

NIPOMO WATER SUPPLY AGREEMENT

Addendum Environmental Impact Report

Prepared for:

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I. INTRODUCTION AND PURPOSE

A. ENVIRONMENTAL PROCEDURES AND FORMAT

This Addendum to Environmental Impact Report (Addendum EIR) has been prepared to make minor technical changes and additions to the Final Environmental Impact Report certified on April 22, 2009 for the Nipomo Community Services District Waterline Intertie (FEIR). These changes and additions are designed to facilitate the City of Santa Maria's review and consideration of the FEIR as a Responsible Agency according to Section 15096 of the Guidelines to the California Environmental Quality Act, found at 14 California Code of Regulations §15000 and following.

The City's role as a responsible agency is to "consider...the EIR or Negative Declaration prepared by the Lead Agency and by reaching its own conclusions on whether and how to approve the project involved." As a Responsible Agency, the City also has the ability to respond to consultation from the Lead Agency in the EIR's preparation, provide comments on the Draft EIR, and decide upon the adequacy of the Lead Agency's EIR. The Responsible Agency is also obligated to make findings required by Section 15091 and/or 15093 of the State CEQA Guidelines.

By way of background, the City of Santa Maria has partially fulfilled its role as a Responsible Agency through involvement in responding to and consulting with the District, during the preparation of the Draft and FEIR. As a Responsible Agency, the City will make an independent determination of adequacy of the previously-certified FEIR and provide its own findings prior to acting on the proposed Water Supply Agreement.

An addendum to EIR is indicated because the Water Supply Agreement is a legal element necessary to implement the water delivery project described and already evaluated in the FEIR. This Addendum EIR has been prepared in accordance with the California Environmental Quality Act of 1970 (CEQA) as amended (Public Resources Code Section 21000, et. seq.), and specifically Guidelines Section 15164. Section 15164 states that:

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.
- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the Final EIR or adopted negative declaration.

(d) The decision making body shall consider the addendum with the Final EIR or adopted negative declaration prior to making a decision on the project.

This Addendum EIR will address comments made in correspondence received by the City of Santa Maria from the San Luis Obispo Coastkeeper (a copy of which is included in its entirety within Technical Appendix A of this document).

This Addendum EIR begins with Section I. Introduction and Purpose, which provides an introductory discussion of the purpose and scope of the document. Section II. Addendum EIR Summary summarizes the project impacts and any required mitigation measures as they pertain specifically to the City of Santa Maria. Section III, Project Description, makes clarifying changes to the project description of the FEIR. In the FEIR, the project description focused on the physical aspects of the project, including construction of a waterline intertie and associated infrastructure and delivery of water. This addendum clarifies that the project consists not only of the changes proposed to occur in the physical world (that is, construction of a waterline intertie and associated facilities capable of transporting a maximum of 6,200 acre feet of water per year), but also each of the other legal approvals necessary or advisable to bring the water transfer to fruition. Many of these approvals are already listed in the FEIR.

Concerns identified within the San Luis Obispo Coastkeeper correspondence are addressed in detail in Section IV. Environmental Analysis. The environmental factors which require clarification within this Addendum EIR relate predominantly to water supply concerns associated with the sale and delivery of supplemental water from the City of Santa Maria to the NCSO. The discussion of these concerns within Section IV clarifies that there are no additional impacts related to the entire project and the proposed Water Supply Agreement in particular that were not addressed within the Waterline Intertie Project Final Environmental Report. For these reasons and the additional reasons identified below, none of the conditions listed in Guidelines §15162, calling for a subsequent environmental document, are present. Section V. Alternatives to the Proposed Project provides a discussion of various project alternatives considered by the City.

Since all of the potential impacts of delivering up to 6,200 acre feet of water to Nipomo Community Services District were thoroughly and adequately analyzed in the FEIR and since the proposed Water Supply Agreement would merely implement the water delivery, no environmental issues remain for analysis.

Documents which have been utilized in the preparation of this Addendum EIR which are incorporated by reference into this document include the 2005 Urban Water Management Plan for the City of Santa Maria, the Water Supply Agreement between the City of Santa Maria and the NCSO and other pertinent studies and correspondence. These documents and studies are listed in Section VI. References and are included as technical appendices to this Addendum EIR.

B. CEQA TOPICS LOCATION

<u>TOPIC</u>	<u>LOCATION</u>
Environmental Procedures and Format	Section I
Addendum EIR Summary	Section II
Project Description	Section III
Impact Analysis	Section IV
Project Alternatives	Section V
References	Section VI

C. EFFECTS FOUND NOT TO BE SIGNIFICANT

Based upon the information and conclusions contained in the previously-certified FEIR, it was determined that potentially significant environmental effects will occur in conjunction with the construction and operation of the proposed Waterline Intertie in the areas of: land use and planning, population and housing, water, biological resources, aesthetics, cultural resources, geology, traffic, noise and air quality. Potential impacts were determined to be insignificant in the areas of energy and mineral resources, hazards, public services, utilities and service systems and recreation. This Addendum EIR provides clarification concerning potential water supply impacts as they relate to the City of Santa Maria as a Responsible Agency and the proposed Water Supply Agreement.

II. ADDENDUM EIR SUMMARY

The following table summarizes the nature and extent of the various impacts associated with the Waterline Intertie Project as analyzed in the NCS D Waterline Intertie Final EIR. This summary table indicates whether these impacts are: 1) significant and unavoidable adverse impacts that cannot be mitigated to a level of insignificance (or a Class I impact); 2) potentially adverse impacts that have been mitigated to an insignificant level (Class II impact); 3) an adverse impact which is found to be insignificant (Class III impact) or 4) a positive or beneficial impact (Class IV impact). Those environmental impacts which apply to the City of Santa Maria are indicated in bold. Each impact is accompanied by a cross-reference to the location in the Final EIR where these impacts and associated mitigation measures are discussed in detail.

PROJECT IMPACT SUMMARY

Project Impact	Impact Category	Impact Area	Final EIR Reference
A. Land Use and Planning	Class I	Long-term and cumulative impacts due to elimination of a constraint upon future development in areas served by additional water supplies.	V-11 to V-15
	Class III	Direct impacts on adjacent land uses due to project construction and operations.	V-10 to V-11
B. Population and Housing	Class I	Long-term and cumulative impacts due to elimination of a constraint upon future development in areas served by additional water supplies.	V-20 to V-22
	Class III	Increased housing demand associated with project construction.	V-20
C. Water	Class II	Water quality impacts due to differences in water treatment employed by the City of Santa Maria and the NCS D, underground horizontal directional drilling and equipment maintenance/refueling.	V-46 to V-48
	Class III	Impacts to groundwater supplies in the Santa Maria Groundwater Basin.	V-47 to V-48
	Class IV	Addition of groundwater supplies to the Nipomo Mesa Management Area.	V-49 to V-50
D. Biological Resources	Class II	Impacts related to nesting activities of protected migratory birds and raptors, special-status terrestrial and avian species, special-status aquatic or semi-aquatic species, sensitive habitat areas within the Santa Maria River, large eucalyptus trees located on Southland Street and Orchard Road, the generation of silt and sedimentation and long-term pipeline operations and maintenance activities.	V-74 to V-79
	Class III	Impacts upon non-listed wildlife species, the Santa Maria River wildlife migration corridor, foraging bird species and special-status plant species.	V-73 to V-74, V-76 to V-78
E. Aesthetics	Class II	Impacts associated with views of project facilities and the generation of light and glare.	V-91 to V-93
	Class III	Visual impacts associated with project construction.	V-91
F. Cultural Resources	Class II	The potential disturbance or alteration of cultural resources or the discovery of unknown cultural resources during project construction.	V-113 to V-116

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G. Geology	Class II	Erosion-induced siltation of the Santa Maria River and other local drainages.	V-123 to V-124
	Class III	Exposure of facilities to seismic ground shaking and associated ground failure, exposure of facilities to landslides, locating the project on an unstable geologic unit or unstable soils and the loss of available mineral resources.	V-122 to V-124
H. Traffic	Class II	Impacts related to the diversion of traffic, impeding access to adjacent properties and potential hazards to pedestrians or bicyclists.	V-128
	Class III	Impacts related to construction-related traffic generation and the loss of available parking.	V-127 to V-128
I. Noise	Class II	Impacts related to the short-term generation of construction noise and long-term project operations.	V-130 to V-132
J. Air Quality	Class II	Air quality impacts associated with project construction and long-term project operations.	V-137 to V-140

Class I Impact – Significant unavoidable adverse impacts that cannot be mitigated to a level of insignificance. Although mitigation measures may be proposed, these measures are not sufficient to reduce project impacts to a level of insignificance. These significant, unavoidable adverse impacts require the adoption of a Statement of Overriding Consideration by the Lead Agency if the proposed project is approved.

Class II Impact – Potentially significant adverse impacts which can be reduced to a level of insignificance or avoided entirely with the implementation of proposed mitigation measures.

Class III Impact – Adverse impacts which are found not to be significant for which mitigation measures may be applied but are not required.

Class IV Impact – Project impacts which are considered to be positive or of benefit to the site or the adjacent environment.

The City of Santa Maria, in its role of Responsible Agency “has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of the project which it decides to carry out, finance or approve (Section 15096(q) of the State CEQA Guidelines).”

Those potential impacts to the City of Santa Maria (noted in bold above) are considered either potentially adverse impact that has been mitigated to an insignificant level (Class II) or an adverse impact which is found to be insignificant. The Class III impacts do not require many mitigation measures. Mitigation measures associated with the Class II impacts which apply to the City of Santa Maria are summarized and cross-referenced to the Final EIR in the table below.

MITIGATION MEASURE SUMMARY

Project Impact	Impact Category	Impact Area	Mitigation Measures
A. Land Use and Planning	Class III	Direct impacts on adjacent land uses due to project construction and operations.	No mitigation measures required.
C. Water	Class III	Impacts to groundwater supplies in the Santa Maria Groundwater Basin.	No mitigation measures required.
D. Biological Resources	Class III	Impacts upon non-listed wildlife species, the Santa Maria River wildlife migration corridor, foraging bird species and special-status plant species.	No mitigation measures required.
E. Aesthetics	Class II	Impacts associated with views of project facilities and the generation of light and glare.	Preparation of a Landscape Screening Plan and Landscape Maintenance Plan, use of

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			compatible colors and materials and preparation of an Exterior Lighting Plan (Mitigation measures E-1 through E-4 on pages V-94 and V-95).
	Class III	Visual impacts associated with project construction.	No mitigation measures required.
F. Cultural Resources	Class II	The potential disturbance or alteration of cultural resources or the discovery of unknown cultural resources during project construction.	Conducting an archeological workshop for construction workers and halting of grading if unknown cultural resources are unearthed (Mitigation measures F-3 and F-4 on page V-117).
G. Geology	Class III	Exposure of facilities to seismic ground shaking and associated ground failure, exposure of facilities to landslides, locating the project on an unstable geologic unit or unstable soils and the loss of available mineral resources.	No mitigation measures required.
H. Traffic	Class II	Impacts related to the diversion of traffic, impeding access to adjacent properties and potential hazards to pedestrians or bicyclists.	Provision of adequate signage, barriers and, if necessary, flagmen to insure the safe diversion of traffic, bicyclists and/or pedestrians (Mitigation measure H-1 on page V-129).
	Class III	Impacts related to construction-related traffic generation and the loss of available parking.	No mitigation measures required.
I. Noise	Class II	Impacts related to the short-term generation of construction noise and long-term project operations.	Limit hours of noise-generating project activities, use of critical grade noise mufflers, muffle, shield or enclose construction equipment as necessary and locate stationary noise sources at least 300 feet from occupied residential dwellings (Mitigation measures I-1 through I-4 on pages V-132 and V-133).
J. Air Quality	Class II	Air quality impacts associated with project construction and long-term project operations.	Measures to reduce the generation of pollutants during project construction and long-term project operations (Mitigation measures J-1 through J-18 on pages V-142 to V-144)

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III. PROJECT DESCRIPTION

A. PROJECT BACKGROUND

Since 1997, the Santa Maria Groundwater Basin, including the Nipomo Mesa Groundwater Management Area, has been the subject of ongoing adjudication based upon a lawsuit initiated by the Santa Maria Valley Water Conservation District against the City of Santa Maria and other water purveyors in the groundwater basin. When the lawsuit was first initiated, the issue was whether or not the City of Santa Maria had the right to claim ownership of percolated effluent resulting from the use of imported water in the basin. Subsequently, the lawsuit was broadened to address groundwater management of the entire Santa Maria Groundwater Basin. A preliminary ruling by the Court concluded that the overall Santa Maria Groundwater Basin was not in an overdraft condition but recognized the need for active management of the existing hydrologic sub-areas.

In response to concerns regarding the availability of groundwater supplies in combination with judicial directives noted above, the City of Santa Maria entered into a Memorandum of Understanding with the Nipomo Community Services District dated September 7, 2004 for the purchase of approximately 2,500 acre-feet per year with deliveries of water to NCSO not to exceed a maximum of 250 acre-feet per month. The water would be a blend of both City groundwater and State Water Project water that is delivered to the customers of the City. According to the NCSO, this acquisition of additional water supply is intended to augment current groundwater inventories with the goals of increasing the reliability and diversity of water supplies and balancing groundwater levels in the Nipomo Mesa Management Area.

On June 30, 2005, the Court approved a Settlement Stipulation for the case which divides the Santa Maria Groundwater Basin into three separate management sub-areas; the Northern Cities Management Area, the Nipomo Mesa Management Area and the Santa Maria Valley Management Area. The Settlement Stipulation contained specific provisions with regard to groundwater rights, groundwater monitoring programs and development of plans and programs to respond to potential water shortage conditions. Within the Settlement Stipulation and subsequent Judgment, the City of Santa Maria again agreed in concept to sell supplemental water to the Nipomo Community Services District for delivery to the Nipomo Mesa Management Area. The Settlement Agreement allocates approximately 2,500 acre-feet per year between Nipomo Community Services District and other water purveyors who overlie the Nipomo Mesa Management Area (the Memorandum of Understanding, Court Stipulation and Court Judgment are included in their entirety within Technical Appendix B of this document).

Pursuant to the Memorandum of Understanding and Settlement Agreement, the Nipomo Community Services District in 2005 prepared a Feasibility Study which evaluated several alternative methods for extension of a waterline from the City of Santa Maria across the Santa Maria River to connect to existing water transmission facilities within

the NCSD. This study provided the basis for selection of three alternatives for extending a waterline from the City of Santa Maria.

In June, 2008, an Initial Study was prepared which identified the potential environmental impacts attributed to the NCSD Waterline Intertie project. A Draft EIR was prepared and circulated for public and agency review between the months of November, 2008 and January, 2009.

Upon receipt of all public and agency comments, the FEIR was prepared. Public hearings were held by the NCSD Board of Directors prior to the certification of the FEIR on April 22, 2009. The 30 day period subsequent to the submittal of the Notice of Determination to the State Office of Planning and Research lapsed with no challenges to the adequacy of the Final EIR for the Waterline Intertie Project.

This Addendum EIR is intended to make minor, technical changes and clarifications to the FEIR to facilitate the City of Santa Maria's environmental review of the proposed project as a responsible agency.

B. PROJECT OBJECTIVES

The basic objective of the proposed 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. Of this total, approximately 2,500 acre-feet per year will offset current groundwater production in order to avoid further depletion and assist in balancing of groundwater levels of the Nipomo Mesa Management Area (NMMA). An additional 500 acre-feet per year of supplemental water will be used by the NCSD to serve future customers on currently vacant land within the existing NCSD boundaries. The remaining 3,200 acre-feet per year would be utilized to serve future development within the Sphere of Influence areas adjacent to the existing NCSD boundaries. In so doing, the project will also:

- 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 (NMMA);
- 3) Slow the depletion of above sea level groundwater storage within the NMMA, thereby reducing the potential for sea water intrusion;
- 4) Augment current water supplies available to the NCSD through the purchase of supplemental water from the City of Santa Maria and

- 5) Increase the reliability of NCSD 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.

Since the Water Supply Agreement facilitates achieving the above objectives, the proposed Water Supply Agreement is part of and essential to the overall objective of water delivery from Santa Maria to the District.

C. PROJECT CHARACTERISTICS

- ***Wholesale Water Supply Agreement***

The Wholesale Water Supply Agreement (or “Agreement”) will, if approved by the City of Santa Maria, “sell and deliver to the NCSD an established quantity of Supplemental Water on a Wholesale basis” (from page 2 of the Agreement which is included in its entirety within the Technical Appendix C of this document.) Over the term of this contract (through at least June 30, 2035), the City intends to deliver between 2,000 and 3,000 acre-feet per year of supplemental water to the NCSD. The NCSD will have the ability to request delivery of an additional 3,200 acre-feet per year (page 4 of the Agreement). Within the Agreement, a purchase price, costs of delivery and a payment schedule for the purchase of the supplemental water are established (pages 5 and 6 of the Agreement). The Agreement also identifies the location of water delivery by the City near West Taylor Street and Blosser Road in Santa Maria, the required facilities to be constructed by the NCSD (see “NCSD Waterline Intertie Project” below), construction and permits costs for which the NCSD is responsible, provision for use of easements and rights-of-way and the quality of the supplemental water (pages 7 through 9 of the Agreement).

- ***NCSD Waterline Intertie***

This portion of the proposed project includes connecting to the City of Santa Maria water distribution system and construction of a waterline from Santa Maria to the Nipomo Community Services District water distribution system. The pipeline will be constructed beneath the Santa Maria River by horizontal directional drilling. A pump station(s) and water storage facilities will be constructed to boost the water pressure into the District system and provide operational or emergency water storage as necessary. Several water

transmission facilities within the NCSD will be upgraded or replaced. A final element of the proposed project involves the conversion of NCSD water supply wells from chlorination to chloramination treatment in order to provide disinfection that is compatible with the imported water supply.

The delivery of up to 6,200 acre-feet per year of water to Nipomo Community Services District via the waterline intertie involves a series of approvals and discretionary actions by the Nipomo Community Services District, as Lead Agency, and other involved agencies. Among these approvals and discretionary actions is the approval of the Water Supply Agreement with the City of Santa Maria for the sale of supplemental water to the Nipomo Community Services District pursuant to the terms of the previously-approved Memorandum of Understanding (see “Wholesale Water Supply Agreement” above). As indicated in the FEIR, approval of the Water Supply Agreement is one of several discretionary approvals required for the implementation of the Waterline Intertie Project, all of which are part of and essential to its implementation as noted on page III-31 of the Final EIR.

IV. ENVIRONMENTAL ANALYSIS

This Environmental Analysis is intended to make technical changes and additions to the FEIR in order facilitate the City of Santa Maria's review of the proposed project as a responsible agency, and to respond specifically to points raised within correspondence from the San Luis Obispo Coastkeeper (referred to herein as "Coastkeeper"), a copy of which is included in its entirety within Technical Appendix A of this document.

Coastkeeper summarizes its points as follows: 1) "The NCSO Final EIR fails to provide the City (Responsible Agency) and the public substantial evidence that the proposed delivery of water will have less than significant impact on the flows within the Santa Maria River or that such impacts have been mitigated to a level of less than significant"; and 2) "The City's agreement to sell and deliver water to NCSO defines a separate project that requires its own CEQA review." Coastkeeper also explains its points in more detail. These detailed questions are numbered in the copy of the Coastkeeper correspondence for reference within Technical Appendix A of this document and are summarized (in italics) below. Responses to the questions are provided in regular type.

1. The project considered in the NCSO EIR consists of the construction of a pipeline to convey potable water from the City's water system and connecting to the Nipomo Community Services water distribution system.

Response: This comment does not accurately describe the project reviewed by the FEIR. The proposed project actually reviewed is the delivery of up to 6,200 acre feet per year of supplemental water to the District. The proposed project description includes all of the discretionary approvals and physical impacts needed to bring the proposed project to fruition. Many of those discretionary approvals, including approval of the water supply agreement, are listed in Section III.E. of the FEIR.

2. The NCSO EIR fails to address impacts to the City Water Supply or Underflow of the Santa Maria River. The City of Santa Maria as a Responsible Agency must address direct, cumulative and secondary impacts that fall within the City's discretion.

Response: The first part of this comment is inaccurate and unsupported by evidence. Pages V-23 through V-53 of the Final EIR do, in fact, provide a detailed discussion of the potential water supply and groundwater (that is, "underflow") impacts of the proposed sale of a maximum of 6,200 acre-feet of water per year from the City of Santa Maria to the NCSO. Specifically, pages V-33 through V-39 provide a detailed and current overview of the current and future projected water supply totals available to the City of Santa Maria through the year 2030. Pages V-48 through V-49 assess the potential impacts of the proposed sale of water upon the Santa Maria Groundwater Basin. These conclusions are based upon data provided by the City of Santa Maria as well as from the City's adopted Urban Water Management Plan. The Final EIR concludes on page V-49:

“The additional demand of 3,000 acre-feet per year (Phases I and II of the proposed waterline intertie project) combined with the current total demand of 15,000 acre-feet per year results in a total demand of 18,000 acre-feet per year or a net surplus of 31,710 acre-feet per year. The additional “worst-case” demand of 6,200 acre-feet per year (completion of Phase III of the proposed project) results in a total demand of 26,700 acre-feet per year by the year 2020, 31,200 acre-feet per year by the year 2025 and 35,067 acre-feet per year by the year 2030. These future water demand levels result in a net surplus of 23,010 acre-feet per year in the year 2020, 18,510 acre-feet per year in the year 2025 and 14,643 acre-feet per year in the year 2030. With the additional water demands associated with the provision of the proposed waterline intertie project, the City of Santa Maria expects to have an available water supply in excess of projected water demands through the year 2030. The impact of the additional water demands associated with the proposed project upon the Santa Maria Groundwater Basin represents a less than significant impact.”

“However, management of the Santa Maria Valley Groundwater Basin has been evaluated and restructured by the Settlement Stipulation and Judgment with specific provisions related to groundwater rights, groundwater monitoring programs and development of plans and programs to respond to potential water shortage conditions. The City of Santa Maria recently entered an agreement, dated June 30, 2005, with other water purveyors in the Santa Maria Groundwater Basin, which stipulates that a proposed entity will monitor groundwater levels and water quality in the basin, as well as recommend groundwater management actions if needed. Therefore, groundwater extractions would be limited to maintain a safe yield. Any limits set forth by the adjudication could also limit the NCS D deliveries. The City would not be able to provide water to the Nipomo area in excess of limitations of the adjudication. This would act to further protect the Santa Maria Valley Groundwater Basin, resulting in a less than significant impact.”

With these conclusions, no mitigation measures are required to address or otherwise reduce these less than significant impacts.

The above information was provided by the City of Santa Maria Utilities Department and is based upon data contained within the currently adopted 2005 Urban Water Management Plan for the City of Santa Maria. This Plan analyzes in detail the City’s water service area, its available water supply and water use, demand management strategies, water service reliability, etc. It was adopted without protest by the City of Santa Maria in 2007.

In addition to the analyses contained within the Final EIR for the NCS D Waterline Intertie Project, subsequent information has been received which underscores and reinforces the conclusions noted above.

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On December 1, 2009, the City of Santa Maria received correspondence from Dr. Bradley E. Newton, a professional geologist (California License # 8184) who is a Senior Program Manager at the firm of Science Applications International Corporation (SAIC). Dr. Newton possesses over 20 years experience in private consulting including the analysis of groundwater basins within San Luis Obispo and Santa Barbara Counties with expertise in vadose zone and watershed hydrology and hydrologic monitoring design and implementation. This experience and expertise qualify Dr. Newton as an expert to offer opinions on the potential water quantity and quality impacts of the proposed project.

Under Dr. Newton's supervision, SAIC has conducted extensive technical evaluations of the condition of groundwater within the Santa Maria Groundwater Basin and has been a participant to the preparation of the 1st Annual Report – Calendar Year 2008 on behalf of the Nipomo Mesa Management Area, pursuant to the judgment after the Santa Maria Groundwater Litigation.

Within his correspondence, a copy of which is included in its entirety within Technical Appendix D of this document, Dr. Newton has stated:

“In my opinion, the current circumstance of the groundwater contours suggests that groundwater flows from the south to the north; originating in the Santa Maria Valley Management Area and flowing to the Nipomo Mesa Management Area. Producing groundwater from the area of the City of Santa Maria and conveying this water through the waterline intertie pipeline for delivery on the Nipomo Mesa: 1) does not change the water balance of the Santa Maria Groundwater Basin; 2) mitigates the circumstance of localized groundwater depression existing on the Nipomo Mesa; and 3) provides an opportunity to mitigate the northerly flow of groundwater.”

Information within the Final EIR that supports these statements is found on pages V-23 through V-53 of that document.

The second part of the Coastkeeper's comment is legal commentary, not evidence. It is noted, however, that the City of Santa Maria's findings and evidentiary support for them are located in one or more attachments to the resolution the City Council would adopt before acting on its portion of the proposed project.

3. The City of Santa Maria must consider potential water quality and quantity impacts to the waters supporting the beneficial uses of the Santa Maria River. Mitigation measures in the NCSD EIR only address issues related to pipeline construction and maintenance and do not assure that cumulative impacts to water resources will be avoided or reduced to an insignificant level.

Response: Coastkeeper's comment is inaccurate. Pages V-23 through V-53 of the Final EIR provide a detailed discussion of potential water quality and quantity impacts of the

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proposed project. All potential water quality impacts and their related mitigation measures result from project construction activities. Mitigation measures are provided which assure that any potentially significant water quality impacts, particularly upon the Santa Maria River, are reduced to a level of insignificance (see Mitigation Measures C-2 through C-5 on pages V-51 and V-52 of the Final EIR). These mitigation measures apply to construction activities which will occur on both sides of and within the Santa Maria River channel and involve standard construction practices that have been successfully implemented on similar projects throughout the area. The Final EIR on page V-50 also provides a discussion of potential cumulative impacts related to both water supply and water quality. This analysis concludes that cumulative or regional water quality and cumulative water supply impacts within the Santa Maria Groundwater Basin are less than significant. It further notes that replenishment of the groundwater supplies within the Nipomo Mesa Management Area represents a beneficial cumulative impact

4. Why is the City of Santa Maria involved with discussions with the County of Santa Barbara, Central Coast Water Authority and other local agencies in an attempt to acquire more high quality State Water?

Response: This comment does not raise any issue and does not provide any evidence concerning environmental impact. Instead, it asks a policy question about the City's role as a water purveyor. As a water purveyor, the City of Santa Maria is constantly pursuing the availability of additional water supply sources. This pursuit of additional water supplies is a common practice of most water districts throughout the State. This search for additional water supplies, regardless of the current availability of water, is a wise and viable long-term water management practice.

5. The California Department of Fish and Game is conducting an Instream Flow Analysis on the Santa Maria River. The results of this analysis will provide significant data which may be used by the City on flow recommendations on the River and sustainable water withdrawal rates. The City must analyze the cumulative effects of the proposed project on Santa Maria River flow rates as the project will likely have a serious and significant adverse effect on Santa Maria River resources.

Response: Coastkeeper's comment is inaccurate and unsupported by evidence. The California Department of Fish and Game's Instream Flow Analysis is part of the larger U.S. Fish and Wildlife Service's Southern California Steelhead Recovery Plan. The Santa Maria River is included within this Plan which focuses on the nature and extent of surface flows in the River in order to maximize species recovery. This comment implies that the City is or may in the future divert flows from the Santa Maria River in order to augment their water supplies. The City of Santa Maria does not divert surface flows from the river as a water supply source. The City's water supply sources include groundwater pumping in combination with State Water Project water and groundwater recharge from Twitchell Reservoir. By law, the City has the right to pump underlying groundwater in accordance with the Court adjudication and recent monitoring agreements. The City's groundwater pumping, a portion of which is proposed to be sold to the NCSA, has not

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been demonstrated to affect surface water levels within the Santa Maria River. No link has been established between the City's groundwater pumping activities and the amount of water flowing in the River. Given the current level of knowledge, groundwater recharge from the Santa Maria River into the groundwater basin would continue to occur at its current rates regardless of groundwater levels. As such, groundwater pumping by the City of Santa Maria has little impact upon and relevance to surface flows in the Santa Maria River.

6. The City's agreement to sell and deliver water to the NCS D involves activities that will cause reasonably foreseeable changes in the environment and is subject to review under CEQA.

Response: Coastkeeper's comment is misleading. Approval of the proposed Water Supply Agreement requires discretionary acts from both the District and the City. These discretionary acts are the legal implementation portions of the larger proposed project (delivery of up to 6,200 acre feet of supplemental water to the District) that was thoroughly studied and analyzed by the FEIR (see Section III.E., page III-31, Item #4..) As discussed above, Coastkeeper does not raise and Santa Maria's implementation of the Water Supply Agreement does not itself generate any additional potentially significant impacts that were not already addressed in the FEIR. Therefore, no additional review under the California Environmental Quality Act is required.

It should also be noted that the District has already approved the same Water Supply Agreement now before the City. Coastkeeper did not participate in the District's review of the FEIR, did not assert that the agreement had environmental consequences and is now legally prevented from doing so.

Coastkeeper wrote a second letter to Mayor Larry Lavagnino on December 11, 2009. The City responds to this letter in the following paragraphs.

7. Coastkeeper states that it regularly comments on environmental issues including those impacting the Santa Maria River and the District's supplemental water development efforts.

Response: The comment is noted; it is also noted that Coastkeeper did not participate in the District's environmental review process culminating in the certified FEIR.

8. Coastkeeper states legal cases have "clearly established" that a "separate environmental determination" must precede approval of an agreement for sale and delivery of water.

Response: The cases Coastkeeper cites actually say:

a. A responsible agency must wait until a legally adequate environmental document is

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prepared, and then must consider that environmental document, before entering into a contract to truck recycled water to a landfill. [Riverwatch v. Olivenhain Municipal Water District, 170 Cal.App.4th 1186 (4th Dist. 2009).]

b. A lead agency may not make an agreement with a corporation to build low-income senior housing in a specified location, announce that it intends to proceed, prepare to relocate tenants, make a substantial financial contribution to the project, and enter into a draft agreement to convey property provided the developer satisfied environmental requirements—all before preparing an environmental document. [Save Tara v. City of West Hollywood, 45 Cal.4th 116 (2008).]

The FEIR properly studied the whole project, including the proposed water supply agreement. The City will consider the FEIR, this addendum, and all other appropriate evidence in making findings before acting on the water supply agreement.

9. Coastkeeper identifies a “concern that the City has committed itself” to the project and precluded consideration of mitigation measures or alternatives “beneficial to the public trust resources.”

Response: In 2004, the City and the District committed themselves to negotiate toward agreement concerning water sales. A prominent part of that agreement was to assign to the District lead agency status to prepare environmental documentation. All environmental review will be completed before the City acts on the Water Supply Agreement.

Coastkeeper’s concern regarding “public trust resources” is noted; it is also noted that the term does not occur in any of the legal cases Coastkeeper lists in its December 11, 2009 correspondence.

V. ALTERNATIVES TO THE PROPOSED PROJECT

In accordance with Section 15096 of the State CEQA Guidelines, the City of Santa Maria in its role as Responsible Agency (and as the water purveyor) must consider the environmental effects of a project prior to its reaching a decision on the project. Within this consideration, the City is obligated to evaluate any project alternatives which may reduce or eliminate any potentially significant adverse impacts. Although there are no significant adverse (Class I) impacts resulting from the NCS D Waterline Intertie Project which will affect the City of Santa Maria (see Section II. Addendum EIR Summary), the City of Santa Maria considered several potentially feasible project alternatives including the No Project Alternative, Reduced Water (or Pipeline Capacity) Alternative, Alternative Pipeline Crossing Locations and Alternative Water Sources.

These alternatives were described and evaluated in detail within Section VII. Alternatives to the Proposed Project on pages VII-1 through VII-35 of the NCS D Waterline Intertie Final EIR. None of the project alternatives considered therein were determined to be “environmentally superior” to the proposed project with the exception of the “no project alternative.” The latter alternative was rejected due to its inability to meet any of the previously-identified project objectives (see Section III.B. Project Objectives).

VI. REFERENCES

Correspondence from Dr. Bradley E. Newton, Ph.D., P.G. December 1, 2009.

Correspondence from San Luis Obispo Coastkeeper, November 30, 2009.

Final Court Decision, Santa Maria Groundwater Litigation; Superior Court of California, County of Santa Clara; January 25, 2008.

Final Environmental Impact Report for the NCSO Waterline Intertie, State Clearinghouse No. 2005071114; Douglas Wood & Associates, Inc., March, 2009.

2005 Urban Water Management Plan Update, City of Santa Maria; April, 2007.

Urban Water Management Plan, 2005 Update for the Nipomo Community Services District; Science Applications International Corporation (SAIC); adopted January 25, 2006.

Wholesale Water Supply Agreement between the City of Santa Maria and the Nipomo Community Services District.