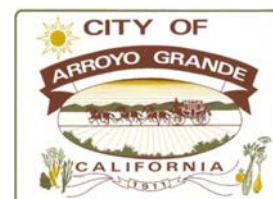


NCMA Technical Group

3/21/2017

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SUBJECT: Comments on the 2014-16 Resource Summary Report Public Review Draft

Dear Mr. Pedrotti,

Thanks for this opportunity to comment on the Public Review Draft of the San Luis Obispo County (County) 2014-16 Resource Summary Report (RSR). The Northern Cities Management Area Technical Group (NCMA TG), which is comprised of staff and consultants for the Oceano Community Services District (OCS D) and the Cities of Arroyo Grande, Grover Beach and Pismo Beach, has reviewed the public draft report and prepared the following general comments as well as specific comments on the NCMA and Nipomo Mesa Management Area (NMMA) sections. The general comments and the comments on the NCMA sections are relatively concise and most of the comments on the report are focused on the NMMA section with the goal of supporting the NCMA TG's request that the County update the 2004 Resource Capacity Study for the Nipomo Mesa Area.

The NCMA and NMMA TGs are tasked under a settlement agreement that adjudicated water rights within the groundwater basin to conduct groundwater monitoring within their portions of the Santa Maria Groundwater Basin and collect and analyze data pertinent to water supply and demand. The estimates of available supply and current demand for the NMMA included in the RSR do not match estimates included in the NMMA Annual Reports. The discrepancies between the RSR and Annual Report estimates (e.g. the RSR indicates less demand than estimated by the NMMA TG and identifies additional water supplies unknown to the NCMA TG) clearly identify the need for an updated Resource Capacity Study to further investigate the NMMA water supply and demand balance and better inform future land use planning decisions.

The NCMA TG is also concerned about the County's recent protest of Golden State's advice letter to the Public Utilities Commission (PUC), which requests authorization to require new water service applicants to pay a water resource demand offset fee that is equal to the cost of supplemental water. Based on the best available information on supply and demand within the NMMA, it appears that demand currently exceeds the estimated yield for that portion of the basin. Given this imbalance, the NCMA TG believes that it is critical that any new development be required to offset its water demand by providing a supplemental source of water or paying the true cost of supplemental water (i.e. equivalent cost to the Nipomo Community Services District's Supplemental Water Project). Additionally, the ongoing dispute

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between the County and NMMA water purveyors identifies the need for improved coordination and comprehensive strategies for managing land use and water resources on the Nipomo Mesa.

The following comments are provided by the NCMA TG on the Public Draft RSR and are generally consistent with comments provided by the OCSD and RSR Subcommittee for the Water Resources Advisory Committee (WRAC).

General Comments

- Throughout the report, the County should consider including an enhanced discussion of agricultural water needs and water that is dedicated for environmental impacts to develop a more complete evaluation of county-wide water resources.

NCMA Section Comments

- The adoption of the Low Reservoir Response Plan (LRRP) for the Lopez Project should be included as a drought response that has been implemented.
- Discussion of the Avila Beach and Avila Valley Water Supply and Systems (starting on page #56) should describe the importance of the LRRP to some of the customers of San Luis Obispo County Service Area No. 12, who are entirely dependent on Lopez water supplies.
- The purchase of 750 acre-feet (AF) of State Water drought buffer by the OCSD should be added.
- The “No recommended Level of Severity” for NCMA should clarify that it only pertains to the unincorporated area of the management area.

NMMA Section Comments

1. The Draft RSR Table II-17 Demand Section on page 66 indicates agricultural demand at 3,800-4,300 AFY, yet page 23 of NMMA's 2015 Annual Report indicates that agricultural production was 7,337 AF for Calendar year 2015.
 - a. Note that the NMMA Annual Report for 2016 will not be available until about May, 2017.
2. The Draft RSR Table II-17 Supply Section on page 66, also indicates 11,931 AFY of Other GW Supplies in addition to 7,482 AFY from the Santa Maria Valley Groundwater Basin, Nipomo Mesa Sub- Area. What are the "Other GW Supply" of 11,931 AFY?
 - a. Note: The District Engineer for Nipomo Community Services District (NCSD) between 1993 and 2008 who was intimately involved in water resources for the NCSD is not aware of the “Other GW Supplies.”
3. Page ES-2 of the NMMA Calendar Year 2015 Annual Report indicates that total groundwater production for NMMA was 15,249 AF.
4. Pages 42 and 43 of the NMMA Calendar Year 2015 Annual Report indicates:

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- a. "In Fall of 2015 the divide between the pumping depression and Coastal wells directly to the west is largely absent creating a groundwater gradient that is landward from the coast."
 - b. The condition increases the risk of seawater intrusion. It is "downhill" from the ocean to inland groundwater elevations.
5. In 2002, The California Department of Water Resources (DWR) published the "Water Resources of the Arroyo Grande- Nipomo Mesa Area" report. On page ES-21 this report shows an estimated dependable yield between 4,800 and 6,000 AFY for the Nipomo Mesa portion of the basin. Comparing the estimated dependable yield to the actual production in 2015 of 15,249 AF, suggests that NMMA was pumping at least 9,249 AF ($6,000 - 15,249 = - 9,249$) and as much as 10,200 AF more than the dependable yield in 2015.
6. A review of reports prepared by DWR, NCS D and NMMA over the 50-year period between 1965 and 2015 indicates that groundwater surface elevations under the Nipomo Mesa have been falling for half a century. The pumping depression area is an example of the Nipomo Mesa's groundwater changes; The groundwater ridge between NCMA and NMMA stood 50 feet above sea level in 1995, but had fallen to sea level by 2015, with the deepest portion of the NMMA pumping depression at 13 feet below sea level.
7. Calculations which compare the amount of groundwater lost under NMMA over the last 50 years using the conclusion of about a 10,000 AFY overdraft in 2015 in Comment No. 5. above, agree with calculations which use the volume of emptied aquifer in Comment No. 6. above and indicate a cumulative groundwater deficit over the 50-year period of about 50,000 acre feet.
8. If the DWR (2002) dependable yield figures of 4,800 to 6,000 AFY for NMMA are accepted and then compared to Agricultural pumping of 7,337 AF reported in the NMMA 2015 annual report, it is apparent that there is NO surplus available for NMMA purveyors, since overlying land owners (agricultural pumpers) have senior rights to groundwater under their land.
9. The conditions set forth in Comments No. 1.- 8. above place the NMMA's groundwater supply at ever increasing risk from seawater intrusion, but also places the NCMA southwest agricultural area and eventually Pismo Beach and OCSD wells at risk to seawater intrusion in the near term. If the trend continues, all NCMA purveyor wells will be at risk of seawater intrusion.
10. No mention is made of some of the important provisions in the June 30, 2005 Stipulation: the settlement agreement which adjudicated the basin through terms in the settlement.
11. While the draft RSR mentions the requirement for NCS D to bring in 2,500 AFY, there is no mention of the requirement to bring in water for, or to assess a charge sufficient to pay to bring

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in water, all new development on the Mesa that occurred after January 1, 2005. In this regard, NCSO has been charging approximately \$14,000 per equivalent dwelling unit (DU) to help pay for the importation of 2,500 AFY (the Nipomo Supplemental Water Project), but has so far had insufficient funding to complete that project.

12. From lack of funding, the Nipomo Supplemental Water Project is so far bringing in less than 1,000 AFY which began about a year ago at 650 AFY.
13. Because of the requirement to bring in water for all new development occurring after January 1, 2005, the Nipomo Supplemental Water Project will have to bring in significantly MORE than 2,500 AFY. The two water supply requirements in the Stipulation are cumulative. NCSO itself is planning on 3,000 AFY to account for the added development within NCSO since January 1, 2005. For the same reason, an unknown amount of additional water will be required for the Rural, Golden State and other purveyors on the Mesa. Their requirements should be defined in the draft.
14. NCSO, who by the Stipulation, has been assigned the task of bringing in the Nipomo Supplemental Water indicates that the cost of that water is approximately \$14,000 per DU, and in fact charges that amount for new development as noted above. In the unincorporated areas on the Mesa outside NCSO, the County charges a water fee of \$4,400 per DU which is, according to NCSO, far below the actual cost of Nipomo Supplemental Water. Moreover, the County has not provided NCSO those funds the County has collected for supplemental water, which has further delayed the implementation of the full Nipomo Supplemental Water Project.

Again, we appreciate the opportunity to comment on the Public Review Draft of the RSR and look forward to working with the County to resolve these concerns. Please feel free to contact any one of our members with any comments or questions.

Sincerely,
Northern Cities Management Area Technical Group



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