

RECEIVED  
AUG 28 2024  
NIPOMO COMMUNITY  
SERVICES DISTRICT

Dear NCSB Board Members,

I am writing you to urge vote no against the annexation of the Dana Reserve project. I am a concerned resident and NCSB customer. The proposed development threatens to strain our already limited water resources in the Nipomo water basin area and beyond. This is unsustainable growth and will negatively impact the environment. The proposed development lacks adequate water infrastructure which is a critical issue.

As a retired teacher, on a fixed income, I am deeply concerned that this annexation could lead to a significant increase in cost to current ratepayers like me.

Also as a member of the Sierra Club I worry about the environmental impact of the proposed Dana Reserve Development. The 288 acres in question is home to 3000 beautiful, mature oak trees, rare plants, and wildlife habitats. The 1490 home added to this relatively small area would lead to the destruction of these critical ecosystems. We can do better for our future generations.

Please listen to the people of this community and YOUR CUSTOMERS. VOTE NO ON ANNEXATION!

Regards,  
Linda Moran

Dear NCSO Board Members,

RECEIVED  
AUG 28 2021  
NIPOMO COMMUNITY SERVICES DISTRICT

RECEIVED  
AUG 28 2021  
NIPOMO COMMUNITY SERVICES DISTRICT

I moved to Nipomo a less than two years ago. We were attracted to San Luis Obispo County for the amazing weather and the beautiful countryside. We love living here, but wondered why the county wasn't more developed. We quickly learned the reason was that there is extremely limited water resources.

Water is a critical issue in all of San Luis Obispo County and especially so here in the Nipomo. We need to carefully manage our water supply and this is annexation for a large housing development like the Dana Reserve is not a prudent use of our water resources.

We elect and trust NCSO board members to do the right thing for their customers. NCSO must plan for now and look ahead for the future. We are not opposed to grow, but it must be responsible growth. The supplemental water should be used to replenish our ground water and for small infill development.

**WE ARE YOUR CONSTITUENTS. PLEASE LISTEN TO US!**

Regards,

Robert Audibert

NCSO Customer

## Vote yes to annex Dana Reserve

Shannon Kessler <shannon.kessler1@gmail.com>

Wed 8/28/2024 10:46 AM

To:Info <info@ncsd.ca.gov>

# My Dana Reserve support letter

## South slo county's most important resource

Board members. Thanks for representing us. Shannon Kessler, Nipomo homeowner and NCSO customer 32 year resident. I urge you to vote YES for the annexation as proposed and recommended by staff. Please remember that as I speak this morning I am actually representing 6 members of my family who support and will benefit from this project but are unable to be here due to work. My son and daughter in law residents of Nipomo, my daughter who wants to buy a home in Nipomo, my husband a local contractor who repairs the many old homes in this area. My 78 year old mother who wants to use her Veterans benefit to buy a home but the local homes are too expensive and in poor condition to qualify for a VA loan.

So there's been a lot of talk today at the board of supervisors meeting on the Dana Reserve Project about natural resources and preserving habitat. I'd like to bring to everyone's attention to the fact that human beings; children parents, families are our primary natural resource and as such they require a protected habitat. This development would provide a habitat for this precious natural resource.

I know there have been a lot of concerns about how many people are, going to move here and that this will attract even more people from outside the area.

I believe that the majority are already here. This applies in my own home I live with multiple family members, three generations are represented in my own house. I have my elderly Mother, my adult daughter and her friend who became a tenant of ours when she couldn't find a place to rent. Our tenant asked to move in more than one year ago and she still hasn't found an affordable home of her own even though she has a county job. My parents retired and have been steadily priced out of homes on their Veterans retirement income.

My daughter works At Diablo Cyn power plant and she can't afford to buy her own home.

The Dana Reserve's varied home types and prices would address the desperate shortage of housing in Southern San Luis Obispo County and in so doing preserve our most important natural resource-our citizens. Ensuring that they don't have to move away from their hometown in order to achieve the most basic human need- a habitat/home/house/shelter. I urge you to vote in favor of the Dana Reserve Project as currently proposed. Thank you for your thoughtful consideration.

Shannon

Kessler

Nipomo homeowner and Local small family business owner

Shannon Kessler

# 805-710-3512

Shannonkesslerrealtor@gmail.com

Shannon Kessler Real Estate, Broker

## Vote yes for Dana Reserve Annexation

Shannon Kessler <shannon.kessler1@gmail.com>

Wed 8/28/2024 11:17 AM

To:Info <info@ncsd.ca.gov>

My name is Dixie McKannay, I am a 79 year old widowed year renter in Arroyo Grande and have been for 25-plus years. My veteran husband and myself were been priced out of the local housing market. I would like to see the approval of the Dana Reserve in Nipomo since t has inclusionary housing with provisions for all ages including my own senior age level.

This county has a severe need for housing, especially affordable housing for the elderly and also young, working adults. The Dana Reserve directly addresses this need by providing a significant number of affordable housing units, which will enable young people like my own kids and grandkids who all live and work locally and struggle to find suitable homes in our hometown.

I like the fact that the project will have several types of housing as well as shopping and trails which my disabled veteran husband who uses a mobility scooter will be able to enjoy. We would be very pleased to share a neighborhood with families and single people of all backgrounds.

I heard that there's a preference for local residents like us when it comes to purchasing homes. This would help us stay in the area near our kids and grandkids.

I encourage you all to approve this project for the betterment of our county and to meet the needs of people like me and my family.

Thank you for serving your community and for reading my views.

Grace and peace,

Dixie McKannay

Mailed on my behalf by,

Shannon Kessler

805-710-3512

Shannon Kessler Real Estate

Broker 01404952

## Dana Reserve Project

RICHARD B <ralanbro@gmail.com>

Wed 8/28/2024 12:27 PM

To:Info <info@ncsd.ca.gov>

Supervisors,

Given the ever increasing horrible traffic congestion on 101 with no end in sight because the state refuses to put a 3rd lane in, how can you with good conscience support the Dana Reserve Project ?

This traffic problem for example has made the life of my wife and her other physicians friends who work at Marian Hospital very difficult especially when they get an emergency call and have no idea how long the commute will take.

For those that support bringing thousands of more people to the area with this project, please think of the negative consequences to everyone in the Central Coast and travelers on 101 from all parts of the state and please change support.

Thank you.

Respectfully yours,

Richard Brotherton  
Ret Sr. Engineer II

**Read on behalf of Lyzette Martin, who is currently working at an elementary school in Nipomo and is unable to attend in person. She is an NCSD rate payer.**

Good Afternoon Board Members,

Thank you for this opportunity to speak in front of you today. My name is Lyzette Martin and I am a proud central coast resident. My husband and I set roots in Nipomo nearly a decade ago, and are now raising our two young daughters there. Both my husband and I earned our graduate degrees and began working in SLO county immediately after.

I am here today to show my support for the Dana Reserve. We consider the Nipomo area our home and it is where we hope to continue to raise our family, and one day, own our own home.

San Luis Obispo County has become increasingly unaffordable. Our family has been locked out of home ownership due to a drastic price increase, and significant shortage of adequate workforce housing for the missing middle. Young families are facing an uphill challenge with the cost of food, gas, and scarce childcare in this county. It is frustrating to know that even though we have set ourselves up well with graduate degrees, we simply can not afford to purchase a home in this county, a county that we have given so much to as professionals. There are countless other central coast families who want to set roots and enter the housing market here, but the opportunity has not presented itself—until now.

The Dana Reserve is well thought out and bolsters the Nipomo community. It offers space for community members to gather, for children to flourish and play, and for individuals to engage with one another. It supports infrastructure, provides families with additional childcare options and above all else, it creates affordable housing for many young families, such as ours.

Our family urges your support to help create solutions for our community's desperate need for affordable housing. The Dana reserve will help attract and retain a skilled workforce for SLO County for generations to come.

We respectfully recommend your approval of the Dana Reserve Project's annexation. I know many young families, like my own, wish to one day no longer feel hopeless when thinking about purchasing a home here, but instead, be hopeful. Thank you.

Hello. My name is Joe Martinez and I am an NCSD customer.

The Key Well Index is used to measure the availability of water for the Nipomo Mesa. Since 2007, the Key Well Index has indicated that Nipomo's water is below normal range. Even today, after 2 years of heavy rain, Nipomo is still in a Potentially Severe Water Shortage. Weather forecasters are predicting drier than normal weather in the coming years. This means water levels are sure to drop to severe levels again.

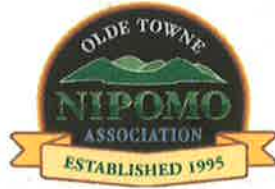
There is no guarantee water will be available in the foreseeable future. In the last 50 years, since the Key Well Index was introduced, Nipomo has had 30 years of water shortage. Just 2 years ago our water was at its lowest on record. During this time NCSD was receiving supplemental water yet the water table continued to decline. The supplemental water needs to continue to replenish our groundwater and that cannot happen if the water goes to massive housing developments outside the existing NCSD boundaries. It is obvious that Nipomo's growth has outpaced its water supply and adding nearly 1500 new homes to the NCSD will only further deplete our water supply.

At the last NCSD meeting the NCSD manager, Ray Dienzo, stated that everyone knows the 2500AFY of supplemental water is to be used for existing and infill customers within NCSD boundaries. He failed to mention that everyone knows the additional 500AFY of water is supposed to be used for the same purpose.

I can point to the Supplemental Water Management and Groundwater Replenishment Agreement, or the Waterline Intertie EIR , or the NCSD Supplemental Water Project EIR, or any of the many documents that state the required use of the supplemental water and they all say the same thing. The supplemental water is to be used within the existing NCSD boundaries. Do not violate the court stipulation or agreement by annexing the Dana Reserve.

Thank you

Already  
Read in  
the  
meeting.



San Luis Obispo County Board of Supervisors  
County Government Center  
1055 Monterey Street, Room D170  
San Luis Obispo, CA 93408

Date: October 23, 2023

Subject: Support for the Dana Reserve Housing Development in Nipomo

Dear Members of the San Luis Obispo County Board of Supervisors,

I am writing on behalf of the Olde Towne Association, a long-standing and dedicated community organization representing the interests of the residents and businesses in the historic Olde Towne district of Nipomo. We would like to express our strong support for the proposed Dana Reserve Housing Development, which we believe aligns with our vision for a vibrant and sustainable community.

The Olde Towne Association recognizes the importance of thoughtful development that balances the need for housing with the preservation of our community's unique character. We have carefully reviewed the plans for the Dana Reserve Housing Development and believe that it offers significant benefits to Nipomo and its residents.

We are particularly pleased with the following aspects of the Dana Reserve Housing Development:

1. **\*\*Affordable & Workforce Housing:\*\*** The inclusion of affordable housing units is a critical need in our community. This project provides an opportunity for a diverse range of residents to live in Nipomo, contributing to the economic and social fabric of our town.



**NCSD  
General Manager  
Ray Dienzo**

**Project: Dana Reserve**

**Honorable Ray Dienzo,**

**Please accept my Letter of SUPPORT of sewer and water to the project as described and approved in full build out at the COUNTY of SLO Board of Supervisors.**

**Please APPROVE of water and Sewer.**

**Thank you,  
Ken Whittle**

**990 Olympic Way Nipomo  
805-459-6207**

**PSD call if have any questions.**

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**From:** Shannon Kessler <shannon.kessler1@gmail.com>  
**Sent:** Wednesday, August 28, 2024 10:54 AM  
**To:** Info  
**Subject:** Vote yes for Dana Reserve Annexation

My name is Dixie McKannay, I am a 79 year old widowed year renter in Arroyo Grande and have been for 25-plus years. My veteran husband and myself were been priced out of the local housing market. I would like to see the approval of the Dana Reserve in Nipomo since t has inclusionary housing with provisions for all ages including my own senior age level.

This county has a severe need for housing, especially affordable housing for the elderly and also young, working adults. The Dana Reserve directly addresses this need by providing a significant number of affordable housing units, which will enable young people like my own kids and grandkids who all live and work locally and struggle to find suitable homes in our hometown.

I like the fact that the project will have several types of housing as well as shopping and trails which my disabled veteran husband who uses a mobility scooter will be able to enjoy. We would be very pleased to share a neighborhood with families and single people of all backgrounds.

I heard that there's a preference for local residents like us when it comes to purchasing homes. This would help us stay in the area near our kids and grandkids.

I encourage you all to approve this project for the betterment of our county and to meet the needs of people like me and my family.

Thank you for serving your community and for reading my views.

Grace and peace,  
Dixie McKannay  
Mailed on my behalf by,  
Shannon Kessler

805-710-3512  
Shannon Kessler Real Estate  
Broker 01404952

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**From:** RICHARD B <ralanbro@gmail.com>  
**Sent:** Wednesday, August 28, 2024 12:10 PM  
**To:** Info  
**Subject:** Dana Reserve Project

Supervisors,

Given the ever increasing horrible traffic congestion on 101 with no end in sight because the state refuses to put a 3rd lane in, how can you with good conscience support the Dana Reserve Project ?

This traffic problem for example has made the life of my wife and her other physicians friends who work at Marian Hospital very difficult especially when they get an emergency call and have no idea how long the commute will take.

For those that support bringing thousands of more people to the area with this project, please think of the negative consequences to everyone in the Central Coast and travelers on 101 from all parts of the state and please change support.

Thank you.

Respectfully yours,

Richard Brotherton  
Ret Sr. Engineer II

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**From:** wendy ragan <wragan625@gmail.com>  
**Sent:** Wednesday, August 28, 2024 2:18 PM  
**To:** Info  
**Subject:** Dana Development Annexation

To the Board of Directors, Unfortunately, I was unable to attend your meeting today. A meeting discussing something as important as annexing the Dana Development seems like it should be in the evening when most people can attend. I live outside your district in the Callendar Road area. We bought this house 35 years ago partly because it has a good well and no water issues. Many of your wells are near my house. Will you be guaranteeing that my well and those of my neighbors will still be drawing water after the development is built out? It is something to consider before providing water to another thousand plus houses. Wendy Ragan 625 Jameson Ct. Arroyo Grande, CA 93420

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**From:** David Christiansen <dcrubbersoul@yahoo.com>  
**Sent:** Tuesday, August 27, 2024 8:03 PM  
**To:** Info  
**Subject:** Dana Reserve Annexation Vote

Dear NCSD,

Reviewing your website, my wife and I realize a big vote regarding the annexation of the property commonly described as the Dana Reserve is pending.

My wife and I are strongly against this annexation. Although there is a current surplus in water supplies, we are VERY concerned about using the current water that Nipomo enjoys and allocating ANY water to a new development project expected to increase our local population by thousands of new residents.

Any taking of our water and giving it to this oversized project WILL be devastating to our future supplies and is not warranted. Yes, the new pipeline down Tefft will strengthen the balance sheet of the NCSD, yet the new expenditures required to upgrade Frontage Road and the waste system will cost about \$45M.

THIS IS UNACCEPTABLE and we will be mindful of your votes at election time.

Please, listen to the signatures of the 4000 folks against the Dana Reserve Project.

Thank you for your consideration.

Sincerely,

David and Sandy Christiansen

Ten Oaks Way, Nipomo

Sent from [Mail](#) for Windows

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**From:** Babak Naficy <babaknaficy@naficylaw.com>  
**Sent:** Tuesday, August 27, 2024 4:43 PM  
**To:** Raymond Dienzo; Info  
**Cc:** Eva Ulz; Alison Martinez; Herb Kandel  
**Subject:** Agenda Item NO. E.1, Dana Reserve Annexation

Honorable Directors,

On behalf of the Nipomo Action Committee (NAC), please consider the following supplemental comments :

In the comment letter I submitted for your review earlier today, I argued that the NCSD cannot rely on Phase I and II water transfers from Santa Maria to support annexation of Dana Reserve because those supplies have been specifically earmarked for projects within the NCSD's jurisdictional boundaries. I also noted that the NCSD has not taken any formal action that would allow it to use Phase I and II water transfers to support annexation of a project, such as Dana Reserve.

At the meeting tomorrow, your Board may be tempted to take action to redesignate Phase II transfer in order to facilitate the annexation of Dana Reserve. NAC contends that NCSD has no such authority and discretion, especially in light of the District's contractual obligation to the other local water purveyors. However, even if your Board had the requisite discretion and authority, it could not take such action without first analyzing the environmental impacts and land use implications of its decision. A decision to annex Dana Reserve would necessarily result in a shift in residential development away from undeveloped land within the district's jurisdiction and to Dana Reserve which is in the District's sphere of influence. This is necessarily a zero-sum game because as LAFCO has recognized, the District has insufficient water supplies to meet both the future demands of its existing infill parcels and Dana Reserve. As such, the District must evaluate the environmental impacts of a decision to forgo infill development and to direct development into the Sphere of Influence.

Best regards

Babak Naficy  
Counsel for NAC

Babak Naficy  
Law Offices of Babak Naficy  
890 Monterey Street, Suite H  
San Luis Obispo, CA 93401  
babaknaficy@naficylaw.com  
[https://url.avanan.click/v2/\\_\\_\\_www.naficylaw.com\\_\\_\\_YXAzOm5jc2Q6YTpvOjM0MzliODg2YjllZTNkMDM1YmM2OTdjMGl2OGJiYWZjOjY6NzVkZjoxZWU1NDg3MmI3OTg2MDFjMDU2ZDk0ZDkyZDMzZTlxOTUyZWNiYzVhODkwNzQzYzE1YjMyMTA3NWM1ZmJlZjQwOnQ6Rjpo](https://url.avanan.click/v2/___www.naficylaw.com___YXAzOm5jc2Q6YTpvOjM0MzliODg2YjllZTNkMDM1YmM2OTdjMGl2OGJiYWZjOjY6NzVkZjoxZWU1NDg3MmI3OTg2MDFjMDU2ZDk0ZDkyZDMzZTlxOTUyZWNiYzVhODkwNzQzYzE1YjMyMTA3NWM1ZmJlZjQwOnQ6Rjpo)  
805-593-0926 phone  
805-593-0946 fax

Don Wells  
519 Woodgreen Way  
Nipomo, CA 93444

RECEIVED  
AUG 27 2024  
NIPOMO COMMUNITY SERVICES DISTRICT

August 26, 2024

Hand-Delivered to the NCSB Office on August 27, 2024

TO: Nipomo Community Services Board of Directors, [info@nscd.ca.gov](mailto:info@nscd.ca.gov)

RE: **Approve Annexation of Dana Reserve**

Dear Chairman and Directors:

*Please include this letter in the public record for the August 28, 2024 NCSB Board of Directors Hearing on the annexation of the Dana Reserve into the NCSB service area (Agenda Item E-1).*

I have been an NCSB customer for 17 years and I am completely in support of annexing the Dana Reserve property to the NCSB district. Anyone who objectively reviews the facts must acknowledge that the annexation will significantly benefit the district and its present customers.

The NCSB's role is to efficiently procure, manage and deliver water and wastewater services to its customers in a fiscally responsible manner. It is NOT the NCSB's role to second-guess and obstruct the land use decisions of the County Board of Supervisors who approved the Dana Reserve development. In fact, the NCSB does not have the authority to do so.

The opponents of the Dana Reserve do not speak for all those NCSB customers who, like me, want the NCSB to do its job without bowing to the desires of a group that is against the project despite all the expert evidence that the project is a boon to the NCSB infrastructure and its financial status.

Attached is the "Key Takeaways" page (p. 10) from the Tuckfield and Associates rate study of May 17, 2022 (found on the NCSB website), which summarizes some of these benefits, including the lower water and sewer rates for current NCSB customers, and the improvements to the NCSB's reserves and debt coverage ratios. For example, the Tuckfield study contains the Wastewater Financial Plan (p. 8, attached) which shows that with the Dana Reserve the wastewater capital fund will improve from a negative (\$423,846) to a positive \$805,100, and that the wastewater reserves will improve from a negative (\$32,665) to a positive \$772,435.

Also, the more than \$40 million in fees, capacity charges and other funds the Dana Reserve will pay directly to the NCSB will significantly improve the aging and inadequate NCSB infrastructure for current NCSB customers as well as Dana Reserve customers. Without this influx of funds from the Dana Reserve, present NCSB customers will inevitably have to pay higher rates to finance things like replacing pipelines and adding 1.5 million gallons of water storage.

As to the claim that there is not enough water to serve the Dana Reserve, this is clearly refuted by the water studies (also on the NCSB website) which show that even with the full build-out of the Dana Reserve and full build-out of every vacant lot in the present NCSB service area, including all ADUs, there will still be hundreds of acre feet per year of excess water even in times of extended drought.

Given all the expert evidence showing how the many benefits of annexing the Dana Reserve outweigh any perceived disadvantages, the NCSB will best serve its customers by voting to annex.

Sincerely,

  
Don Wells

## Key Takeaways

From the results of the analyses, there are several key takeaways from the discussion above.

1. 100 percent of current SFR water customers will receive a reduction in their water bill as shown in Chart 1, and 100 percent of current SFR wastewater customers will receive a reduction in their wastewater bill as shown in Table 9.
2. Based on a legal opinion provided by the District's attorney, all of the water supplied to DRP's customers will be from supplemental water. Table 4 shows that a higher water rate will be charged to consumption of the DRP customers. DRP customers will not be beneficiaries of the less expensive groundwater.
3. No water or wastewater rate increases would be required in FY 2025-26 because of the addition of the DRP.
4. The cash balance will be increased in both the water and wastewater reserves with the addition of the DRP.
5. The District's water and wastewater debt service coverage ratios are improved from the addition of the DRP because of the higher revenues received versus expenses incurred.

It has been a pleasure to perform this Study for the District. If there are any questions or additional information is needed, please contact me at 949-760-9454.

Very Truly Yours,

TUCKFIELD & ASSOCIATES



G. Clayton Tuckfield  
President/Principal Consultant  
Tuckfield & Associates



**Table 8**

**Wastewater Financial Plan**

Includes Fund 130, Fund 135, Fund, 710, and Fund 810

Description	Rate Study	With Data	
	FY 2024-25	Reserve	Difference
<b>Proposed Rate Increase (July 1)</b>	<b>3.8%</b>	<b>0.0%</b>	
<b>Revenues</b>			
Sewer Revenues, Existing Rates [1]	\$2,257,600	\$3,060,200	\$802,600
Total Additional Sewer Rate Revenue	454,400	492,400	38,000
Interest Earnings [2]	24,000	28,000	4,000
Miscellaneous Revenues	500	500	0
<b>Total Revenues</b>	<b>\$2,736,500</b>	<b>\$3,581,100</b>	<b>\$844,600</b>
<b>Revenue Requirements</b>			
Operation and Maintenance Expense	\$1,824,500	\$1,864,000	\$39,500
Replacement Capital	395,000	739,900	344,900
Capital Outlay	33,200	33,200	0
Existing Debt Service [3]	596,800	596,800	0
<b>Total Revenue Requirements</b>	<b>\$2,849,500</b>	<b>\$3,233,900</b>	<b>\$384,400</b>
<b>Net Funds Available Before Capital</b>	<b>(\$113,000)</b>	<b>\$347,200</b>	<b>\$460,200</b>
<b>Wastewater Capital</b>			
<b>Capital Sources of Funds</b>			
Replacement Capital	\$395,000	\$739,900	\$344,900
Capacity Charges [4]	58,000	58,000	0
<b>Total Uses of Funds</b>	<b>\$453,000</b>	<b>\$797,900</b>	<b>\$344,900</b>
<b>Capital Uses of Funds</b>			
Capital Improvement Plan	\$763,846	\$763,846	\$0
<b>Total Uses of Funds</b>	<b>\$763,846</b>	<b>\$763,846</b>	<b>\$0</b>
<b>Net Capital Spending</b>	<b>(\$310,846)</b>	<b>\$34,054</b>	<b>\$344,900</b>
<b>Net Funds Available After Capital</b>	<b>(\$423,846)</b>	<b>\$381,254</b>	<b>\$805,100</b>
<b>Available Reserves (including capital funds)</b>			
FY beginning available cash [5]	\$2,641,181	\$2,641,181	
Additions (reductions)	(\$423,846)	\$381,254	
FY ending available reserves	<b>\$2,217,335</b>	<b>\$3,022,435</b>	
Target Reserves [6]	\$2,250,000	\$2,250,000	
Above (below) Target	(\$32,665)	\$772,435	
<b>Debt Service Coverage</b>			
Net Revenues [7]	\$936,800	\$1,741,900	
Annual Debt Service [8]	\$596,800	\$596,800	
Coverage	157%	292%	

[1] Projected using the existing rates.

[2] Interest earnings on the average fund balance calculated at 1.00%.

[3] Debt service on the 2012 Certificates of Participation.

[4] Assumption from rate study.

[5] The available FY2020-21 cash balance includes Fund 130, Funds 135, 710, and 810.

[6] Target reserve includes Operating, Capital Replacement, and Rate Stabilization reserves.

[7] Includes capacity charge revenue and interest income.

[8] Includes 2012 COPs.

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**From:** Jeff Board <boardj1954@gmail.com>  
**Sent:** Monday, August 26, 2024 4:28 PM  
**To:** Raymond Dienzo  
**Cc:** Info  
**Subject:** NCSD Board Meetings - Public Comments

Dear Mr. Dienzo:

I live in Nipomo and am an NCSD customer. As such, I would like to suggest that during the public comment period of the NCSD Board Meetings, when speakers give their name for the record, they also identify themselves as being an NCSD customer or not, and state whether or not they have a personal financial interest in the matter they are speaking on, i.e., whether or not they are employed by the agency that governs their issue, or whether or not they are on the payroll of a firm or developer that has a financial interest in their issue. I believe transparency is tantamount to carrying out the business of the Special District; this information is important in carrying out your duties on behalf of customers - those people who elected you.

Sincerely,

Jeffrey A. Board  
684 Barberry Way, Nipomo, CA 93444

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**From:** Nipomo CSD Website <nipomocsd@gmail.com>  
**Sent:** Monday, August 26, 2024 10:33 PM  
**To:** Info  
**Subject:** New Contact Form submission - Entry ID#81 - Can not be there at the NCSD meeting on August 28th

**Routing**

Information

**Your Name**

Kitt Jenae

**Your Email Address**

[hoofmessages@gmail.com](mailto:hoofmessages@gmail.com)

**Subject**

Can not be there at the NCSD meeting on August 28th

**Message**

I am a Nipomo resident who pays for my water. I want to register my passionate thoughts via email since I will be working. Recently I learned of the a narrow 3-2 vote by the County Board of Supervisors to approve of a measure diverting over 2% of property tax revenue from the General Fund to support water for the Dana Reserve development. This decision not only undermines SLO County's tax revenue sharing policy! I understand the NCSD will discuss the potential annexation of the Dana Reserve area, which is crucial for the project to proceed. On top of the already stated fact above as well as The Environmental Impact Report (EIR) showing the Dana Reserve was identified with 19 significant and unmitigable issues I express an INTENSE NO!!!!

**Fraud prevention**

blue

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**From:** garym2210@sbcglobal.net  
**Sent:** Tuesday, August 27, 2024 10:34 AM  
**To:** Info; Raymond Dienzo  
**Subject:** I support the Dana Reserve

**Nipomo Community Service Directors:**

I am in favor of the Dana Reserve Project.

My name is Gary martin, I grew up in Nipomo and a senior citizen resident. I control, and pay bills for 2 properties in your Service District. This project will spread the cost of purchasing Santa Maria water and develop good modern infrastructure that has lacked in our area over the years of bad planning by our County. Young working families, like my own son, who is a Cal Poly graduate, and his family need affordable housing in our area. I also have two sisters who live here who feel the same way.

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**From:** Babak Naficy <babaknaficy@naficylaw.com>  
**Sent:** Tuesday, August 27, 2024 1:24 PM  
**To:** Info  
**Subject:** Dana Reserve Annexation Agenda Item No. E1.  
**Attachments:** Dana Reserve comments to NCSD Final.pdf

To whom it may concern

Please deliver a copy of this comment letter to each member of the Board of Directors upon receipt of this email.

Also, please acknowledge receipt of this email

Thank You

Babak Naficy

Babak Naficy

Law Offices of Babak Naficy

890 Monterey Street, Suite H

San Luis Obispo, CA 93401

[babaknaficy@naficylaw.com](mailto:babaknaficy@naficylaw.com)

[https://url.avanan.click/v2/\\_\\_\\_www.naficylaw.com\\_\\_\\_YXAzOm5jc2Q6YTpvOjFIYTdmMGEwN2NmNTM4MTQyMGI4ZDgzZDNjNmJhOTI4OjY6NzFkZDo3Mjc5M2RkZDc2ODAzMzRiNzNiZDQ1NTNmODc0N2JkMmWJlY2Y1MWE3MzFmNGQzMjNhNjc2MjFkYmY4YjBhZDMzOnQ6VDpO](https://url.avanan.click/v2/___www.naficylaw.com___YXAzOm5jc2Q6YTpvOjFIYTdmMGEwN2NmNTM4MTQyMGI4ZDgzZDNjNmJhOTI4OjY6NzFkZDo3Mjc5M2RkZDc2ODAzMzRiNzNiZDQ1NTNmODc0N2JkMmWJlY2Y1MWE3MzFmNGQzMjNhNjc2MjFkYmY4YjBhZDMzOnQ6VDpO)

805-593-0926 phone

805-593-0946 fax

August 26, 2024

**Via Email**

Board of Directors  
Nipomo Community Services District  
148 S. Wilson St.  
Nipomo, Ca, 93444  
[info@ncsd.ca.gov](mailto:info@ncsd.ca.gov)

*Re: Agenda Item No. E1.  
Annexation Agreement with NKT Development LLC and LAFCO  
Plan for Services, and Required findings under CEQA*

Honorable Board Members:

My office represents the Nipomo Action Committee (“NAC”), on whose behalf I submit the following comments for your consideration regarding the proposed annexation agreement with NKT Development LLC concerning the Dana Reserve residential project (“Project”).

I urge you not to approve the proposed annexation agreement because, as explained more fully below, the NCS D cannot lawfully rely on the 500 acre-foot-per-year (“AFY”) “Phase II” water transfer from Santa Maria to serve the Dana Reserve Project because the Project is located outside the NCS D’s current boundaries. The District is legally precluded from using Phase II waters to supply water to any project outside of the District’s current jurisdictional boundaries because this 500 AFY transfer has been specifically earmarked for infill projects within the District’s current service area only. This supply can only be used to offset and mitigate the current customer demand and to accommodate infill growth with the NCS D’s service area. The District, moreover, has recognized that



890 Monterey St  
Suite H  
San Luis Obispo  
California 93401  
ph: 805-593-0926  
fax: 805-593-0946  
[babaknaficy@naficylaw.com](mailto:babaknaficy@naficylaw.com)

any future agreement to provide water to projects outside its jurisdiction but within the Sphere of Influence ("SOI") is contingent on acquisition of up to 3200 AFY (Phase III) from Santa Maria.

The District's current Staff Report acknowledges "that the earlier Supplemental Water Project ("SWP") EIR noted the initial phases of the SWP would serve customers within the existing boundaries of the District." In its October 23, 2023, letter to the SLO County Planning Commission, the NCSO denied this basic fact and instead, claimed "[t]he extra 500 acre-feet per year ("AFY") NCSO built into the Nipomo Supplemental Water Project for new development is eligible to serve any new project within the NCSO's service boundary or its sphere of influence." NCSO letter at p. 2.

The current Staff Report goes on to claim, however, that this limitation "represented plans and estimates at the time based on water use in the early 2000's, and not a legal restriction" Staff Report at p. 7. The Staff Report makes no effort to explain why the District's counsel and other representatives did not make this information available to the County Board of Supervisors prior to the County's approval of the Project.

As the Staff Report admits, the text of the SWP 2009 Final EIR unambiguously explains that

*Phases I and II of the proposed project [i.e. the Santa Maria Supplemental Water Project] will be separately approved and funded by authorization of the NCSO Board of Directors. Phases I and II totaling 3,000 acre-feet per year will supply water only to customers within the current NCSO boundaries and other water purveyors in the NMMA. Only in Phase III totaling an additional 3,200 acre-feet per year of supplemental water will be made available to new customers in the 2004 Sphere of Influence Areas that are annexed into the District.*

2009 Waterline Intertie FEIR, p. V-11. (italics in the original.)

Significantly, this language was added to the text of the FEIR in response to comments from both LAFCO and the public, including a suggestion that the Draft EIR be revised to note that "the first two phases

of the proposed project will be used to meet the needs within the present boundaries of the NCSO not to increase the size of the District by expanding to the Sphere of Influence areas.” 2009 Waterline Intertie FEIR, p. XI-25. Yet, increasing the size of the District is precisely what is being proposed here.

Similarly, the FEIR’s description of Project objectives clearly explains that Phase I and II water is to be used only within the District’s current boundaries.

*Each phase will be separately approved and funded by authorization of the NCSO Board of Directors. Phases I and II will supply water only to customers in the current NCSO boundaries and other water purveyors in the NMMA, specifically the Woodlands Mutual Water Company, Golden State Water Company and Rural Water Company. **Only in Phase III will water be made available to new customers in the 2004 Sphere of Influence Areas that are annexed into the NCSO boundaries.***”

Waterline Intertie FEIR, at pp. III-6 and VII-2 (italics in the original to indicate revision to the text of the Draft EIR, bold emphasis added).

According to the 2009 FEIR, another objective of the NCSO was to

Comply with Local Agency Formation Commission (LAFCO) conditions for securing supplemental water prior to annexation of lands now within the District’s Sphere of Influence. This supplemental water for annexations shall be in addition to the 3,000 AFY developed by Phases I and II.

Waterline Intertie FEIR, at pp. III-7 and VII-2.

A 2012 Addendum to the 2009 FEIR similarly confirmed that “Phase I and II will supply water only to customers in current NCSO boundaries and other purveyors in the NMMA [namely Woodlands Mutual and Golden State].” 2012 Addendum, p. III-3.

The Staff Report does not point to any evidence to show the



District formally decided to abandon this objective. Instead, the Staff Report mischaracterizes and attempts to downplay the legal significance of the 2009 FEIR's explanation concerning the restriction on the Phase II water supply. Without any citation or meaningful explanation, the Staff Report baldly asserts that the restrictions on potential use of the 500 AFY Phase II water transfer "represented plans and estimates at the time based on the early 2000's, and not a legal restriction." This is false.

The prohibition against using Phase I and II waters to support projects outside the District's boundaries is reflected in subsequent legally binding documents, including the October 16, 2015, Supplemental Water Management and Groundwater Replenishment Agreement ("SWMGRA") between NCSO, Golden State, Rural Water Company and Woodlands. This agreement was intended to describe and delineate "(1) payment to NCSO for each Party's allocations costs and (2) distribution and use of Nipomo Supplemental Water." SWMGRA, p. 5.

The SWMGRA specifically prohibits all parties to the agreements from using any Phase I and II waters for the benefit of any project outside the parties' existing boundaries: "the Nipomo Supplemental Water delivered to the Parties [which includes the NCSO] pursuant to this Agreement **shall be used exclusively for the benefit of the properties within the existing jurisdictions and service areas of the parties** and in accordance with the Judgment and Stipulation." *Ibid*, emphasis added. Accordingly, the Staff Report's claim that the restriction on use of the 500 AFY Phase II transfer was based on early 2000 estimates and is not legally binding is patently false. Moreover, there is no evidence to suggest the NCSO ever took any formal action to remove the prohibition against providing supplemental water to projects outside of its jurisdiction.

Similarly, LAFCO's latest NCSO Sphere of Influence Update Municipal Service Review ("2018 SIU") states that the "additional AFY

capacity (i.e. Phase II transfer) has been reserved for use by the Nipomo CSD for infill.” See, Municipal Service Review, 2018, p. 3-31. In this context, “infill” must be understood to refer to development within the District’s boundaries.

Finally, a 2010 Memorandum of Agreement between the County of San Luis Obispo and the District, which is incorporated in and appended to the 2018 SIU, acknowledges that the District is not free to use the 500 AFY Phase II water supplies to support annexation of Dana Reserve. Exhibit A attached to this MOA, which in turn is attached to the 2018 as Attachment B, provides in part:

**Commitment by the Nipomo Community Services District.** The District is currently designing and, with the assistance from the County, intends to construct a Waterline Intertie Project with the City of Santa Maria to deliver approximately 3,000 AFY of supplemental water (Phase I Project<sup>1</sup>). The Phase I Project will deliver supplemental water to the District, the Woodlands, the Golden State Water Company and the Rural Water Company consistent with the Judgment and Stipulation in the Santa Maria Groundwater Adjudication. **Water delivered to the District from the Phase I Project will be used to serve existing and future customers within the District's current boundary.**

Annexation of Dana Reserve will unfairly deny properties within the District’s existing boundaries a chance to develop. LAFCO’s 2018 Municipal Service Review determined that “the District does not have an adequate water supply to serve the anticipated build-out under the current General Plan plus the sphere of influence areas.” Municipal Service Review, p. 3-46. LAFCO also determined that “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. At this point in time the District’s most viable future water source is the City of Santa Maria via the water-intertie pipeline. Future annexations should be

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<sup>1</sup> / This document erroneously refers to both Phase I (2500 AFY) and Phase II (500 AFY) as Phase I.

carefully considered with a focus on the NCSD's ability to provide reliable, adequate, and sustainable water service." *Ibid.* These findings demonstrate that the District has insufficient water supplies to support any infill projects within the District's boundaries if it commits its share of Phase II 500 AFY transfer to Dana Reserve. District therefore needs all of its current water supplies to enable build-out within its jurisdiction and must focus its efforts on acquiring additional supplies from Santa Maria to accommodate expansion of services into the Sphere of Influence.

**Annexation of the Dana Reserve Project would violate LAFCO policies**

Annexation of Dana Reserve would be inconsistent with LAFCO policies, including Policy 2.3.2, which provides: "Prior to annexation of territory within an agency's Sphere of Influence, the Commission encourages development on vacant or underutilized parcels already within the boundaries of a jurisdiction." As the 2018 SUI admits, the District does not have sufficient water supplies to meet the needs of infill development within its jurisdiction and the Sphere of Influence. Accordingly, annexation of Dana Reserve would be in violation of LAFCO Policy 2.3.2..

LAFCO policies also include Policy 2.3.8, which requires the District to show it has the capability of meeting the need for services... Here, the District cannot show it can lawfully meet the water supply needs of Dana Reserve because of the restrictions on Phase II water supplies from Santa Maria.

**Annexation of the Dana Reserve Project would undermine the long-term reliability of the District's water supplies.**

The annexation of Dana Reserve would also undermine the long-term reliability of NCSD's water supplies and be grossly unfair to the current NCSD customers, whose sacrifices and water-saving efforts has

directly enabled the District to reduce groundwater pumping. These reductions in water use were undoubtedly intended to promote the health of the groundwater basin and to combat the negative effects of prolonged droughts which are only expected to worsen as a result of climate change. The current NCS D customers did not make these sacrifices in order to facilitate the annexation of the largest residential development in the area since the approval of Trilogy. By approving the annexation of Dana Reserve, the District would essentially thank its customers for their sacrifices by approving a Project that would undermine the reliability of the District's groundwater supplies and with it, the residents' peace of mind.

### **Conclusion**

For all of these reasons, I urge you to not to proceed with the annexation of Dana Reserve at this time.

*Babak Naficy*  
Attorney for Nipomo Action  
Committee

August 27, 2024

Nipomo Community Service District  
148 S Wilson  
Nipomo CA 93444

RECEIVED

AUG 27

NIPOMO COMM.  
SERVICES DIS.

To the NCSB Board,

As a Nipomo resident for over 30 years, I insist that you vote in the interest of our Nipomo community by voting AGAINST the annexation of the Dana Reserve project.

The Dana Reserve project threatens to deplete the limited water resources in our area. The existing infrastructure cannot support an increase in demand for water needed for such an expansive project. The restrictions on the supplemental water project stipulate that water cannot be used for new developments like the Dana Reserve. It is your duty to use our water for how it was intended.

As an elected official to the NCSB Board, you have an obligation to consider and advocate for what is in the best interest of Nipomo and its residents. The Dana Reserve project is NOT in the best interests of our Nipomo community.

I am concerned that this project will deepen water shortages, negatively impact the environment, and create growth that Nipomo is not set up for.

Please vote AGAINST the annexation of the Dana Reserve and do what is correct for our community.

Sincerely,



Katie Ellis  
536 Pomeroy Road  
Nipomo CA 93444  
(805) 266-5178

[www.nipomocsd.org](http://www.nipomocsd.org)

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**From:** garym2210@sbcglobal.net  
**Sent:** Tuesday, August 27, 2024 10:34 AM  
**To:** Info; Raymond Dienzo  
**Subject:** I support the Dana Reserve

Nipomo Community Service Directors:

I am in favor of the Dana Reserve Project.

My name is Gary martin, I grew up in Nipomo and a senior citizen resident. I control, and pay bills for 2 properties in your Service District. This project will spread the cost of purchasing Santa Maria water and develop good modern infrastructure that has lacked in our area over the years of bad planning by our County. Young working families, like my own son, who is a Cal Poly graduate, and his family need affordable housing in our area. I also have two sisters who live here who feel the same way.

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**From:** Nipomo CSD Website <nipomocsd@gmail.com>  
**Sent:** Monday, August 26, 2024 10:33 PM  
**To:** Info  
**Subject:** New Contact Form submission - Entry ID#81 - Can not be there at the NCSD meeting on August 28th

**Routing**

Information

**Your Name**

Kitt Jenae

**Your Email Address**

[hoofmessages@gmail.com](mailto:hoofmessages@gmail.com)

**Subject**

Can not be there at the NCSD meeting on August 28th

**Message**

I am a Nipomo resident who pays for my water. I want to register my passionate thoughts via email since I will be working. Recently I learned of the a narrow 3-2 vote by the County Board of Supervisors to approve of a measure diverting over 2% of property tax revenue from the General Fund to support water for the Dana Reserve development. This decision not only undermines SLO County's tax revenue sharing policy! I understand the NCSD will discuss the potential annexation of the Dana Reserve area, which is crucial for the project to proceed. On top of the already stated fact above as well as The Environmental Impact Report (EIR) showing the Dana Reserve was identified with 19 significant and unmitigable issues I express an INTENSE NO!!!!

**Fraud prevention**

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