

TO: BOARD OF DIRECTORS
REVIEWED: RAY DIENZO, P.E. R.D.
GENERAL MANAGER
FROM: PETER V. SEVCIK, P.E.
DIRECTOR OF
ENGINEERING & OPERATIONS
DATE: MARCH 7, 2024

AGENDA ITEM
E-1
MARCH 13, 2024

CONSIDER UPDATED WATER SUPPLY ASSESSMENT FOR PROPOSED DANA RESERVE PROJECT

ITEM

Consider approving the updated Water Supply Assessment for the Dana Reserve Project [RECOMMEND BY MOTION AND ROLL CALL VOTE APPROVE UPDATED WATER SUPPLY ASSESSMENT].

BACKGROUND

The County of San Luis Obispo Department of Planning and Building ("County") has requested that the Nipomo Community Services District ("District") provide an updated Water Supply Assessment ("WSA") for the Dana Reserve Specific Plan project ("Project"). In an email to staff dated February 7, 2024, Planning Manager Airlin Singewald requested that the District review and approve an updated WSA to reflect the Planning Commission's recommended changes to the Project and certain questions raised by Golden State Water Company. The District is required to respond to this request from the County by Water Code Section 10910(c).

For context, the Board will recall that the District received an annexation application from NKT Nipomo Properties LLC ("Owner"), on June 24, 2020. The application included a WSA. The Owner requested the annexation of a 288-acre parcel in the District's sphere of influence ("SOI") into the District's service area. As with all annexations, the District needed to thoroughly evaluate the impacts the proposed project would have on the District's water and sewer enterprises.

At the July 8, 2020 Board meeting, the District entered into a deposit agreement with the Owner. The purpose of the deposit agreement was to secure funding from the Owner to finance the cost of engineering, legal, financial, and administrative reports that evaluate the impact on the District's water and sewer enterprises. These reports were required to provide the District's Board of Directors the information necessary for understanding the project's impact on the District infrastructure.

At the August 26, 2020 Board meeting, the District approved a contract with MKN & Associates to evaluate the engineering aspects of providing water and wastewater service for the Development. The proposal included the following main tasks:

- Evaluation of water supply, storage, and distribution facilities (offsite and onsite)
- Evaluation of wastewater collection facilities (offsite and onsite)
- Evaluation of Southland Wastewater Treatment Facility capacity

At the October 28, 2020 Board meeting, the District approved a contract with MKN & Associates for the preparation of the 2020 Urban Water Management Plan Update ("UWMP"). The California Urban Water Management Planning Act requires water suppliers that provide water to more than 3,000 customers develop an UWMP. The UWMP provides a framework that ensures adequate water supplies for existing and future demands. This includes reporting on water delivery and uses; water supply sources; efficient water uses; demand management measures; and water shortage contingency planning. The Dana Reserve Development was included in the analysis as an "annexation under review". The Board approved the 2020 UWMP update in December 2021.

Subsequently, in March 2022, MKN & Associates completed the "Dana Reserve Development Water and Wastewater Service Evaluation", which identified the water and wastewater infrastructure that would be required to be constructed for the District to provide service to the development. The evaluation was incorporated in the County's draft Environmental Impact Report for the development.

This updated WSA responds to the County's request for an updated WSA. Staff and counsel have reviewed and commented on the draft, and believe that the final document presented to your Board for consideration is accurate and meets the requirements of the Water Code.

The Owner's engineer prepared the updated WSA that has been reviewed by District staff. The updated WSA is consistent with the 2020 UWMP Update approved by the Board in December 2021, which shows that the project water demand is accounted for. The UWMP and this updated WSA conclude that the District, even under the most severe water supply conditions evaluated as required, has and will continue to have an adequate water supply to serve the Project through the end of the time horizon of these documents in 2045. The data from the UWMP is incorporated into this updated WSA as permitted by Water Code Section 10910. The updated WSA incorporates an additional water demand of 25 AFY to account for water demand from changes recommended by the Planning Commission. This additional demand does not change the conclusion. It should be noted that this is an informational document only, to inform the County's consideration of the Project, and the Board's approval of this document as required by the Water Code does not constitute Board approval of the annexation.

If the Board approves, staff will submit this updated WSA to the County of San Luis Obispo prior to their consideration of the Dana Reserve project approval scheduled for April 23-24. All of the required attachments to the WSA are available for review in the District office and on the District's website, and will be included in the submission to the County.

FISCAL IMPACT

The District's review of the updated Water Supply Assessment was funded by the deposit agreement with the Owner.

STRATEGIC PLAN

Goal 1. WATER SUPPLIES. Actively plan to provide reliable water supply of sufficient quality and quantity to serve both current customers and those in the long-term future.

- B.1 Seek to have the County implement sustainable water supply policies that match the level of development they approve, including all the features described in the Water Resources Policy Statement.
- B.2 Engage with other local and regional organizations to develop solutions to long-term water supply challenges such as providing emergency backup supplies, and ensuring long-term water supply reliability, etc.

RECOMMENDATION

Staff recommends that the Board, by motion and roll call vote, approve the updated Water Supply Assessment for the Dana Reserve Project.

ATTACHMENTS

- A. Dana Reserve Water Supply Assessment Dated March 6, 2024

MARCH 13, 2024

ITEM E-1

ATTACHMENT A

DANA RESERVE

WATER SUPPLY ASSESSMENT

Prepared by Richard G Sweet and RRM Design
Group

Date: 6-23-2020 (Revised 03-06-2024)

Prepared for N.K.T. Nipomo Properties L.L.C. for the
Nipomo Community
Services District

ENGINEER OF RECORD:



DATE:

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Appendix 2: Dana Reserve Land Use Plan

Appendix 3: Dana Reserve location relative to **NCSD** Service Area other local water suppliers

Appendix 4: Santa Maria Valley Water Conservation District vs City of Santa Maria et al; Stipulation (June 2005)

Appendix 5: Wholesale Water Supply Agreement between NCSD and City of Santa Maria (May 2013)

Appendix 6: Supplemental Water Management and Groundwater Replenishment Agreement (October 2015)

Appendix 7: NMMA 15th Annual Report for the Year 2022 Submitted April 2023

Appendix 8: 2020 NCSD Urban Water Management Plan

SUMMARY

If approved by the San Luis Obispo County Board of Supervisors, the proposed Dana Reserve Specific Plan 2024 ("the Dana Reserve Project" or the "Project") would authorize the development of 288 acres that will consist of 1,370 workforce, affordable, or single-family dwelling units, approximately 152 accessory dwelling units (ADUs), 100 of which would be constructed concurrent with the initial construction of the Project's single family dwelling units, community commercial space, open space, and parks.¹ The property is located in the unincorporated area of San Luis Obispo County ("County") southwest of the Willow/US 101 Interchange and within the existing sphere of influence (SOI) of the Nipomo Community Services District (NCSD). See Appendix 1. The project is proposed to be annexed into the NCSD for water and wastewater services.

The purpose of this Water Supply Assessment (WSA), which has been prepared at the County's request, is to address the requirements of Senate Bill (SB) 610, as amended in 2018 (Wat. Code, § 10910 et seq.), as they apply to the Dana Reserve Project. SB 610 generally requires that a "public water system" that may be called upon to serve a proposed "project" (as defined in Water Code section 10912) determine whether the public water system will be able to provide water for such a project using "existing water supply entitlements, water rights, or water service contracts" during "normal, single dry, and multiple dry water years." The WSA must consider a 20-year planning period, considering "the public water system's existing and planned future uses, including agricultural and manufacturing uses." (Wat. Code, § 10910(c)(3).) Where the answer to this inquiry is negative, the public water system must set forth its plans for acquiring the "additional water supplies needed" to serve the project. (Wat. Code, § 10911(a).) If the projected water demand associated with the proposed project was accounted for in the public water system's most recently adopted urban water management plan, the public water system may incorporate the requested information from that urban water management plan (UWMP). (Wat. Code, § 10910(c)(2)).

This WSA, as requested by the County, is an updated version of an earlier WSA for the Project. The County requested this updated WSA for two reasons. First, the potential water demand for the Dana Reserve Project has increased (though modestly) following the San Luis Obispo County Planning Commission's October 24, 2023, recommendation to the Board of Supervisors that the Project include additional multi-family affordable units, the addition of a sheriff's sub-station and a fire station, inclusion of accessory dwelling units (ADUs), changes to park uses and a small reduction in commercial uses that were not included in the original Project proposal. The update in Project uses and the related change in water demands are detailed in Table 8.1.A. And second, the Planning Commission had received correspondence from the Golden State Water Company (Golden State) raising issues about the earlier WSA. This updated WSA addresses both the increased Project water demand and issues raised by Golden State.

Because the future annexation of the Project site was anticipated at the time NCSD adopted its most recent Urban Water Management Plan (UWMP), the anticipated water demand for the Project was included in that UWMP. Specifically, the UWMP shows the Project site as an "annexation under review" and accounted for the water demand that would arise if the site were annexed and developed. Thus, consistent with the provisions of Water Code section 10910(c)(2), the UWMP is referenced in this WSA to address items regarding water supply, water reliability, and water entitlements.

As explained below, NCSD will be able to serve the Project with existing supplies during normal, single dry, and multiple dry water years over a 20-year planning period, taking into account existing and planned future uses in NCSD's service area, including agricultural and manufacturing uses. **Thus, there is no need for NCSD to identify any additional water supplies to serve the Project.** The annual water demand for the Dana Reserve Project, is 377 AF. The water demand for the Project is detailed in Table 8.1.

¹ A copy of the 2024 Specific Plan Site Plan is included as Appendix 2 to this document.

This amount of water is available from existing water supplies, as explained below.

The NCSD's UWMP states that, in the fifth dry year of five successive dry years, in the year 2045, the total available **water supply will be 4,013 AF**. This water supply consists of 1,013 AF of groundwater from the Nipomo Mesa Management Area (NMMA) portion of the adjudicated Santa Maria River Valley Groundwater Basin and 3,000 AF of imported water from the Nipomo Supplemental Water Project (NSWP), which includes both surface water from the State Water Project (originating in the Feather River) and groundwater from the Santa Maria Valley Management Area (SMVMA) portion of the Santa Maria River Valley Groundwater Basin. The NSWP was a required element of the Santa Maria Groundwater Adjudication, Stipulated Agreement ("Stipulation"), and is further defined within the Wholesale Water Supply Agreement and the Supplemental Water Management and Groundwater Replenishment Agreement (see Appendices 4 and 5). NCSD's annexation policy requires that annexed properties shall be served entirely by imported water. The NSWP imports water from the City of Santa Maria to the NMMA. The City of Santa Maria UWMP substantiates that, in the fifth year of five successive dry years, in 2045, there will be more than an ample water supply to provide the 3,000 AF of imported water to the NSWP. The primary physical features of the NSWP are already in place, and the NSWP is presently delivering over 1,000 AFY. The remaining items to be constructed to deliver the 3,000 AFY are scheduled to be completed by the NCSD by 2025.

The water demand in 2045 for the NCSD, as illustrated in the UWMP, **is 3,573 AF**. The water demand consists of the water required to serve the Dana Reserve Project (as originally proposed), water needed to serve all properties within the NCSD boundary, the water required to serve all possible ADUs, and water transferred to Golden State Water Company and Woodlands Mutual Water Company, pursuant to the terms of the Supplemental Water Management and Groundwater Replenishment Agreement.

The UWMP thus shows that, in the fifth dry year of five successive dry years, in 2045, NCSD's water supply will exceed water demand by 440 AF (4,013 minus 3,573).

The projected water demand includes:

- The complete build out of all parcels within the present NCSD boundary
- The construction of every accessory dwelling unit (ADU) that could possibly be built within the current NCSD boundary (a conservative and unlikely scenario)
- The full development of the Dana Reserve Project as initially proposed (352 AFY).

The proposed Dana Reserve Specific Plan (DRSP) ultimately could assist NCSD in reducing its net effect on groundwater pumping in the NMMA by increasing the water available to recharge the basin. This is because, in effect, the Project will convert imported water from the City of Santa Maria into treated wastewater available to recharge the NMMA directly through percolation.

Per the terms of the Stipulated Agreement, the NMMA Technical Group (TG) must prepare and file with the court an annual report that, in summary, must describe the results of the monitoring program changes in groundwater supplies, identify threats to groundwater supplies, and tabulate water use in the NMMA.

The technical recommendation within the annual report prioritizes the following recommendation as the highest priority recommendation:

"1. Supplemental Water Supplies – Reducing pumping is the most effective method to reduce stress on the aquifers and to allow groundwater to recover; continued operation of the NSWP is another viable method to achieve these goals. The TG recommends that this project continue to be implemented consistent with the Judgment and Stipulation."

The NCSD and its customers have significantly reduced the need for groundwater pumping in the NMMA since 2009; importing the maximum amount of water available from the NWSP is consistent with this recommendation.

Even when considering the reduction of NCSD groundwater usage within the NMMA from the 1,013 AFY available to NCSD in the most severe groundwater basin condition as indicated in the UWMP, there would continue to be sufficient water to serve the demands of the Project, including:

- additional multi-family affordable units,
- the addition of a sheriff's sub-station,
- the addition of a fire station,
- the addition of accessory dwelling units (ADUs),
- changes to park uses, and
- a small reduction in commercial uses that were not included in the original Project proposal.

The total project water demand, as detailed in Table 8.1, is 377 AFY. This is 25 AFY greater than the water demand of the original project of 352 AFY, as identified in the UWMP. The difference in uses and water demand are detailed in Table 8.1.A. The original water demand of 352 AFY shown in the UWMP illustrates that under the most severe conditions there would remain 440 AFY of surplus water. Including the additional water demand of 25 AFY for the present Project to the water demand of the original project (352 AFY+ 25 AFY = 377 AFY) shows that a total surplus of 415 AFY (440 AFY – 25 AFY = 415 AFY) will exist.

The wastewater from the Project will be processed at the NCSD's Southland WWTF. The total amount of wastewater available for use to the NCSD after the contribution of the wastewater from the Project will be approximately 729 AFY. NCSD will utilize all processed wastewater to recharge the groundwater basin (return flows).

1. INTRODUCTION

This WSA was prepared for the proposed DRSP pursuant to the requirements of Water Code section 10910 et seq. (also known as S.B. 610) (Stats. 2001, Ch. 643). The NCSD is the local water purveyor and is the proposed water supplier. This WSA analyzes the NCSD's ability to serve the Project.

1.1 Background

Water Code section 10910 requires that a city or county faced with consideration of a "project" as defined in Water Code section 10912 that is subject to the California Environmental Quality Act (CEQA) identify any public water system that may supply water for the project and to request that public water system prepare a specified water supply assessment. The assessment must ultimately determine whether the public water system's water supplies will be sufficient to satisfy the demands of the project, in addition to existing and planned future uses.

As part of this analysis, the assessment is required to include an identification of existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project and water received in prior years pursuant to those entitlements, rights, and contracts. The assessment must be approved by the governing body of the public water system supplying water to the project. If the projected water demand associated with the project was included as part of the most recently adopted urban water management plan, the public water system may incorporate the requested information from the UWMP in the water supply assessment. In this instance, the Project's water demand is included in the NCSD 2020 UWMP. The Project property is within the NCSD UWMP area and within the SOI as determined by the San Luis Obispo Local Agency Formation Commission (LAFCo).

If the public water system concludes that existing water supply entitlements, water rights, or water service contracts are, or will be, insufficient, plans for acquiring additional water supplies are required to be submitted to the city or county. The city or county must include the water supply assessment in any environmental document prepared for the project pursuant to the act.

As defined under Section 10912 of the Water Code, a "project" includes the following:

- a. A proposed residential development of more than 500 dwelling units
- b. A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space
- c. A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space
- d. A proposed hotel or motel, or both, having more than 500 rooms
- e. A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area
- f. A mixed-use project that includes one or more of the projects specified in this subdivision
- g. A project that would demand an amount of water equivalent to, or greater than the amount of water required by a 500-dwelling unit project

The Project is a master-planned neighborhood development comprised of a mix of uses and meets the definition of a "project" under Section 10912(a) of the Water Code.

2. PROJECT LOCATION AND DESCRIPTION

The proposed DSRP is in the southern portion of San Luis Obispo County, California. This property is located immediately north of the Urban Reserve Line of the NCSD, and within the District's LAFCo-approved SOI. The Project is proposed to be annexed into the NCSD's jurisdictional boundaries. The Project site is bounded by Willow Road and Cherokee Place to the north, existing residential ranchettes to the south and west, and U.S. Highway 101 to the east. The property is less than a mile north of Tefft Street, a primary commercial corridor servicing the community, and just south of the new Willow Road interchange. Nipomo Regional Park is within 1,500 feet of the property's southwest corner.

The Project encompasses three parcels totaling approximately 288+/- acres and is currently undeveloped. The Project site includes the +/- 275-acre western portion of the property, formerly referred to as Cañada Ranch, as well as two additional +/- 6.5-acre properties to the north that will provide access to Willow Road.

The development areas are listed in Table 2-1.

TABLE 2.1
Dana Reserve Land Use

HOUSING DEVELOPMENT NEIGHBORHOOD TOTALS ON GROSS SITE

LAND USE TOTALS

| NBD | PRODUCT TYPE | LAND USE | LAND USE ACRES | % OF GROSS SITE | UNIT COUNT |
|---------------------|----------------------------------|----------|----------------|-----------------|--------------|
| 1 | MULTI-FAMILY | DR-MF | 8.7 | 3.0% | 173 |
| 2 | MULTI-FAMILY | DR-MF | 10.5 | 3.6% | 210 |
| 3 | CLUSTER | DR-SF2 | 15.3 | 5.3% | 124 |
| 4 | 4,000,5000 SF LOT | DR-SF1 | 11.4 | 4.0% | 72 |
| 5 | 4,000-5,000 SF LOT | DR-SF1 | 17.2 | 6.0% | 104 |
| 6 | 4,000-5,000 SF LOT | DR-SF1 | 18.6 | 6.5% | 114 |
| 7 | 4,500-8,700 SF LDT | DR-SF1 | 28.9 | 10.0% | 157 |
| 8 | 5,000-8,600 SF LDT | DR-SF1 | 16.8 | 5.8% | 62 |
| 9 | 4,500 SF - 10,000 SF LOT | DR-SF1 | 37.9 | 13.2% | 198 |
| SUBTOTAL | | | 165.3 | 57.4% | 1,214 |
| IDA | AFFORDABLE | DR-MF | 3.5 | 1.2% | 84 MIN |
| IDB | AFFORDABLE | DR-MF | 3.0 | 1.1% | 72 MIN |
| ATTENDABLE SUBTOTAL | AFFORDABLE | DR-MF | 6.5 | 2.3% | 156 MIN |
| N/A | INTERNAL NEIGHBORHOOD ROADS | - | - | - | - |
| N/A | POCKET PARKS (PARK) ¹ | - | - | - | - |
| N/A | RECREATION | DR-REC | 8 | 2.8% | - |
| N/A | PRIMARY ROADS | - | 22 | 7.6% | - |
| N/A | PARK AND RIDE ² | - | - | - | - |
| N/A | RESIDENTIAL RURAL ³ | RR | 10 | 3.5% | - |
| TOTAL: | | | 211.8 | 73.6% | 1,370 |

Potential ADUs (100 of which are to be constructed concurrent with initial construction of Project's single family homes) 152
Total Unit Count (including potential ADUs) : 1,522

COMMERCIAL TOTALS ON GROSS SITE

LAND USE TOTALS

| | LAND USE | LAND USE ACRES | % OF GROSS SITE |
|--------------------|----------|----------------|-----------------|
| FLEX COMMERCIAL | DR-FC | 17.9 | 6.2% |
| VILLAGE COMMERCIAL | DR-VC | 4.4 | 1.5% |
| TOTAL: | | 22.3 | 7.7% |

OPEN SPACE ON GROSS SITE

LAND USE TOTALS

| | LAND USE | LAND USE ACRES | % OF GROSS SITE |
|---------------|----------|----------------|-----------------|
| OPEN SPACE | DR-OS | 53.9 | 18.7% |
| TOTAL: | | 53.9 | 18.7% |

3. URBAN WATER MANAGEMENT PLAN APPLICABILITY

Water Code Section 10910(c)(1) requires a determination of whether the water demand of a proposed project, as defined, was accounted for in the applicable public water system's most recently adopted UWMP. The NCSD Board of Directors adopted its most recent UWMP on December 8, 2021. It provides a description of NCSD's service area (including NCSD's sphere of influence), demographics, multi-source water supply, treatment, and conveyance/distribution facilities. The UWMP also includes historical and future water demand to serve the build-out of NCSD service areas and is generally consistent with the Future service areas / General plan build-out, which

includes the Project. (See Appendix 1, which shows the Project is within the NCSD LAFCo approved SOI.) The UWMP identifies the project area known as "Dana Reserve" as "Annexations Under Review" and accounts for service to the Dana Reserve within Table 4-2 entitled, "Retail: Demands for Potable and Raw Water-Projected." Water service to the Dana Reserve is included in the evaluation of all water supply scenarios included within the UWMP.

The NCSD 2020 UWMP includes policies related to present water demand and overall projected water demand through 2045. The UWMP also addresses water conservation, water resource availability, multi-source water supply, and recycled water.

The City of Santa Maria 2020 UWMP is referenced in section 5.2.1. of this report to illustrate the substantial water resources available to the City of Santa Maria to fulfill the terms of the Wholesale Water Supply Agreement (Appendix 5) in support of the Nipomo Supplemental Water Project (NWSP).

4. WATER SUPPLY

Water Code Section 10910(b) requires the identification of the public water system that may serve the Project. The NCSD, formed in 1965, provides sewer, water, solid waste, and some street lighting, drainage, and landscape maintenance services and is the proposed water supplier for the Project.

4.1 Nipomo Supplemental Water Project

Before July 2015, groundwater was the sole source of water supply to the Nipomo Mesa. In 1997, legal action was filed by the Santa Maria Valley Water Conservation District against the City of Santa Maria for adjudication of the groundwater basin. In this lengthy litigation, hundreds of property owners and numerous water purveyors in both San Luis Obispo and Santa Barbara Counties were also named. During the process to resolve the litigation, a Stipulation (Appendix 4) was entered into by all of the water purveyors, numerous property owners, and both San Luis Obispo and Santa Barbara Counties and approved by the court. The Stipulation defines the purpose and objective of the Stipulation as follows: "The terms and conditions of this Stipulation are intended to impose a physical solution establishing a legal and practical means for ensuring the Basin's long-term sustainability. This physical solution governs Groundwater, SWP [Supplemental Water Project] Water and Storage Space and is intended to ensure that the Basin continues to be capable of supporting all existing and future reasonable beneficial uses."

The Stipulation defines three management areas within the basin that have sufficient distinguishing characteristics to permit the water resources and facilities of each area to be individually managed. The management areas are the Northern Cities Management Area, the Nipomo Mesa Management Area, and the Santa Maria Valley Management Area." Exhibit "C" of the Stipulation defines the boundaries of the three management areas. In general, the Northern Cities Management Area (NCMA) is the northern portion of the basin. It encompasses the area north of Nipomo Mesa and contains the Cities of Grover Beach, Arroyo Grande, and portions of Pismo Beach. The Oceano urban area is also within the NCMA. The Santa Maria Valley Management Area (SMVMA) lays over a majority of the Santa Maria Valley and incorporates the entire cities of Santa Maria and Guadalupe. It also overlays the entire Orcutt Urban Area. The Nipomo Mesa Management Area (NMMA) encompasses the Nipomo Mesa and is north of the SMVMA and south of the NCMA. The Project would be located within the area defined as the NMMA.

The physical solution for each of the three management areas requires that each management area establish a monitoring program that specifies that each management area collects and analyzes data regarding water supply and demand conditions. Also, "[w]ithin one hundred and twenty days after each year, each management area must file an annual report with the Court." The annual report will summarize the results of the management program, changes in groundwater supplies and any threats to groundwater supplies. The annual report shall also include a tabulation

of management area water use, including imported water availability and use, return flow entitlement and use, other developed water availability and use, and groundwater use." The NMMA Annual Report for 2022 is Appendix 7.

A provision of the physical solution specific to the NMMA defines the import of water from the City of Santa Maria to the NMMA. The stipulation states that, "The NCSD agrees to purchase and transmit to the NMMA a minimum of 2,500 acre-feet of Nipomo Supplemental Water each year. However, the NMMA Technical Group may require the NCSD in any given year to purchase and transmit to the NMMA an amount in excess of 2,500 acre-feet and up to a maximum amount of supplemental water which the NCSD is entitled to receive under the MOU if the Technical Group concludes that such an amount is necessary to protect or sustain the groundwater supplies in the NMMA."

Facilitation of the import of Nipomo Supplemental Water resulted in the execution of the Wholesale Water Supply Agreement 2013, between the City of Santa Maria and the NCSD, and the execution of the Supplemental Water Management and Groundwater Replenishment Agreement (October 2016) between the NCSD and the other water purveyors in the NMMA (Golden State Water Company (GSWC), Rural Water Company (now GSWC) and Woodlands Mutual Water Company (WMWC)).

The Wholesale Water Supply Agreement, 2013 states, "This Agreement shall supersede the terms of the MOU and Original Agreement." The Wholesale Water Supply Agreement thus replaced and superseded the MOU cited in the Stipulation. The Wholesale Water Supply Agreement provides for a minimum delivery schedule that increases from 645 AFY in the initial year to 2,500 AFY in the 11th year and through the term of the agreement. The initial delivery occurred in 2015. The term of the agreement is 85 years from the initial delivery of Nipomo Supplemental Water. The Wholesale Water Supply Agreement also provides for an additional delivery of 3,200 AFY above the minimum delivery. The agreement requires the City of Santa Maria to "hold on reserve sufficient supplemental water each year, including an equivalent amount of capacity in the City's water distribution system, for the City to fulfill its obligation to deliver the minimum quantity to the NCSD under this Agreement." The Wholesale Water Supply Agreement also addresses pricing, points of connection, and operational issues.

The Supplemental Water Management and Groundwater Replenishment Agreement (October 2015) is an agreement between the NCSD and the "Water Companies" on the Nipomo Mesa. The Water Companies are identified as Golden State Water Company (GSWC), Rural Water Company (RWC), and Woodlands Mutual Water Company (WMWC). Subsequently GSWC acquired the assets of RWC. The purpose of the Supplemental Water Management and Groundwater Replenishment Agreement is stated as follows:

PURPOSE:

- A. The purpose of this Agreement is to enable the Parties to meet their respective obligations under the Judgment, based on the percentage allocations presented in Section I.K, regarding the NSWP. In particular, the Parties intend this Agreement to provide for: (1) payment to NCSD for each Party's allocation of Costs, and (2) distribution and use of Nipomo Supplemental Water.
- B. The underlying premise of the NSWP is to use Nipomo Supplemental Water within the **NMMA** to offset 2,500 AFY of groundwater pumping in those areas within the **NMMA** where groundwater levels are most depressed and thus augment the replenishment of groundwater in those critical areas within the NMMA. As described herein, the Parties will use the Nipomo Supplemental Water to increase groundwater replenishment within the NMMA and improve the long-term reliability and integrity of groundwater availability within the NMMA. The Nipomo Supplemental Water delivered to the Parties pursuant

to this Agreement shall be used exclusively for the benefit of properties within the existing jurisdictions and service areas of the Parties and in accordance with the Judgment and Stipulation.

The Supplemental Water Management and Groundwater Replenishment Agreement provides that, "the Parties shall purchase the following portions of the Nipomo Supplemental Water each year to offset groundwater pumping within the NMMA."

| Entity | Percent Allocation | AFY (2,500 AF NSWP Yield) |
|---------------|---------------------------|--------------------------------------|
| NCSD | 66.68 | 1667.00 |
| GSWC | 8.33 | 208.25 |
| RWC | 8.33 | 208.25 |
| WMWC | 16.66 | 416.50 |
| Total | 100.00 | 2500.00 |

The Supplemental Water Management and Groundwater Replenishment Agreement further acknowledges the initial delivery of supplemental water in 2015, and that upon completion of the sale of RWC to GSWC, GSWC will assume the entirety of RWC's benefits and obligations under this agreement. It further recognizes that the NCSD has designed the NSWP to deliver 3,000 AFY and all costs associated with the capacity in excess of 2,500 AFY are solely assigned to the NCSD.

To provide for the physical delivery of NSW, the NCSD engaged in a large construction project that included:

- Installation of a 24-inch diameter pipe which interconnected with the City of Santa Maria Water Distribution system and traverses under the Santa Maria River
- A flow meter and flow control station
- A pump station with a water storage tank
- A chloramination system and related power, back-up power
- Controls and instrumentation systems
- A pressure reducing station
- A chloramination systems at five (5) existing NCSD production wells

In July 2015, the initial water was delivered to the NCSD.

The Table below identifies the amount of water that the NCSD and each Water Company will receive, consistent with the Supplemental Water Management and Groundwater Replenishment Agreement within a delivery of 3,000 AFY from the NSWP. As noted within the Supplemental Water Management and Groundwater Replenishment Agreement, NCSD has designed the NSWP to deliver 3,000 AFY and all costs associated with the capacity in excess of 2,500 AFY are solely assigned to the NCSD.

TABLE 4.1.1
Nipomo Supplemental Water Project
Total Water Available Per Purveyor (2025-2026)

| Purveyor | Contracted Delivery (A.F.Y.) | Additional Capacity (A.F.Y.) | Total (A.F.Y.) |
|--------------|------------------------------|------------------------------|----------------|
| NCSD | 1,667 | 500 | 2,167 |
| GSWC | 208.25 | | 208.25 |
| RWC (GSWC) | 208.25 | | 208.25 |
| WMWC | 416.5 | | 416.5 |
| Total | 2,500 | 500 | 3,000 |

Note: This WSA only evaluates supply and demand for the NCSD and does not evaluate supply and demand for other water purveyors within the NMMA.

4.2 Recycled Water Supply

Currently NCSD operates two wastewater treatment facilities (WWTF) within the water service area. Southland WWTF collects and treats wastewater from much of the Nipomo Community Services District and discharges treated effluent back into the Santa Maria Groundwater Basin via percolation ponds. The percolation rates into the groundwater from these ponds are discussed in section 4.3 below.

The Blacklake WWTF is planned to be decommissioned in 2025. Once this plant is decommissioned, sewer from the Blacklake Sewer Service Area will be pumped to the Southland WWTF for treatment and disposal. Currently, the Blacklake WWTF treats wastewater through secondary treatment methods and discharges wastewater to the water hazards at Blacklake Golf Course. Water is extracted from the water hazards as necessary to irrigate the rough areas of three holes of the golf course adjacent to the WWTF. Blacklake WWTF operates under reclamation orders from Regional Water Quality Control Board. NCSD does not provide recycled water to any other users.

4.3 Return Flows

Wastewater recharged into the underlying groundwater basin is referred to as "return flows." The NMMA 15th Annual Report identifies present Wastewater Discharge and Reuse quantities in the NMMA. The annual report identifies 2022 wastewater flows to the Southland WWTF and Blacklake WWTF at 593 AFY. Due to the anticipated decommissioning of the Blacklake WWTF as noted above, flows from both plants are included in these flow calculations. Accounting for losses due to solids removal and evaporation from the settling ponds, the amount identified for infiltration back into the groundwater basin was 516 AFY. The 516 AFY represents a thirteen percent (13%) loss from the original influent value of 593 AFY. Wastewater flows from the Project will be conveyed to the Southland WWTF and consist of the following projected quantities:

TABLE 4.3.1
Wastewater Flows From the Dana Reserve

| | |
|--------------|--------------------------------------|
| Residential | 208 AFY |
| Commercial | 36.4 A.F.Y. |
| Park | 5.5 A.F.Y. (not added to waste flow) |
| Total | 244.40 AFY |

Adding the 244.40+/- AFY flow from the Project to the existing flow to the Southland WWTF and Blacklake WWTF results in projected total inflow to the Southland WWTF of 837.40 AFY.

Reducing this total inflow number by thirteen percent (13%) in losses results in **projecting total inflow to the basin (return flows) for a recharge of approximately 729 AFY. This is a way to maximize the recharge of the basin to offset groundwater use.**

**TABLE 4.3.2
Summary of Return Flows
Sources and Losses**

| Wastewater Source | Wastewater Quantity | Return Flow Available (13% loss) |
|--|---------------------|----------------------------------|
| Dana Reserve | 244.40 AFY | 213 AFY |
| Combined Southland and Blacklake W.W.T.F | 593.0 AFY | 516 AFY |
| Total | 837.4 AFY | 729 AFY |

4.4 Water Use Reduction

As required in the Stipulated Agreement, NCSD has dramatically reduced overall water demand and significantly reduced its reliance on groundwater through the importation of NSWP water. The Stage IV water severity condition that the NMMA is presently in sets a goal that groundwater deliveries be reduced by fifty percent from average production in 2009 through 2013. For NCSD, the average for the five-year period is 2,533.4 AFY, so NCSD has targeted its groundwater pumping to not exceed 1,266.7 AFY. Since 2016 the NCSD has pumped less than 1,266.7 AFY.

The water production summary table, Table 4.4.1, shows that from 2000 to 2022, the NCSD reduced its pumping demand on the groundwater basin from a high of **3,033 AFY in 2003 to a low of 748 AFY in 2022**, a seventy-five percent (75%) reduction in groundwater production. The 748 AFY of groundwater production is significantly lower than the requested 1,266.7 AFY production level requested under the Stage IV water severity condition. The water production summary table illustrates the reduction in groundwater production since 2000. The Table also shows both the amount of NSWP water delivered and total water utilized by NCSD. Values are derived from the 2005 Updated UWMP, the 2010 UWMP or, when available (from 2008 forward), the NMMA Annual Reports.

TABLE 4.4.1
Nipomo Community Services District
Water Production Summary

| Year | Groundwater (AFY) | NSWP (AFY) | Total (AFY) |
|-------------|------------------------------|-----------------------|------------------------|
| 2000 | 2,414 | 0 | 2,414 |
| 2001 | 2,285 | 0 | 2,285 |
| 2002 | 2,710 | 0 | 2,710 |
| 2003 | 3,033 | 0 | 3,033 |
| 2004 | 2,908 | 0 | 2,908 |
| 2005 | 2,794 | 0 | 2,794 |
| 2006 | 2,727 | 0 | 2,727 |
| 2007 | 2,839 | 0 | 2,839 |
| 2008 | 2,700 | 0 | 2,700 |
| 2009 | 2,560 | 0 | 2,560 |
| 2010 | 2,370 | 0 | 2,370 |
| 2011 | 2,488 | 0 | 2,488 |
| 2012 | 2,572 | 0 | 2,572 |
| 2013 | 2,646 | 0 | 2,646 |
| 2014 | 2,224 | 0 | 2,244 |
| 2015 | 1,626 | 321 | 1,947 |
| 2016 | 1,078 | 759 | 1,837 |
| 2017 | 999 | 941 | 1,940 |
| 2018 | 1,003 | 959 | 1,962 |
| 2019 | 901 | 967 | 1,868 |
| 2020 | 1,008 | 1,041 | 2,049 |
| 2021 | 935 | 1,064 | 1,999 |
| 2022 | 748 | 1,141 | 1,889 |

This Table clearly illustrates that groundwater pumping over this period has declined from a high of 3,033 AFY in 2003 to a low of 748 AFY in 2022. This reduction clearly complies with the intent of the Supplemental Water Management and Groundwater Replenishment Agreement as required in the Stipulation and Final Judgement.

5. WATER RESOURCE AVAILABILITY AND RELIABILITY

5.1 Water Availability

The NCSD relies on imported NSWP water and groundwater as its two primary water sources. Table 5.1 from the UWMP illustrates the most severe water supply scenario of multiple dry years. The table illustrates that in the year 2045 and in the fifth of five successive dry years, the water supply exceeds the water demand by 440 AF. The table includes the baseline water demand for the Project in the amount of 352 AF as "Annexations Under Review."

TABLE 5.1.1
Retail: Multiple Dry Years Supply and Demand Comparison

| | | 2025 | 2030 | 2035 | 2040 | 2045 |
|-------------------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| First year (NMMA Stage 2) | Groundwater Supply | 2,027 | 2,027 | 2,027 | 2,027 | 2,027 |
| | Imported Water Supply | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | Total | 5,027 | 5,027 | 5,027 | 5,027 | 5,027 |
| | District (Existing and Infill) | 2,118 | 2,186 | 2,253 | 2,320 | 2,388 |
| | Annexations Under Review | 176 | 352 | 352 | 352 | 352 |
| | Sales to Other Agencies | 833 | 833 | 833 | 833 | 833 |
| | Total | 3,127 | 3,371 | 3,438 | 3,505 | 3,573 |
| | Difference (AF) | 1,900 | 1,656 | 1,589 | 1,522 | 1,454 |
| Second year (NMMA Stage 3) | Groundwater Supply | 1,733 | 1,733 | 1,733 | 1,733 | 1,733 |
| | Imported Water Supply | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | Total | 4,733 | 4,733 | 4,733 | 4,733 | 4,733 |
| | District (Existing and Infill) | 2,118 | 2,186 | 2,253 | 2,320 | 2,388 |
| | Annexations Under Review | 176 | 352 | 352 | 352 | 352 |
| | Sales to Other Agencies | 833 | 833 | 833 | 833 | 833 |
| | Total | 3,127 | 3,371 | 3,438 | 3,505 | 3,573 |
| | Difference (AF) | 1,606 | 1,362 | 1,295 | 1,228 | 1,160 |
| Third year (NMMA Stage 4) | Groundwater Supply | 1,267 | 1,267 | 1,267 | 1,267 | 1,267 |
| | Imported Water Supply | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | Total | 4,267 | 4,267 | 4,267 | 4,267 | 4,267 |
| | District (Existing and Infill) | 2,118 | 2,186 | 2,253 | 2,320 | 2,388 |
| | Annexations Under Review | 176 | 352 | 352 | 352 | 352 |
| | Sales to Other Agencies | 833 | 833 | 833 | 833 | 833 |
| | Total | 3,127 | 3,371 | 3,438 | 3,505 | 3,573 |
| | Difference (AF) | 1,140 | 896 | 829 | 762 | 694 |
| Fourth year (NMMA Stage 5) | Groundwater Supply | 1,013 | 1,013 | 1,013 | 1,013 | 1,013 |
| | Imported Water Supply | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | Total | 4,013 | 4,013 | 4,013 | 4,013 | 4,013 |
| | District (Existing and Infill) | 2,118 | 2,186 | 2,253 | 2,320 | 2,388 |
| | Annexations Under Review | 176 | 352 | 352 | 352 | 352 |
| | Sales to Other Agencies | 833 | 833 | 833 | 833 | 833 |
| | Total | 3,127 | 3,371 | 3,438 | 3,505 | 3,573 |
| | Difference (AF) | 886 | 642 | 575 | 508 | 440 |
| Fifth year (NMMA Stage 5) | Groundwater Supply | 1,013 | 1,013 | 1,013 | 1,013 | 1,013 |
| | Imported Water Supply | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| | Total | 4,013 | 4,013 | 4,013 | 4,013 | 4,013 |
| | District (Existing and Infill) | 2,118 | 2,186 | 2,253 | 2,320 | 2,388 |
| | Annexations Under Review | 176 | 352 | 352 | 352 | 352 |
| | Sales to Other Agencies | 833 | 833 | 833 | 833 | 833 |
| | Total | 3,127 | 3,371 | 3,438 | 3,505 | 3,573 |
| | Difference (AF) | 886 | 642 | 575 | 508 | 440 |

5.2 Nipomo Supplemental Water Project

The NCSD 2020 UWMP states, "Based on the existing infrastructure of the NSWP and contractual obligations, between NCSD and the City, this water supply source is considered 100% reliable and is available during normal, single, and multiple dry year conditions."

The City of Santa Maria 2020 Urban Water Management Plan Table 5.2.1 identifies water demands through the year 2045 and clearly identifies 2,500 AFY of water conveyed to Nipomo, see below.

TABLE 5.2.1
City of Santa Maria Water Demand through 2045
City of Santa Maria UWMP

| Submittal Table 5.2.1 Retail: Use for Potable and Non-Potable ¹ Water – Projected | | | | | | |
|--|---|--|---------------|---------------|---------------|---------------|
| Use Type | Additional Description (as needed) | Projected Water Use ² <i>Report To the Extent that Records are Available</i> | | | | |
| | | 2025 | 2030 | 2035 | 2040 | 2045 (opt) |
| Single Family | | 5,878 | 6,155 | 6,432 | 6,708 | 6,809 |
| Multi-Family | Includes mobile home parks | 2,053 | 2,149 | 2,246 | 2,343 | 2,378 |
| Commercial | Includes mobile home parks | 2,124 | 2,223 | 2,323 | 2,423 | 2,460 |
| Industrial | | 786 | 823 | 860 | 897 | 911 |
| Landscape | | 1,557 | 1,630 | 1,704 | 1,777 | 1,804 |
| Sales/Transfers/Exchanges to other Suppliers | Obligation to Golden State water Company in agreement | 20 | 20 | 20 | 20 | 20 |
| Sales/Transfers/Exchanges to other Suppliers | Orcutt supplemental water | 800 | 900 | 900 | 900 | 900 |
| Sales/Transfers/Exchanges to other Suppliers | Sale to Nipomo | 1,000 | 2,500 | 2,500 | 2,500 | 2,500 |
| Losses | | 531 | 556 | 581 | 606 | 615 |
| | Other | 277 | 290 | 303 | 316 | 320 |
| TOTAL | | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| ¹ Recycled water demands are NOT reported in this Table. Recycled water demands are reported in Table 6-4. ² Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Table 2-3. | | | | | | |
| NOTES: All projections assume variable population growth per Santa Barbara County Association of Governments Regional Growth Forecast 2050 | | | | | | |

While the 2,500 AFY delivered to Nipomo identified in this Table is 500 AFY less than the 3,000 AFY identified within the NCSD's 2020 Urban Water Management Plan, Table 7-4, The City of Santa Maria 2020 Urban Water Management Plan Appendix Table 5.2.2 below, illustrates that in 2045 after five consecutive dry years there is clearly ample supply to provide the NCSD with the additional 500 AFY for a total of 3,000 AFY per the terms of the Wholesale Water Supply Agreement between the City of Santa Maria and the NCSD.

TABLE 5.2.2
Retail: Multiple Dry Years Supply and Demand Comparison

| Submittal Table 5.2.2 Retail: Multiple Dry Years Supply and Demand Comparison | | | | | | |
|---|---------------|--------|--------|--------|--------|-------------|
| | | 2025* | 2030* | 2035* | 2040* | 2045* (Opt) |
| First year | Supply totals | 29,189 | 29,662 | 30,136 | 30,610 | 31,084 |
| | Demand totals | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| | Difference | 14,163 | 12,415 | 12,267 | 12,120 | 12,368 |
| Second year | Supply totals | 29,605 | 28,989 | 28,374 | 27,758 | 27,143 |
| | Demand totals | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| | Difference | 14,579 | 11,742 | 10,505 | 9,268 | 8,427 |
| Third year | Supply totals | 27,169 | 26,417 | 25,665 | 24,913 | 24,161 |
| | Demand totals | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| | Difference | 12,143 | 9,170 | 7,796 | 6,423 | 5,445 |
| Fourth year | Supply totals | 30,126 | 30,121 | 30,116 | 30,111 | 30,106 |
| | Demand totals | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| | Difference | 15,100 | 12,874 | 12,247 | 11,621 | 11,390 |
| Fifth year | Supply totals | 25,735 | 25,396 | 25,058 | 24,720 | 24,382 |
| | Demand totals | 15,026 | 17,247 | 17,869 | 18,490 | 18,716 |
| | Difference | 10,709 | 8,149 | 7,189 | 6,230 | 5,666 |
| Sixth year <i>(optional)</i> | Supply totals | | | | | |
| | Demand totals | | | | | |
| | Difference | 0 | 0 | 0 | 0 | 0 |

Table 5.2.3 of the City of Santa Maria 2020 Urban Water Management Plan illustrates the City's water supply under multiple dry year periods.

TABLE 5.2.3
Supply Reliability for the City of Santa Maria for Year 2040

| Source | Normal | Single-Dry | Multiple-Dry Water Years (1930-1934) | | | | |
|--|------------|-------------------|--------------------------------------|--------|--------|--------|--------|
| | Water Year | Water Year (1977) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Imported Water from SWP | 10,118 | 1,960 | 4,633 | 4,336 | 1,782 | 7,603 | 2,079 |
| Twitchell Yield | 14,300 | 14,300 | 14,300 | 14,300 | 14,300 | 14,300 | 14,300 |
| Groundwater | 5,100 | 5,100 | 5,100 | 5,100 | 5,100 | 5,100 | 5,100 |
| Return flows from SWP water | 6,577 | 5,516 | 6,577 | 5,864 | 5,112 | 4,028 | 3,701 |
| Total | 36,095 | 26,876 | 30,610 | 29,600 | 26,294 | 31,031 | 25,180 |
| Notes: A. Granted under the Stipulation; subject to adjustments that could be ordered by the Court. B. Return flows are based on a five-year rolling average of imported water. Single-dry year impacts will not affect availability of return flows for previous five-year average. C. Multiple-dry year reliability of return flows considers the previous five-year rolling average of SWP imports. These projections assume five years of normal water years before the beginning of the multiple-dry year period. D. Groundwater supplies are based on prescriptive rights in Santa Maria Groundwater Basin as defined in the Judgement. Pursuant to the Court's Phase 5 Statement of Decision, the City has been assigned 5,100 AF/YR of prescriptive right. | | | | | | | |

Twitchell Yield, as referred to in Table 5.2.3, is water that is released from the Twitchell Reservoir for restoration of the groundwater basin within the Santa Maria Valley Management Area. The reservoir is on the Sisquoc River and is approximately six miles upstream with its confluence with the Santa Maria River. The project was constructed in the late 1950's by the US Bureau of Reclamation for the purpose of flood control and the release of water to restore the groundwater basin in the Santa Maria Valley. Releases of water from the reservoir are managed by the Santa Maria Valley Water Conservation District with maximizing the potential groundwater recharge as their primary objective.

The Stipulation identifies the yield (amount of water stored in the basin) from the Twitchell Project in Section V, "Physical Solution; Provisions Specific to the Santa Maria Valley."

A. Twitchell Water

- i. *Amount.* The Twitchell Project annually provides a variable amount of developed water that augments the groundwater in the Santa Maria Valley Management Area. Twitchell Yield is thirty-two thousand AFY.
- ii. *Division of Twitchell Yield.* Twitchell Yield shall be divided as follows: 80% to Santa Maria, SCWC, and Guadalupe and 20% to the overlying owners within the district who are Stipulating Parties.
 - a. The Twitchell Yield allocated to Santa Maria, SCWC, and Guadalupe, as attached and incorporated herein as Exhibit "F".

Section 4 of Exhibit "F" of the Stipulation cites the following:

Twitchell Yield

The Parties agree that 80% of the 32,000 acre-feet of Twitchell Yield shall be allocated as follows: Santa Maria 14,300 acre-feet; Guadalupe 1,300 acre-feet, and SCWC 10,000

acre-feet. The Parties acknowledge that the remaining 20% of the Twitchell Yield (6,400 acre-feet) is allocated to the Overlying Owners within the District who are Stipulating Parties, subject to the terms of the Stipulation.

Of recent note is the litigation of San Luis Obispo Coastkeeper, Los Padres Forest Watch versus Santa Maria Valley Water Conservation District Board of Directors; et al. The plaintiffs argued that the operation of Twitchell Reservoir must provide additional releases to sustain Steelhead. The United States Court of Appeals for the Ninth Circuit reversed the District Court's Judgment and concluded that "Twitchell Dam can readily be operated to provide **modest** releases at certain times of the year and during certain water years, while still satisfying the dam's primary purpose of conserving water for consumptive purposes" (United States Court of Appeals for the Ninth Circuit, San Luis Obispo Coastkeeper v SMVWCD, filed September 23, 2022). This decision was the subject of a Petition for Certiorari with the United States Supreme Court, which was denied on October 2, 2023. The matter will be returned to the District Court and ultimately the Bureau of Reclamation for additional action. The likely practical impact of the decision will be additional "modest releases" from the reservoir, as cited in the Appeals Court Decision, though that actual extent of the impact on reservoir operations has yet to be defined.

5.2.1 Groundwater Reliability

As referenced in prior sections of this report, the Stipulated Agreement established physical solutions to ensure the viability of the groundwater basin.

A significant factor in the physical solution is the NWSP, which replaces groundwater in the NMMA portion of the Santa Maria River Valley Groundwater Basin with imported water supplied by the City of Santa Maria, which uses State Water Project surface water and groundwater from the SMVMA portion of the Santa Maria River Valley Groundwater Basin. Portions of the NWSP are completed and approximately 1,000 AFY is presently being delivered to the NCSD.

The NWSP will be improved to deliver the 2,500 AFY by 2025-26 fiscal year as required by the Wholesale Water Supply Agreement between the City of Santa Maria and the NCSD.

Additional basin management measures include:

- I. Development of a groundwater monitoring plan. The NMMA technical group has adopted and implemented a groundwater monitoring program
2. Preparation of an annual report by the Technical Group of the NMMA that shall include the following:
 - a. Summarize the results of the groundwater monitoring program.
 - b. Changes in groundwater supplies.
 - c. Identify threats to groundwater supplies.
 - d. Tabulation of management area water use as identified below:
 - i. Imported water availability and use
 - ii. Return flow availability and use
 - iii. Groundwater availability and use
3. Severe Water Shortage Response Plan - Technical Group has developed a Severe Water Shortage Response plan that establishes criteria to define potentially severe and severe water conditions. The stipulating parties are coordinating efforts to implement voluntary conservation measures and adopt programs to increase the supply of Nipomo Supplemental Water. As noted throughout this report, the NCSD has significantly reduced its use of groundwater, including to less than 800 AFY in 2022.
4. New Urban Water Uses – New urban uses within the SOI or service area are required to obtain water service from the local water supplier, which is the NCSD. The local public

water supplier shall provide service on a reasonable and non-discriminatory basis. The NCSD has implemented an NSWSP fee to be paid by each new water meter connection.

In April 2023, the NMMA Technical Group submitted the 15th Annual Report (included as Appendix 7), which reflects conditions found in the NMMA in 2022. In summary, the 15th Annual Report concluded as follows:

- Severe water shortage conditions continue to exist as indicated by the lowest Key Well Index on Record
- The NCSD delivered 1,141 AF of imported water through the NSWSP
- A total reduction of 2,423 AF delivered of water by the water purveyors (-43%) was accomplished in 2022 as compared to 2013
- There is no evidence of seawater intrusion based on coastal water quality
- The total Wastewater Treatment facility effluent discharged in the NMMA was 658 AF and contour maps suggest that groundwater flow is generally east to west (toward the ocean)
- The contour maps also show a landward gradient from the coast in the deep aquifer, which is an indication that groundwater flow is from the coastal areas, resulting in an increased potential for seawater intrusion

The technical recommendation within the Annual Report prioritizes the following recommendation as the highest priority recommendation.

"1. **Supplemental Water Supplies** – Reducing pumping is the most effective method to reduce stress on the aquifers and to allow groundwater to recover: continued operation of the NSWSP is another viable method to achieve these goals. The Technical Group recommends that this project continue to be implemented consistent with the Judgment and Stipulation."

The additional NSWSP water to serve the Dana Reserve project will provide NCSD the opportunity to increase the amount of imported water delivered by the NSWSP thereby addressing both recommendations of the NMMA Technical Group.

6. WATER USAGE

Current water use provided by NCSD includes single-family, multifamily, commercial (including institutional and industrial), landscape, and irrigation customers. As reported in the 2020 Urban Water Management Plan, the total water demand for the NCSD in 2020 was 2,050(+/-) A.F.

6.1 Water Conservation Program

Section 4.4 of this report, entitled "Water Use Reduction," provides considerable data illustrating the reduction in water use by NCSD. For the 2022 calendar year, NCSD pumped 748 AF of groundwater. As described earlier, the 748 AFY of groundwater production is a 71 percent reduction in pumping from the 2,533.4 AFY baseline groundwater production value. This significant reduction in groundwater pumping was accomplished by the implementation of water conservation strategies, the importation of NSWSP water, and significant rain during the year.

In 2009, the Legislature passed Senate Bill X7-7, requiring water agencies to reduce per capita water use by 25% by the year 2020. NCSD has complied with the Memorandum of Understanding (MOU) regarding urban water conservation, which was a negotiated agreement between water purveyors statewide and environmental organizations on how best to utilize the State's water resources by incorporating conservation into their water management practices. The NCSD has actively pursued the implementation of the water efficiency best management practices (BMP) prescribed in the MOU. The BMP have been developed over the years by water purveyors, environmental groups, and industry stakeholders.

These BMP are identified in the NCSD 2020 Urban Water Management Plan as demand management measures and include (measures marked with # are not currently in effect):

- A plumbing retrofit program requiring the installation of low flow fixtures before the sale of property
- Customers must repair leaks, breaks, and malfunctions in a timely manner
- Landscape - restrict or prohibit runoff from landscape irrigation
- #Landscape - limit landscape irrigation to specific times
- Pools and spas - require covers for pools and spas
- #Prohibit use of potable water for washing hard surfaces
- #Prohibit use of potable water for construction and dust control
- #Conservation pricing

Further reduction in groundwater pumping is reliant on NCSD's ability to import more NSWP water and demand reduction through continued conservation efforts. Increasing the amount of NSWP water NCSD can deliver is dependent on two items:

- Completion of the infrastructure for the NSWP to deliver more than 1,000 AFY
- Revenues of substantial value to pay the City of Santa Maria for the wholesale water supply

7. ENTITLEMENTS/REGULATORY APPROVALS

Water Code Section 10910(d)(2) requires the identification of existing water supply entitlements, water rights, or water service contracts, federal, state, and local permits for construction of necessary infrastructure, and any regulatory approvals required to be able to deliver the water supply. The entitlements for NCSD are described above in the section describing water supply and water usage.

8. DANA RESERVE SPECIFIC PLAN PROJECT

The DRSP 2024 is proposed as a master-planned neighborhood development comprised of a mix of uses. Table 8-1 was developed to project DRSP's water demand using the water use factors from the UWMP, City of Santa Barbara, and/or San Luis Obispo County if there was not a direct water usage factor listed in the 2015 UWMP. Using these water demand factors shows that the total estimated water use for the DRSP as recommended by the Planning Commission would be 377 (+/-) A.F.Y.

Table 8-1 details the project water demands under each land use area of the proposed site.

TABLE 8.1
Dana Reserve Specific Plan
Water Demand

| Type of Usage | Units | gal/unit-day | Acreage | Demand (A.F.Y.) |
|--|--------------|---|--------------|-----------------|
| Residential | | | | |
| Condominiums | 173 | 114 | | 22.14 |
| Townhomes | 210 | 129 | | 30.24 |
| Small Lot SFR (Lot size < 5,000 sq. ft.) | 571 | 186 | | 118.77 |
| Medium Lot SFR (Lot size > 5,000 and < 7,000) | 260 | 300 | | 87.36 |
| Multifamily | 156 | 129 | | 22.46 |
| Total Residential | 1,370 | | | 280.97 |
| Commercial + Daycare | | | | |
| Commercial Bldg. (1/3 parking, 1/3 bldg., 1/3 landscaping) source S.B. City Planning | | 0.136 AF per 1000 sq ft | 7.46 | 44.25 |
| Commercial Landscaping (1AF/Acre) | | 1 A.F./Acre | 7.46 | 7.46 |
| Parking | | 0 | 7.46 | 0 |
| Total Commercial | | | 22.41 | 51.71 |
| Public | | | | |
| Fire station | | A.F./Acre | | 1.63 |
| Sheriff Station | | 0.136 AF/Year/1000 sf (assumes 12,000+/- sf building) | | 1.02 |
| Public Park | | 1 | 1 | 1 |
| Neighborhood Parks | | 1 | 12 | 12 |
| Streetscape/Parkways | | 1 | 6.5 | 6.5 |
| Total Public | | | | 22.15 |
| Grand Subtotal | | | | |
| Residential | 1,370 | | | 280.97 |
| Commercial | | | | 51.71 |
| Public | | | | 22.15 |
| Subtotal | | | | 354.83 |
| 152 Potential ADUs | 152 | | | 21.28 |
| Total | 1,522 | | | 376.11 |

* Water usage factors used in the table above are derived from the following sources: 2020 NCSD UWMP, The City of Santa Barbara, and the County of SLO were used if there wasn't a direct water usage factor listed in the 2015 UWMP. for each land use designation. The water demand usage factors have been reduced by the mandated 20% as described in the 2020 UWMP.

As the Project proceeded through the planning process, several changes to the project occurred, which modestly increased the Project's water demand by 25 AFY. These changes consisted of:

- The addition of ADUs
- The addition of affordable multifamily units
- The addition of a sheriff's substation

- The addition of a fire station
- Changes from active park to passive open space
- Reduction in commercial area.

These changes are detailed in Table 8.1.A.

Table 8.1A
Dana Reserve Specific Plan
Water Demand
Comparison

| Type of Use | Units Original Project | Water Demand Original (AFY) | Units Present Project | Water Demand Present (AFY) | Change In Units | Change In Water (AFY) |
|---------------------------|------------------------------|--------------------------------------|-----------------------------|-------------------------------------|-----------------------|--------------------------------|
| Residential | | | | | | |
| Condominiums | 173 | 22.14 | 173 | 22.14 | 0 | 0.00 |
| Townhouses | 210 | 30.24 | 210 | 30.24 | 0 | 0.00 |
| Small Lot SFR | 571 | 118.77 | 571 | 118.77 | 0 | 0.00 |
| Medium Lot SFR | 260 | 87.36 | 260 | 87.36 | 0 | 0.00 |
| Multifamily | 75 | 10.84 | 156 | 22.46 | 81 | 11.62 |
| Total Residential | 1289 | 269.35 | 1,370 | 280.97 | 81 | 11.62 |
| Commercial/Daycare | | | | | | |
| Commercial Bldg | 7.65 ac | 45.36 | 7.46 ac | 44.25 | -0.19 ac | -1.11 |
| Comm. Landscape | 7.65 ac | 7.66 | 7.46 ac | 7.46 | -0.19 ac | -0.20 |
| Parking | 7.65 ac | 0.00 | 7.46 ac | 0.00 | -0.19 ac | 0.00 |
| Total Commercial | 10.65 ac | 53.02 | 22.38 ac | 51.71 | -0.57 ac | -1.31 |
| Public | | | | | | |
| Fire Station | 0 | 0.00 | 1.00 | 1.63 | 1.00 | 1.63 |
| Sheriff Station | 0 | 0.00 | 1.00 | 1.02 | 1.00 | 1.02 |
| Public Park | 11 ac | 11.00 | 1 ac | 1.00 | -10.0 ac | -10.00 |
| Neighborhoods Parks | 12 ac | 12.00 | 12 ac | 12.00 | 0.00 ac | 0.00 |
| Streetscapes/Prkways | 6.5 ac | 6.50 | 6.5 ac | 6.50 | 0.00 ac | 0.00 |
| Total Public | | 29.50 | | 22.15 | | -7.35 |
| ADU | 0 | 0.00 | 152 | 21.28 | 152 | 21.28 |
| Subtotal | | | | | | |
| Residential | 1289 | 269.35 | 1370 | 280.97 | 81 | 11.62 |
| Commercial | | 53.02 | | 51.71 | | -1.31 |
| Public | | 29.50 | | 22.15 | | -7.35 |
| ADU | 0 | 0.00 | 152 | 21.28 | 152 | 21.28 |
| Total | | 351.87 | | 376.11 | | 24.24 |

9. CONCLUSION

The NCSD 2020 UWMP, Table 7-4 entitled, "Retail: Multiple Dry Years Supply and Demand Comparison" (see Table 5.1.1) illustrates the comparison of supply versus demand after successive five dry years in 2045. This projection includes the water use for the Project, a groundwater pumping volume of 1,013 AFY, and indicates an excess in water supply of 440 AFY. Under the most severe condition of the groundwater basin within the NMMA (Stage V), NCSD has a 60% targeted groundwater production and, at this level, can continue to pump 1,013 AFY of groundwater. It should be noted that the water demand reflects the NCSD's water demand projection of 100 percent infill within present NCSD boundaries and with all eligible lots having installed an ADU.

Per the NCSD's annexation policy, the water demands from the Project provide the NCSD the opportunity to increase the amount of imported water from the NSWP, which in turn will result in total water returned to the NMMA area through return flows resulting from treated wastewater.

Adding an additional 25 AFY of water demands to the Project due to changes to the project that occurred in the planning process, as detailed in Table 8.1.A, to the baseline water demand of 352 AFY results in a total projected water demand for the Project of 377 AFY (Table 8.1). Table 9.1 illustrates that with the addition of the 25 AFY to the water demand of the original project identified within the UWMP (352 AFY) that, under the most severe water supply conditions, there will be a surplus water supply of 415 AFY.

TABLE 9.1
Adjustments to Supply and Demand Illustrating
Groundwater Use Reduction and
Increased Water Demand from Possible ADUs

| Water Demand | AFY |
|--|------------|
| Increase form original Project, detailed Table 8.A.1 | 25 |
| Total from Table 7-4 of UWMP | 3,573 |
| Revised including revised Project water demand | 3,598 |
| Water Supply | |
| Minimum groundwater supply | 1,013 |
| NSWP | 3,000 |
| Total supply | 4,013 |
| Surplus Water | 415 AFY |

10. REFERENCES

Nipomo Community Services District 2020 Urban Water Management Plan. Final December 2021, prepared by MKN & Associates

City of Santa Maria 2020 UWMP. Final June 2021, prepared by Provost and Pritchard

Nipomo Mesa Management Area, 15th Annual Report, calendar year 2022, prepared by NMMA Technical Group.

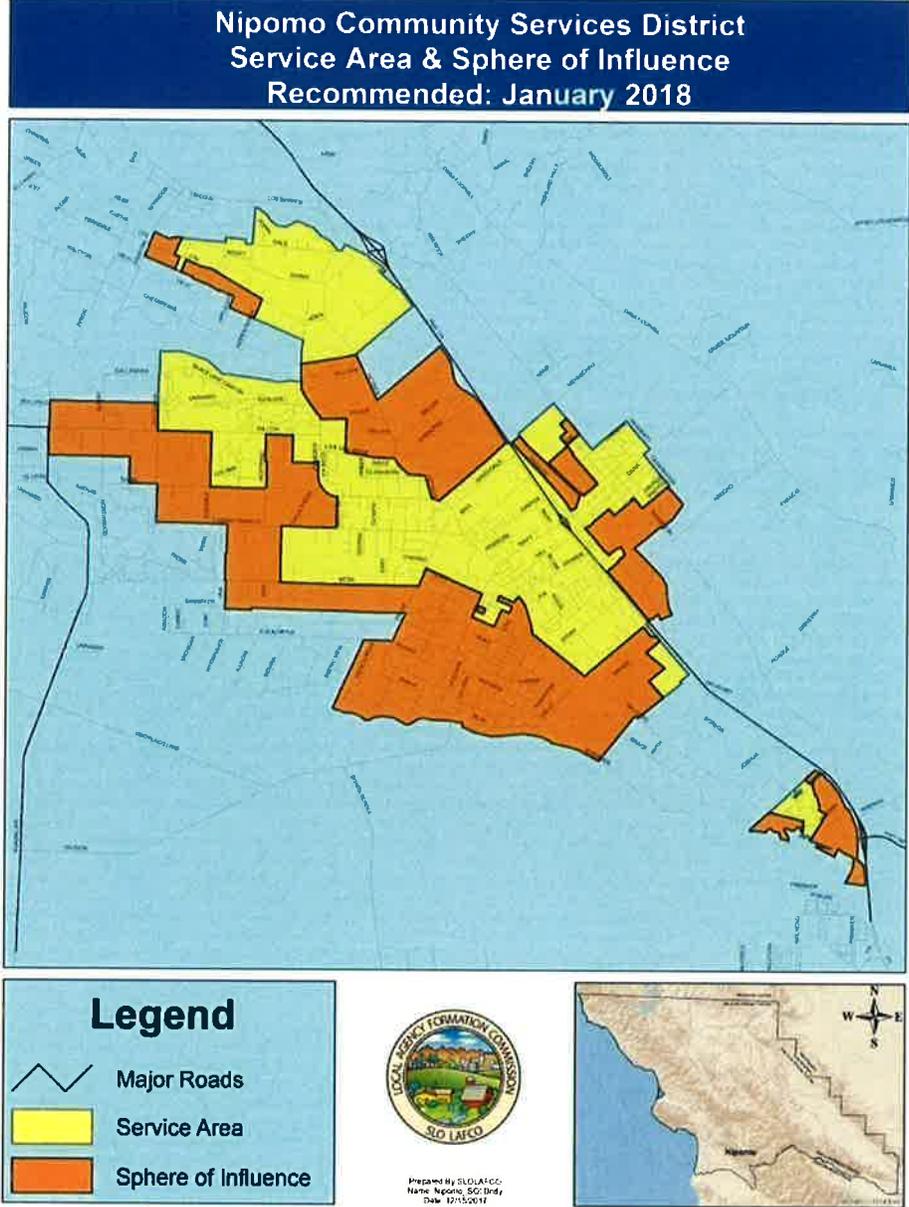
Nipomo Mesa Management Area T.G. Well Management Plan

Meeting minutes – District Manager's Reports

APPENDICES

Appendix 1: NCSD Service Area and Sphere of Influence

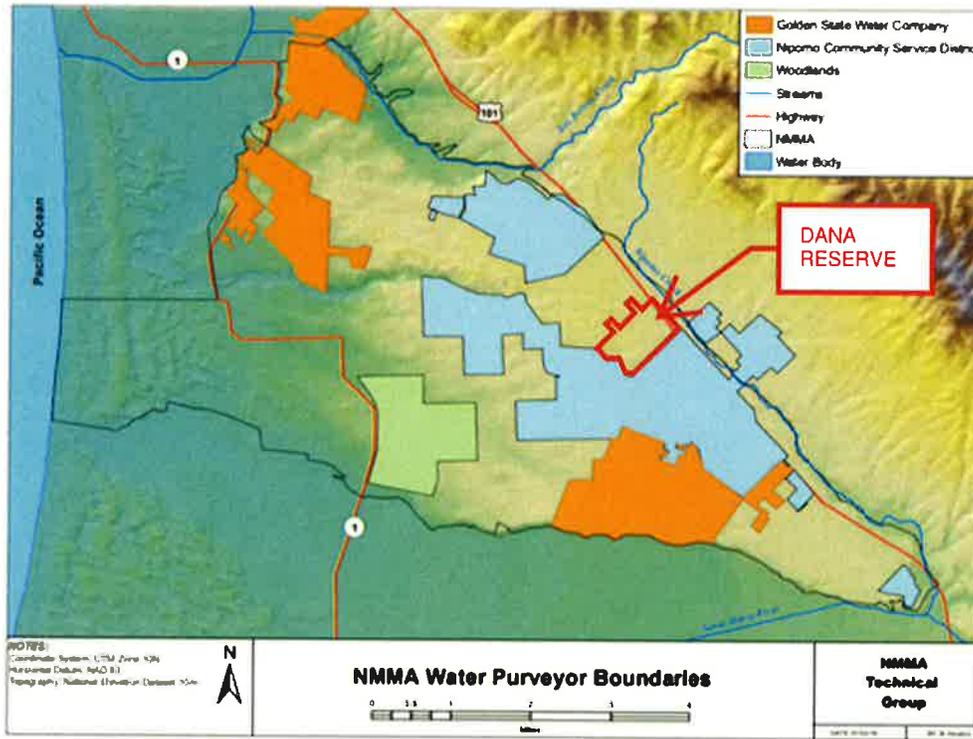
Figure 1-1 – Recommended Sphere of Influence



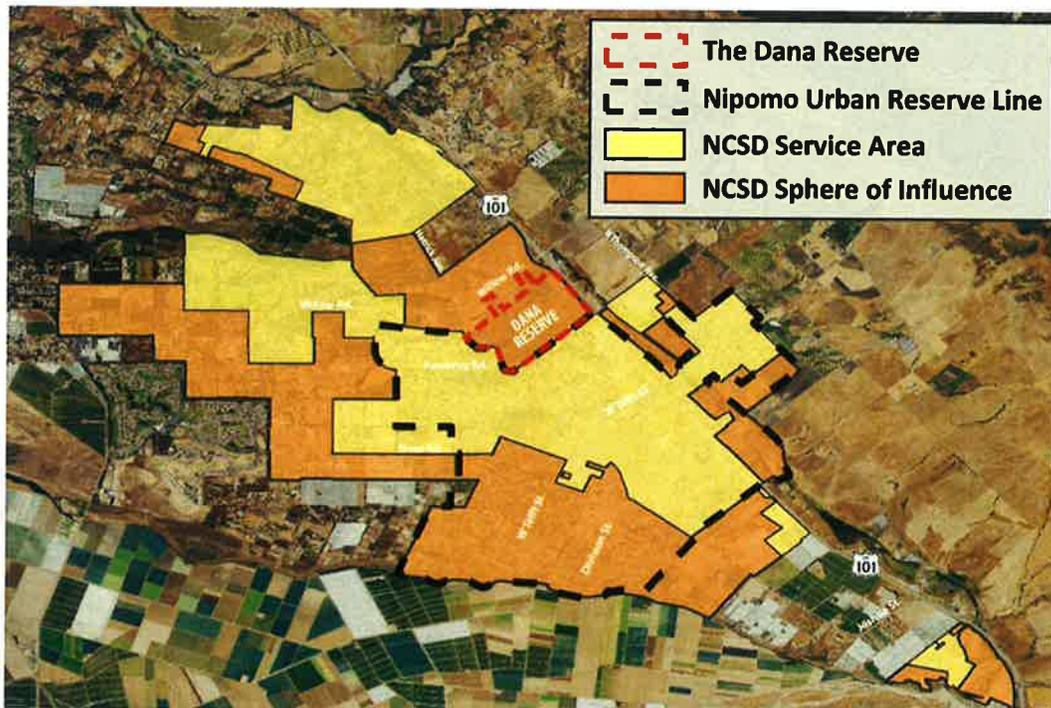
Appendix 2: Dana Reserve Land Use Plan



Appendix 3: Dana Reserve location relative to NCSD Service Area and other local water suppliers



Community Location



Appendix 4: Appendix 4: Santa Maria Valley Water Conservation District vs City of Santa Maria et al; Stipulation (June 2005)

Appendix 5: Wholesale Water Supply Agreement between NCSD and City of Santa Maria (May 2013)

Appendix 6: Supplemental Water Management and Groundwater Replenishment Agreement
(October 2015)

Appendix 7: NMMA 15th Annual Report for the Year 2022 Submitted April 2023

Appendix 8: 2020 NCSD Urban Water Management Plan

