

## EXHIBIT B

**Project: Delivery of up to 6,200 acre feet of Santa Maria's supplemental water per year to Nipomo Community Services District via intertie with Santa Maria's water delivery system**

### **I. Findings of Responsible Agency Under 14 California Code of**

**Significant Environmental Impacts.** Guidelines §15096(h) requires that responsible agencies make the findings required by Section 15091 for each significant effect of the project. Based on the March 2009 Final Environmental Impact Report (State Clearinghouse No. 2005071114) (pages II-3 to II-22 and chapters V and VI) and the December 2009 Addendum (Chapters II and IV), the City of Santa Maria finds that implementation of the Project would have significant environmental effects in ten categories, as set out below.

Impact categories 1 and 2. The project would have a significant, unavoidable effect in the areas of land use and planning and population and housing within the District's jurisdiction. This effect would occur both at the project level and cumulatively (over time, as the area served by Nipomo Community Services District builds out). This effect would occur because delivery of additional water supplies would remove an environmental constraint—limited water supply—to future development.

Although the District has imposed all feasible mitigation measures within its jurisdiction on the project to address these impacts (see pages V-15, V-16 and V-22), significant and unavoidable environmental consequences would remain as a result of approving the proposed project. In part these impacts would remain because neither the District nor the City of Santa Maria has land-use approval authority in the area proposed for water delivery. Consequently, the District adopted a Statement of Overriding Considerations for the project.

**Based on the impact analysis (Chapter V in the EIR) and the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the County of San Luis Obispo and the District). The City further finds that significant, unavoidable impacts would remain after imposition of feasible mitigation as a result of carrying out the proposed project.**

Impact category 3. The project would have a significant, but mitigable, effect on water quality because Santa Maria and the District employ different water treatment methods and operations. The project would beneficially impact the District by adding groundwater supply to the Nipomo Mesa. The project would

have an insignificant impact on Santa Maria's water supply, based on the discussion at Chapter V, Section C of the EIR and Chapter IV of the Addendum.

**Based on the impact analysis (Chapter V in the EIR) and the Addendum, as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 4. The project would have a significant, but mitigable, effect on biological resources in several respects and locations. According to a Survey Report prepared by Padre Associates, the project would potentially disrupt habitat and habits of protected and non-protected animals and plants within the Santa Maria River, as well as eucalyptus trees that could serve as butterfly habitat within the area of the District. Over the long term, pipeline operation and maintenance activities would generate silt and sedimentation.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 5. The project would have a significant, but mitigable, effect on aesthetics. Construction activities would be visible in Santa Maria. Project facilities would generate light and glare. In addition, some above-ground structures such as two pumping stations may be built in the City of Santa Maria. Although these structures would be small and their visual impact slight, the District has agreed to submit these structures to consistency review before the City's planning commission in the event the project requires the structures. Performance of the consistency review agreement, together with the feasible mitigation measure in the EIR, will assure that the project results in no significant environmental effects.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City, and the Consistency Agreement approved by the District:**

**The City finds, pursuant to Guidelines §15091(a)(1), that consistency review by the planning commission will address potentially significant aesthetic effects of the project that are within its jurisdiction by virtue of the consistency agreement with the District. The City further finds, pursuant to Guidelines §15091(a)(2), that all feasible mitigation measures are within the**

**responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 6. According to a survey analysis and subsequent correspondence prepared by Gibson's Archaeological Consulting, the project would have a significant, but mitigable, effect on cultural resources because Obispeño Chumash historically occupied flat, sandy surfaces near water. In addition, the proposed pipeline route is near former routes of railroad, mail service and early automobile roads and crossings. Much of the water delivery system proposed for construction would be underground, creating the potential to discover or disrupt such cultural resources.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 7. Based upon a geological resources evaluation prepared by Science Applications International Corporation, the project would have a significant, but mitigable, impact on geology. The project would expose the bed of the Santa Maria River as well as other local drainage areas, to soil erosion, loss of topsoil, and siltation.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 8. The project would have a significant, but mitigable, impact on traffic. According to the EIR, project construction will likely result in traffic disruption on Blosser, West Taylor Street and Atlantic Place in Santa Maria. However the project would not generate long-term traffic volumes.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 9. The project would have a significant, but mitigable, impact on ambient noise levels on Blosser Road and Atlantic Place, due to construction

noise (heavy equipment and drilling) and project operations (pump stations, metering and electrical equipment, occasional vehicle trips).

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

Impact Category 10. Based on San Luis Obispo County standards, the project would have a significant, but mitigable, impact on air quality due to dust particles from grading activities. In addition, the project would have a significant long-term impact due to generation of pollutants from operation of pumps.

**Based on the impact analysis (Chapter V in the EIR), as well as the 2004 Memorandum of Understanding between the District and the City:**

**The City finds pursuant to Guidelines §15091(a)(2) that all feasible mitigation measures are within the responsibility of other agencies (the District and/or the County of San Luis Obispo).**

## **II. Findings of Responsible Agency Relating to Alternatives [Guidelines Section 15096(g)(2)].**

The California Environmental Quality Act requires a Responsible Agency to approve an alternative to a proposed project if the alternative is reasonable, will achieve most of the project's objectives, and reduce environmental damage.

**The City finds**, based on the Addendum, that the City of Santa Maria's basic objective for the project is: to deliver up to 6,200 acre feet per year of water to the District via a pipeline connection from the City of Santa Maria water distribution system across the Santa Maria River to the water distribution system within the Nipomo Community Services District.

**The City finds** that sub-objectives of the project are:

- 1) Comply with the Groundwater Adjudication Settlement and Judgment that dictates the need for active management of the Santa Maria Groundwater Basin;
- 2) Assist in stabilizing groundwater levels within the Nipomo Mesa Management Area;
- 3) Slow the depletion of above sea level groundwater storage within the Management Area, thereby reducing the potential for sea water intrusion;

4) Augment current water supplies available to the District through the purchase of supplemental water from the City of Santa Maria;

5) Increase the reliability of District water supplies by providing a greater diversity of water sources;

6) Provide a stream of revenue to the City of Santa Maria.

7) Assure that visible elements of the water delivery system in Santa Maria are aesthetically pleasing.

8) Make beneficial use of surplus water as appropriate, consistent with physical, practical and legal factors and the overall hydrological health of the region.

**The City** finds that the EIR analyzed nine alternatives to the proposed project and the Addendum further analyzed three alternatives (the "no project" alternative, the reduced water volume delivery alternative, and the alternative locations/appearance alternative).

**The City hereby rejects the "no project" and reduced volume delivery alternatives for the following reasons:**

1. They would not achieve the primary project goal of delivery of up to 6,200 acre feet of supplemental water to the District. This goal is important to the City because of the City's policy to remain fiscally responsible by means of selling the portion of its supplemental water resource that is surplus.

2. They would not coordinate with the legal and practical solution developed after years of groundwater litigation and implemented in the Santa Maria Groundwater Litigation Stipulation. This Stipulation achieves environmental, social and legal goals by providing for stabilization of the Nipomo basin on a regional basis.

3. According to the EIR and Addendum, implementation of the reduced volume delivery alternative would not result in reduced environmental damage, because the same improvements and operations would necessarily occur in order to deliver a smaller volume of water. In addition, as shown in the impact discussions of the EIR and Addendum, the City has a sufficient water supply to deliver the volume of water contemplated by the proposed project. Finally, as shown in the impact discussions of the EIR and Addendum, the Santa Maria Groundwater Litigation Stipulation and the Water Supply Agreement provide additional legal and practical protection to balance water supply in the region and thereby avoid significant adverse impacts to supply.

**The City hereby adopts the locations/appearance alternative as discussed in the Addendum.** This alternative adds an additional design step to the project by requiring that the design of any needed pump houses be submitted to the City of Santa Maria Planning Commission for consistency review.

**III. Statement of Overriding Considerations.** Section 15096(h) of the Guidelines requires a Responsible agency to make the overriding findings required by Section 15093 before approving a project, "if necessary."

The City has previously found that two significant impacts identified by the EIR – land use changes and population/housing--are unavoidable despite the imposition of all feasible mitigation. The City has also found that the jurisdiction to create those effects by approving land-use changes lies with other agencies and not the City. Consequently, **the City finds** that it has no power to prevent the environmental damage that would potentially occur as a result of delivering water to the District.

Balanced against the environmental damage associated with the project, **the City finds** that the project has the following economic, social and legal benefits:

1. The project would serve the economic goal of allowing the City to recoup money for the ratepayers through sale of supplemental water that exceeds current needs of its customers. Evidence supporting this statement may be found in the City's staff report for the project.
2. Though the project facilitates growth, it also allows implementation of the groundwater Stipulation. Implementation of the Stipulation will serve the social and environmental goal of bringing regional balance to the use of the regional basin. In addition, the City is legally required to implement the Stipulation. Support for these statements is found in Chapter V, Section C of the EIR, in the Addendum, and in the Stipulation (a true and correct copy of which is attached as a technical appendix to the Addendum).