



Santa Maria approves Nipomo water sale

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A wholesale water-supply deal with the Nipomo Community Services District has been unanimously approved by the Santa Maria City Council.

Tuesday's approval formalizes the terms and conditions by which the city will sell a portion of its State Water Project allocation to the Nipomo district.

City Council action also adopted the environmental impact report (EIR) for construction of a water pipeline to Nipomo.

The district needs a supplemental water supply to offset Santa Maria Valley groundwater basin overdraft in the Nipomo Mesa Management Area.

For the city to deliver water to the NCS D, construction is necessary to connect the two water systems. The Nipomo Waterline Intertie Project is meant to build water lines, pump stations and other infrastructure needed to deliver the water.

NCS D is on the hook to pay for the design, construction and financing of the project. Depending on when the agency secures funding, the system could be completed by January 2012.

The matter had been postponed twice to give city staff more time to respond to a letter from San Luis Obispo Coastkeeper, an environmental watchdog group, on environmental-review issues and concerns about a proposed pump house on Blosser Road in a future phase of the project.

In response, city staff addressed the Coastkeeper comments in an addendum to the EIR.

Utilities Director Rick Sweet said the city received another letter from Coastkeeper late Monday evening.

Gordon Hensley of San Luis Obispo Coastkeeper told the council his concern is public trust of resources.

While supportive of the water project, Hensley said the EIR process and its documents are an issue.

Hensley suggested the city do its own study on saltwater intrusion risks into the groundwater basin.

The state Department of Fish and Game has yet to begin or secure funding for a saltwater seepage study, Sweet said.

Hensley said the water deal is "more about balancing the books" than balancing water in the groundwater basin.

Mayor Larry Lavagnino said protection of resources in the Santa Maria Valley is the number one priority, not money.

"There's nothing sinister here," he said.

Councilwoman Alice Patino echoed Lavagnino's comments, saying her concern is the quality and quantity of water in the Santa Maria Valley groundwater basin.

Michael LeBrun, interim NCS D general manager, Jim Harrison, NCS D board president, and an NCS D engineer attended the meeting. LeBrun told the council the district is committed to the project.

Santa Maria is the "responsible agency" for the project because it is delivering supplemental water to NCS D and a portion of the infrastructure will be built in the city.

In public comment, Joan Leon of the Santa Maria Community Coalition said city water quality may suffer under the Nipomo deal during years when the State Water Project cannot deliver high-quality water, because the city will have to rely on mineral-filled ground water.

Water deliveries over 2,500 acre-feet to Nipomo should not be used to facilitate that city's growth, she said.

Also in public comment, Joann Marmolejo, president of the Santa Barbara County Action Network (SBCAN) board of directors, said another EIR for the project was needed.

Revenues from the sales will be used for public services, a legal requirement, said Councilwoman Hilda Zacarias.

Once the connection system is in place, Santa Maria will deliver a minimum of 2,000 acre-feet of water per year to NCSD for the first 10 years of the agreement. One acre-foot is equal to 326,000 gallons.

For the next 10 years, delivery will increase to 2,500 acre-feet annually. The amount will grow to 3,000 acre-feet annually after

20 years.

Under the NCSD proposal, the two water systems will connect near West Taylor Street and North Blosser Road. A pipeline extension would run north on Blosser Road to the Santa Maria River levee, under the levee and riverbed, and eventually to Nipomo.

The city's rate for supplemental water sales is \$1,063.37 per acre foot or \$2,441 per hundred cubic feet, according staff members.

The rate is scheduled to increase by 5 percent July 1, 2010, and by another 5 percent July 1, 2011, to keep up with inflation in the operation of the water system, retire bond debt and implement capital improvement projects.

NCSD approved the wholesale water supply deal in October 2009.

Santa Maria's total water supply is 49,910 acre-feet in normal and dry water years, according to the agenda staff report.

The city is under contract for 17,820 acre-feet of water of State Water. The city delivers 14,700 acre-feet a year.

In addition, the city mixes its State Water with local groundwater, so it has a backup source in times of low state deliveries.