompson Avenue	N of Highway 166	338	B
	N of Tefft St	1010	C
	S of Highway 101	525	C
	S of Tefft St.	805	C
<b>Valley Road</b>	<b>S Los Berros Road</b>	<b>743</b>	<b>D</b>
<b>Willow Road</b>	<b>E of Highway 1</b>	<b>960</b>	<b>D</b>
	<b>W of Pomeroy Rd.</b>	<b>1381</b>	<b>D</b>

\* LOS calculated using 1999 roadway conditions with no improvements

### **Cost Estimates and Funding Mechanisms**

The South County Circulation Study also provides a comprehensive list of capital improvement projects. Table 30 in the document identifies the road or street to be improved, states the improvement, develops a cost estimate, and identifies a funding source or sources. This prioritize list shows the construction projects out through 2040. The level of detail provided in this study shows a key connection between the capital improvements plan with a funding mechanism. While the pre-construction and construction time frames for road improvements can be long, the county's approach to the Nipomo area is comprehensive and shows a long term commitment toward improving the circulation and roads system in the area.

Overall the Study calls for \$31 million dollars in projects with \$26 million of those projects being funded from the traffic impact fees. The balance would be funded through other transportation funding sources. To date an estimated \$5 million dollars has been spent on improvement with the focus of these efforts being on Tefft Street. Several projects are nearing the construction phase including the Willow Road extension and interchange project.

### **2002 Annual Resource Summary Report: County Department of Planning and Building**

This report identifies roads and streets that may be reaching their capacity as measured by the Level of Service a road or street is capable of sustaining. The Report identifies the Levels of Service for roads as described below. These definitions come from the 1985 Highway Capacity Manual, published by the Transportation Research Board:

- LOS "A" Free flow. Unlimited *freedom* to maneuver and select desired speed.
- LOS "B" Stable flow. Slight decline in *freedom* to maneuver.
- LOS "C" Stable flow. Speed and maneuverability somewhat restricted.
- LOS "D" Stable flow. Speed and maneuverability restricted. Small increases in volume cause operational problems.
- LOS "E" Unstable flow. Speeds are low; *freedom* to maneuver is extremely difficult. Frustration is high.
- LOS "F" Forced flow. Stoppages *for* long periods.

The criteria by which a road will be rated in the Annual Resource Summary Report is defined as follows:

- **Level of Severity I:** *When traffic projections indicate that roadway level of service "D" will occur within five years.*
- **Level of Severity II:** *When traffic projections indicate that roadway level of service "D" will occur within two years.*
- **Level of Severity III:** *When calculation of existing traffic flows indicates a roadway level of service "D".*

The only Nipomo area street to meet the above criteria is Tefft Street west of Mary Avenue. This segment was given a rating of Level of Severity II. This is based on the traffic counts completed by the County Public Works Department. Halcyon Road at the intersection of Highway 1 received a Level of Severity rating of III. This road can affect traffic on the Nipomo Mesa.

### **2001 Regional Transportation Plan and Environmental Impact Report**

The Regional Transportation Plan (RTP) establishes regional transportation goals, policies, objectives and strategies over the next 20 years. Developing the plan involves the public, federal, state regional and local agencies. The San Luis Obispo Council of Governments is responsible for the preparation of the plan. The following is an excerpt from the RTP that characterizes the transportation situation in the Nipomo Area:

**Planning Objectives** - Transportation in the Nipomo Area will likely continue to be automobile-based, but alternative components of the circulation system such as transit and bikeways will be important to both the neighborhood and areawide circulation systems. Large-scale and expensive road improvements will be needed to accommodate projected traffic even with transportation demand management and convenient public transit to reduce these projections. The San Luis Obispo County General Plan Circulation Element identifies the following primary objectives for improving the transportation system:

- Use transportation system/demand management methods to reduce traffic volume increases and conflicts, and reduce the need for roadway capacity improvements.
- Monitor roadway capacities and correlate growth within safe traffic levels, utilizing the criteria contained in the resource management system.
- Develop funding sources that are linked to the impacts of new development projects.

- Plan for a mix of fixed-route express and local bus service, dial-a-ride service, and study the long-range feasibility of a regional light-rail system.
- Use techniques to adequately surface existing unpaved roads, such as the establishment of assessment districts and developer-installed paving to reduce dust emissions.
- Provide an opportunity for public input before decisions are made on improvements.

### **Street and Roads**

In 1988 the County established a traffic impact fee program for the Nipomo area. The program identified a wide range of projects in two areas of benefit, as follows:

**Area 1** - Consists of that portion of the Mesa west of Highway 101, primarily south of Blacklake Canyon, and the Willow Road extension, east of Highway 1, and north of Division Street; and east of Highway 101, south of the proposed Willow Road extension to Foothill Road.

**Area 2** - Consists of that portion of the area west of Highway 101, north of Blacklake Canyon, and north of the Willow Road extension, including the Callendar-Garrett Village and surrounding rural area along Highway 1 that contributes traffic to Halcyon Road.

The most recent update of the South County Circulation Study in September 2000 identifies about \$31.5 million in recommended road improvements needed within the next 40 years, of which about \$25.7 million will be provided through its traffic impact fee program. Major proposed short-term projects include the extension of Willow Road from Pomeroy Road to US 101 including a new full interchange, then east to Thompson Road, and extensive improvements to East Tefft St. in Old Town Nipomo. In order to fund these and the other proposed improvements the Board of Supervisors essentially doubled the impact fee.

Halcyon Road and Highway 1 make up the primary north-south regional circulation from the western portion of the unincorporated community of Nipomo into the Five Cities. Both routes have operational deficiencies primarily related to the steep grades on each, although the Halcyon Road Grade is steeper with a 16% grade, while Highway 1 has a 10% grade. The situation is made worse on Highway 1 due to the curvature of the road. A Project Study

Report (PSR) has been completed, which identifies a number of alternatives for improving one or both of the routes. Short-term improvements at this location include:

- \$230,000 for project approvals, environmental reviews, and engineering design for a new bridge over the Arroyo Grande Creek on the south side of Highway 1 and realignment of Halcyon Road on the north and south sides of the highway to replace the two existing offset intersections with a single intersection. Funding for this phase of the project is to be split 50% - 50% between the County and SLOCOG.

### **Transit**

Central Coast Area Transit (CCAT) is the regional fixed-route transit provider serving Nipomo. The CCAT Route 10 provides service to the Nipomo community on its route that serves the City of Santa Maria. Route 10 offers Nipomo riders three Northbound runs each weekday morning peak & late morning and mid-afternoon. Route 10 Southbound offers riders three stops in Nipomo: morning peak, mid-afternoon & pm-peak. Weekend Route 10 service combines the 10A & 108 into three trips each way between Santa Maria and SLO City, all serving Nipomo with a morning, mid-day, and late afternoon trip in each direction. Fares are currently \$1.50 each way to San Luis Obispo \$1.00 each way to Santa Maria. Riders board the CCAT at Nipomo Recreation Center/Park N Ride on South Frontage Road and Tefft.

In the 1999 annual TDA-mandated Transit Unmet Needs Hearing Process an unmet needs request with strong local support emerged from Nipomo. SLOCOG staff evaluated the request as reasonable to meet, and mandated SLO County to provide transit service to the Nipomo Area. A consultant was hired to create an operational plan for transit service in Nipomo and the area was extensively surveyed and analyzed for transit feasibility. Out of this effort Nipomo Transit began fixed-route service in September of 2000, operating 2 loop routes with supplemental Dial-A-Ride service. Nipomo Transit is based at the Nipomo Recreation Center/Park N Ride at South Frontage Road and Tefft. Ridership has failed to meet expectations during the trial service period, and SLO County is considering replacing Nipomo Transit with a subsidized taxi operation.

## **Rail**

Nipomo residents have the option of intercity rail travel with Amtrak passenger rail stations at San Luis Obispo and Grover Beach in San Luis Obispo County, and Guadalupe in northern Santa Barbara County.

## **Aviation**

Nipomo residents have access to commercial airline services at both the San Luis Obispo County Airport in San Luis Obispo and the Santa Maria Public Airport in Santa Maria. Private and recreational aviation facilities are also available at the Oceano Airport.

## **Non-Motorized Transportation**

Bikeways - The County Bikeways Plan addressing this mode of transportation was last updated in 1998. Nipomo is covered in the Southern portion of the Bikeways Plan. The Bikeways Plan identifies a comprehensive network of Class I, II & III bikeways of local and regional significance throughout the area.

Short-term bikeways planned for construction in the Nipomo area include Class II bike lanes on East Tefft Street through Old Town Nipomo and Orchard Avenue between Division and Southland.

Several mid and long-term bikeway projects are identified including a Class I bicycle and pedestrian on Railroad ROW along Nipomo Creek. Included in the future widening of the Santa Maria Bridge are bikelanes to connect Nipomo with the City of Santa Maria. Long-term bikeways include further Class II bike lanes on Orchard Avenue, and new Class II bikeways South Frontage Road and Pomeroy Road.

Pedestrian – The Old Town Nipomo Project is an intensive effort to create a traditional pedestrian oriented mixed use center along East Tefft Street that includes pedestrian amenities such as: sidewalks, street trees, zero setback commercial centers, angled parking, pedestrian walkways between buildings and a community civic center.

The RTP envisions a number of street and road projects that will continue to enhance the Nipomo transportation/circulation system over the next 20 years. The following table summarizes the improvements called for in the RTP:

**Table 3-23: Nipomo Transportation Projects – Regional Transportation Plan <sup>1</sup>**

<b>Project</b>	<b>Cost Estimate</b>	<b>Time Frame</b>
Hill St. US 101 South Bound on-ramp Relocate	\$1.7 million	6-10 years
Willow Road Extension Interchange at 101	\$7.5 million	6 to 10 years
Southland on-ramp at 101	\$430,000	6 to 10 years
Orchard Ave. widening bike lanes – Phase 1	\$900,000	0-5 years
Willow Rd. Extension	\$3.1 million	0-5 years
So. Frontage Rd Widening-Bikelanes	\$110,000	6-10 years
Orchard Ave. widening bike lanes – Phase 2	\$483,000	11-20 years
Pomeroy Rd. widening and bikelanes	\$322,000	11-20 years
Traffic Signals at 7 intersections	\$1.2 million	11-20 years
W. Tefft widening to 4 lanes	\$179,000	11-20 years
Orchard/Joshua/Hutton Class II bikelanes	\$1.05 million	11-20 years
Hill Street Widening	\$260,000	6-10 years
Mary Ave. Construction	\$420,000	6-10 years
Sandydale Dr. Paving	\$50,000	6-10 years
Olde Town Enhancements	\$1.33 million	0-5 years
Nipomo Regional Park Bike-Ped Path	\$1.0 million	6-10 years
Pacific Coast RR Bike-Ped Path	\$3.8 million	11-20 years
Juniper St. Bikelanes	\$90,000	6-10 years

1) 2001 Regional Transportation Plan

### **Capital Improvement Plans/Studies**

The District considers capital improvements on a year-to-year basis through the budget process. The 2001 Water and Sewer Master Plan Update prepared by Boyle engineering Company provides a detailed and prioritized list of projects to be completed to maintain and upgrade the water and sewer infrastructure. This capital improvement program provides for the implementation of projects to meet existing and future needs. The District plans for the replacement and future repairs of infrastructure by performing studies directly related to his action. The District is very mindful of its responsibility to maintain its facilities through careful capital improvement planning. This is evident in this excerpt taken from the District's 2002-2003 budget:

*“Capital facilities represent a major investment by water and wastewater utilities. Supply, treatment, transmission, and distribution facilities are needed to provide water service to the various customers of the District. Investment in collection, transmission, treatment and disposal facilities are required for wastewater service. Capital investments are necessary to maintain high-quality service to existing customers and to provide facilities for future growth and economic development.*

*The magnitude of investment required for the proper management of a utility system mandated the development of an effective long-range capital financing plan. The most important factor affecting capital expansion is growth in demand. As areas are developed or annexed, additional pressure is placed on a utility to provide water and wastewater services. The capital investment required to support this growth should be funded in such a way so that the financing risks relating to growth are minimized for the District. The Capital Financing Plan of the District will be funded with capacity charges, interest earned and property taxes. The following projects are in process or proposed for this budget:*

- A. Connection of Montecito Verde II. The funding will be in part from the Town Sewer Capacity Charges Fund and in part from a Community Block Grant.*
- B. Design the Tefft Street Sewer Lift Station Upgrade. The Tefft Street lift station is nearing its capacity. The Nipomo High School and the development of Tract 1747, a 151-lot subdivision, are in process and will have a direct impact on this lift station. The funding will be in part from the Town Sewer Capacity Charges Fund, in part from the Lucia Mar Unified School District and in part from Tract 1747.*
- C. The construction of the Osage/Tefft water line (across the Community Park). The proposed funding for this project is water capacity charges. This project has been carried over from the previous year due to right of way negotiations.*
- D. The construction of a new water line on Tefft and Thompson to improve water circulation for the District and for water wheeled from the Dana School Well to Nipomo High School. The proposed funding for this project is water capacity charges and an agreed upon portion from the Lucia Mar Unified School District.*
- E. The construction of a new one million gallon water storage tank is recommended by Boyle Engineering in the updated Water and Sewer Master Plan. The proposed funding for this project is water capacity charges.*
- F. The construction of the Nipomo Palms Lift Station bypass and sewer main is recommended by Boyle Engineering in the updated Water and Sewer Master Plan. The proposed funding for this project is sewer capacity charges.*

*G. The construction of upgraded sewer trunk main lines is recommended by Boyle Engineering in the updated Water and Sewer Master Plan. The proposed funding for this project is sewer capacity charges.”*

The District also prepared a Water and Sewer Replacement Study in 2000 using Boyle Engineering. This study details the rationale for replacing water and sewer facilities and provides analysis regarding prioritization of projects and cost of replacement. This study and others prepared by the District shows that the District is diligent in their efforts maintain and upgrade their water and sewer facilities.

## **FIRE AND POLICE SERVICES**

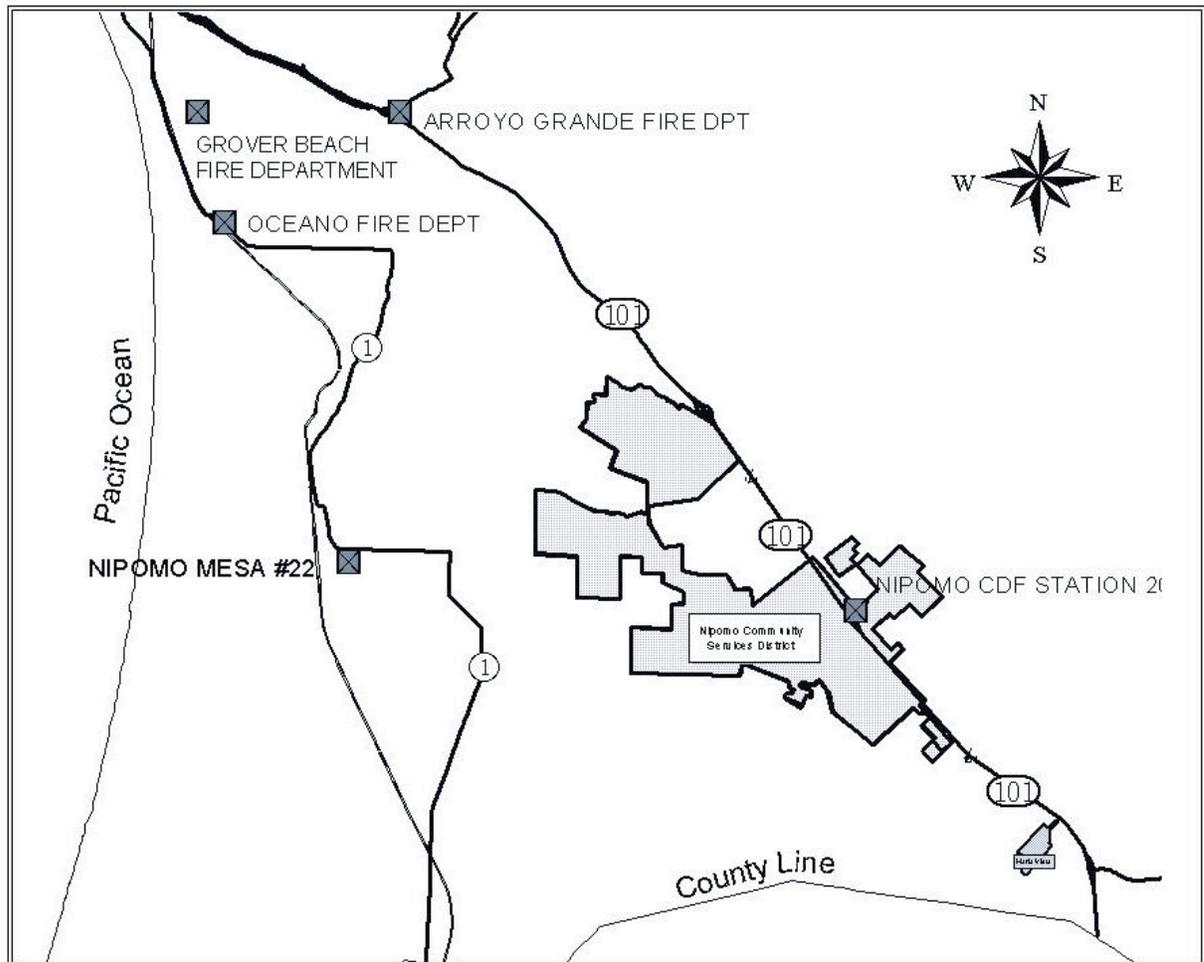
### **Fire**

The California Department of Forestry and Fire Protection (CDF), in cooperation with the County of San Luis Obispo Fire is responsible for providing fire protection services for all lands and properties in the Nipomo Mesa area. The CDF contracts with the County and is responsible for the administration of the fire stations that serve the unincorporated areas of the County such as Nipomo and provides equipment and training for volunteer stations. Two stations serve the Nipomo area; #22 located on the Mesa off of Highway One and #20 located in the Town of Nipomo. The map below shows these as well as other fire stations in the South County area.

The stations are staffed to provide for 24 hour a day, 7 days a week emergency response and include volunteer programs to increase response capabilities.

The Safety Element of the County's General Plan notes that Nipomo is a community that has developed with a primarily low-density residential pattern with supporting commercial uses. The element also notes that Nipomo's fire response needs are increased because of the wooded and urban areas interfaces that are in the area; this represents a higher risk than other unincorporated communities. Fire protection services can be improved by adding fire fighting equipment, increasing water supplies and adding full-time fire fighting personnel to augment existing volunteer forces. The State of California does provide for increased staffing at the stations during wildfire season. The Safety Element also cautions that the cost of providing additional fire prevention and suppression services should be weighed against the need for additional protection and the benefit that may be derived.

The Nipomo Mesa has a “high” hazard zone rating in the Safety Element of the General Plan. The Safety Element also shows that much of the Mesa has a five-minute response time with some of the rural areas having a 10-minute response time. The urban area is within the five-minute response time zone.



**Figure 3-21: Nipomo Fire Stations**

### **Police/Sheriff**

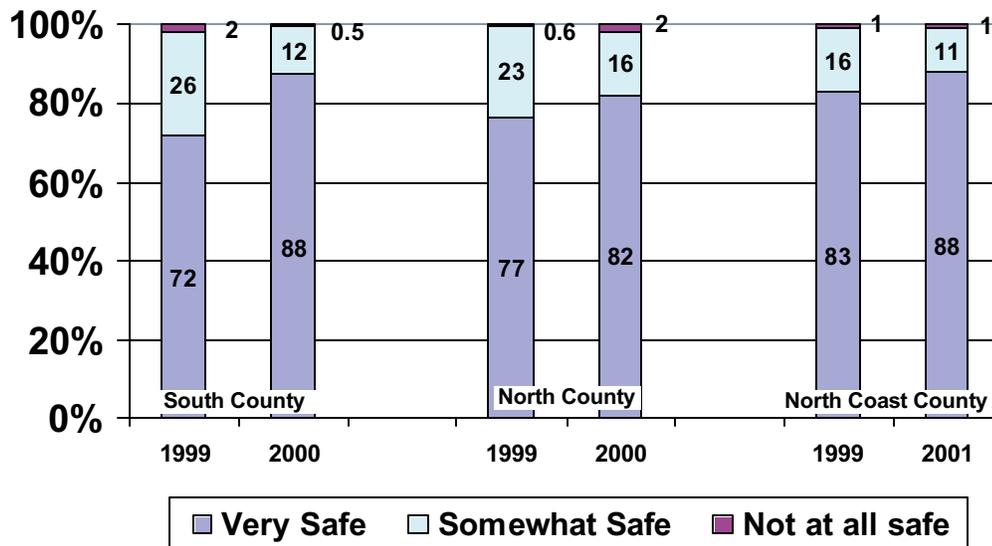
The Oceano Community Services District has funded the construction of the Sheriff's South Station that opened in October 2002. This station represents a law enforcement presence that previously did not exist in Oceano and improves the Sheriff's ability to respond to calls in Nipomo as well. This is a significant improvement for the Community of Nipomo. The South Station is located at 1681 Front Street, Oceano and serves the communities of Nipomo, Oceano, Huasna, rural Arroyo Grande, New Cuyama, and Lopez Lake, totaling 950 square miles.

South Station deputies work in a demanding environment and handle a high volume of calls for service. The County is divided into three areas. Each area has its own substation, which is supervised by a sergeant, staffed with approximately 23 deputies and two legal clerks. Although each substation is a separate entity responsible for law enforcement duties in its area, they all work together to provide the community with the best law enforcement services possible.

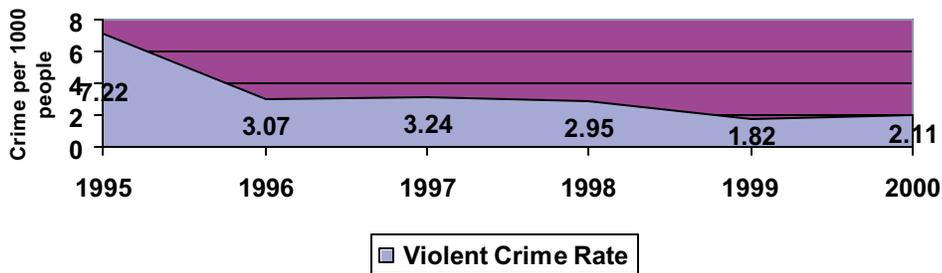
The California Crime Rate for the unincorporated areas of the County, is the lowest in the State compared with other counties with a population of 100,000 or more. The statewide average for serious crimes per 100,000 people is 3,187; the County's crime rate was at 603/100,000 people. The Sheriff Department's goal in the South County is to provide a 10-minute response time for high priority, life-threatening calls for service.

The following charts characterize the effectiveness of the Sheriff's Department's efforts in providing law enforcement services in terms of crime rates. The Action for Healthy Communities completed a telephone survey that asked the question: "How safe would you say you feel in your neighborhood?" The South County, North County and North Coast unincorporated areas are shown in the chart below. The next two charts show the violent crime rate per thousand people from 1995-2000 and the property crime rate per thousand people from 1995-2000. This is for all of the unincorporated areas in the County and does not focus specifically on the Community of Nipomo.

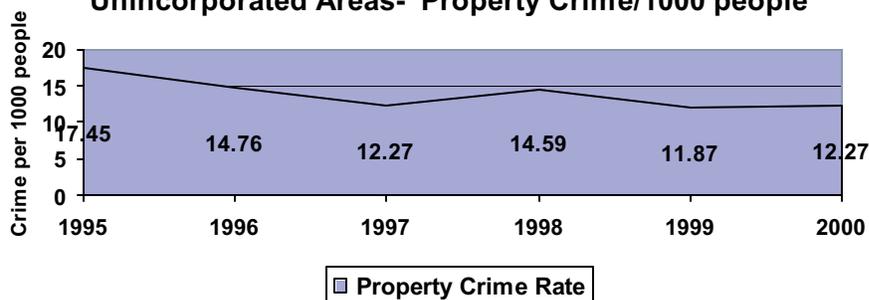
**Figure 3-22:**  
Action for Healthy Communities Survey Question--  
"How safe would you say you feel in your neighborhood?"



**Figure 3-23:**  
Unincorporated Areas - Violent Crime per 1000 people



**Figure 3-24:**  
Unincorporated Areas- Property Crime/1000 people



**Solid Waste Disposal**

South County Sanitary Service is the private vendor that provides services to the area. Waste Connections, Inc. (WCI) has purchased the Cold Canyon Landfill, Coastal Rolloff Service, Morro Bay Solid waste Service, San Luis Solid waste Co., Mission Country Disposal and the South County Sanitary Service. Waste Connections, Inc. (“WCI” or “the Company”) was incorporated in Delaware on September 9, 1997 and commenced its operations on October 1, 1997 through the purchase of certain solid waste operations in Washington. The Company is a regional, integrated, non-hazardous solid waste services company that provides collection, transfer, disposal and recycling services to commercial, industrial and residential customers in California, Colorado, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming.

In 2001, the District, with LAFCO approval, exercised its latent power of solid waste collection. The District contracts with South County Sanitation, a private vendor, and receives a 10% franchise fee. The District Board is reviewing rates to consider the benefits of mandatory versus non-mandatory solid waste collection. The NCSD uses existing franchise fees to fund local community cleanups and creek cleanup within its service area. The Board of Directors is also reviewing the potential uses of the Franchise Fees.

## WRITTEN DETERMINATIONS

### Water Supply and Demand

1. The District has prepared a number of relevant studies in order to proactively evaluate and manage the water supply and demand questions facing the NCSD and the Nipomo area.
2. Based on information found in the District's Water and Sewer Master Plan, Water and Sewer Replacement Study, the Water and Wastewater Rate Study, and the Evaluation of Water Supply Alternatives, the District's Annexation Policy, the District clearly recognizes the need for managing existing water resources and obtaining supplemental water resources.
3. Adding all eight study areas to the District could increase the estimated annual demand for water to a range of 3,800 afy (Table 3-14) to 5,150 afy (Table 3-15), depending on the type of development that is approved by the County in these study areas. The low range is projected if the areas are developed as currently zoned. The high range is projected if zoning changes occur that increase the density for specific areas.
4. The District does not currently have adequate and reliable water resources available to meet the needs of the Sphere of Influence over the next 20 years. The District's most viable future water source is the City of Santa Maria. The District has provided verbal testimony that these negotiations are going in a positive direction. However, no written documentation of these negotiations has been provided to date.
5. The groundwater source, the Nipomo Hydrologic Sub-area of the Santa Maria Basin, is generally recognized as a resource that is being heavily pumped by a variety of users and is a questionable source of water for additional future development.
6. The adjudication of the Nipomo Hydrologic Sub-area is ongoing and the District's future allocation is unknown.

7. The District is working toward developing and implementing a more comprehensive water conservation program. The District has recently (01-14-04) adopted an Urban Water Management Plan that provides for better overall management of the water resources and includes enhanced water conservation measures. The Final Urban Water Management Plan has not been reviewed by the State Department of Water Resources.
8. Cal Cities Water Company and other entities may be able to serve development projects in the Nipomo area if the District cannot due to a restricted Sphere of Influence and service area.

### **Wastewater**

9. The capacity of the District's sewer treatment plant is adequate to serve the growth anticipated in the District's proposed Sphere of Influence. The District does not anticipate serving rural areas of Nipomo with sewer services.
10. The District continues the process of upgrading and replacing sewer collection pipelines through the implementation of their annual budget.
11. The District's wastewater system currently serves only the urban area of Nipomo and Blacklake area.

### **Roads and Streets**

12. The District is not responsible for the construction or maintenance of roads and streets in the Town of Nipomo or on the Nipomo Mesa; this responsibility lies with the County of San Luis Obispo Public Works Department.
13. Many roads in the rural areas are unpaved and in poor condition. As development projects are constructed, roads are paved and improved by the developer or through traffic impact fees.
14. The South County Circulation Study identifies capital improvement projects and funding sources for completing these projects. The Study is updated on a regular basis and projects are prioritized and funded by the traffic impact fees paid by developers.

15. The Olde Towne Nipomo Design and Circulation Plan adopted in April 1999, provides the guidelines and standards improving the built environment and circulation system in Nipomo. These policies and programs are to be implemented by the County Planning and Public Works Departments.
16. Many of the roads and streets in the rural areas are in poor condition and are underdeveloped. As the rural areas are developed, the county requires that roads and streets be improved to allow for better circulation and emergency vehicle access.
17. The Willow Road extension and interchange at Highway 101 will be a major improvement to the circulation system and should alleviate some of the traffic congestion associated with the Tefft Street and downtown Nipomo.

### **Infrastructure**

18. The District may, if necessary, extend physical infrastructure (water and sewer lines) to developments approved by SLO County to SOI locations proposed for annexation into the District. Costs for such extension would be born by the developer and not the ratepayers.
19. The District is continuously upgrading and maintaining public facilities, including the water distribution pipelines and wastewater collection system.
20. The District should be able to provide the public services to the development proposed within the proposed Sphere of Influence while continuing to serve existing residents at the same time, if a supplemental water supply is found.
21. Based upon review of the available information, the District's facilities comply with environmental and safety standards and they are not in violation of any clean water or clean air laws or rules.

**Police and Fire**

22. The County of San Luis Obispo Sheriff's Department provides adequate law enforcement services to cover the proposed Sphere of Influence areas.
23. The California Department of Forestry/San Luis Obispo County maintains two fire stations in the area and adequate staff as needed to serve the residents of Nipomo.
24. CDF/County Fire would provide fire services to serve the proposed Sphere of Influence areas. Additional fire protection services would be added as development occurs and as the need for such service is documented.

## 2. GROWTH AND POPULATION

**Purpose: To evaluate existing and anticipated growth patterns and population projections.**

The Nipomo Community Services District (NCSD) is a multi-service special district formed on January 28, 1965 under the Community Services District Law, California Government Code Section 61000 et.seq,. The NCSD provides the residents and property owners within the boundaries of its approximately seven square miles of service area with water and sewer disposal services. The District also provides Blacklake Golf Course with street lighting and limited drainage services as well as water service. The previous comprehensive Sphere of Influence Study for the Nipomo Community Services District was completed in 1983. Since that time 14 annexations have been approved by LAFCO. The following table summarizes those actions:

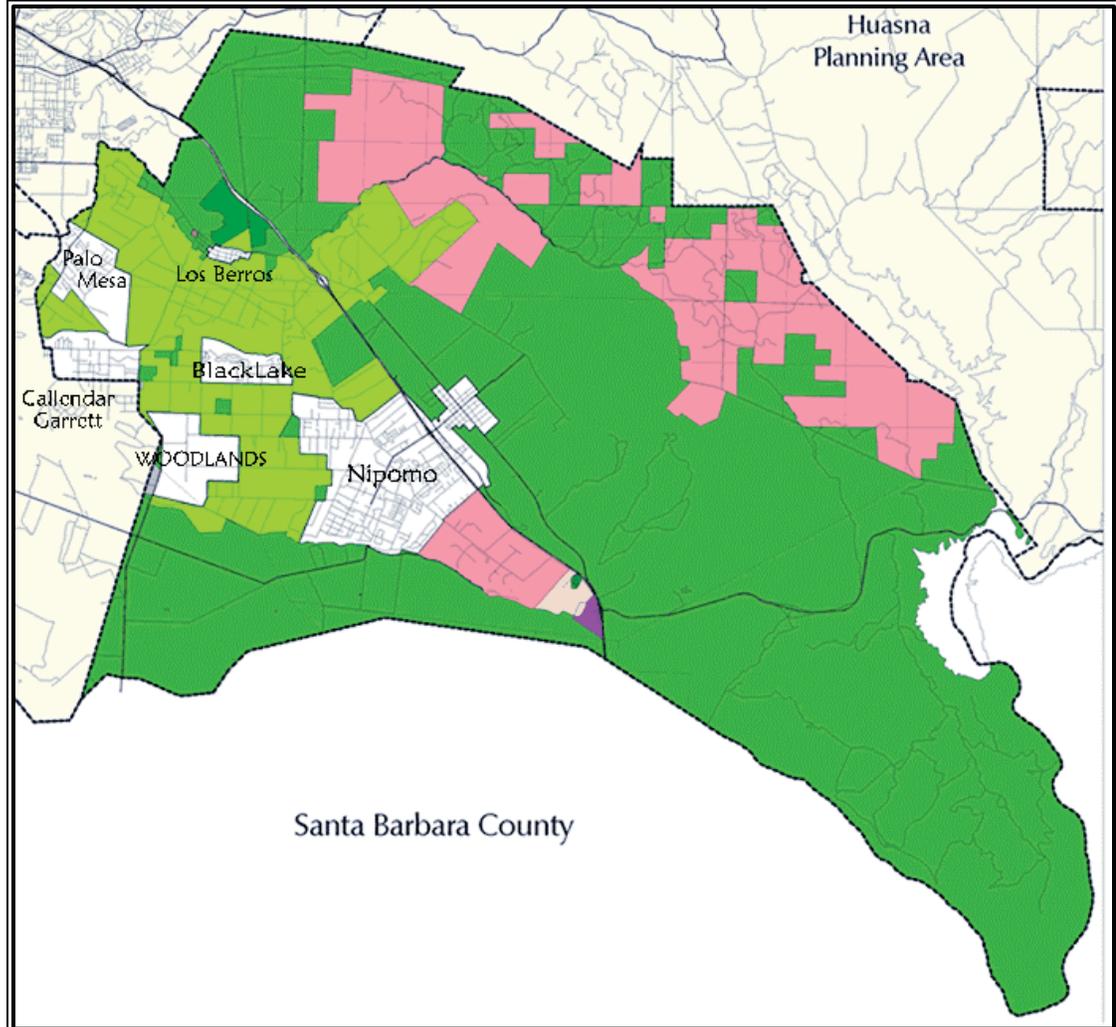
See Table 3-24: Annexation Proposals Since 1983 to Present  
Nipomo Community Services District – next page

The Nipomo area has been one of the fastest growing unincorporated communities in the County. This is reflected in the annexation activity since 1983 as shown in the above table. The Growth and Population factor is discussed in the following section of this Chapter and includes a summary of past and projected population data, land use and zoning in the area as well as growth trends. The District does not have Land Use authority, but does provide water and sewer and other services to new development proposed in the area. The County retains land use authority in the area and approves or denies development projects.

The community of Nipomo comprises the major urban areas with the South County Planning Area. The Urban Reserve Line established in the South County Area Plan encompasses approximately 3,951 acres. The map below shows the urban and village areas as designated by the South County Area Plan. The intent of the plan is to focus development to these urban areas and maintain the areas in between as rural buffers to carry on some of the rural character. (South County Area Plan)

**Table 3-24: Annexation Proposals Since 1983 to Present  
Nipomo Community Services District**

<b>LAFCO File Number</b>	<b>Proposal/ Project Name</b>	<b>Acreage</b>	<b>LAFCO Approval Date</b>	<b>Potential Water Services</b>	<b>Potential Sewer Services</b>
9-R-01	Annexation No. 20 (Maria Vista)	124	12-06-01	77	77
11-R-01	Annexation No. 21 (Knollwood)	163	11-15-01	55	-0-
5-R-01	Annexation No. 19 (Lucia Mar USD)	77	10-18-01	2	75
9-R-00	Annexation No. 18 (Tract 2393-Newdoll)	2	01-18-01	8	8
9-R-97	Annexation No. 16 (Dist. Wastewater Facility)	63	11-20-97	-0-	-0-
11-R-97	Annexation No. 17 (Newdoll #2)	10	04-16-98	37	37
5-R-96	Annexation No. 15 (Newdoll)	7	09-19-96	87	87
1-R-94	Annexation No. 14 (Bantz)	26	02-17-94	2	-0-
1-R-92	Annexation No. 6 (Summit Station)	850	07-14-93	206	-0-
2-R-92	Annexation No. 7 (Blacklake)	515	10-15-92	555	555
3-R-92	Annexation No. 8 (Nipomo Regional Park and Dana School)	154	08-20-92	3	18
4-R-92	Annexation No. 9 (Baptist Church)	9	08-20-92	1	4
5-R-92	Annexation No. 10 (Fairview Tract)	51	10-15-92	151	151
5-R-84	Annexation No. 4 (Corona)	10	06-28-84	8	-0-
5-R-84	Annexation No. 5 (Thompson Road Estates)	29	03-2086	137	137
	<b>TOTALS</b>	<b>2090</b>		<b>1329</b>	<b>1149</b>

**Figure 3-25: Nipomo Area**

### Population

According to the 2000 census the Nipomo area is home to 12,626 residents with 4,146 dwelling units. The NCS D now serves approximately 10,000 residents compared to an estimated 5,700 in 1990. Over the last 20 years, Nipomo's population has increased by approximately 7,379 people or 140%. This equates to an estimated 7% per year rate of population increase over the 20 year period. From 1980 to 1990, the community of Nipomo increased by 1,862, a 35.5% increase, an average growth rate of 3.55% per year. In the 1990's, Nipomo's population increased by 5,517 residents, a 10 year growth rate of 77.6%. The annual population growth rate for that last decade was an average of 7.8%.

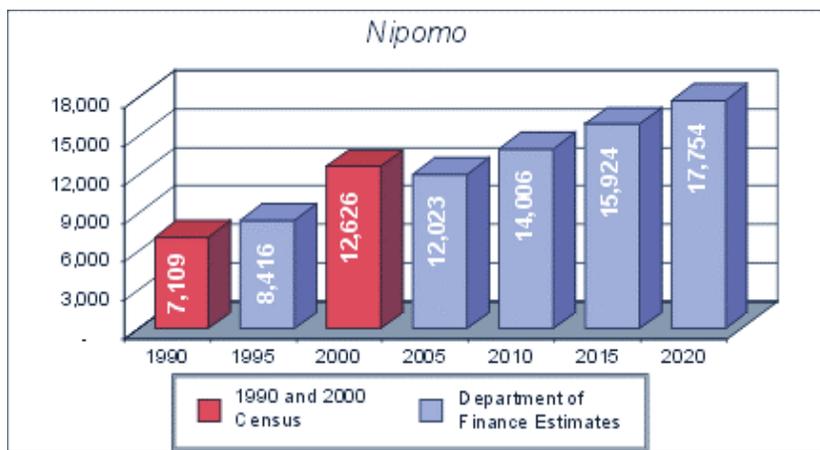
**Table 3-25: Historical & Projected Population Growth  
Geographic Area: Nipomo CDP California**

	1980	1990	2000	2010	2020
Population	5,247	7,109	12,626	14,006	17,754
10 Year Increase	---	1,862	5,517	1,380	3,748
10 year % Incr.		36%	78%	13%	11%

Source: US Census & Department of Finance

The Council of Government compiles census data and Department of Finance projections. The projections show a much slower rate of growth for the community of Nipomo, 11% from 2000 to 2010 and 14% for the period from 2010 through 2020 a total of 25% for the 20-year time frame.

**Figure 3-26: Population Chart<sup>1</sup>**



1) San Luis Obispo Council of Governments Website

As part of the District’s Water and Sewer Master Plan, a population projection was prepared based on the assumption of a 2.3% population growth rate. This analysis estimated number of residents within the District is 10,790 in 2000. The growth rate is then projected to increase at 2.3% each year.

**Table 3-26: Population Projections Water and Sewer Master Plan**

	2000	2010	2020	2030
Population	10,790	13,545	17,003	21,345
10 Year Increase	---	2,755	3,458	4,342
10 year % Increase		25%	25%	25%

### Land Use

The County's General Plan governs the development of land in the Community of Nipomo. The District may provide the County with comments regarding land use decisions but does not have authority over land use entitlements. Development projects are sometimes approved contingent upon receiving water and sewer services from a community water system such as the NCSO. The General Plan identifies the type and intensity of development allowed in each of several land use categories for the Nipomo area. As previously stated, the land surrounding the District's existing boundaries has been divided into eight study areas. The following table summarizes the zoning and acreage for those eight areas:

**Table 3-27: Existing Land Use**

Area	Acres	Land Use Category/Zoning	Notes
#1	1,082	Agriculture-420, Residential Rural-662	Cañada Ranch and Willow
#2	132	Agriculture	Prime Ag, Flood Plain
#3	266	Residential Single Family, Res. Suburban, Recreation, Agriculture	Within Urban Reserve Line
#4	1,522	Rural Lands-1,173, Res Suburban-245, Commercial Businesses 104	Includes Maria Vista, strawberry fields
#5	1,350	Residential Single Family-154, Residential Suburban-1,196	Mostly developed area
#6	950	Woodlands Specific Plan	Approved by the County
#7	1,375	Residential Suburban-28, Agriculture-83, Residential Rural-1,264	Urban Separator in County General Plan
#8	339	Residential Rural-339	Land Use Ordinance Amendment already approved by County

Using the existing land use designations to estimate the development potential for each of the eight areas, the following table shows the estimated development potential for each area as currently zoned:

**Table 3-28: Development Potential-Existing Zoning**

<b>AREA</b>	<b>PROJECTED LAND USE (DU=Dwelling Units)</b>	<b>DWELLING UNITS</b>	<b>PROJECTED POPULATION INCREASE (2.71 persons/unit)</b>
#1	420 acres of Agriculture X 1 unit/100 acres=	4 du	11
	462 acres of Residential Rural X 1 unit/5 acres=	92 du	249
	Cañada Ranch Specific Plan=	350 du	948
#2	132 ac. Residential Single Family X 4 units/ acre=	528 du	1,425
#3	91 acres of Residential Single Family X 4 units/acre=	364 du	986
	84 acres of Residential Suburban X 1 unit/acre= 84 units	84 du	228
#4	Southland Specific Plan =	100 du	271
	1,173 of Rural Lands X 1 unit/20 acres=	59 du	160
#5	Residential Single Family & Residential Suburban		Nearly built-out
#6	Woodlands Specific Plan Area	1,320 du Requested not to be included	3,510 Requested not to be included
#7	1,325 acres of Residential Rural X 1 unit/5 acres=	265 du	718
#8	334 acres of Residential Rural X 1 unit/5 acres =	67 du	182
<b>TOTALS</b>		<b>1,913 du</b>	<b>5,178</b>
Deduct 20% build-out factor		383 du	1,035
Adjusted Total		1,530 du	4,142

A key factor determining the density of a development is whether or not a parcel has access to an adequate water supply and sewer system. Access to community water and sewer typically increases the number of lots that can be developed on a parcel if the zoning of the property will allow for a particular density. If water and sewer are available, but the zoning

will not allow an increase in density, a property owner may request that the zoning be changed through a Land Use Ordinance Amendment. It should be noted that the NCSD's current policy does not allow for water service to be provided to projects that increase density from the existing zoning in the South County Area Plan. It should be noted that the NCSD's current policy does not allow for water service to be provided to projects that increase density from the existing zoning in the South County Area Plan.

This is an important consideration because expanding the NCSD's Sphere of Influence would make these areas eligible for community services, thus potentially increasing the likelihood of an increase in density for a particular parcel of land through a change in zoning. This increase in density could lead to increased population, the need for additional road capacity and water supply as well as other services. It is also important to note that property owners may choose to develop properties under their current zoning and allowed densities. It is uncertain how many Land Use Ordinance Amendments might occur if all eight areas are placed in the Sphere of Influence as they are now proposed. While the Sphere of Influence allows for services to be provided to a property upon annexation to the District, the County maintains land use authority in terms of changing the zoning to allow for increases in density.

Build-out is the possible amount of development that could occur on every parcel in the area under current planned uses allowed by the General Plan. Full build-out is rarely, if ever, reached within a community because some parcels are not suitable for full development and other parcels are not developed to their maximum potential by choice of the owner. As a rule of thumb build-out may be 75% to 80% of the area of a particular property. This could be more or less, depending on the site constraints.

### **Recent Building Permit Activity**

The following is a summary of the building permits that have been issued and finalized for single-family dwellings, multifamily units and mobile homes over the last ten years in the South County Area. This means that the County has performed a final inspection of the building and that the dwelling been constructed and may be occupied. Residential single-family dwelling units account for the largest proportion of development in the area. Permits have been compiled for the following areas: Rural South County, Nipomo, Los Berros, Calendar-Garrett, Palo Mesa, and Blacklake.

**Table 3-29: Building Permits Finaled 1993-2003**

	SC Rural	Nipomo	Los Berros	Cal-Garrett	Palo Mesa	Blacklake	Total
2002	46	105	0	21	123	1	296
2001	48	112	1	4	72	4	241
2000	27	119	4	4	23	60	237
1999	44	121	1	4	9	34	213
1998	71	107	3	5	6	0	192
1997	54	75	0	3	14	0	146
1996	52	62	0	2	8	0	124
1995	60	118	0	2	7	0	187
1994	57	137	2	2	16	0	214
1993	58	143	0	4	22	0	227
Totals	517	1099	11	51	300	99	2,077

### Pending Land Use Ordinance Amendments

The County has several Land Use Ordinance Amendments pending in the area with one of them being the Woodlands development. The NCS D has proposed that the Woodlands project be included within their Sphere of Influence.

**Table 3-30: Pending Land Use Ordinance Amendments**

Project	Description	NCS D Service Status
2. Summit Station-EIR is being prepared by consultant.	Remove area standard that limits further subdivisions of land in the Summit Station area.	Currently served by NCS D. Could allow up to 99 new residences to be served by NCS D. Expansion of Summit Station area to include Robertson property.
3. Nipomo Oaks Partnership/Mehlshau: Accepted for processing- In the environmental review Process.	Change a 40 acre site from Agriculture to Commercial Retail, dis-establish agriculture preserve contract, also extends Urban Services Line to include other 425 acres of rural properties to the south.	Currently outside of Service Area. Being considered for inclusion into NCS D Sphere of Influence as part of this update.
4. Brand-EIR being prepared	Change 72 acres from rural lands to 32 acres Residential Suburban and 40 acres of Commercial Service.	Currently outside of Service Area. Being considered for inclusion into NCS D Sphere of Influence as part of this update.
5. Craig/Lucia Mar USD	Change 14.5 acres of 40-acre site from Rural residential to Recreation. Would include 16 residences and 500-student elementary school.	Currently outside of Service Area. Being considered for inclusion into NCS D Sphere of Influence as part of this update.

Figure 3-27: Finaled Permits 1993-2003

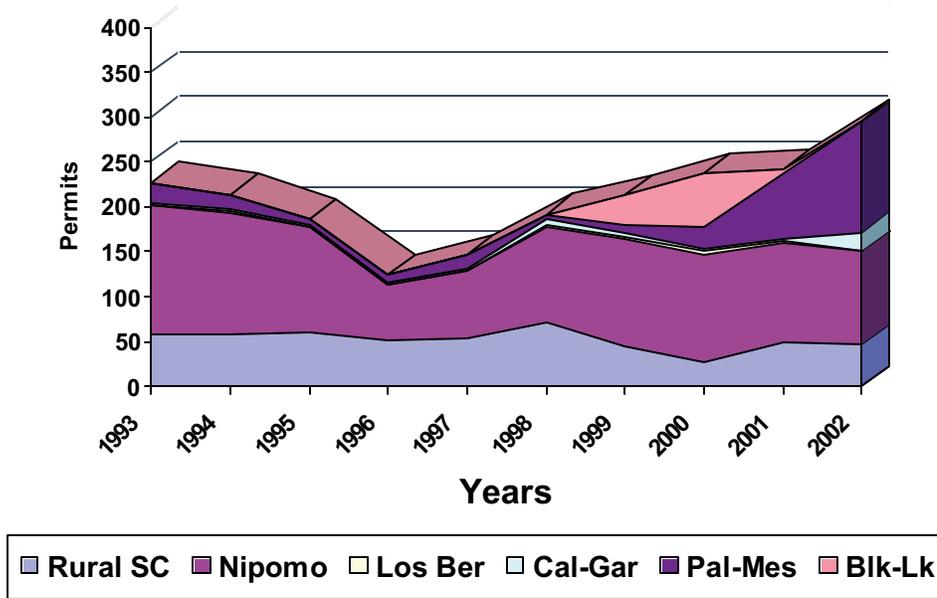


Table 3-31: Pending Annexation Applications

Project	Description	NCSD Service Status
1. Robertson Annexation	Would add 9 lots to Summit Station area currently served by the NCSD. LUO Amendment Approved by the Board of Supervisors-Annexation application submitted to LAFCO	Currently outside of District's Service Area. Is being considered for inclusion into NCSD Sphere of Influence as part of this update.
2. Lem Annexation	Includes 19 acres currently within the Urban Reserve Line. Would add 18 lots to the District. County consideration is pending, Annexation application submitted to LAFCO.	Currently outside of District's Service Area. Is being considered for inclusion into NCSD Sphere of Influence as part of this update.
3. Nipomo Hills	Would add 91 acres to the District for the purpose of residential development. County consideration is pending, Annexation application submitted to LAFCO. Part of the area is inside the Urban Reserve Line.	Currently outside of Service Area. Being considered for inclusion into NCSD Sphere of Influence as part of this update.

**Pending Annexations**

Several annexation applications have been submitted to LAFCO for consideration and are summarized above.

### **Growth Management Ordinance Environmental Impact Report**

The County is also preparing an Environmental Impact Report regarding several growth issues that affect the Nipomo/South County area. The EIR was initiated as part of the settlement of a lawsuit with the “ Save the Mesa” organization over a dispute regarding the administration of the Growth Management Ordinance and other issues. A consultant has been selected by the County and work has begun on the EIR that will cover the Nipomo-related issues discussed below:

*San Luis Obispo County (hereinafter referred to as “the County”) has enacted a Growth Management Ordinance (Title 26) to establish an annual rate of growth and a system for allocating the number of residential construction permits issued each year. The purpose of the County Growth Management Ordinance (GMO) is to attempt to guide growth rather than react to its effects. “Communities engaged in growth management are assuming a proactive stance in ensuring that the very qualities that attract growth are not destroyed for existing residents and future generations” (Nelson, 1995). In 2001 and 2002, the County Board of Supervisors proposed various amendments to the County GMO. The primary purpose of these amendments is to effectively manage a myriad of issues regarding growth management in San Luis Obispo County. Balancing growth within the resource constraints of communities, providing affordable housing to lower income families, and recognizing the unique development concerns of communities emerging from a moratorium are all important factors of growth management in San Luis Obispo County.*

There are multiple objectives associated with the proposed project:

1. The primary objective of the County GMO is to provide an annual 2.3 percent limitation for overall countywide growth (not community specific).
2. Additional existing objectives of the GMO are as follows:
  - Maintain an annual growth cap of 2.3 percent specifically for the Nipomo Mesa area, and a 1 percent growth cap for the community of Cambria.
  - Provide for exemption of projects that include low and moderate income housing.
3. The more substantial changes being proposed include the following:

- In the Nipomo Mesa area, 180 exemptions to the GMO for the purpose of expediting projects that had submitted applications, but were unable to complete County processing due to the enactment of the 2.3 percent Nipomo Mesa area growth cap.
- Distribute up to 2,596 unused building allocations in an equitable fashion countywide.
- Modify the affordable housing exemption to encourage low-income and moderate-income housing projects.

4. Other changes being considered by the County include:

- Providing allocations for communities emerging from a moratorium.
- Expanding the GMO to include new subdivisions that result from adopted specific plans in order for these new residences to be reconciled with the allowed growth rate under the GMO (including the consideration of “banking” residential units for Specific Plans.)

On January 11, 2000, the Board of Supervisors adopted urgency ordinance No. 2894 (permanent amendment to No. 2893) establishing a 2.3 percent growth cap specifically for the Nipomo Mesa area for the year 2000 resulting in the potential for a Maximum Annual Allocation of 199 new residences in the Nipomo Mesa area for that year. Further, the allowed number of Allocations for the first quarter of the year 2000 was to be equal to an average of 2.3 percent based on the total number of Allocations for the South County planning area from 1992 through 1999, resulting in the potential for 29 Allocations for new residences in the Nipomo Mesa area during the first quarter of the year 2000.

According to this plan, 90 Allocations would have been available for the remainder of the year 2000. Problems arose when it became evident that the list of applicants that had been accruing since before the growth cap was initiated, far outnumbered the growth allowed by the new limitations.

On April 4, 2000, the Board considered options for addressing the growth rate in the Nipomo Mesa area. During this hearing, the primary focus of the public testimony centered on the above accrual problem. Many applicants for Requests for Allocation had been caught unaware of the Board’s actions in January 2000 limiting the Nipomo Mesa area growth rate.

These applicants, referred to as “pipeline projects”, were on a waiting list as a result of having filed Requests for Allocation between November 14, 1999 and April 4, 2000.

After much discussion about how to effectively deal with these pipeline projects, the Board of Supervisors adopted Ordinance No. 2902 on May 2, 2000. This ordinance amended the GMO by providing a one-time exemption from the 2.3 percent growth cap for the Nipomo Mesa area for Requests for Allocation filed and accepted by the county between November 14, 1999 and April 4, 2000. This resulted in the exemption of a total of 180 building permits.

Opponents challenged the adoption of this Board decision based on the County’s alleged failure to comply with the requirements of CEQA. A Settlement Agreement was reached between the County and the opponents. That required the County to prepare an EIR to evaluate the resource constraints to growth in the Nipomo Mesa area associated with the 180 exemptions.

Title 26 currently limits the amount of allowable growth in the Nipomo Mesa area stating, “The maximum number of new dwelling units allowed in the Nipomo Mesa area for the period of January 1, 2003 through December 31, 2003, shall not exceed a 2.3 percent increase in the number of existing dwelling units in 2002, resulting in the potential for a Maximum Annual Allocation of 135 new residences in the Nipomo Mesa for the year 2003.”

Ordinance No. 2957: An Amendment to the SLO County Land Use Ordinance, Title 22 of the County Code. This ordinance by the Board of Supervisors amends both the text of Part I and II of the Land Use Element of the SLO County General Plan and the official Land Use Element Maps adopted as Board of Supervisors Resolution No. 2001-546. Therefore the changes are adopted as part of Section 22.01.022 of the Land Use Ordinance. The SLO County Board of Supervisors passed this ordinance unanimously on December 18, 2001.

Consistent with statewide growth rates, San Luis Obispo County has grown steadily over the last decade, although at a slower rate than the state. Analysis of the increase in the number of dwelling units each year provides indication of the actual growth rates within the unincorporated portions of the county (refer to Table III-1). As the table below shows, over the past decade the increase in the number of completed units countywide has averaged approximately 1.4 percent within the unincorporated portions of the county. While this

average is well below the allowable 2.3 percent growth rate established by the GMO, growth has not been evenly distributed throughout the county and certain communities have provided a disproportionate share of dwelling unit increases.

See Table 3-32: Dwelling Unit Increases next page.

**Table 3-32:  
Dwelling Unit Increases**

<b>Community or Planning Area <sup>1</sup></b>	<b>Dwelling Units 1990</b>	<b>Dwelling Units 2001</b>	<b>New Dwelling Units 1990-2001</b>	<b>Percent Increase 1990-2001</b>	<b>Average Percent Increase per Year</b>
Templeton	1100	1710	610	55.45	5.04
<b>Nipomo</b>					
Rural El Pomar	1710	2525	815	47.66	4.33
Rural Adelaida	650	886	236	36.31	3.30
Paso Robles	7599	9422	1823	23.99	2.18
Pismo Beach	4548	5586	1038	22.82	2.07
Rural South County	2510	3066	556	22.15	2.01
Heritage Ranch	1047	1252	205	19.58	1.78
Cambria	3081	3712	631	20.48	1.86
Arroyo Grande	6059	6957	898	14.82	1.35
Atascadero	8875	10096	1221	13.76	1.25
San Miguel	451	506	55	12.20	1.11
Morro Bay	5694	6364	670	11.77	1.07
Rural Salinas River	3101	3458	357	11.51	1.05
Rural Los Pilitas	709	786	77	10.86	0.99
Oceano	2433	2692	259	10.65	0.97
Grover Beach	4941	5421	480	9.71	0.88
San Luis Obispo	17887	19464	1577	8.82	0.80
Rural Nacimiento	761	828	67	8.80	0.80
Cayucos	2133	2316	183	8.58	0.78
Santa Margarita	488	518	30	6.15	0.56
Los Osos	6097	6283	186	3.05	0.28
<b>Total County Unincorporated</b>	84260	97470	13210	15.68	1.43

Notes:

<sup>1</sup> Communities are ranked according to their percentage increase in dwelling units between 1990 and 2001.

Source: San Luis Obispo County Department of Planning and Building, Annual Resource Summary Report, 2002

Under the Growth Management Ordinance the Nipomo area would be allowed to grow at a 2.3% growth rate that is depicted in the table below:

**Table 3-33 – 2.3% Growth Rate over 20 years**

<b>Year</b>	<b>Dwelling Units</b>	<b>Maximum Units per year at 2.3%</b>
2002	3735	86
2003	3821	88
2004	3909	90
2005	3999	92
2006	4091	94
2007	4185	96
2008	4281	98
2009	4379	101
2010	4480	103
2011	4583	105
2012	4689	108
2013	4796	110
2014	4907	113
2015	5020	115
2016	5135	118
2017	5253	121
2018	5374	124
2019	5498	126
2020	5624	129
2021	5753	132
2022	5886	135
2023	6021	138
<b>TOTAL</b>		<b>2425</b>

### **Written Determinations**

1. Several development projects that are proximate to the District's Service Area are being considered by the County, including:
  - a. Cañada Ranch Specific Plan that may include commercial and residential uses
  - b. Pudwill Cluster Development of eight two to two and half acre lots.
  - c. Lem Subdivision that may include up to 18 half-acre lots.
  - d. Nipomo Hills project that may include up to 600 units
  
2. The Woodlands Development project already approved by the County will use a substantial amount of groundwater resources in the area.

3. Future development projects may be developed in the County using private wells, mutual water company, or a private water company as a source of water.
4. Adding all eight Study Areas to the District's Sphere of Influence would create the need for an estimated 900 acre feet of water on an annual basis if developed under the existing zoning.
5. Some areas under consideration for inclusion in Sphere of Influence would not anticipate needing sewer services from the District if developed under current zoning, including: the portion of Area #1 outside of Cañada Ranch, Area #4 except for the Southland Specific Plan site, Area #5 except for those locations served by CSA 1, Area #6, Area #7 and Area #8.
6. The District annexation policy will assist in the development of a supplemental water supply for future annexations by requiring a proponent to either provide a supplemental water source or pay an established fee for the District to obtain a supplemental supply in the future.
7. Expanding the District's Sphere of Influence to include rural areas could cause an increase in the number of development proposals to intensify density (Land Use Ordinance Amendment to change zoning) because of the provision of public services to these areas, although other water purveyors could supply this service.
8. If the District's Sphere of Influence is not expanded to include rural areas, a private water purveyor could serve these areas, which may lead to zone changes that increase density.

### **3. FINANCING CONSTRAINTS AND OPPORTUNITIES**

***Purpose:*** To review the District's existing financial documentation and identify if there are any financial opportunities and/or constraints.

#### **Budget**

The NCSD's annual budget document is well organized, thorough and clearly articulates the District's future financial plans. The document identifies the sources of revenues, past year's accomplishments and financial performance. As part of this Service Review, budgets from the last three years have been reviewed. The budget document provides information that is divided into the following sections:

#### **Section 1, Introduction**

Provides a concise overview of the budget including revenues and expenditures.

#### **Section 2, Resolutions**

Includes two resolutions that are required by state law: one adopting the budget for the fiscal year and another resolution determining the appropriation limitation for the Fiscal Year.

#### **Section 3, Operating Budget**

Identifies costs associated with the day-to-day operation and maintenance of the District. This Budget is funded from water and sewer use revenues and street lighting charges and is allocated to the following cost centers:

- Administration fund
- Town Water Fund
- Town Sewer Fund
- Blacklake Water Fund
- Blacklake Sewer Fund
- Blacklake Streetlighting Fund
- Drainage Fund
- Montecito Verde II Fund
- Funded Replacement-Water Fund
- Funded Replacement-Sewer Fund
- Funded Replacement-Blacklake Water Fund

- Funded Replacement-Blacklake Sewer Fund

#### **Section 4, Non-Operating Budget**

This Budget is the District's long-term capital financing plan. It is funded by capacity charges and general purpose property taxes and is allocated to the following cost centers:

- Property Tax Fund
- Water Capacity Charges Fund-Town Division
- Sewer Capacity Charges Fund-Town Division

The budget adopted each year is the spending plan for the District and provides a framework for the District to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees.

#### **Investment and Purchasing Policies**

The District has adopted investment and purchasing policies by resolution to guide and direct NCSD staff in managing the assets of the District. The investment policies of the District limit the types of investments the Financial Officer can make on behalf of the District. According to the District's 2002 independent audit and their investment policy these investments include the following:

- County pooled funds – (California Government Code Section 61730)
- The Local Agency Investment Fund created by the California State Treasury (California Government Code Section 16429.1)
- One or more FDIC insured Banks and/or saving and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code Section 61737.02)
- Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with Federal and State Law.

Exhibit A of the resolution also identifies investments that are prohibited. The investment policy requires quarterly and annual reports to Board of Directors regarding the status of the investments.

The purchasing policies and procedures adopted by the District to address the procurement

of supplies and equipment. The policy requires that supplies and equipment be found consistent with the budget prior to purchase and identifies the procedures for obtaining bids based on the estimated cost of a particular purchase.

### **Annual Audits**

Annual audits of Special Districts are required by law and are performed with the purpose of identifying any inconsistencies or non-compliance with legally mandated accounting requirements. As part of this Service Review, audits prepared by an independent auditor over the last three years were submitted to LAFCO by the District for review. In reviewing the audits, the District was found to be in compliance with standard accounting principals and standards. The Auditor identified no issues or financial problems and provided an “unqualified opinion” regarding the financial statement presented by the District. The following excerpt from the Independent Auditor documents the auditor’s opinion:

*“In my opinion, the basic financial statements referred to above (not shown) present fairly, in all material respects, the financial position of the Nipomo Community Services District as of June 30, 2002, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.”*

An “unqualified” independent audit indicates that the organization is managing their financial resources in accordance with accepted accounting principals and standards. This is an indicator of the financial health of an organization and provides information regarding their financial practices. The District has had “clean” unqualified audits for many years according to the District Financial Officer and General Manager.

### **Government Accounting Standards Board**

The Governmental Accounting Standards Board (GASB) issued *Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* in June 1999. The statement establishes a new financial reporting model for state and local governments and is the biggest change in the history of public-sector accounting. GASB developed the new requirements to make annual reports more comprehensive and easier to understand and use. The new requirements include a narrative introductory overview and analysis called the Management Discussion and Analysis (MD&A); Government-wide financial statements prepared on the full accrual basis

that are in addition to, not instead of, the traditional Fund-Based statements; and an expanded Budget Comparison that includes the adopted budget, final budget, and actual revenues and expenditures. The District has implemented GASB 34 and is in compliance with this regulation as noted in the Independent Audit for the Year ended June 30, 2002.

### **Constraints**

The District's financial constraints involve the limited methods allowed to fund certain activities by establishing assessment districts or fees. The Government Code Section under which a Community Services District is governed provides the structure and regulations for funding various services provided by the District. The funding sources for CSD's are limited and it can be difficult to expand the revenue base of an organization. The District appears to be doing all that it can to maximize their revenues while continuing to provide services to their customers at fair and equitable rate.

Revenue sources for the NCSD include property taxes, fees collected from water sales, water connection fees, sewer sales and connections, and pass-through monies such as grants. The District recently established annexation policy requires new annexations to the district to pay fees for the development of a supplemental water supply. Alternatively, the new annexation can bring its own supplemental water supply if one is available. One-time revenues that are pass through funds can account for increases and decreases in revenues from year to year.

The need for a future supplemental water supply could be a serious financial constraint for the District. Development of the water supply, design of a system, construction of infrastructure, and continued operation and maintenance costs could be funded in a number of different ways, including the implementation of the annexation policy, increasing water fees, the sale of bonds or other loan instruments.

Financing the development of a major new water supply will be challenging. The District has already completed a preliminary study that identifies possible costs for development of various water sources. Continued analysis of the financial impacts of bringing a new water source online needs to be thoroughly analyzed and disclosed by the District prior to the completion of negotiations for a water supply.

**Opportunities**

A financial opportunity may exist if County Service Area 1 (CSA 1) and the Lighting District are reorganized and the District takes over the operation and administration of facilities currently operated by the County. CSA 1 provides services for sewer and drainage facilities located generally in Study Area #5 with a few facilities located within the District's existing boundary. The lighting district maintains the streetlights within the town area of Nipomo and Blacklake. The NSCD may be able to more efficiently operate these facilities than the County since the District is a more locally based agency. Also, the District is already contracting with the County to collect and treat wastewater from CSA 1. Appendix A contains a more detailed review regarding the dissolution of CSA 1 and the Lighting District. The District would take over the responsibility of providing these services to area residents. A preliminary financial review shows that revenues associated with these services (sewer, lighting, and drainage) are more than adequate to cover the expenditures required to operate and maintain these facilities.

The recently approved annexation policy provides the District with a significant opportunity to recoup costs associated with the development of a supplemental water supply that would serve new annexations. The policy has yet to be implemented since no annexation proposal has been submitted since approval of this policy by the District.

**Reserves**

The District set aside funds for the purpose of replacing water and sewer infrastructure in future. This policy enables the District to make capital improvement without raising rates or taking out a loan. The District set aside the following monies to maintain and upgrade the water and sewer systems:

**Table 3-34: Cash Reserves and Designations** <sup>1)</sup>

<b>Funding Source</b>	<b>Use</b>	<b>Amount</b>
Water Capacity Charges	Expansion of water system	\$2.5 million
Water Sales	Funded replacement	\$919,876
Sewer Capacity Charges	Expansion of sewer system	\$3.9 million
Sewer Sales	Funded replacement	\$1.5 million
Blacklake water sales	Funded replacement	\$517,921
Blacklake sewer sales	Funded replacement	\$77,049
<b>Totals</b>		<b>\$9.4 million</b>

1) NCS D Report and Financial Statements, June 2002, Carlos Reynoso, CPA

These funds are held in two accounts: 1) the San Luis Obispo County Treasury and are invested along with the funds from other districts, and 2) the State of California – Local Agency Investment Fund. Both of these pooled funds are carried at cost, which approximates market value. Any investment losses are proportionally distributed to all funds that are held in the pools. The District maintains most of their cash reserves in the Local Agency Investment Fund (LAIF-State of California).

The District has several long-term debts, including:

- In 1978 the District sold \$270,000 in Water Revenue Bonds payable over 40 years at a 5% interest rate. The balance as of June 30, 2002, was \$169,000.
- In 1998 the District agreed to a 0% interest loan with the State Water Resources Control Board to expand the Southland Wastewater Treatment Plant-Phase I. The loan is payable over 20 years and has a balance of \$592,762 as of June 30, 2002.
- In 1999 the District agreed to a 0% interest loan with the State Water Resources Control Board to expand the Southland Wastewater Treatment Plant-Phase II. The loan is payable over 20 years and has a balance of \$759,245 as of June 30, 2002.

- In 1994 the District issued Assessment District bonds in the amount of \$1.75 million for the Summit Station water system. These bonds are secured by the unpaid assessments on each parcel of land and do not obligate the District. The outstanding balance as of June 30, 2002, is about \$1 million.

The total long-term debt of the District is an estimated \$2.5 million with principal payments on the loans equaling \$84,000 in future years.

### **Written Determinations**

1. The District prepares a comprehensive and thorough annual budget that clearly identifies the revenues and expenditures for the services provided by the District.
2. The District does not pay for infrastructure needed to serve new development projects. It is reasonable to conclude that the District endeavors to avoid long-term District obligations for the capital improvement or maintenance of new development projects.
3. The District has in place financial policies that are codified in implementing resolutions.
4. The District has taken advantage of 0% loans from the State to fund major improvements to the sewer plant.
5. There are no apparent fiscal constraints limiting the ability of the District to serve existing and future residents.
6. The District may have an opportunity to expand their revenue base and provide services (adding expenditures) that are currently provided by the County Public Works Department in County Service Area 1.

#### 4. COST AVOIDANCE OPPORTUNITIES

**Purpose:** To identify practices or opportunities that may help eliminate unnecessary costs.

LAFCO should consider the relative financial and operational burden of new annexations to the community when it comes to its ability to provide public services, as well as capital maintenance and replacements required as a result of expanding the District limits.

The District's budget process is designed to screen out and avoid unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors. This base budget normally allows for the same levels of staffing, supplies, materials and services that were adopted the previous year. Any augmentations to the budget must include a funding source and rationale for granting the requested increase.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/Annexation areas. Generally, the District requires development projects to pay for their own infrastructure (water lines, sewer lines, fire protection and lighting) to serve their projects. For example, the Maria Vista development is paying for the construction of the water and sewer lines from the District's facilities to the site.

The District indicates that they currently have the available staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The staffing and services needed to serve future development will need to be assessed as the County approves development projects. To avoid unnecessary costs of new development the District will review development proposals as they are referred by the County. The District's early comments should assist the County in mitigating any impacts associated with a particular project. A reciprocal referral procedure for projects that affect the County and District should be established. This mechanism, if implemented by the County and the District, would enhance communication and help the District and the County to cooperate more closely on projects. Coordination on projects often leads to avoiding increased costs in the future.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/Annexation areas.

Services provided by the District and the County are well delineated. The County provides for roads and streets maintenance, Sheriff and Fire Response services, some drainage facilities and general government. The District provides, water, sewer, lighting, limited drainage, and solid waste services as well as lighting.

The District is also avoiding cost by automating a variety of functions within the District. The new Automatic Meter Reading (AMR) system enables staff to read meters from the street using a handheld wireless radio receiver/computer. This enables District staff to cover more ground in a shorter period of time saving an estimated ½ full time equivalent. The meter reader is then downloaded into the computer at the office and a bill is generated saving administrative staff time at the office as well.

The wells and tanks operated by the District are equipped with a 24 hour monitoring system that provides status information directly to the District office. This enables the tanks and wells to operate without the need of constant monitoring by District staff. The District is also planning to digitize the location of its water and sewer lines to create a computerized Geographic Information System (GIS) that accurately identifies the location of these assets.

The District is a member of the Special District Risk Management Authority (SDRMA) an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code sections 6500 et. seq. This allows the District to participate in purchasing a variety of insurance coverage's at lower rates than they might otherwise be able to find. The district is a party to SDRMA joint powers agreement that provides the standards and procedures for participation in the insurance programs.

**Written Determinations**

1. The District is member of the Special District Risk Management Authority and benefits from the insurance coverage's offered at a lower rate than they could purchase on their own.
2. The District has a thorough and well-established budget process that is used to screen out and avoid unnecessary costs.
3. A program of developer-obligated infrastructure improvements will provide for installation of physical infrastructure to serve development sites and therefore will not become an obligation of the District.
4. The District uses automation as much as possible to increase efficiently, reduce costs and allow staff to be more productive.
5. At present, the County provides basic general government (Tax Collector, Assessor, etc.) Roads and Streets and Sheriff and Fire Response services to the community Nipomo. The District provides water, sewer, and solid waste services, as well as, lighting. The district could take over the sewer and drainage services provided by the County Service Area #1 decreasing the duplication of service providers in the area. It could also take over the lighting functions of the Nipomo Lighting District.

## 5. OPPORTUNITIES FOR RATE RESTRUCTURING

**Purpose:** To identify opportunities to positively impact rates without decreasing service levels.

The District reviews rates and fees as part of the annual budget preparation cycle to maintain a consistent and updated revenue stream that ensures covering the costs of providing services. Fees are established on a regular basis to cover bonded indebtedness, ongoing costs were established by ordinance in 2003 based on a rate study performed by a Certified Public Accountant. The District last updated its fees in 2003. This update provides for rates and fees to be updated pursuant to a five year schedule adopted by the District in the ordinance. The rates and fees may be adjusted based on variables such as litigation and other unforeseen costs.

The rates for services are reviewed on an as needed basis. The rates for services within the District should not be increased for existing residents due to future development within the District boundaries. The District has full responsibility for any decision to review and establish rates and fees and conducts the appropriate public hearing prior to establishing the rates and fees.

The District recently adopted Annexation Policy requires new development to either provide a supplemental water sources or to pay a fee to the District for the development of a supplemental water source. This policy places the burden on the developer of a project to provide for supplemental water and alleviates this burden from the existing ratepayers.

### **Water and Wastewater Rate Study Update**

This update was prepared by Perry R. Louck, CPA in December 2002 and comprehensively studied the rates charged by the District. The study evaluated a variety of factors to determine the appropriate rates and fees, including:

- The level of cash reserves,
- Depreciation Recovery-setting aside funds for replacement of facilities,
- The provision of water to newly annexed properties, and
- The effect that on-going water litigation is having on the District's cash reserves.

The study completes an analysis of the operating costs and revenues from the rates paid. This determines the operating deficit or surplus. In this case the town division was found to have a deficit of \$202,897. The Blake Lake Division a deficit of \$10,381. The Town and Blacklake deficits were caused primarily by the costs of the water rights litigation that is on-going.

The Nipomo and Blacklake wastewater systems created deficits between the revenues and operating costs of 43,099 and 20,857 respectively.

The study states that the current rate structure does not provide for 100% cost recovery and that if current rates are not adjusted to reflect the true cost of service, the district will be forced to deplete operating reserves and obtain operating capital from outside sources or borrow from its capital and replacement reserves.

According to the rate study update the District adjusted their budget in Fiscal Year 2002-2003 to include 100% replacement funding of facilities. The District also addressed the cost of the water rights litigation in their budget as well by adding \$200,000 to cover these costs.

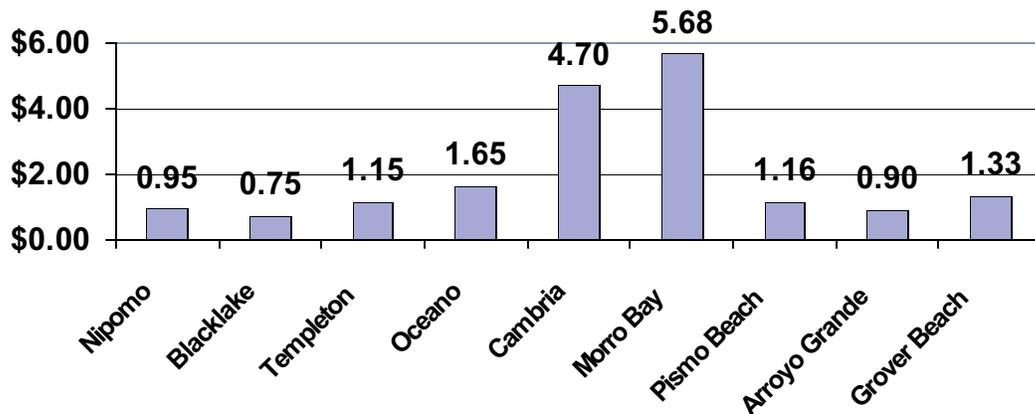
The following tables compare the water and sewer rates of the cities of Morro Bay, Pismo Beach, Arroyo Grande, Grover Beach, and the Districts of Nipomo, Oceano and Templeton. This information was gathered by the NCSD as part of a rate survey they performed in 2000 and are in the process of updating. One unit of water is equal to 100 cubic feet which totals 748 gallons.

**Table 3-35: Residential Water Rates Comparison**

Rate/Fee	Nipomo/ Blacklake	Templetn	Oceano	Cambria	Morro Bay	Pismo Beach	Arroyo Grande	Grover Beach
Monthly Service Meter Charge	8.75/ 6.50	10.50 (Inc. 3 HCF)	\$12.00 (Inc. 10 HCF)	9.25 (Inc. 6 HCF)	\$16.43 (Inc. 3 HCF)	\$19.00	\$3.90 18.55 (Lopez Treatment charge)	\$6.75
Water (Fee per 100 cubic feet or 1 CCF-748 gallons)	.95 (1-20 HCF)/ 1.42 (20+ hcf) <b>Blacklake</b> .75 (1-20 HCF) 1.15 (20+ HCF)	1.15 (4-20 HCF) 1.50 (21-40 HCF) 1.84 (41-80 HCF) 2.30 (80+ HCF)	1.65 (11-25 HCF) 2.20 (25+ HCF)	4.70 (7-15 HCF) 4.80 (16-20 HCF) 4.90 (21-30 HCF)	5.56 ( 4 HCF) 5.59 (5 HCF) 5.62 (6 HCF) 5.65 (7 HCF) 5.68 (8 HCF) continues to increase based on use	\$1.13 (0-15 HCF) \$1.43 (16+ HCF)	\$0.90	\$1.33

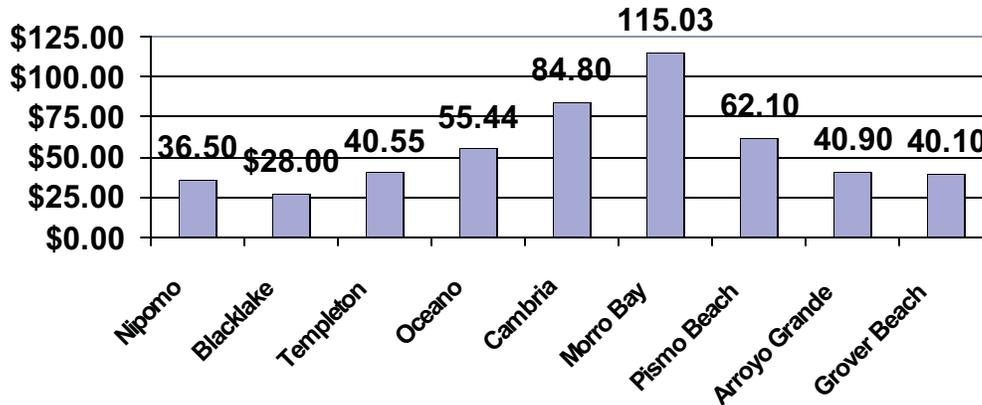
Jurisdictions that have a limited water supply such as Morro Bay and Cambria typically have a graduated rate structure that increases significantly with higher water use. This encourages conservation on the part of the water users and discourages wasteful practices. Templeton CSD has a more graduated rate structure than other CSD's in the County and Cambria CSD has the highest water rates of the Districts.

**Figure 3-28: Rates per 1 Unit of Water (Up to 20 Units-1 unit=100 ccf)**



To compare the various rates and fees, a sample bill using 20 units of water over a two month period was calculated. In this comparison the NCSD provides the lowest water rates of all of the jurisdictions. Templeton and Oceano have comparable bill amounts in this example using only 20 units of water.

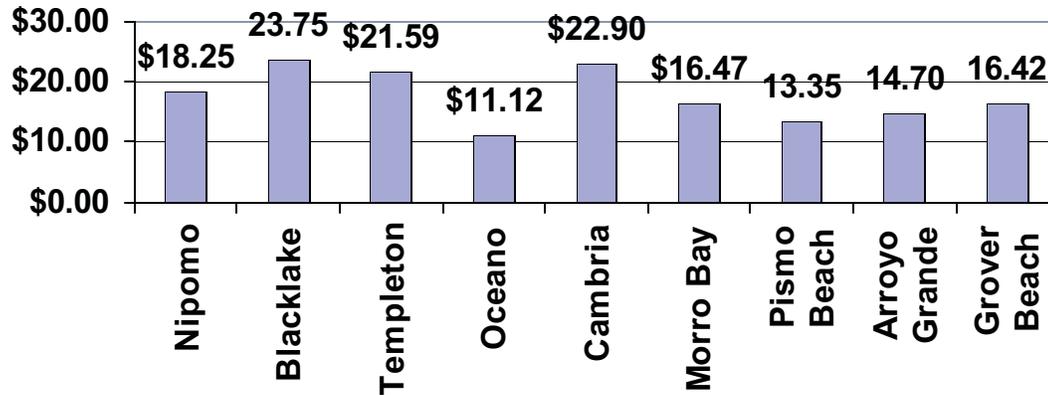
**Figure 3-29: Sample Bill for 20 Units of Water  
(1 unit=100 ccf)**



Sewer rates are compared in the table below:

**Table 3-36: Single-Family Sewer Rates**

Rate/Fee	Nipomo/ Blacklake	Templet.	Oceano	Cambr.	Morro Bay	Pismo Beach	Arroyo Grande	Grover Beach
Flat Monthly Rate	18.25/ 23.75	21.59	6.50	22.90	\$13.25	\$13.35	\$6.50	\$32.84

**Figure 3-30: Monthly Bill Comparison - Residential Sewer**

The District's Sewer Rates are comparable to other jurisdictions compared in the above chart.

The District's rates for water and sewer are among the lowest in the county, if not the lowest. The District has also completed a rate study in 2002 that indicated the amount of a rate increase that was necessary to replace and maintain the infrastructure facilities and pay for costs associated with the water rights litigation. These are constructive and proactive actions taken on the part of the District to ensure long-term stability.

The District is facing a water supply dilemma in the future with no clear supplemental water supply on the horizon for at least five years. The District's current rate structure discourages water conservation by providing a relatively inexpensive water supply to its residents. Other areas (Morro Bay, Cambria, Templeton, City of Santa Maria) that have limited water supply or have placed conservation as a priority have a more graduated rate structure in place that increases the cost of water significantly as more water is used by their customers. In order to better use existing water resources and encourage conservation, the District should evaluate the use of a more graduated rate structure. This type of rate schedule would be helpful in decreasing waste and increasing conservation. It would also provide revenue for developing the supplemental water source needed by the District.

**Written Determinations**

1. Rates and fees for services are established using the District's budget process and special rate studies performed by a Certified Public Accountant. Public hearings are conducted prior to establishing rates and fees by approving a resolution and ordinance.
2. The District's water rates are among the lowest in the County among water and sewer providers.
3. The District water rate structure is fairly "flat" providing only two rates for water. One rate is for water use up to 20 units (one hundred cubic foot-ccf) and another higher rate for water used in excess of 20 units.
4. A more graduated rate structure would provide more incentive for conservation and allow the District recoup cost for development of supplemental water sources.
5. The District requires that infrastructure needed to serve new development be funded by the proponents of the development. The costs of this new infrastructure are not borne by the District's existing residents.
6. The District Annexation Policy calls for a property that is going to be annexed into the District to provide a supplemental source of water or pay a per unit fee to the District for development of such a supply. This places the burden of developing a supplemental water supply on future development proposals.
7. The District has adequate cash reserves to fund replacement of equipment and facilities if an emergency calls for such a project.

## 6. OPPORTUNITIES FOR SHARED FACILITIES

**Purpose:** To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

In the case of developing areas in the District, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if both the District and County share them. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging the District and County to work cooperatively in such efforts.

The District is working on several projects that call for the close coordination between the District and other jurisdictions.

- The District is negotiating with the City of Santa Maria to purchase water from the City. The water would likely come via a pipeline constructed on the bridge on Highway 101 across the Santa Maria River.
- The District is working with the County Public Works Department to eventually take over the operation of the Lighting District and County Service Area 1, which provides lighting, sewer, and drainage services to residents.
- The District is working with Lucia Mar School District to wheel water from their well into the District's system.

The District actually shares the following facility with Cal Cities Water:

- The District has an emergency intertie with the Cal Cities water company that enables the District or Cal Cities Water Co. to share water in the case of an emergency.

Development in Nipomo can lead to shared infrastructure between the County and the District. At present, the distinction between District and County services in the area is clear.

The opportunities more coordination may include:

- Roadway connections (this is a county function, not District)
- Coordinated open space preservation and park maintenance
- District and County parks and recreational facilities
- Preservation and enhancement of Agricultural Lands

There are opportunities for shared relationships between agencies for services within the NCSD boundary. The County and the District provide similar services and try to avoid a duplication of effort. The relationship between the District and the County could be enhanced by improving the lines of communication. It appears that the various County Departments and District do not communicate on a regular basis and could benefit from building a stronger working relationship. A Memorandum of Agreement that frames the procedures for increasing communication and provides a policy framework for decision making regard new development policies is being prepared. If approved, this will be a step in the right direction for the District and County and would provide for a more formal coordination process.

### **Written Determinations**

1. The development of areas within the NCSD service boundary may lead to shared infrastructure with the County; i.e. roads and streets a County function, Sheriff services, parks and recreational facilities. The potential to create shared relationships for providing some services is suggested and may be appropriate when providing certain services.
2. At present, the distinction between District and County services is clear. The District provides water, sewer, lighting, limited drainage, some landscape and solid waste services. The County provides services regarding planning and development, roads and streets, law enforcement, and fire response.
3. The relationship between the District and the County could be improved by clarifying the lines of communications and working more closely with one another. A voluntary Memorandum of Understanding between the District and the County that outlines roles and responsibilities as well as opportunities for collaboration to enhance public services would help the jurisdictions to better serve the public.
4. The District and the County are working to transfer services (sewer, drainage and lighting district) and facilities currently in County Service Area 1 and the Nipomo Lighting District from the County to the District. This is a logical transfer of facilities and services and should be encouraged.

## 7. GOVERNMENT STRUCTURE OPTIONS

**Purpose: To identify the advantages and disadvantages of various government structures to provide public services.**

One of the elements of LAFCO's responsibilities is in determining the need for appropriate government structures to provide services to an area. For example, a County Service Area may initially be established to provide a service to an unincorporated area. This CSA may evolve into a more self-governing unit of government that provides several services such as a Community Services District. If the community continues to grow, incorporation may be considered and a new city may be created. The Nipomo area has been one of the fastest growing communities in the County. Some members of the community are seriously discussing the possibility of incorporation. The District hired a consultant to complete a preliminary financial analysis regarding the tax base needed to incorporate. The Preliminary Draft study, completed in October, indicated that incorporation may be financially feasible in a few years.

The District could take over the operations of County Service Area 1 and the Nipomo Lighting District from the County of San Luis Obispo Public Works Department. This would provide the residents of the District with services from the most accessible unit of local government and allow for improved service and increased customer satisfaction.

A draft Memorandum of Agreement (MOA) between the County and the District provides a framework for improving the development decisions made by both the County and the District. The MOA provides for increased interagency cooperation through early coordination on proposed projects. The District and the County agree to a project referral process and area. The parties also commit to working cooperatively "to efficiently and effectively provide for public services in the Nipomo Area". Approval of this agreement would enhance the relationship between the County and District.

The District is administratively and organizationally able to provide water, sewer, lighting, and solid waste services to residents in the SOI area. Currently, the area is served by the County. The District will provide a more focused level of service to the SOI areas. The County Board of Supervisors prioritizes services on a county-wide basis and must make difficult decisions about where, and to what services, a limited amount of financial resources are allocated.

The preparation of the MOA helped the District and the County to identify common community values and clarify the roles of each agency. This type of comprehensive planning approach will help the District and County to improve the level of services provided to the residents of Nipomo. An overall plan for development that is coordinated and jointly implemented in cooperation with the District holds the potential to improve the quality of life of both District and County residents.

### **Written Determinations**

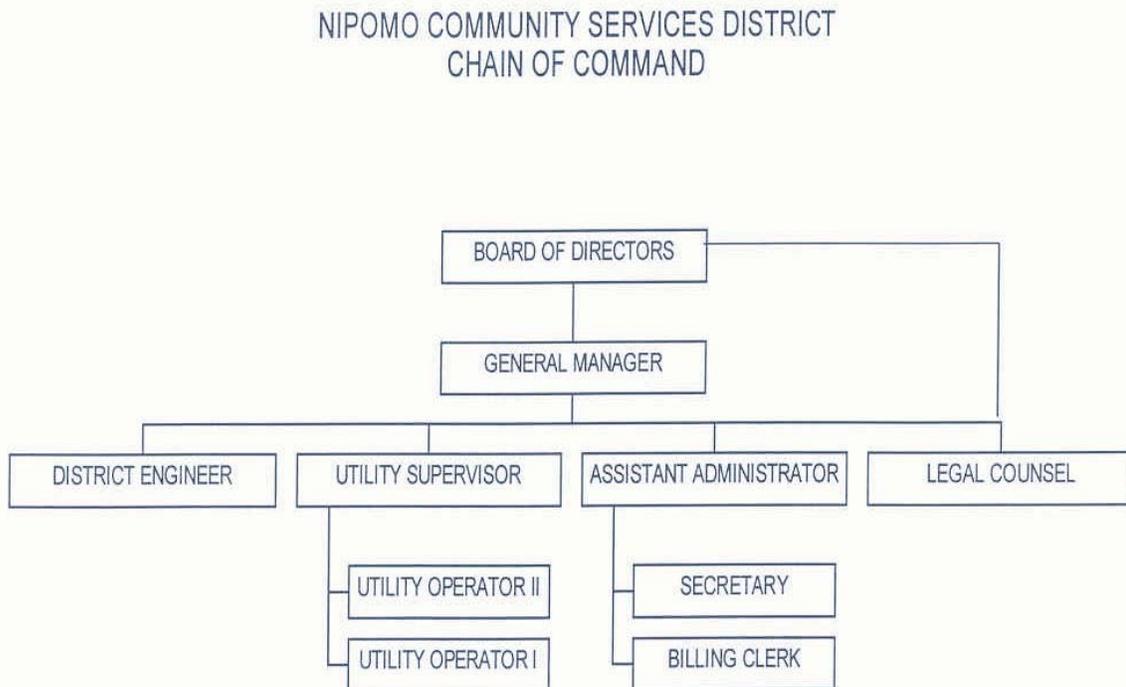
1. It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction and will be able to provide services to areas in its Sphere of Influence.
2. The District is focused on providing quality water, sewer, lighting, solid waste, and landscaping services to its customers.
3. The District and the County, with the help from LAFCO, are working to consolidate County Service Area 1 and the Nipomo Lighting District into the District's service area. This will reduce the number of agencies that provide services in the area enabling residents to contact just one service provider. It is recommended that this action be completed through a joint effort between the County and the District.
4. Incorporation may be a viable option for Nipomo at some time in the future. The ongoing study being completed by the District will help frame when the might be appropriate for this action.
5. Establishing assessment districts to provide specific services would be a change in structure that could lead to increased services for residents.

## 8. EVALUATION OF MANAGEMENT EFFICIENCIES

**Purpose:** To evaluate the quality of public services in comparison to cost.

The following section briefly discusses various operational and service aspects of the District. Much of the information was obtained from the District's budgets and discussions with their staff. Overall, the documentation reviewed shows that the District well run and organized in an efficient manner. The organizational chart shows the major divisions of the District as shown below:

**Figure 3-31: NCSD Organizational Chart**



The Budget includes a purpose statement for each service department or budget unit, a description of the activity or service, the personnel allocated to the tasks, and the programs being implemented by the budget unit. The NCSD has an adopted Mission Statement as well as broad goals that were re-affirmed in the 2002-03 budget.

The following questions were discussed with the General Manager of the OCSD

**1. Does the District have the administrative capacity to assume expanded responsibilities over the SO/Annexation areas without decreasing existing services?**

The District has the administrative resources and expertise to manage the area being proposed for addition to their Sphere of Influence. The District's General Manager is an experienced manager of public sector organizations and indicated that the NCSD is meeting the current needs of residents and has the capability to serve a wider area. The District continues to use technological upgrades to improve the productivity of workers.

**2. Does the District have a customer-oriented service philosophy?**

The District General Manager characterized the organization as very responsive in terms of customer relations. The District strives to work with each customer on a case-by-case basis in a manner that will resolve the problem or issue in an expeditious manner. The District has sent their staff to customer service training to enhance their ability to serve their customers.

**3. Does the District maintain capital improvement programs and enterprise fund management plans?**

Each year the District funds capital improvements that are most needed. The District has recently completed several plans that prioritize the project to be completed over the next several years. The district has done very thorough job of identifying replacement and maintenance projects. These are incorporated into these budget process in the non-operating budget.

**4. Does the District maintain sound accounting principles and best practice fiscal management programs?**

The District has passed all of the recent (last five years) annual audits with no issues or problems being identified by an outside, independent auditor.

**5. Does the District have a reasonably good record of safety, environmental and permit compliance?**

No record of environmental violations has been identified in our review. The District responds quickly to environmental problems that affect the community.

**6. *Has the District undergone unusually heavy litigation or governmental enforcement actions directed at its management functions?***

The District was sued as part of the Santa Maria Groundwater Basin lawsuit filed by the Santa Maria Valley Water Conservation District.

**Written Determinations**

1. The District appears to be a well-managed, efficient organization that serves their customers well; however, we have found it necessary to make continued requests for information and follow-up on meetings that sometimes makes communication and information gathering difficult.
2. The District has a small staff, four in the office and five in field, that is dedicated to serving their customers to the best of their abilities. They cover a large area and as annexations occur the District may have to evaluate the need for more staff.
3. Long-term affects of individual annexations and development will be analyzed when site-specific annexations are presented. An economic analysis should be used to evaluate effects on both the Districts and County.

## 9. LOCAL ACCOUNTABILITY AND GOVERNANCE

***Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.***

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI/Annexation areas. To address this, questions include:

***1. Does the District strive to involve the public in decision-making?***

The District involves the public in decision-making process by complying with the Brown Act open meeting law. The District's meeting agenda's are clearly posted at their office and other places in the community. A regular mailing list is maintained and interested parties are mailed a copy of the agenda. Meetings are run according to the Brown Act.

***2. Does the District facilitate local media coverage and public information programs?***

The District sends agendas to the local media newspapers, radio and television.

***3. Are elected and appointed District members accessible and attentive to its constituency?***

The elected officials are accessible and responsive to their constituency. Directors serve on committees that are relevant to the District.

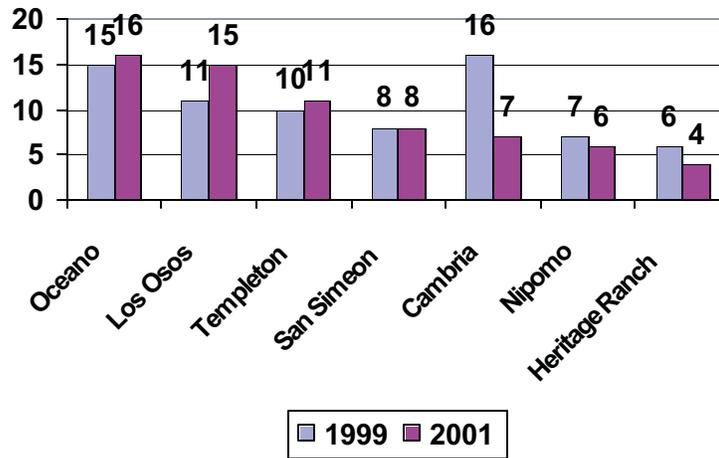
***4. Are annual budget and audit reports available to the public?***

Audits are completed on an annual basis as required by law and submitted to the District Board for consideration. The reports are available to the public upon request at the District Office.

### **Action for Healthy Communities Survey**

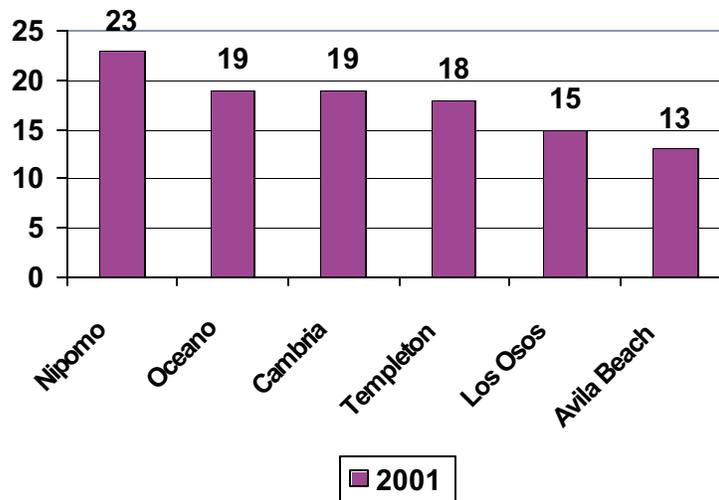
The Action for Healthy Communities prepares a comprehensive report that evaluates community indicators. A survey with regard to the different methods a District uses to provide information to its residents was completed. In 2001, The NCSD ranked fifth out of the seven Districts in the county surveyed, obtaining a score of 6 out of a maximum of 30 possible points. The chart below shows the results of the survey:

**Figure 3-32: Public Access and Information Methods**



A survey with regard to customer service is also prepared by the Action for Healthy Communities. This survey contacted each District three times and requested basic information from their utility (water and sewer) departments. The responses were rated in accordance with 20 criteria. A District could achieve a maximum score of 29 points. In 2001, the NCSD receive the highest score of all the Districts in the county with 23 points. The chart below shows the results:

**Figure 3-33: Customer Service Index**



**Written Determinations**

1. The District has historically made reasonable efforts to maintain a public dialogue regarding issues and projects of concern to the community. The District's outreach program includes providing information regarding current issues of significance to the community. In particular, the District has conducted workshops and public town hall meetings to solicit the broadest public input possible.
2. The District has maintained relationships with local news media, providing information and/or interviews as requested.
3. The Action for Healthy Communities survey shows that the District is rated fifth out of seven among other Community Service Districts in the County in public access and information methods.
4. The Action for Healthy Communities survey shows that the District is rated first among other Community Service Districts in the County in terms of Customer Service.

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